



The Cost of a Child in 2025

October 2025

Summary

- The cost of raising a child to age 18 is £250,000 for a couple and £290,000 for a lone parent.
- All family types we look at in the report are struggling – most in-work families do not have enough income to cover basic costs, while out-of-work families are particularly far away from being able to meet these costs (an out-of-work couple with two children can only cover 37 per cent of their basic costs).
- Families can cover far less of the cost of children than in 2008. The key driver of this is cuts to the social security system. Costs have risen much faster than increases to the social security system (ie, families have seen a real-terms cut to social security), affecting all family types.
- Families with three children fare particularly badly – a lone parent working full time on the minimum wage can only cover 51 per cent of basic costs (or 60 per cent if they work full time on the median wage).
- The key driver of larger families struggling more is the two-child limit. Costs are similar for each additional child, while the support provided through social security is much lower for third and subsequent children.

Recommendations

1. Scrap the two-child limit for all children – this debilitating policy means families with three or more children are particularly far away from covering basic costs. The costs of each additional child are similar, meaning entitlement must be the same for each additional child.

2. Abolish the benefit cap – the benefit cap prevents families from being able to cover the basic costs of a child. Abolishing the cap would ensure families unable to work or working few hours are able to cover more of their costs, although even with the cap lifted they would still be well short of having enough income to meet a basic standard of living.

3. Invest in children's benefits – it is not just families affected by the two-child limit and benefit cap who are struggling. Investing in children via child benefit and the child element of universal credit would mean a wide range of families are able to cover more of their costs, reversing some of the damage of the past 15 years.

The policy recommendations above must be included in the forthcoming budget, to ensure that this government can bring child poverty down. Investment in social security is essential to prevent and reduce child poverty effectively, and without it, child poverty is likely to be higher at the end of this parliament than at the start.

Introduction

CPAG's annual Cost of a Child report looks at how much it costs families to provide a minimum socially acceptable standard of living for their children. Since 2012, this report series has systematically monitored the minimum cost of a child. This summary provides the latest calculations for 2025 and outlines the factors affecting the figures.

To estimate the overall cost of bringing up a child in the UK today, the report draws on the Minimum Income Standard (MIS) research, carried out by the Centre for Research in Social Policy at Loughborough University for the Joseph Rowntree Foundation.¹ MIS is based on public consensus about what is needed for a minimum socially acceptable standard of living in urban UK, outside London. This minimum living standard is one that provides for material needs and enables participation in society.

The cost of an individual child is calculated not just by considering the cost of all the goods and services that a child needs, but as the difference that the presence of that child makes to the whole family's budget. These calculations are made for different children according to their birth order, in each year of their childhood, and are added up to produce a total cost from birth to age 18.

There are some important things to note about these calculations. Firstly, the costs are for what the public deems a minimum acceptable standard of living. This is far higher than destitution, is higher than the current relative poverty line, but is still just a minimum. A family that can just cover 100 per cent of costs should not be seen as a well-off, they have enough for a minimum acceptable standard of living.

Secondly, in order to measure the change over time, a particular family type has been chosen. This family lives in social housing in the East Midlands (which has average housing costs), and, when working, works full time with formal wrap-around childcare. The costs will be even higher in many parts of the UK such as the South-East and London, and higher still if families are in private rented housing.

Thirdly, for many in-work families the share of costs covered by their income will be even lower as they are more likely to work part time than other groups because they face substantial barriers to work (availability of jobs, availability of childcare, transport costs, childcare costs, inflexible hours). There are also other factors (eg, disabilities) that will impact on the ability of the family to work and the income they receive. There is not enough space in this report to precisely measure every single, family situation, although the broad trends apply to all family types.

¹ J Stone and M Padley, *A Minimum Income Standard for the United Kingdom in 2025*, Joseph Rowntree Foundation, 2025

The cost of a child in 2025

The scorecard below shows the total cost of raising a child to age 18, and how that compares to the income received by families with two children and different work circumstances. It shows that the cost of child is over £250,000 for a couple and nearly £290,000 for a lone parent.

Scorecard: The cost of a child in 2025

A. The additional cost of bringing up a child in 2025		(Minimum cost, averaged for first and second child)
	Couple	Lone parent
1. Basic cost over 18 years	£167,679	£189,053
2. Full cost over 18 years	£251,018	£287,219
B. The extent to which families have enough to cover the minimum cost of living		Net income* as a percentage of minimum family costs – family with two children aged 3 and 7
	Couple	Lone parent
3. Not working	37%	44%
4. Working full time on the minimum wage	82%	69%
5. Working full time on the median wage	98%	79%

Note: 'Basic cost' does not include rent, childcare or council tax. 'Net income' refers to disposable income, after subtracting rent, childcare and council tax. These calculations assume eligibility for universal credit, with entitlements updated to April 2025.

The scorecard also shows that out-of-work households can cover less than half their costs (37 per cent for a couple family, 44 per cent for a lone-parent family). In-work families can cover more of their costs, but even they struggle to meet the cost of the minimum acceptable standard of living. A couple working full time on the minimum wage can cover 82 per cent of their costs, while a lone parent working full time on the minimum wage can only cover 69 per cent. A lone parent working full time on the median wage can only cover 79 per cent of their family's costs, while even a couple both working full time on the median wage can only cover 98 per cent of their family's costs.

There are some important things to note from the scorecard. Firstly, the cost of a child is higher for a lone parent than a couple. This is primarily due to economies of scale within household budgets, which benefit couples more than single people. For example, the public agrees that for people without children, it is fine to rely on public transport as a minimum, but households with children should be able to have a car. For couple parents, the cost of a car is offset by saving the public transport costs for two adults; for a lone parent, the car costs the same, but they only save the public transport costs for one adult. Secondly, the share of costs covered by social security for an out-of-work family is very low. It is higher for lone parents than couples as the additional amount received through social security for being in a couple compared to a single adult is less than the additional costs of a second adult. Thirdly, as earnings increase, the share of costs covered increases. The increase in costs covered is greater for a couple as they have two pay cheques coming in, while a lone parent only has one.

In order to properly examine the share of costs required to meet a minimum standard of living ('MIS costs') covered by family incomes, it is best to look at how this has evolved since 2008 (when the MIS was first calculated).

Trends over time

Figure 1 shows how the share of MIS costs covered for an out-of-work family has evolved since 2008. In 2008, an out-of-work lone parent with two children could cover 68 per cent of their minimum costs, considerably higher than the 44 per cent in 2025. A lone parent with two children, working full time on the minimum wage, could nearly cover all their costs (97 per cent) in 2008, but in 2025 they can only cover 69 per cent. The median wage calculations only started in 2018, but we can see that in 2020 94 per cent of this family's costs were covered and now only 79 per cent of their costs are covered.

Figure 1: Share of MIS costs covered for a lone parent with two children over time

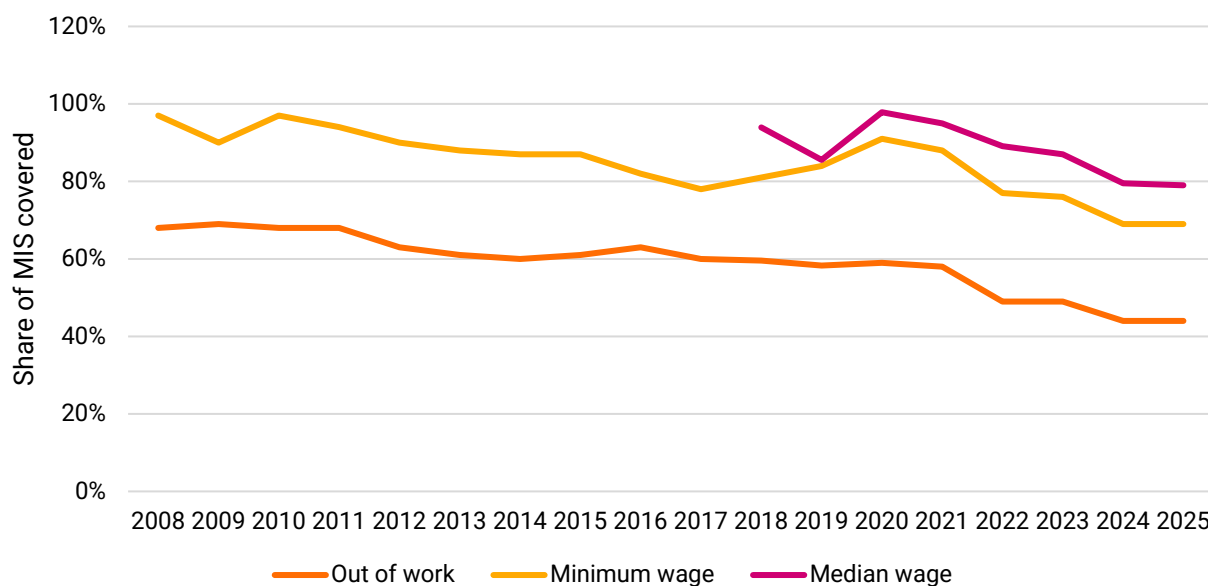
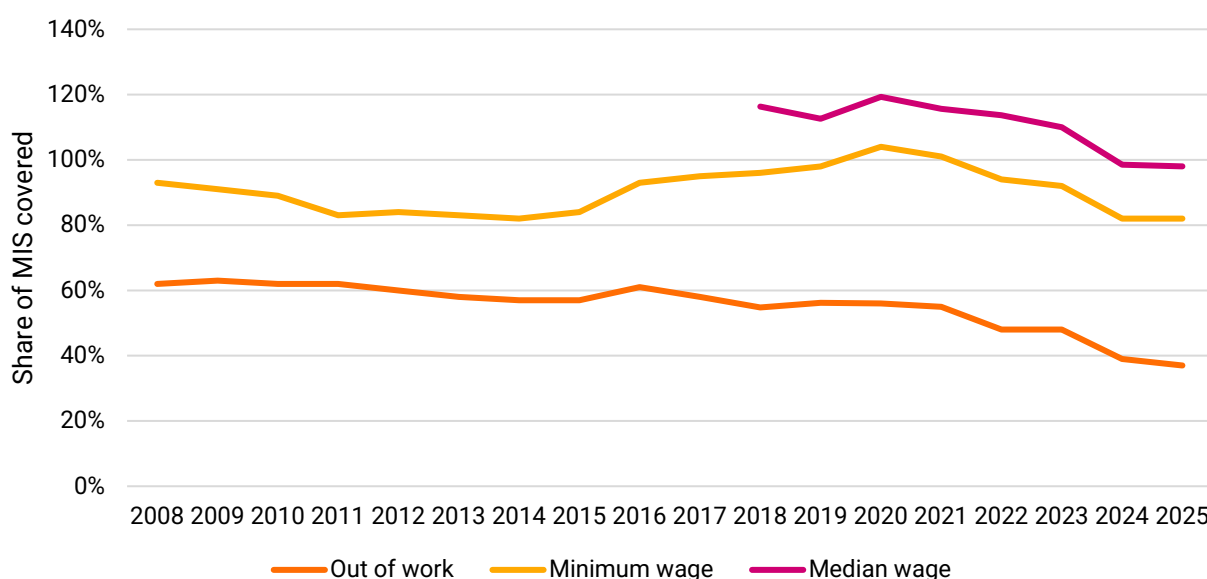


Figure 2 shows the same graph but for a couple with two children instead of a lone parent. In 2008, an out-of-work couple with two children could cover 62 per cent of their minimum costs, considerably higher than the 38 per cent they can cover in 2025. In 2008, a couple working full time on the minimum wage could cover 93 per cent of their costs, whereas in 2025 they can only cover 82 per cent. In 2025, a couple both working full time on the median wage can cover 98 per cent of basic costs, a considerable fall from 2018 (when calculations for this series started), when they could cover 116 per cent of costs.

Figure 2: Share of MIS costs covered for a couple with two children over time



What explains these findings?

To explain these findings, we need to look at what has happened to costs and what has happened to incomes, where the two key sources of income for lower-income families are social security and earnings.

Between 2008 and 2021, costs mostly rose fairly steadily across all areas, as headline inflation was around 2 per cent and there were no particular inflationary pressures on low-income families. However, from 2021 to 2024, headline inflation was much higher, and there were particular pressures on low-income families as areas where they spend a greater share of their income (food, energy), saw sharp price rises higher than overall inflation.

The 2010s can be characterised by cuts to social security, which affected both out-of-work and in-work families. Benefits were repeatedly frozen or uprated by less than inflation and other policies that target families with children such as the two-child limit and benefit cap were introduced (see next section for impact on larger families).² Even without the benefit cap, out-of-work households are only able to cover a very low share of their costs. The benefit cap means that some out-of-work households can cover even less. CPAG analysis shows that the benefit cap can leave some lone parents with three children with as little as £3 a week, after they have paid rent.³

Since 2020, there have been fewer cuts to social security, but the damage of the 2010s remains as real cuts have not been reversed. Moreover, policies like the two-child limit continue to be rolled out, and more families are affected by the benefit cap, as the threshold has not been uprated by inflation (with one exception in 2021).

The minimum wage increased by inflation until 2014. Since 2014, it has risen by more than inflation. Pre-Covid, the median wage rose by slightly more than inflation, on average. Since then, median wage growth has not kept up with inflation. It is also important to note that families with children have reduced capacity for work because of their caring responsibilities, and wages do not adjust for family size. This is illustrated most starkly by these latest figures which show that even families with two

² From 2013 to 2016, benefits were uprated by less than inflation. From 2016 to 2020 they were frozen in cash terms.

³ CPAG, [Raising three kids on £3 a week: The reality of the benefit cap](#), 2025

adults in full-time work are unable to meet the MIS. This is why social security will always play a critical role in supporting lower-income families.

These trends in costs and incomes explain the trends apparent in Figure 1 and Figure 2. Cuts to social security since 2010 have placed downward pressure on all family types. There has been some respite for families working on the minimum wage as that has increased above inflation.⁴ In 2020-21, there was also the temporary £20 uplift to the universal credit standard allowance that boosted household incomes. However, since 2020 all families have seen a big hit to their ability to reach a minimum standard of living as costs have risen by much more than inflation and earnings.

Larger families

So far, this report has focused on families with two children, but it is important to look at how family size affects the share of costs families can cover, particularly in the context of regressive policies like the two-child limit. Figure 3 shows the share of MIS costs covered by number of children and work status for lone parents, and Figure 4 shows the same graph but for couples.

We can see that for families with one or two children the share of costs covered is similar within each work scenario. The big difference is the share of costs covered for in-work families with three children compared to two children.⁵ Figure 5 shows that the additional costs of third and subsequent children are the same as the costs of second children, with the cost of the first child being slightly higher.

This evidence shows that families do not benefit much from an economy of scale when raising children. When looking at items required for a minimum standard of living, each child has their own individual needs. Where small savings can be made they are a very small part of the lifetime cost of a child, whereas for the big areas of expenditure, like childcare, there are no economies of scale.

The big difference in the share of costs covered for in-work families with three children compared to two children, is driven by two factors. Firstly, the two-child limit drives a wedge between family costs and family incomes. Although the costs of third and subsequent children are similar to first and second children, the support provided through the social security system is far less. Secondly, wages do not go as far for families with higher costs. This is a key reason why child-related social security support is vital for reducing child poverty, and employment based-solutions can only go so far.

⁴ Although families working full time on the minimum wage did see a rise in the share of their costs covered, this may not be representative of working families in poverty in general. As mentioned, many parents are unable to work full time. In addition, many parents' hourly wage would have already been above the minimum wage so they would not have benefited from the increase in it.

⁵ If you compare the share of costs covered for in-work families with three children this year to last year you would see a rise in the share of costs covered. But this is to do with the particular age of the children chosen in the hypothetical families rather than anything which specifically helped families with three children. The rollout of free childcare to children aged 9-24 months helped working families with children that age regardless of the number of children in the household.

Figure 3: Share of MIS costs covered by number of children and work status for lone parents



Figure 4: Share of MIS costs covered by number of children and work status for couples

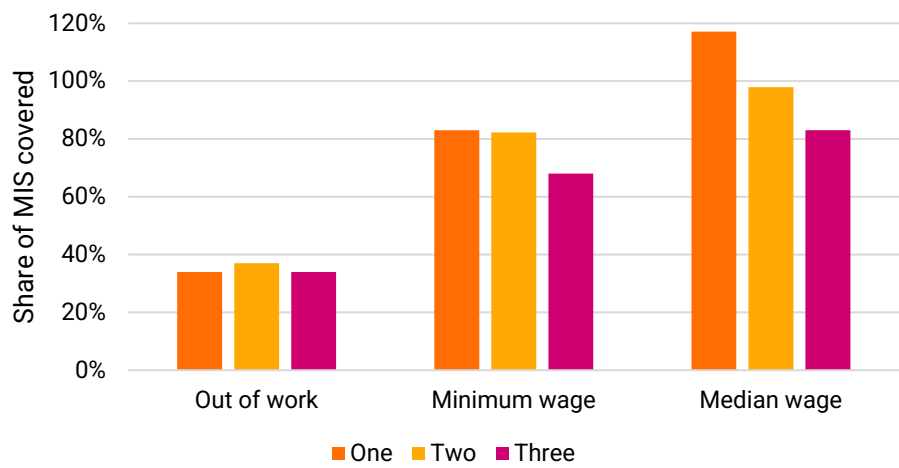
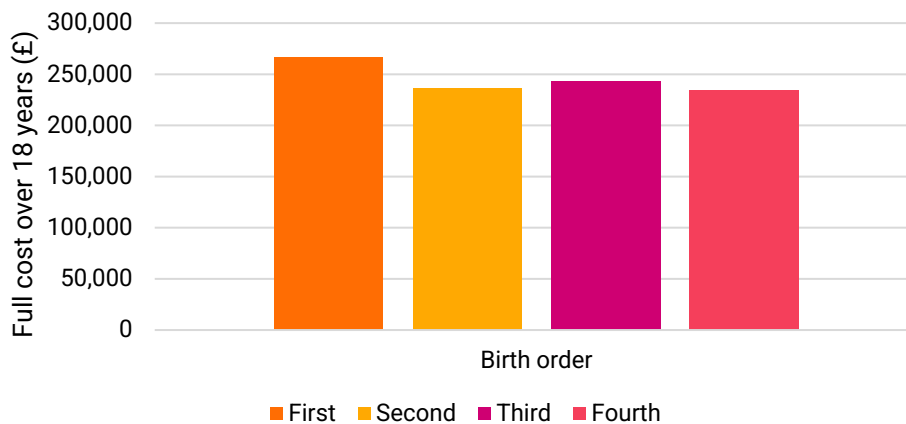


Figure 5: Full cost over 18 years for first and subsequent children for couples by birth order



Conclusion

Cuts to the social security system over the past 15 years have made it harder and harder for lower-income families to meet the basic costs of raising children. This is evidenced most starkly in the poverty figures: there are a record 4.5 million children in poverty in the UK today, compared to 3.6 million in 2010 and children are living in deeper poverty than ever before. In the absence of further government action, CPAG forecasts child poverty to reach 4.7 million by the end of the parliament.⁶ The key driver of this rise is the continued roll-out of the two-child limit, which is pushing families with three or more children into poverty every single day.

It is vital that the two-child limit is scrapped in full, alongside the benefit cap, at the upcoming budget. This will help stop child poverty rising and is the most cost-effective way to reduce child poverty. However, this report clearly shows that this is just the first step, if we want to ensure that all families are protected from poverty and able to reach a minimum standard of living. Children's benefits need to be re-invested in, to reverse some of the damage of the past 15 years and improve living standards more widely.

⁶ The results presented here are based on UKMOD version B1.13 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

About the calculations

All calculations in this report were carried out by Dr Juliet Stone and Dr Elaine Robinson at the Centre for Research in Social Policy (CRSP), an independent research centre based in the School of Social Sciences at Loughborough University. Over the past 40 years, it has built a national and international reputation for high quality applied policy research. The Centre's biggest role at present is the researching and analysis of A Minimum Income Standard for the United Kingdom. Funded by the Joseph Rowntree Foundation, this is the leading standard of its kind in the UK, where it is being used to set the living wage, and is being replicated in other countries seeking to establish benchmarks for acceptable household income levels rooted in social consensus. lboro.ac.uk/research/crsp

About CPAG

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. Child Poverty Action Group is a registered charity in England and Wales (294841) and Scotland (SC039339).

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