



Six years in:

The two-child limit is pushing 1.1 million children deeper into poverty

April 2023

This briefing marks the sixth anniversary of the two-child limit, outlining how the policy has affected children over the last six years.

Key points

- On 6 April 2017, the two-child limit policy came into force. It meant that any parents having a third or subsequent child after that date would not qualify for additional support through child tax credit or universal credit.
- By 6 April 2023, CPAG estimates that the policy will affect 1.5 million children including 1.1 million children growing up in poverty.¹ Their **families are missing out on up to £3,235 a year**. As the policy continues to roll-out, more and more children will be affected.
- The policy **is pushing families into deep poverty**. Despite their best efforts, parents are unable to shield their children from the impact of the policy, and this has become even more challenging during the cost-of-living crisis. The impact of growing up in poverty can be lifelong.
- **Abolishing the two-child limit is the most cost-effective way of reducing child poverty** – it would lift 250,000 children out of poverty, and a further 850,000 children would be in less deep poverty at a cost of just £1.3 billion.²

The two-child limit stops families getting the financial support they need

Under the two-child limit, parents are not entitled to any extra support through universal credit or child tax credit to help with raising a third or subsequent child born after 6 April 2017. This means they lose out on up to £3,235 a year, putting families' budgets under enormous strain.

Six years after the introduction of the two-child limit, an estimated 1.5 million children will be affected by it this year.³ Unless it is abolished, the number of children affected will reach 3 million, as more children are born under the policy.⁴

¹ Child Poverty Action Group, [Budget submission 2023](#), 2023

² See note 1.

³ See note 1.

⁴ Child Poverty Action Group, the Church of England, Women's Aid, Turn2Us and the Refugee Council, [All kids count: the impact of the two-child limit after two years](#), 2019

The policy doesn't achieve its aims, it only increases hardship

The government's stated rationale for the policy is that families receiving benefits should face the same financial choices about having children as families supporting themselves solely through work.⁵ This wrongly assumes that all children affected by the policy are the result of family planning and born while their parents are receiving benefits. Even if this premise were correct, it does not justify government policy that exposes children to a greater risk of poverty. Research has shown that the policy has no impact on fertility rates,⁶ it simply takes money away from families in their time of need.

Most families affected by the policy (58 per cent) are already working.⁷ The two-child limit creates a huge hole in their budgets that simply can't be plugged by working additional hours.

Through surveys and interviews, families have told us how the two-child limit impacts their day-to-day lives.

I have to make sure that I cater well for bills and rent and food and sometimes it's not enough, it's a constant struggle even though I work full time.

I work full time, my wife cares for our children and my elderly mother. We are doing everything right and yet we can't afford the basics. Even an extra £20 extra a week would allow us to buy vegetables and fruit for the kids. It's as if the government no longer cares for its people.

The policy harms children materially and emotionally

We hear from parents who try their best to shield their children from the impact of the policy, but not having enough to make ends meet affects everyone in the family. Children are often keenly aware of the hardship their family faces, sometimes trying to protect their parents from the consequences of poverty.

Sometimes food is lacking because I have to choose between [buying] nappies and wipes and food. Sometimes I can't take the kids to school because of lack of money for transportation.

My children have been affected socially and emotionally [and] have to give up their sports and extra educational programs. They lost close friends, confidence.

For the last two months [my one-year-old daughter] has been wearing shoes that are two sizes too small, but I couldn't do anything about it.

The impact has been compounded by the cost-of-living crisis

The impact on families' budgets has been compounded by the cost-of-living crisis. While the government has provided support to low-income families with rising costs through one-off payments, these don't reflect household size meaning larger families have to make the same flat-rate payment go even further.

⁵ HM Treasury, [Summer Budget 2015](#), HC 264

⁶ M Reader, J Portes and R Patrick, [Does cutting child benefits reduce fertility in larger families? Evidence from the UK's two-child limit](#), Benefit Changes and Larger Families Study, 2022

⁷ DWP and HM Revenue and Customs, [Universal Credit and Child Tax Credit claimants: statistics related to the policy to provide support for a maximum of 2 children, April 2022](#), 2022

Even though benefits will increase in line with inflation this month, the continued application of the two-child limit means that affected families will still fall short of what they need. The cost-of-living crisis is putting them in an impossible situation.

We wear extra layers of clothes as I cannot afford to put the heating on. We shower on a Wednesday and Saturday to reduce energy bills but we shouldn't have to live like this.

Since the cost of stuff has started to rise it's put me in severe financial difficulties. My budget was very tight before but I could just about make it work. I am now in debt and don't eat most days and we are still struggling. I feel like a failure.

Since the cost-of-living crisis, I have to choose between food or heating and electricity. I struggle to keep up with the growth of the kids' shoes and clothes every time they go up a size. I can barely afford to buy them simple stuff like books.

Putting things right

Our social security system should support families and give all children the best start in life, regardless of how many siblings they have. Instead, we have a system that is driving children into deep poverty as a direct result of government policy.

The most cost-effective way to reduce child poverty would be to scrap the two-child limit. In 2023/24 an estimated 1.5 million children will be hit by the policy, the vast majority of whom live in poverty. Scrapping the two-child limit would lift 250,000 children out of poverty and mean 850,000 children are in less deep poverty, at a cost of only £1.3 billion.⁸

The government must remove the two-child limit to allow all children to thrive and restore the link between need and entitlement in social security.

⁸ See note 1.

About this briefing

The testimonials in this report are from parents affected by the two-child limit. Some are from participants in the Benefit Changes and Larger Families research study (details below), others are from an online survey. Users of the Entitledto benefits calculator who are likely to be subject to the two-child limit are invited to participate. The survey has been running for four years and, by March 2023, the survey had received over 3,000 responses.

The Church of England's Mission and Public Affairs Council is the body responsible for overseeing research and commenting on social and political issues on behalf of the Church. The Council comprises a representative group of bishops, clergy and lay people with interest and expertise in the relevant areas, and reports to the General Synod through the Archbishops' Council. [churchofengland.org](https://www.churchofengland.org)

The Benefit Changes and Larger Families study is a major Nuffield Foundation-funded research programme investigating the impact of the two-child limit and benefit cap on families with three or more children. It is a collaboration between the universities of York and Oxford, the London School of Economics, and Child Poverty Action Group. [largerfamilies.study](https://www.largerfamilies.study)

Child Poverty Action Group (CPAG) works on behalf of the more than one in four children in the UK growing up in poverty. It doesn't have to be like this. We use our understanding of what causes poverty and the impact it has on children's lives to campaign for policies that will prevent and solve poverty – for good. Registered charity numbers: 294841 and SC039339. [cpag.org.uk](https://www.cpag.org.uk)

The End Child Poverty Coalition is made up of over 90 organisations including child welfare groups, social justice groups, faith groups, trade unions and others. Together we ask that this and future governments, commit to end child poverty. Our members are united in calling for an end to the two-child limit to benefit payments. [endchildpoverty.org.uk](https://www.endchildpoverty.org.uk)