Squeezed childhoods: how the cost of living is affecting children

September 2026

Summary

- Nearly half of UK parents are struggling to manage their finances, including three in five parents in households on universal credit.
- Four in five parents think it is harder to raise children because of the cost of living than two years ago.
- Only a quarter of parents think the government is doing well at supporting families like theirs with the cost of living.
- Many children are going without basic everyday items and experiences, such as fruit and vegetables, sports clubs and swimming lessons, and socialising with friends.
- More than nine in 10 parents (93 per cent) greatly value child benefit support, and four in five say child benefit is an important part of their monthly budget that they could not manage without.
- Child benefit is a good mechanism for delivering cost of living support to families with children as it helps lower- and middle-income households, and accounts for household size.
- 67 per cent of parents say increasing child benefit by £10 would help their family with the cost of living. This would provide an invaluable boost to nearly seven million families, including the majority of the 3.7 million[1] children living in poverty. It would lift 400,000 out of poverty entirely.

Introduction

The cost of living has risen dramatically in recent years, and many families have already experienced significant financial strain. Global instability continues to push up prices and place further pressure on already stretched budgets. With yet further stresses likely, this is one of the most pressing issues for families across the UK. CPAG commissioned a survey of 2,212 parents and carers[2] to understand the financial reality of the rising cost of living for parents, and what this means for children. The survey shows that increasingly tight budgets are squeezing childhoods, limiting children's experiences and opportunities to explore, develop and grow, and be children. Sadly, for too many children it is a question of going without. Parents report not being able to afford enough fresh fruit and vegetables for their children, being unable to pay for activities like swimming lessons, and children missing out on socialising with friends because of costs. Families also shared challenges around housing conditions and their ability to spend quality time together. It is clear that more support is needed for households with children who inevitably face higher costs and are at greater risk of poverty. Our survey showed that families across the income scale are facing challenges, but these are markedly worse for those on a lower income.

[1] Based on government projections published alongside the child poverty strategy's *Monitoring and Evaluation baseline report*.
[2] Survation carried out the online survey of 2,212 UK parents aged 18+ with dependent children aged 0-18 between 28 August and 7 September 2026.

Family finances

Nearly half (46 per cent) of parents have found it difficult to manage their finances in the last year. This financial strain puts immense pressure on parents and can lead to families having to cut back, with children going without essential items and experiences. And parents feel things are getting worse, with 79 per cent reporting they are finding it harder to raise children because of the cost of living compared with two years ago, including 31 per cent who say it is 'a lot' harder.

Unsurprisingly families on the lowest incomes are more likely to be struggling. Three in five (62 per cent) parents on universal credit (UC) have found it difficult to manage their finances, compared to 41 per cent of parents not on means-tested benefits. Similarly, more parents on UC say they believe it is harder to raise their children than two years ago – 85 per cent.

Previous cost of living measures have largely failed to specifically target children's needs,[3] for example cost of living payments failed to account for household size. Although the government's recent summer savings package, which included price cuts to children's meals and tickets during the holidays, did have a welcome understanding of the importance of childhood experiences, more action is clearly needed. Only 28 per cent of all parents think the government is doing well at supporting families like theirs with the cost of living.

Children are going without

The consequences of financial strain are landing directly on children. Many are going without the essentials and everyday experiences that make up childhood.

When asked about affording enough fruit and vegetables for their children over the past three months, only 71 per cent of parents say they can afford this always or most of the time. This drops to 59 per cent for families on UC. Across the whole population this means that more than one million children are going without adequate fruit and vegetables because of costs.

Families also report that housing conditions are affecting their children at home. 12 per cent reported a lack of outside space, 11 per cent said mould or damp had affected their child, and 9 per cent reported overcrowding. 15 per cent said they had been unable to fix or replace broken things in the home. In total, just under half (44 per cent) of all families reported that financial pressure had led to a tangible impact on the home their children are growing up in. This figure rises to 62 per cent for families on UC. This means three in five families on UC have a housing problem due to a lack of money which affects their children.

Families are also having to cut back on social and developmental activities for their children. Among parents who are finding it hard to manage their finances (46 per cent of all parents):

- 27 per cent can't afford swimming lessons for their kids (36 per cent for families on UC)
- 25 per cent can't afford children's sports clubs (29 per cent for families on UC)
- 26 per cent can't afford for their kids to learn a musical instrument
- 22 per cent can't afford to have a birthday party for their children

The rising cost of living is depriving children of the opportunities to learn and enjoy new skills and experiences. It is also isolating them and shrinking their social lives. 28 per cent of parents who report being under financial strain say their circumstances mean their children experience social isolation – rising to 36 per cent for families on UC. This isolation is understandable when parents don't feel they

[3] For learnings from previous cost of living responses please see CPAG's earlier briefing on *Cost of living support for families with children*, April 2026

can afford for their children to go out with friends and socialise. A fifth of parents (20 per cent) experiencing financial strain say this, and of these, a quarter have noticed this has affected their children's emotional or mental health.

Financial pressures also affect dynamics within the family. 49 per cent of parents who are struggling to manage their finances say these pressures prevent them from spending quality time together as a family, rising to 56 per cent for families on UC. This will have an enormous effect on both parental and children's mental health.

> *'I suppose I'm always in a state of stress every month because of that spiral of getting further into a state each month and obviously that hole getting bigger every month. I am always stressed, probably irritable as well. And the social aspect as well of the things we've had to stop doing. We're not as close to family anymore. And, obviously, we don't socialise with friends because we can't afford those days out, so you feel a bit isolated and alone.'* Parent

Childhoods should be full of happy memories with friends and family, but these are being increasingly squeezed out by financial stresses. A sizable share of parents who can't afford everyday experiences for their children used to be able to. They can no longer afford them because of rising cost of living pressures in the past two years.

Child benefit is an invaluable lifeline

Amid this pressure on family finances, child benefit stands out as support that families value and rely on. 94 per cent of parents who receive it greatly value child benefit support, and 81 per cent say child benefit is an important part of their monthly budget that they could not manage without.

As cost-of-living pressures bite, families are using child benefit to meet immediate needs:

- 38 per cent say they have relied on it to make ends meet on everyday costs like groceries or bills.
- 44 per cent say they have used it to buy essentials for their children, such as uniform or school trips, that they would otherwise have been unable to afford.
- 54 per cent say it has generally helped with the core costs of raising children, from nappies to a car seat or buggy.

Crucially, families told us clearly that an increase to child benefit would make a real difference. The vast majority of parents support an increase: 67 per cent said an increase of £10 per week per child would help 'a lot' or 'somewhat', and 82 per cent said an increase of £20 per week would help 'a lot' or 'somewhat'. An increase of £10 per week would not only support millions of struggling families, including middle earners, but would also provide an invaluable uplift to the childhoods of most of the 3.7 million children in poverty, lifting 400,000 out of poverty entirely. This investment represents a tangible boost to living standards and will foster future economic growth through our country's most important asset – our children.

Conclusion

Behind every statistic in this report is a child missing the school trip or unable to meet up with friends, and a family unable to sit down for meals together because money worries crowd out everything else. Four in five parents say raising children has become harder over the past two years. Household incomes for many families with children are wholly inadequate and rising costs are tightening their grip on childhoods. A meaningful rise in child benefit would be a highly effective way to support lower- and middle-income families, providing additional support that we know parents greatly value. Bold action is needed from this government to stop poverty stealing away childhoods and family life.

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).