

Things will only get worse

Why the two-child limit must go

July 2024

'My number one reason for doing anything is my children, yet when I watch them queuing in a foodbank with me because I physically can't provide for them, I feel horrific, it makes you feel like an absolute failure.'

Parent in a family affected by the two-child limit.



Benefit changes
& larger families



Key points

- The two-child limit restricts support through universal credit (UC) or child tax credit to the first two children in a family, for children born after 6 April 2017. Parents having a third or subsequent child after that date are not eligible for support for that child.
- Seven years after the introduction of the two-child limit, there are almost 1.6 million children in 440,000 families affected by the policy. These families are missing out on up to £3,455 a year per child.
- The majority of families affected by the policy are living in poverty,¹ despite 59 per cent of these families having one or both parents in paid work.²
- Affected families report not being able to provide for children's basic needs, including food, clothing and heating. The policy also means families struggle to pay for housing and childcare.
- The policy affects every area of children's lives. Parents report that children's education, mental health, and learning and development are all negatively affected by the two-child limit. Children are also missing out on the 'everyday' experiences of childhood such as days out with their family, being able to go on holiday, or having the occasional treat such as an ice cream.
- Abolishing the two-child limit is the most cost-effective way to reduce child poverty, and the most urgent action the government must take to reduce child poverty. It would lift 300,000 children out of poverty and mean 700,000 children are in less deep poverty, making a significant difference to the lives of over a million children at a cost of £1.7 billion.³
- The two-child limit will continue to drive up poverty as more children are born. Child poverty is already at a record high, with 4.3 million children in poverty in the UK today.⁴ This means in an average classroom of 30, nine children are living in poverty.

Introduction

'[The two-child limit has] severely inhibited the children's ability to experience a full life as [we're] economically restricted. Shoes with holes, clothes too small. Hungry at times.'

Parent in a family affected by the two-child limit.

1. 1.6 million children are now affected by the two-child limit: one in nine children. The policy restricts the financial support that parents can get through universal credit (UC) or child tax credit to the first two children in a family. Affected households are not entitled to extra support worth up to £3,455 a year for their third or subsequent child born after 6 April 2017. Unsurprisingly, the policy pushes families into poverty. Families affected by the two-child limit are already at increased risk of living in very deep poverty,⁵ and the policy has been identified as the key driver of increasing child poverty rates in the UK today.
2. The policy is highly unusual in the history of financial support for families in the UK, as it creates a deliberate gap between a family's needs and their entitlement to support. It is also unusual internationally: very few countries in Europe place a cap on benefits like this, and none have a cap at two children.

¹ The results presented here are based on UKMOD version B1.12. UKMOD is maintained, developed and managed by the Centre for Microsimulation and Policy Analysis (CeMPA) at the University of Essex. The results and their interpretation are the author's sole responsibility.

² Department for Work and Pensions (DWP) and HMRC, *Universal Credit and Child Tax Credit claimants: statistics related to the policy to provide support for a maximum of 2 children, April 2024, 2024*

³ See note 1.

⁴ DWP, [Households Below Average Income: an analysis of the UK income distribution: FYE 1995 to FYE 2023](#), 2024

⁵ Joseph Rowntree Foundation, [Destitution in the UK](#), 2023

3. The evidence presented in this report is collected from 560 parents affected by the two-child limit who responded to a rolling online survey in the year to April 2024, and 21 interviews with respondents. It demonstrates the wide-ranging adverse impacts of the two-child limit on children, parents and carers, and on family life. The survey has received more than 4,000 responses since launching in 2018. This evidence builds on other research, most notably the Benefit Changes and Larger Families academic research study, which found that both the two-child limit and benefit cap are harmful to children and families and must be urgently abolished.⁶

The two-child limit leaves families without the income to meet children's basic needs such as for food, clothing and heating

Parents we spoke to reported that they were unable to pay for basic living costs and frequently struggled to provide everyday essentials including food, clothing, energy and travel costs. Almost everyone, 93 per cent, who responded to our survey in the last financial year (2023/24) reported that the policy has affected their ability to pay for food; 86 per cent reported that the policy has affected their ability to pay for clothing; and 82 per cent reported that the policy has affected their ability to pay for gas or electricity.

'I am having to ration food in the house to afford baby milk. My bills have gone up and I cannot always afford to pay them on time, so I am having to ask family to help.'

Couple with three children, working household (at least one parent in full-time work)⁷

'I work full time and have recently had a third child. The two-child limit has meant I now struggle to afford the extra money needed for bills such as food, gas and electricity. This has left me relying on the food bank to deliver food for myself and my older children.'

Single parent with three children, in full-time work

'[The two-child limit has] severely inhibited the children's ability to experience a full life as [we're] economically restricted. Shoes with holes, clothes too small. Hungry at times.'

Couple with four children, working household (at least one parent in part-time work)

'As a family we have started to rely on food banks. Winter months are horrendous as we can't afford a big gas bill so we have to bundle the children with extra blankets. We have just moved to a property with no carpet and there is no possible way of affording any carpet. We're limited to two loads of washing a week as we just can't afford to top up our electric meter. The adults of the house will have to skip meals so the children have full stomachs. My mental health has deteriorated greatly due to the guilt of not being able to afford any treats for the family. My oldest is 11 and I've never been able to afford a little holiday based in the UK. My partner is hardly at home because he works so hard to keep us afloat so he is missing so much of his children's upbringing.'

Couple with three children, working household (at least one parent in full-time work)

⁶ Benefit Changes and Larger Families Study, [Needs and entitlements: Welfare reform and larger families](#), 2023

⁷ See the last section of the report for more information about the employment status of the people whose experiences are shared here.

'It's a case of robbing Peter to pay Paul and then paying Peter next but not Paul... I've fallen behind [on] my council tax and water bill as in my eyes these bills are not a priority over feeding us. My energy costs bill is £45 per week, so I'm sorry but my water bill has to wait as we need electric and heating for the children. I've a horrific credit (score) as there is never going to be enough money to pay for all the bills. We have to use food banks to feed us. I sometimes skip meals to give food to my children.'

Couple with four children, both parents in work (one full time, one part time)

The two-child limit undermines families' ability to pay their housing costs

Parents have told us that, despite their best efforts, they are unable to stretch their budgets to make ends meet and cover all basic living costs, including housing costs. This was true for almost half of the respondents to our survey, which recorded a 6-percentage point increase in the proportion of parents who reported that the two-child limit affected their ability to pay their rent or mortgage, a rise from 39 per cent in 2022/23 to 45 per cent in 2023/24. Affected families were unable to provide adequate housing for their children or were at risk of losing their homes. Many felt trapped in these precarious circumstances and couldn't see a feasible way out.

'My husband left so I'm with my children alone. The council found me a house, but the only problem is the house is £1,916 per month and I'm having a lot of difficulty paying the rent. The housing association wants to put me out on the street with my four children. I don't know what to do.'

Single parent with four children, in part-time work

'We live in a two-bed flat with three children... I have to cycle to work as travel costs would push us into deficit. £50 a week extra would make a large difference to our finances. We are not able to save enough to move house. The £6,000 limit on savings for UC is less than a deposit and first month's rent on most properties, so we can't save it without losing eligibility.'

Couple with three children, working household (at least one parent in full-time work)

'I can't give my children the basic needs they need... I am going to lose my home because I won't be able to afford my mortgage. We then will have to move to a rented property which is more expensive, and won't be able to pay.'

Couple with three children, working household (at least one parent in full-time work)

'I used to work but was made redundant. I never thought I'd be in this situation. We are living by one month payment to the next. Our rent has increased by £150 which is a struggle, we're in a two-bed property that is too small for the family of five, so my four children share a room. We've been on a housing waiting list for a bigger property for five years now but even if we get it, I won't be able to afford it.'

Single parent with four children, not in work

The two-child limit hinders families' ability to pay for childcare costs, preventing them from working more

Families affected by the two-child limit can access support with childcare costs but it is often insufficient. And the cumulative loss of income caused by the two-child limit means that many households can't pay for the childcare they need in order to be able to work, or work more. The proportion of respondents to our online survey who reported that the two-child limit has affected their ability to pay for childcare has risen from 32 per cent in 2022-

23 to 39 per cent in 2023-2024, with many families telling us that they are unable to afford childcare costs or that they have gone into debt to fund it.

'Can't afford childcare for youngest. Went into debt paying for childcare for other children.'

Couple with three children, working household (at least one parent is in full-time work)

'After childcare costs [for two children], I'm actually worse off in work. The more hours I take on, the more money is taken off from me [by the UC taper rate]. Then you're worrying about money all the time and it's affecting your mental health. You think, how will I pay for uniform, food, rent and it's just never enough. Having money for the extra two kids would just take off so much pressure, it would make a massive difference.'

Single parent with four children, in part-time work

'It's just unfeasible, the support for the children and childcare support is just not feasible to make things work. Even with UC covering up to 85 per cent [of the] costs of childcare, we can't afford the remaining amount as we just don't have that money and a lot of it is due to the two-child limit. We just can't afford anything now. We live pay check to pay check and usually have at least a week without any money whatsoever, despite budgeting as much as we can.'

Couple with four children, one parent in full-time work

'It means there's no point in me looking for work until my youngest gets her free childcare place as there's no way I can afford the childcare without help. We're on own-branded food and still can't afford to go for a day out. Fuel in the car is so expensive.'

Couple with three children, working household (at least one parent in full-time work)

The two-child limit pushes vulnerable families into deep poverty, including families where somebody has a disability and single-parent families

Unsurprisingly, the two-child limit disproportionately affects poorer households, with 76 per cent of households affected by the two-child limit in the poorest 30 per cent of working-age households.⁸ Many of these families are at greater risk of poverty because of factors such as someone in the household living with a disability or being a single-parent household.

There are strong links between disability and increased poverty rates,⁹ and 34 per cent of children from households where someone has a disability live in poverty.¹⁰ Furthermore, 20 per cent of all households impacted by the two-child limit are families with at least one disabled child.¹¹

Households where someone has a disability tend to have limitations on their ability to carry out paid work. It has been shown that, on average, disabled people have lower incomes than non-disabled people and they often incur

⁸ Institute for Fiscal Studies, [The two-child limit: poverty, incentives and cost](#), 2024

⁹ See note 5.

¹⁰ See note 4.

¹¹ Data obtained by Freedom of Information requests by the End Child Poverty coalition, see End Child Poverty, [Shocking new data shows that single parents and families with disabled children are impacted by 2-child limit](#), 2024

additional costs related to their disability.¹² Typically, households with disabled people spend a greater share of their income on energy and food.¹³ For these reasons, these households are particularly vulnerable to being pushed into deep poverty as a result of the two-child limit.

'My oldest and youngest are disabled and so am I. Our youngest was turned down for DLA [disability living allowance] but we still use more electric, gas, petrol going to and from hospital and therapy appointments... We are still using nappies for the youngest as she has a development delay, and DryNites for the oldest as he's night time incontinent which means our shopping bill is double due to the need of having to constantly buy new bedding, clothing and incontinence pads etc. Our youngest was a surprise baby and not planned, but our bills have gone up and our income [has] gone down so we struggle.'

Couple with three children, one parent in part-time work

'I work part time but also care for my partner and my mum so can't work extra hours to earn any more income. The money I claim for carer's allowance is deducted from my means-tested benefits and we have extremely high rent, and obviously have to budget around four kids with only money for two. It is really hard, our youngest has a cow's milk allergy and eczema and we have to constantly buy new clothes and bedding because of the creams and ointments we have to use for him. Extra support for our two youngest children would be a massive help.'

Couple with four children, one parent in part-time work

'I can't work as I am disabled. My children's father died suddenly so I had to claim benefits for my three children... I don't get any benefits for my youngest child and it is so hard to budget as little ones grow so quickly and do cost money. Money is tight.'

Single parent with four children, not in work

'I have health issues and [am] unable to work due to being a full-time carer to my second child. I struggle to be able to afford things for my children and have gone without food and products for myself plenty of times in the past five years, since conceiving my third child... I was having to borrow money constantly to provide the basic essentials to feed her [formula].'

Single parent with four children, not in work

'This [the-two-child limit] has led to economic difficulties that prevent us from providing a more comfortable and stable life for our children. One of my children has a disability that further complicates our economic and emotional situation. This situation has led us to face additional challenges, both in terms of specialised medical care and the need for additional adaptations and support. It is important to highlight that raising a child with a disability requires a significant investment of time, energy and resources. These families face additional medical and therapeutic expenses, as well as the need to adapt their environment to meet the specific needs of their children. It is crucial for the government to recognise the importance of supporting all families, especially those facing additional challenges due to a child's disability.'

Couple with four children, working household (at least one parent in full-time work)

¹² House of Lords Library, [Cost of living: Impact of rising costs on disabled people](#), 2022

¹³ See note 12.

Single-parent households are another group hit hard by the two-child limit: 25 per cent of all families affected by the policy are single parents with a child under three years old.¹⁴ These parents are not required to look for work in order to claim UC, as there is a recognition that they have a young child at home. However, many choose to do so to try to increase their income, yet still find themselves struggling.

'I have [a] 13-year-old, two-year-old and one-year-old; I work, I'm not abusing my rights, I just need as much help as possible as childcare is more than my wages and at this point, I'm better off not working. But I want to show my children [that] you need to work hard... I did not plan on being an only parent.'

Single parent with three children, in part-time work

'I'm over £1,000 in arrears on my gas and electricity... What I find most frustrating is that even if I found an extra source of income, it would reduce my universal credit so unless I could quadruple my wage, I'm stuck and can't make any more for my family. I've always worked, so I'm not asking for handouts. I think it's an unfair policy... in essence it [the two-child limit] just punishes the children of hard working, often single-parent families.'

Single parent with three children, in part-time work

The two-child limit negatively affects children's learning, development and education

The impact of the policy goes far beyond parents' inability to cover basic costs such as food, clothing or utility bills, or pay for housing or childcare. Affected children miss out on education and opportunities to reach their full potential, both in and outside of school. Parents reported that while they are struggling to put food on the table, any extra costs are unaffordable. This means children can't participate in school activities that involve a financial contribution. They miss out on educational trips or dress down / activity days, are unable to participate in projects and activities that require particular equipment such as sports gear, and can't try new things or develop skills and interests through extra-curricular clubs outside of school. These opportunities will be lost forever. Missing out harms children's educational outcomes, their health, and their social and emotional wellbeing in childhood and beyond.¹⁵

'One of my children was on a pathway to play [for the] under-14s England netball team but had to stop, I just couldn't pay monthly fees and take them to training and games. My son chose PE for one of his GCSEs but had to change, he needed to do an extra PE club outside of school, and we couldn't afford it. There were several other children having to change because of costs so at least he wasn't the only one.'

Single parent of four children, in full-time work

'I never take him [my youngest] to activities, we've a farm park on our doorstep but he's never been with me as it's unaffordable.'

Single parent with three children, in part-time work

¹⁴ See note 11.

¹⁵ M Padley and A Davis, [The minimum income standard - Understanding the cost of education to households in the UK](#), Child Poverty Action Group, 2023

'My 12-year-old has been off school for over one and half weeks as he doesn't have the shoes he needs – he ripped his school shoes and went in in a pair of black trainers, but the school refused to keep him in as the trainers didn't meet the standard. The school said that if he stays in, he'll be in isolation all day. So, I'm keeping him at home for now. I'm not able to buy a new pair before my next UC payment at the end of the month. My son is embarrassed for not being able to go to school and wasn't even able to tell his friends why he was off school, he just said we've issues at the moment... I'm worried about the knock-on effect on his wellbeing.'

Single parent with three children, in full-time work

'My children are now the poorest in the country. They cannot attend school some days as we can't afford the trips out for them or the dress down days or the contributions for photos or Christmas cards or Pudsey day. It's never ending. Elf day at school where they need a costume for. It's food for £15 or one costume. It's wearing a warm coat in the winter. They can only have two haircuts each year... It's the basics of being a person with human rights. We can't get to the hospital for treatment as we can't afford the bus fare.'

Couple with four children, working household (at least one parent in part-time work)

Some parents we spoke to reported that a lack of exposure to activities and the outdoors impacted their younger children's social skills and development, an observation that mirrored findings from recent research conducted by Nesta that examined how the two-child limit affected experiences of parenting and opportunities for early learning.¹⁶ Parents also spoke about their children being unable to learn essential life skills, such as swimming, because families had to prioritise basic living costs.

'I would like them [my children] to learn how to swim, but it is too expensive. The eldest is currently learning, but the second can't start.'

Couple with three children, working household (at least one parent in full-time work)

'This has a knock-on effect on the children and how they learn and socialise. My older daughter used to go to a singing and arts class but had to stop, we can't afford it, so she just stays at home. The other day there was a fun fair down the road but it costed £12 each so they didn't go as it was just too much money. My third child – now six months old – is more clingy than her siblings as she doesn't go to groups and places, I took her to a baby playgroup once whilst with my older kids we're up and down in baby classes, playdates with other kids and now I don't go as I have no money.'

Single parent with three children, in full-time work

The two-child limit robs children of the everyday experiences of childhood and time together with their families

Many parents we interviewed noted that constant financial problems left a strain on wellbeing and relationships within their families. Going without material items and struggling to pay bills was one aspect where they felt the impact of the policy, but they also reported not being able to enjoy their children's childhood as they couldn't afford a day out as a family, couldn't celebrate occasions such as birthdays, and couldn't go on holiday.

¹⁶ Nesta, [Lost opportunities: parents' perspectives on how the two-child limit policy is affecting their children's early learning and development](#), 2024

'It [the two-child limit] has made it very difficult as a family to enjoy [a] day out. We are trying to cut down on food that we are eating so it can stretch.'

Couple with three children, working household (at least one parent in full-time work)

'When our extended family gets together for a family meal in a restaurant, we are unable to attend as paying for six of us to have meals out would cost an absolute fortune, so we miss family time. We don't socialise or have days out. Because we simply can't afford despite working 60 hours a week. We don't have entertainment or go anywhere that's not free due to no money. We have a five-seater car and are unable to afford a six-seater car for us to go out as a family together.'

Couple with four children, one parent in full-time work

'[We] never eat out, always only cooking at home as it is much cheaper, and sometimes [I] see [the] children embarrassed that they never go and eat out as it is too expensive, even to buy ice cream. It is also very expensive to travel or put children in clubs what means my children not having the same chances.'

Couple with three children, working household (at least one parent in full-time work)

'We even struggle to take them on a beach day at the seaside as we just don't have any surplus money. If my 14-year-old wants a fiver to go to a fish and chip shop with his mates, we haven't got the money for him to do it. My youngest two [affected by the two-child limit] have never been on a holiday.'

Couple with four children, both parents in work (one part time and one full time)

The two-child limit harms the mental health of affected parents and children

Many parents we spoke to reported that ongoing financial issues, largely caused by the two-child limit, have exacerbated their mental health.

'Myself and [my] husband are on antidepressants due to our financial situation. Not being able to provide [for] your children with things makes you feel terrible. We struggle to pay bills even though we are a working household... When it comes to Christmas and birthdays, we borrow money... from family and pay it back throughout the year only to borrow it again for next Christmas. It makes you feel like you fail as a parent...'

Couple with four children, one parent in full-time work

'My number one reason for doing anything is my children, yet when I watch them queuing in a food bank with me because I physically can't provide for them, I feel horrific, it makes you feel like an absolute failure.'

Couple with four children, both parents in work (one part time and one full time)

'Sometimes you can't sleep, you wake up in the middle of the night worrying about the next bill... Where we live, we need a car and I need to drive to work so now I know that my MOT is approaching, and I'm worried about how to find money for it. It's never ending... The hardest thing about not getting financial support for my third child is the constant worry and not being able to enjoy being with the children and supporting their needs... it's just so tight with money, I struggle to manage working part time and trying to support a child with extra needs. At times we struggle to eat and I always have to think what we need the most.'

Single parent with three children, in part-time work

'It's hard, I work but struggle with childcare, I don't have family to help... nurseries are full or the hours are no good for my job so working more isn't an option. I feel like we now live in a world where we are made to feel like a piece of rubbish because we have more than two children or we only work part time or because we are on minimum wage. I am in a constant state of depression feeling like nothing in life is ever going to get better... I feel useless and worthless especially after having been made redundant... and having had to settle for a [low-paid] job with less hours... there is just no light at the end of the tunnel, only darkness.'

Single parent with four children, in part-time work

'I've just been worrying about money, and not getting any help from my ex-partner, and not getting support for all the kids meant constant pressure because I was the only one bringing the money into the house. And once I had to take a day off work, I realised that I won't get paid for that day and I just got a breakdown with all that pressure. I then got behind with my loan repayments for my credit union... it's a vicious circle, it's just impossible. I've worked all my life and mostly full time and now when I need help, I only get support for my two kids and not four. Does it mean that my younger two children don't matter? And the more I work on UC, the less UC I get, you just can't win.'

Single parent with four children, in part-time work

'My partner works full time and I am training to be a nurse. I am careful with money, I buy our clothes second hand, sell our old to make the money back and shop carefully at Lidl as I found that to be the cheapest option. My worry over feeding my family is the first thing I think about every morning, and I can feel this affecting my mental health and my ability to perform well at university and work which I am doing to better my family. My days are starting to feel more and more hopeless, it's a strain on my relationship with my partner and our general happiness [is] lost in the hopelessness of battling our way out of poverty whilst both working so hard.'

Couple with four children, both parents in work (one full time and one part time)

Parents' efforts to shield children from the impact of the policy fail, and many children are keenly aware of the hardship their families face.

'I tell them that this is the amount of money we have for this month, this is how much we need to pay for bills etc., and sometimes they understand but sometimes they don't, and I see that they're unhappy and upset.'

Single parent with three children, in part-time work

Work is not enough to shield children from the impact of the two-child limit

The purported aim of the then government when it introduced the policy was to ensure that families in receipt of social security benefits face the same financial choices about having children as those supporting themselves solely through work.¹⁷ However, the clear majority (59 per cent) of households affected by the policy are in paid work,¹⁸ including 81 per cent of two-parent families with at least one working parent.¹⁹ As these families miss out on £3,455 per child per year, work is often not enough to plug the gap between their family's financial needs and their income. For many parents, taking on additional hours and careful budgeting fail to make a difference.

'I work part time, and my partner works in two jobs. Yet, it's a real struggle... It's a combination of things that this policy is affecting; it's the clothes - either heavily discounted in sales or charity shops or hand me downs; it's the food, sometimes we can't afford it so we only have beans on toast; it's the activities at schools that cost extra; it's after school activities that we needed to cancel, eg, their self-defence clubs; it's the haircuts - we only get it twice a year; and it's things like dental checks or hygienist that we, adults go without as it's just totally unaffordable. We don't do luxuries at all, eg, Netflix etc. it's unaffordable, we just do the basics. I can't afford childcare and had to cut down my hours as nursery expenses are too high. We work so hard yet many times we have to choose between feeding them [the children] or paying rent and bills. I'm now expecting our fourth child which is a failed coil pregnancy and I'm considering taking on another work-from-home job whilst being almost seven months' pregnant, to save up for the baby costs.'

Couple with three children, both parents in work (one full time and one part time)

'I have four children to provide for but I am treated as if I only have two. I work full time in an ok paid job, living is extremely expensive these days and the lack of help and support is plunging me into debt, and we cannot afford the basic costs of living, clothing. We don't have holidays or any luxuries because I only receive help for two of my children.'

Single parent with four children, in full-time work

'I have to rely on family members to watch my children whilst I work nights so I can bring a little income in, so I can keep my children warm and food on the table. I have resulted in paying for second hand toys and clothes just so they can have new things, and days out and treats are out the window.'

Single parent with three children, in part-time work.

'Even with my husband working 40 hours and myself working part time, and a small top up from UC, we struggle to make ends meet.'

Couple with four children, both parents in work (one full time and one part time)

We have heard from parents who were forced to cut their maternity leave short and leave their very young children in childcare in order to get extra income and minimise the impact of the policy.

¹⁷ HM Treasury, [Summer Budget 2015](#), 2015, HC 264

¹⁸ See note 2.

¹⁹ Data obtained by Freedom of Information requests by the End Child Poverty coalition, see End Child Poverty, [New Research: Majority of families impacted by the two-child limit are working](#), 2024

'I've had to find work and leave my baby at four months old. Also, there's no chance of affording a bigger rental so one child sleeps in [the] living room and one in with me. My adult child lives here too, there's me, 21-year-old, 16-year-old, nine -year-old and baby in [a] three bed, and the four-bedroom LHA [local housing allowance rate] doesn't cover a three bed completely so a big enough house is just a dream.'

Single parent with four children, in part-time work

'I have four children... to support with one income. I work full time as a paramedic on an ok salary but cannot afford to pay my mortgage as well as feed my children. I use a food bank... Regardless of me working, it's impossible to cover all the needs of four children from only one salary, even though I'm on an ok wage... with childcare fees and mortgage, it's just impossible... I couldn't afford to stay on maternity leave, so I went back to work when my baby was six months... I had to pay £580 upfront for the first month of nursery and I've gone into debt because of it, I ended up borrowing from family.'

Single parent with four children, in full-time work

The policy is based on false assumptions and children and parents are suffering the consequences

The rationale for the two-child limit relies on assumptions, including that families are already claiming benefits when they decide to have a third or subsequent child and/or that they have a child in full knowledge of what life holds in the future. Our survey results show this just isn't the case for many families: families' circumstances change for different reasons, resulting in a need to access support from the social security system.

'I didn't expect to become a single parent and my three children depending on me completely without any financial or emotional support. I'm working full time to provide for my children and set an example, although it's extremely difficult and I'm in debt with lots of my bills. I occasionally have to borrow money for food, and I've ran out of petrol while driving home from work because I can't make it to pay day...'

Single parent with three children, in full-time work

'When I had my children, I was not a single parent and both parents were working. When I left my abusive relationship, I was a single parent of three children working in a low paid job. I didn't expect to have to rely on universal credit. This meant we could only just make ends meet and I was in a lot of council tax and utility debt. I work full time in a good job now but still cannot buy anything other than the essentials, because one of my children doesn't count! I pay incredibly high childcare costs and still have to feed and clothe my third child even though he isn't counted. I have not been away on holiday for nine years, my children don't get me full time as I am working. This rule is in no way fair – it makes out that anyone requiring financial support with three or more children is just trying to get something for nothing. This simply isn't the case for the majority of people!'

Single parent with three children, in full-time work

'When we had our third child, we were both in employment. My partner lost his job through no fault of his own and has been unable to find work since. I am currently working two very low paid jobs and with the cost-of-living crisis we are struggling to make ends meet.'

Couple with three children, one parent in full-time work

'I had to end my relationship with his father as he was abusive... I have been by myself from the time I was 12 weeks pregnant with my fourth and it's been difficult... When I found out about the two-child limit which was to affect my fourth child, I even considered going back with his dad regardless of him being abusive... I was extremely anxious about coping by myself... I've paid in towards the system for my whole entire life, I've always worked and I've never been on UC until 1.5 years ago when I become a single mum of four... I have never needed support until now, but now that I need it, it's not there. This [the two-child limit] is undoubtedly pushing me and the children into deep poverty. We're a family who should be able to do normal things, like have a day out as a family, as I work hard but it's not possible.'

Single parent with four children, in full-time work

'Initially it had zero impact as we're not on benefits. Rapid breakdown of relationship, now supporting five deeply damaged children (three needing long term CAMHS support) working part time and due to two-child limit already also having to deal with absolute poverty.'

Single parent with five children, in part-time work

'The children's father was the breadwinner and left us. We now struggle to pay the mortgage with the interest rates being so high. It almost doesn't make sense for me to work as childcare costs are ridiculous and I am struggling to put food on the table.'

Single parent with three children, in part-time work

The policy has also been shown to have a negligible effect on the number of children parents have,²⁰ so the only real effect of the policy is to restrict the income of low-income families and drive up child poverty. Several reasons have been identified for the lack of an effect on family size, including the fact that family circumstances can change after children are born.²¹ In addition, not all pregnancies result from considered family planning, and some children are born due to failed contraception or non-consensual conception.²² Parents in these situations, when affected by the two-child limit, face extremely difficult decisions as they are forced to weigh up the financial consequences of continuing with their pregnancy.

'When I fell pregnant with her, I was on contraception (the pill) which failed even though I was using it correctly. I don't agree with abortions, and I don't feel it's morally right that the government should be forcing people to abort healthy babies. The baby's father is not involved with her and so all her finances fall to me. I work as many hours a week as I can in between school hours but I still struggle financially and rely on clothing donations from other people in order to keep the baby clothed.'

Single parent with three children, in part-time work

²⁰ M Reader, J Portes and R Patrick, *Does cutting child benefits reduce fertility in larger families? Evidence from the UK's two-child limit*, Nuffield Foundation, 2022

²¹ R Patrick and K Andersen, *'The two-child limit and fertility decision-making: When policy narratives and lived experiences collide'*, *Social Policy and Administration*, 57(5), 2023, pp580–595

²² Children conceived non-consensually are exempt from the two-child limit, however in practice not many women apply and qualify for this exemption (when compared to the rates of domestic violence and rape) as it requires women to disclose, not be living with their abuser, and have supporting evidence from a professional.

'My second child was as a result of non-consensual conception, I chose to have my third child as a part of my healing journey and am being financially punished for making that choice.'

Single parent with three children, in part-time work

Some families are hit by a double whammy – the two-child limit and the benefit cap

Some families affected by the two-child limit are also affected by the benefit cap, a policy that limits the total household income families can receive from benefits if they are not working or working fewer than 16 hours a week. CPAG estimates that 150,000 children are affected by both policies. The combined impact of these policies drastically increases the risk of deep poverty, particularly among larger families, and has been shown to cause multiple harms to children by exacerbating financial disadvantage.²³

For families affected by both the two-child limit and the benefit cap, abolishing the two-child limit would not make a difference as they would still have their income limited by the benefit cap, which illustrates the importance of abolishing both policies to ensure families are not trapped in deep poverty.

'As a new single mother, this policy [the two-child limit and the benefit cap] is very detrimental to mine and my kids' mental and physical health... I am left with £100 per month to live on, which is impossible and leaves me unable to provide basics for my children... I'm finding it very hard to keep up with bills... often have to choose between food or bills and even still our quality of life is not great at the moment. It's very degrading as someone who actually works/ed, I had to drain the little savings I did have... As maternity leave is finished in the next three months, I'm just trying to do some planning for returning to work. Calculations show that I'd be nearly £300 worse off each month upon return to work and including nursery fees. Reducing my hours would be just as financially bad. Which I now understand why many don't return to work or work at all. There is no balance...'

Single parent with three children, in part-time work

'I can no longer afford to pay for necessities such as clothes, food and household bills. I cannot pay for school trips or any activities my children would like to take part in. The benefit cap has affected my and my children's lives in an extremely negative way. I pray every day that the cap will be lifted so that my children can enjoy the same experiences other children their age do.'

Single parent with three children, not working

²³ K Andersen, J Redman, K Stewart and R Patrick, "It's the kids that suffer": Exploring how the UK's benefit cap and two-child limit harm children', *Social Policy and Administration*, 2024, pp1–16

'It's just really, really hard. I'm constantly trying to pull money from somewhere... and we go without, get less food; or we have to do without gas and electric... We have a lot of damp in the house and repairs that needs doing but I can't afford it, so I don't invite my children's friends to ours to play as I don't want them to see it... To get support for my third child, it'd make a huge difference. We're not asking for thousands of pounds, we just want to live a normal life and not to constantly check my bank account every two minutes, and juggle the bills, and think, which bill you can pay and which one to leave out, so then you ring them and ask to pay it in next month, and then the next month you have to double pay, which leaves you skint the next month.'

Single parent with three children, in part-time work

Abolish the two-child limit to transform children's lives and stop child poverty increasing further

The two-child limit creates a deliberate gap between need and entitlement, systematically depriving children of what they need to thrive. As more children are born under the two-child limit every year, the policy will continue to drive up child poverty rates. Scrapping the two-child limit is the most urgent action the new government must take to reduce child poverty. It is also the most cost-effective. It would lift 300,000 children out of poverty and mean 700,000 children are in less deep poverty at a cost of £1.7 billion – helping to ensure that we invest properly in the future of all children.

The government cannot afford not to act. We now have record numbers of children (4.3 million) living in poverty in the UK today, and these children are going hungry, returning to cold homes, and missing out on key parts of childhood such as extra-curricular activities, days out with their family, and school trips.

The government has declared its commitment to tackling child poverty and there are plans to develop a cross-government child poverty strategy and reform UC. These are welcome steps that have the potential to transform the lives of children and families on a low income. However, these changes will mean little without scrapping the two-child limit. This deeply damaging policy must be abolished immediately.

About this report and the organisations involved

The testimonials in this report are from parents affected by the two-child limit who responded to an online survey facilitated by the Entitledto benefits calculator. Users of the Entitledto benefits calculator who are likely to be subject to the two-child limit are invited to participate in the survey to provide feedback on the impact of the policy. The survey has been running for five years, and had received more than 4,000 responses by June 2024, an average of 750 responses per financial year.²⁴ This report relies on survey data from the last financial year, 2023/24 and, where relevant, we provide data from 2022/23 for comparison purposes. Between May and June 2024, we conducted 21 in-depth telephone interviews with survey respondents to gather further insight into the impact of the policy on children and families in the last year.

A note about employment status in our data: where families were interviewed, we collected data on employment status for all parents in that household and this information is provided alongside quotes featured in this report. For survey respondents, the information we have on employment status is more limited: we know employment type (part time or full time) for each household but, for couple families, we don't know if it applies to both parents or one parent only. In these cases, we have indicated this eg, 'at least one parent in full-time work.'

We would like to thank the Entitledto benefits calculator for hosting the survey and supporting CPAG's work to end the two-child limit by helping us to gather this important evidence.

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. Registered address: 30 Micawber Street, London N1 7TB. cpag.org.uk

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

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. This project has been funded by the Nuffield Foundation, but the views expressed are those of the authors and not necessarily the Foundation (visit nuffieldfoundation.org). Work for this report was assisted by funding from the University of York's Policy Support Fund. largerfamilies.study

The End Child Poverty Coalition is made up of more than 120 organisations including child welfare groups, social justice groups, faith groups, trade unions and others. Together with a group of Youth Ambassadors, 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

²⁴ Data from 2018/19 hasn't been included in the calculation as it doesn't cover a full financial year.