

Two-child limit statistics: new breakdowns show how the policy falls hardest on disadvantaged groups

10 July 2025

Introduction

Today, the government published the [annual statistics](#) on families affected by the two-child limit. For the first time, these statistics include a breakdown of the impact by gender, ethnicity, disability, conditionality status, and age of the children in the household. This briefing explains what this new data means in the context of rising levels of child poverty. [Things will only get worse: why the two-child limit has to go](#) explains the effects of the policy on affected families in their own words. And [Reducing child poverty: the role of the two-child limit](#) explains the impact of the policy on poverty numbers and how it compares to other policy interventions.

The two-child limit restricts support through universal credit (UC) 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, with some limited exemptions. These families are missing out on up to £3,514 a year per child.

Today's data shows 1.6 million children in 450,000 families across the UK are now affected by the two-child limit.¹ Eight years after the introduction of the two-child limit, **1 in 9 children** are now impacted by the policy. It is the primary driver of rising child poverty in the UK, which stands at a record high of 4.5 million² and is expected to rise further. Every day the policy pushes another 109 children into poverty.³

This briefing refers to 'affected families'. Unless indicated, when we use this term we are referring to families who do not receive the child element of universal credit for a third or subsequent child because of the two-child limit. The DWP's headline statistics, published today, include families who are exempt from the policy. There are a limited number of circumstances where a family may be exempt from the policy, including multiple births and non-consensual conception.

The two-child limit takes support from families when they need it most

All children, including those affected by the two-child limit, deserve the best start in life. It is impossible to make this a reality while millions of them are living in poverty. The two-child limit exclusively affects families, who already face a greater risk of poverty. All children come with costs which span across

¹ DWP, [Universal Credit claimants statistics on the two child limit policy, April 2025](#), 10 July 2025

² DWP, [Households below average income: for financial years ending 1995 to 2024](#), March 2025

³ CPAG, ['10,000 children dragged into poverty by two-child limit since Labour took office'](#), October 2024

childhood – food, housing, childcare, clothing, leisure, school costs and many more. For families with three or more children these costs are greater. Balancing childcare and work is even harder, both practically and financially, when there are more children to support, making it tougher to cover costs through working additional hours. Salaries do not increase to reflect family size – so when there are more mouths to feed, a smaller salary doesn't stretch far enough. This is why adequate social security is essential for all families, but particularly those with three or more children.

The two-child limit cuts support to those families who are most in need of support and least able to counter the impact through increased earnings. Most families affected by the policy are already working (59 per cent) and most have just three children (62 per cent).⁴ The new breakdowns out today show how the policy affects families most in need of support.

Disability

With the Disability Benefits Consortium

182,000 families with disabled members are affected by the two-child limit. Families with a disabled member may receive financial support through disability benefits in universal credit, disability living allowance (DLA) for children, or personal independence payment (PIP) for adults, to help towards the additional costs of disability. But this is often inadequate compared to the vast extra costs disabled families face.⁵ This means that families face two shortfalls: one resulting from disability benefits that do not accurately reflect their costs, and the other from the two-child limit.

125,000 families affected by the two-child limit receive the disabled child element in UC. Parents of disabled children are often managing significant caring responsibilities, making it harder for them to increase their income from employment to escape poverty. Finding childcare is more difficult for families with disabled children; a recent survey found that only 6 per cent of local authorities offer enough childcare for children with SEND (special educational needs and disabilities).⁶

Families where one (or both) parents are disabled are also likely to face significant barriers to employment resulting from their own disability, and the caring responsibilities that come with having children.

Young children

With UNICEF UK

As the two-child limit applies to third and additional children born after 6 April 2017, the policy currently disproportionately impacts families with young children. This will change as the policy is rolled out. 1.1 million children in 307,000 families with children aged under five are affected by the policy.

Families with children under five are more likely to be living in poverty. Thirty-six per cent of children in families with young children are in poverty, higher than the 31 per cent average for all children.⁷ The higher rate of poverty is because families with young children face particularly high costs, such as pre-school childcare, precisely at a time when their income is often reduced because of caring responsibilities.

The barriers to work and the additional costs faced by families with young children mean that an adequate social security system is essential to protect low-income families from poverty. But the two-child limit is preventing 307,000 families with children aged under five from receiving benefit payments for third or subsequent children.

⁴ See note 1

⁵ Scope, [Disability Price Tag 2025](#), 2025

⁶ Kids, [‘Only 6% of local authorities offer enough SEND childcare’](#), March 2024

⁷ See note 2

Gender

With the Women's Budget Group and Gingerbread

Today's statistics show that among the parents affected by the two-child limit, twice as many households with women are affected as households with men – although many households will be made up of couple families containing both men and women (450,000 households with women compared to 220,000 households with men).

The impact of the two-child limit falls more heavily on women largely because they make up the majority of single parent households – the overwhelming majority of single parent households in poverty are headed by women (91 per cent).⁸ This is reflected in today's statistics: 246,000 single parents affected by the two-child limit are women, compared with 6,000 men.⁹ The policy disproportionately affects single parents (53 per cent of affected families are single parent households) who already face a greater risk of poverty because it is much harder to balance work and childcare responsibilities when there is only one adult present. As a result, many single parents rely on the social security system to top-up their income but the support available is often insufficient to protect them from poverty. This shortfall is even greater when the two-child limit is applied.

The two-child limit also increases the barriers that survivors of domestic violence face in leaving their abusers (the vast majority of whom are women), and the financial hardship that women and children face after having done so. In cases where abuse includes the non-consensual conception of a third child, it is possible to get an exemption from the two-child limit. Today's statistics show that 5,000 children have been granted the non-consensual conception exemption to date. But many more women are likely to be entitled as, to receive an exemption, women are forced to disclose the abuse inflicted on them and that their child was conceived non-consensually, which acts as a major barrier. Women must also no longer be living with their abuser to be eligible for the exemption. This process has been widely criticised as being unworkable for women affected by domestic abuse, as well as placing them at risk of re-traumatisation.

Ethnicity

With the Benefit Changes & Larger Families study

Today's stats also provide a breakdown of the ethnicity of families affected by the two-child limit. The majority of families affected are white: 260,000 families affected by the two-child limit have at least one white member. The policy disproportionately affects Black and minority ethnic families: 30,000 affected families have at least one member who identifies as Black, and 60,000 affected families have at least one member who identifies as Asian. Black and minority ethnic families are up to three times as likely as white families to be affected. The way the two-child limit falls disproportionately on children from some minority ethnic backgrounds embeds inequalities from earliest childhood.

Black and minority ethnic children were already at heightened risk of poverty before the two-child limit took effect, and [new analysis](#) from the Benefit Changes & Larger Families research project out today shows that gaps have widened as a result. Two-thirds of children from Bangladeshi families now live in poverty, and 60 per cent of children from Pakistani families, both numbers up 6 percentage points in seven years. And one-in-two children from Black families live below the poverty line – twice the risk for children from white families.

Conditionality status

Conditionality status refers to the expectations to find work that the government puts on different people claiming UC. These expectations range from no work requirements (people with an incapacity to

⁸ See note 2

⁹ In contrast to other figures used throughout this briefing, the figures in this sentence refer to the number of households affected by the two-child limit including those with exemptions.

work or caring responsibilities) to strict requirements, which can also apply to people already in work. Under the current system, people with more barriers to work *should* be given less strict work requirements (although CPAG has evidence that this does not always happen in practice).¹⁰

There is no evidence that a strict conditionality regime improves employment outcomes.¹¹ However, there is evidence of the negative impacts of conditionality on household income (through sanctions) and health outcomes.¹²

Today's stats show that 304,000 households have parents in conditionality groups meaning they are not expected to actively seek work (see Table 1 – 242,000 no work requirements + 62,000 expected to plan or prepare for work). 120,000 are earning over the level at which conditionality applies (working – no requirements). This leaves only 160,000 who are expected to find (more) work (85,000 – searching for work + 75,000 – working with requirements). Our evidence suggests that those parents who are expected to find (more) work are often expected to do so with very limited access to employment support, and with barriers to work such as health issues and caring responsibilities.¹³

The two-child limit removes entitlement for all families, regardless of their work and conditionality status. However, these statistics clearly show that the vast majority of households are either in work or have a very good reason for being out of work.

Table 1: The number of households who are receiving universal credit and affected by the two-child limit by conditionality regime, April 2025, Britain

Group	Description	Households
No work requirements	Not expected to work at present. Health or caring responsibility prevents claimant from working or preparing for work.	242,000
Expected to plan or prepare for work	Lone parent / lead carer of child aged 1 or 2.	62,000
Searching for work	Not working or earning below the administrative earnings threshold (AET).	85,000
Working - with requirements	Earning more than the AET but the DWP expects claimants to increase their earnings further.	75,000
Working - no requirements	Individual earning over the level at which conditionality applies.	120,000

Note: Households with two parents can be in more than one conditionality group. Therefore the sum of the households in different conditionality groups is greater than the total number of households affected by the two-child limit.

¹⁰ CPAG's Early Warning System gathers information and case studies about families and individuals affected by changes to the benefits system. We receive a high number of cases relating to inappropriate conditionality being applied by work coaches, for example: *A couple with 3 children (7, 10 and 14) are in receipt of UC. The father works full time, including work in the evenings. The mother attends an English language course for 3 hours a day and is being asked to look for work for 30 hours a week. The DWP has proposed she move her English course to the evenings to accommodate her work-related requirements, but the claimant has childcare responsibilities at this time.*

¹¹ M Taulbut, D Mackay and G McCartney. 'Job Seeker's Allowance (JSA) benefit sanctions and labour market outcomes in Britain, 2001–2014', *Cambridge Journal of Economics*, 42(5), 2018, pp1417-1434

¹² S Wickham and others, 'Effects on mental health of a UK welfare reform, Universal Credit: a longitudinal controlled study', *The Lancet*, Volume 5, Issue 3, March 2020, e157-e164

¹³ See CPAG's [Your Work Your Way](#) for evidence on barriers to work.

The two-child limit and the benefit cap

With the Benefit Changes & Larger Families study

Today's statistics also show how many families affected by the two-child limit are also affected by the overall benefit cap. The benefit cap restricts the total income a household can receive in social security benefits to families earning less than £846 a month (equivalent to working at least 16 hours a week at the minimum wage). Those in receipt of disability benefits are exempt. The vast majority of those affected are single parent families, who face high barriers to employment making it harder for them to reach the earnings level at which point the cap is lifted.

136,000 children (in 37,000 families) are affected by both the benefit cap and the two-child limit. The dual impact of the policies means benefit entitlement can fall very significantly below family needs. The two-child limit equates to a loss of £293 per month per affected child. [Research](#) from the Benefit Changes & Larger Families study shows that families who are also benefit capped lose more on top of that. In combination, this creates severe levels of hardship.¹⁴

The long-term impact of the two-child limit on families

Living in poverty is not just bad for the daily lives of children and families. Children living in poverty have worse health, developmental and educational outcomes, and grow up to have worse health and job prospects.¹⁵

Economic research shows that investing in social security (removing the two-child limit is the most cost-effective way to begin to do this) not only increases living standards overnight, but also improves these wider outcomes.¹⁶ It means better health outcomes for children, who can concentrate more at school, leading to better developmental outcomes. This means better educational attainment, leading to greater employment prospects and better health in adulthood.

Living standards are raised for affected families, but there is also a wider gain for the country as healthcare spending falls, and in adulthood tax revenues are higher and social security spending is lower. Analysis for CPAG found that the costs of child poverty for the public purse (in terms of higher costs/reduced revenues) total up to £40 billion.¹⁷

Conclusion

The government has committed to give all children the best start in life, an ambition we wholly support. But this is impossible while 1 in 9 children are affected by the two-child limit, the key driver of rising child poverty. **To reduce child poverty, it is vital that the government fully scraps the two-child limit along with the benefit cap as part of the forthcoming child poverty strategy.** Scrapping the policy is also the most cost-effective way to reduce child poverty. If it is not scrapped, more and more children will be pulled into poverty by the policy and child poverty will be higher at the end of this parliament than at the start.

¹⁴ Benefit Changes & Larger Families study, [Colliding caps: the interaction between the two-child limit and the benefit cap](#), July 2025

¹⁵ N Kofi Adjei and others, 'Impact of poverty and family adversity on adolescent health: a multi-trajectory analysis using the UK Millennium Cohort Study,' *The Lancet Regional Health – Europe*, Vol 13, 2022

¹⁶ H Hoynes, DW Schanzenbach and D Almond, 'Long-run impacts of childhood access to the safety net', *American Economic Review*, 106(4), 2016, pp903–34; A Aizer and others, 'The long term impact of cash transfers to poor families', *American Economic Review*, 106.4, 2014, pp935-971

¹⁷ D Hirsch, [The cost of child poverty in 2023](#), CPAG, 2023

About

Child Poverty Action Group 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. We provide training, advice and information to make sure hard-up families get the financial support they need. We also carry out high profile legal work to establish and protect families' rights. CPAG is a registered charity in England and Wales (294841) and Scotland (SC039339). cpag.org.uk

The **Disability Benefits Consortium (DBC)** is a national coalition of over 150 different charities and other organisations committed to working towards a fair benefits system. Using our combined knowledge, experience and direct contact with disabled individuals and carers, we seek to ensure Government policy reflects and meets the needs of all disabled people.

We are **Gingerbread**. We're here to fight for single parents and their children. We campaign against the injustices that single parents face every single day and we challenge the stigmas around being a single parent. We provide expert advice and information to support all single parents so that they have the tools to support their children and themselves. And we provide a support network so that, with Gingerbread, no single parent is ever alone. Together we can create a world where all single parents and their children don't just survive, but thrive.

UNICEF UK works to build a better world for every child, everywhere, every day. We help more children than any other humanitarian organisation. We keep them safe when war or disaster strikes. We provide life-saving food, clean water and vaccines. We protect children, giving them a safe place to laugh and play. We help children into school and give them the chance of a better future. We'll do whatever it takes to keep children safe.

The **UK Women's Budget Group** is the UK's leading feminist economics think tank. We are the only UK-wide think tank focused on exploring the economy through a gendered lens and we are the leading feminist organisation dedicated to the economy. We are a research, advocacy and training organisation advancing gender equality in policymaking through feminist approaches to economics. Working nationally and internationally, we build and exchange the evidence, data, knowledge, capacity and will for change.

The **Benefit Changes and Larger Families Study** is the largest ever independent investigation into the impact of the two-child limit and the benefit cap on families with three or more children. A collaboration between the universities of Oxford, York and the London School of Economics and Political Science, the research included a combination of qualitative and quantitative methods to better understand the impact of both policies. You can find out more about this work, primarily funded by the Nuffield Foundation at largerfamilies.study. This work was also supported by funding from the LSE Pilot Research, Dissemination & Impact Fund.