CHILD POVERTY ACTION GROUP

A step towards normal

The impact of the two-child limit and its abolition



> ***My children, they actually seem happier and more cheerful. And they're asking me now, "oh, what are we going to do next weekend?". So they're more confident and happier in themselves to go out because I'm able to take them out... not like before, if I had to say "oh no, sorry, I can't".***
>
> Single parent with three children, in part-time work

A step towards normal

The impact of the two-child limit and its abolition

November 2026

By Gosia Banach, with Kate Andersen, Thomas Cave, Lizzie Flew, Tom Lee and Sara Ogilvie

> ***I love having new pedals and grips, thank you, and I love being able to ride my bike to school each day now.***
>
> Child whose bike has been fixed up

I urge policymakers to engage with the evidence presented in this report and recognise the difference that an investment in social security for children can have on families like ours.

'I am a single mother of three children, and my youngest child was affected by the two-child limit until it was scrapped earlier this year. The policy meant that I faced the impossible task of feeding three children with two children's support. In practice, all three children were losing out.

'My family endured years of hardship under the two-child limit. The policy forced me to rely on food banks to feed the children and sometimes, I had to invite myself to relatives for meals as we didn't have any food left. It had meant that I couldn't give my eldest a birthday gift or a cake when he turned 17. It had meant that I accrued debt to pay for essentials. The constant financial insecurity also severely affected my mental health.

'One of the saddest moments was hearing my 8-year-old say "oh, sorry mummy, I know we can't afford it, we're too poor" after asking for something. But when he was born, I had a partner, I was working and had a comfortable life. Unexpected circumstances, including domestic violence, left me a lone parent reliant on social security. And regardless of working part-time, I was unable to meet the actual costs of bringing up children with earnings from my wages.

'The extra child element in universal credit we have been receiving since May 2026 has made a huge difference to our family. I have been able to get enough food for the children, and it has been easier to pay the bills. I have been able to pay more towards my debt. The children enjoyed holiday clubs in the summer which wasn't possible before.

'The removal of the two-child limit has also transformed my mental health. Since the policy ended, I have been more confident and relaxed because I don't worry all the time about money. The extra support has given me a bit more breathing space and impacted my children too. They seem happier and more cheerful now, they ask "oh, what are we going to do next weekend?" as they know I can afford to take them out. The atmosphere in our house has changed too, we spend more time together and enjoy each other's company. In contrast, when the policy was in place, everybody was on the edge – I was avoiding the kids worrying that they would ask for something I couldn't afford, and they were avoiding me knowing I was struggling and if they asked for anything, they would hear "no".

'I urge policymakers to engage with the evidence presented in this report and recognise the difference that an investment in social security for children can have on families like ours.'

Ayesha Alima,[1] mother of three children, in part-time work

1. Names in this report have been changed to protect the anonymity of parents

Acknowledgements

We would like to thank all the parents who gave up their time to be interviewed, and who shared their experiences of the two-child limit and the impact of its abolition. We are very grateful to them for making this project possible.

We would also like to thank the children who shared artwork and notes with us. Their artwork appears throughout the report: drawings and collages of some of the things they have been able to enjoy since the two-child limit was abolished.

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Executive summary

I would say it has added to the financial resilience and added a small buffer. So it has kind of taken the temperature down a bit on many different parts of family life. Like the pressure is still there, but it's kind of, I can deal with that pressure as opposed to it being overwhelming.

Couple with four children, parents in full-time and part-time work, July 2026

In April 2026, the UK government abolished the two-child limit, leading to the biggest overnight reduction in child poverty since records began. The policy restricted the child element in universal credit to two children, leaving larger families facing severe financial hardship. The removal of the policy provides a much-needed increase in support to families on low incomes and will lift 450,000 children out of relative poverty.

We spoke to 19 parents before and after the abolition of the two-child limit to capture how this change has made a difference to families. This briefing shares their accounts of the transformational impact the removal of the two-child limit has had, as well as highlighting some of the challenges they still face.

The effect on family finances

Before the policy was abolished, all the families we interviewed reported that the two-child limit had a negative effect on their ability to meet basic living costs, such as food, clothing, rent and household bills, despite careful budgeting and efforts to find the best offers. When looking ahead to the end of the policy, most parents we interviewed anticipated a greater ability to meet essential everyday needs, such as providing nutritious food, clothing, transport to school and extracurricular activities for their children.

> *'It could be used to give them a break and… take the bus more often when we need, or it could go on food and other essentials, to relax a bit more about spending on essentials.'*
> Single parent with three children, in full-time work, March 2026

In reality, the additional money has meant different things for different families. For some, it has created more room in household budgets for things they had previously gone without. For others, it has noticeably enhanced their quality of life, from nutrition to children's learning and mental health. Some have used it to address financial problems that had built up while they were subject to the policy. Many of the reported positive impacts related to areas severely affected at the initial interviews, with the additional income helping families afford essentials and improving family life, children's experiences and health.

> ***It's just having that little bit of a buffer, that little bit of breathing space, and then how that impacts your mental health in terms of feeling that you can get your two-year-old proper shoes that he needs now. I mean, with the bigger expenses, it is still a massive worry. But it is nice to be able to think, 'I can get him the shoes that he needs, and I can provide for them.' And I've always provided for them, but now providing for them isn't sending me into a downward spiral every time.***
>
> Single parent with three children, in full-time work, July 2026

Across many of the interviews there was a sense that the two-child limit combined with rising cost of living pressures had broken families' budgets, and the removal of the policy has halted a descent into crisis, allowing families to stabilise their finances and start paying off debt. Notably, over half of interviewed parents reported improved ability to repay debt in the second interviews, and just over a third (seven out of 19) noted a greater capacity to save money. For some families it will take more time before they feel the full effects of the change, but they are in a better place.

> *'It's [the increase] just filling a hole at the moment. It's just getting into our overdrafts and so we're not seeing a massive change yet… And we're managing to get our overdraft paid a little bit faster.'*
> Couple with three children, parents in full-time and part-time work, July 2026

In the first interviews, most parents reported being under enormous pressure, spending significant time budgeting and being preoccupied by family finances. This sometimes affected their parenting, and they reported finding it harder to be as present and patient with their children. The vast majority of interviewees also reported that financial difficulties were putting a strain on their mental health, and over half noted a negative impact on their health or that of other family members. This had started to change for many families by the second interviews, with more than two-thirds of parents (13 out of 19) reporting improvements in health including mental health, nearly three-quarters (14 out of 19) noting a positive impact on family life, and over a third (seven out of 19) reporting a positive effect on parenting.

Food and clothing

An overwhelming majority of parents reported difficulties affording food in the first interviews. Many families accessed food banks, some parents reduced their food intake, and many reported being unable to provide a nutritious diet for their children. A few reported that their children had insufficient food. In the second interviews, a majority of parents (13 out of 19) reported improvements in their ability to afford food.

> *'Shopping has just been so much easier since we got the increase. We're able to buy more nutritious food, food that is better for the growing children, more fresh vegetables and protein-based food, instead of just all the cheap stuff.'*
> Couple household, one parent in part-time work, July 2026

I was able to buy a little, runaround car… That's opened up the doors for me to be able to look at a job that is slightly better, slightly further away because I've got the flex to put a little bit towards the car right now. So it kind of enabled me to make this choice about my new job rather than going for a local job or one accessible by public transport… it's opened up many more possibilities for me.

Single parent with three children, in full-time work, July 2026

The costs of clothing and school uniforms posed a significant challenge for the majority of families at first interview, with almost four-fifths reporting they struggled with these costs. Following the abolition of the two-child limit, more than two-thirds of families (13 out of 19) reported finding it easier to afford clothing their children need.

> *'I've been able to get the uniform with the increase, they have 25 per cent off in Tesco and so being able to get that, other than having to get everything from second-hand sales like always, which was really good.'*
> Single parent with three children, in full-time work, July 2026

Transport to improve employment and other opportunities

Many parents reported that transport used to be frequently unaffordable, blocking children seeing friends and making everyday logistics such as getting to school, work or medical appointments harder. Now that families have more money, some have reported being able to afford outings, and to get buses when this previously wasn't an option. One single mum of three reported a transformation in her career prospects and family circumstances because they have been able to get a car.

Housing and the rising cost of living

Housing costs emerged as a challenge for some families in the first round of interviews, with approximately a third of families experiencing overcrowding and over a quarter facing unaffordable rent. Parents described being stuck in unsuitable accommodation and in inadequate conditions that sometimes adversely affected the health or development of their children. By the second round of interviews, there was little evidence of improvement in respondents' housing situations. Only around one-third of parents (seven out of 19) reported some positive effect of the increase on their housing circumstances, including a small number of parents who reported that the extra money had made rent somewhat more manageable, and a few who noted that they were able to afford minor home repairs.

> *'I know when it [winter] comes, we should be able to get them what they need, the radiator and anti-mould paint… Whereas before, I mean, I looked on eBay, but we were not able to pay for it then, even if it's £10–£15, we just didn't have it. But hopefully, we will be able to when the cold weather hits.'*
> Couple household, one parent in part-time work, July 2026

> ***Parents have got this constant battle of just offsetting other rising living costs every time they've got something else in their bank… Heading into the winter, no, it's still going to be a struggle… It's just not risen enough [my income after the removal of the policy] that it's going to cover food, fuel, and (…) all costs that are going to go up.***
>
> Single parent with three children, in full-time work, July 2026

Some parents indicated that while the additional income is useful, continued pressures and fears about rising housing costs remain.

While scrapping the two-child limit has brought some relief to families, many are concerned about the rising cost of living and will struggle to absorb higher costs. Families on low incomes are particularly susceptible to rising prices as they spend a higher proportion of their income on essentials, and more than half of parents we spoke to envisage the extra income being eroded by rising costs.

Enabling key childhood experiences and development

Parents told us in their first interviews that financial pressures prevented their children from accessing key childhood experiences. The two-child limit meant many families were unable to afford activities such as soft play for younger children, sports, or socialising with peers on playdates or at birthday parties. Some interviewees reported that these missed opportunities hindered children's social development and contributed to isolation. Parents also told us that they had missed out on family celebrations, days out, holidays, visiting relatives and treats. After the abolition of the two-child limit, nearly three-quarters of interviewed parents (14 out of 19) reported being able to offer their children more experiences.

> *'It has meant that, say their friend goes to karate, and you consider doing a taster session and perhaps inquiring about cost. So, whereas before it would just be like… shut down, we can't. But now it's like, "okay, let's think about it. Do you want to try it, see if you like it, go to karate? Or swimming?" … that's paid a lot of dividends, like not financial ones, obviously, but sort of social ones and child health and being active and that kind of thing.'*
>
> Couple with four children, parents in full-time and part-time work, July 2026

As a result of the abolition of the two-child limit, parents are now also able to afford items or opportunities that will help their children learn, such as a device for homework, art equipment, extracurricular activities or school trips.

Conclusion

The two-child limit had a devastating impact on children and families. Parents have struggled to afford the essentials, children have gone without adequate food, clothing and housing, and missed out on opportunities. This policy has harmed children and held them back. The end to the two-child limit offers new hope to families and a better future for their children. Parents we spoke to have shown the transformational difference investment in social security for children can make.

But ending the two-child limit does not undo austerity. The real value of much of our social security system remains below 2010 levels. Millions of children are still affected by the debilitating impacts of poverty. Some families have not seen any change from the removal of the two-child limit because the overall household benefit cap remains. And a family freed from the two-child limit can still only access an inadequate social security system. Ending the two-child limit was necessary, but it is one repair to a system that badly needs further investment. As one parent told us, *'It's a step towards things being normal. But we're definitely not there yet, more needs to be done.'*

Achieving long-term growth requires investing in children now so they can unlock their potential. Supporting families to meet their needs is vital to children's lives and to our future, and it cannot wait. The government must lay out a clear plan and take bold actions, building on the policies implemented by the child poverty strategy. As one parent explained:

> *'I would say… that's [the abolition of the two-child limit is] a very good one. I would say go further, because it's investing in the future, and the future of the country so the children, but also everyone, because we can all fall on hard times at some point and, you know… it just doesn't make sense to keep people in poverty.'*
> Couple with four children, parents in full-time and part-time work, July 2026

Introduction

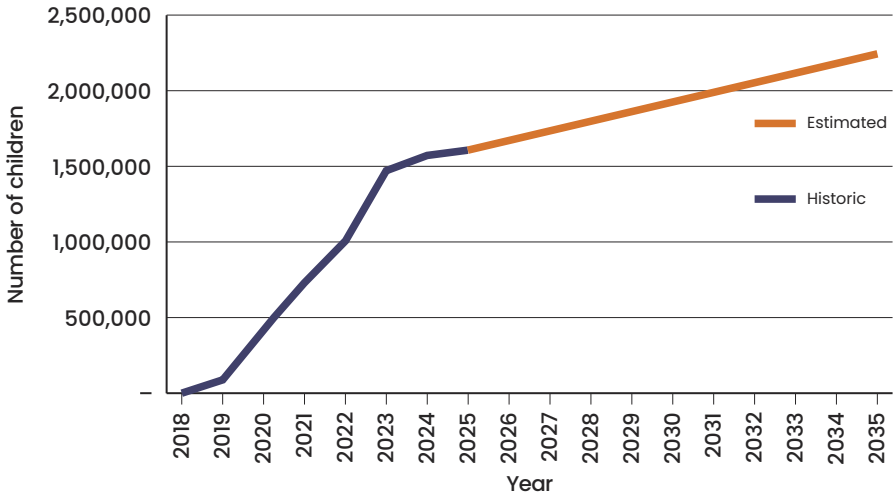
It is hard to overstate how damaging the two-child limit was to children and families. By denying them support, it left children without things they needed and meant they missed out on vital childhood experiences. A targeted cut that showed no regard for children's circumstances, wellbeing or opportunities, it affected all children in the family and it caused harm to parents too.

The abolition of the two-child limit is hugely significant. This is the case for the families who now have support that reflects the number of children they have, and for the children in those families who are benefitting from that support: whether through more fruit and veg, a school uniform that's the right size and helps them fit in, or more opportunities to spend time together as a family.

In numbers, the abolition of the two-child limit will reduce child poverty by 450,000 children[2] – the biggest single reduction since records began. The scale of the poverty reduction tells you how pernicious the policy was, how many lives it harmed (more each year) and how important it is that it never returns.

Thankfully, the full scale of this harmful policy was never realised before it was abolished, as each year it would have impacted more children until all families on universal credit (UC) with three or more children were affected. By the 2030s this would have seen more than two million children harmed by this policy (see Figure 1).

Figure 1: Historic and projected number of children living in households subject to the two-child limit, 2018–2035



Source: CPAG's calculations from DWP, *Universal Credit claimants statistics on the two child limit policy,* April 2025

2. The 450,000 is based on government modelling of the expected impact by the end of this Parliament. The DWP *Statistics on the impact of removing the 2-child limit from Universal Credit, May 2026* show 301,720 children out of relative poverty after housing costs in May 2026, demonstrating progress in line with the original modelling.

This report sets out evidence of the impact that removing the two-child limit has had on children and family life. We spoke to 19 parents whose families have benefitted from the scrapping of the policy. We published a first report[3] documenting the impact of the two-child limit on children and families before it was scrapped, based on interviews in March 2026. This second report incorporates interviews conducted after the parents had received at least two payments of the child element for their third and subsequent children, which they were not receiving prior to the abolition of the policy in April 2026. It provides a unique before-and-after account of the policy change and outlines how the additional income has affected households' ability to meet essential costs, provide for their children and maintain family life. It also includes artwork and words from some of the children whose parents we interviewed.

For additional context and to highlight changes since the scrapping of the policy, we also briefly recap the baseline data from our survey on the impact of the two-child limit.[4] While this report cannot represent all families affected by the two-child limit, the testimonies provide valuable evidence of changes families have experienced as a result of the abolition of the policy and subsequent increase in their social security entitlement.

Of course, ending the two-child limit does not undo austerity. It removes one of that era's sharpest instruments, but not the compounding effect of spending years struggling under it, or the fact that the real value of many benefits for families remains below 2010 levels. The UK government spends £50 billion a year less on social security than it would be spending if cuts, freezes and other changes since 2010 hadn't happened.[5] Millions of children, including some previously affected by the two-child limit, are still experiencing the debilitating effects of poverty, going without all the basics children need and facing barriers to building their future. A family freed from the two-child limit can still only access a social security system that has not kept pace with the cost of raising a child.

What the scrapping of the policy shows is the value of social security. Investing in our social security system for families works to improve children's lives and life chances. By building on the gains made by scrapping the two-child limit through investment in children's benefits, many more children can experience the very real positives of a life free from poverty.

3. CPAG, *How the two-child limit affected children and families*, 2026
4. Our online survey about the impact of the two-child limit on children and families was facilitated by the entitledto benefits calculator and received more than 4,580 responses between 2018 and April 2026.
5. Author's calculations from the Policy Measures Database, March 2026. The sum of all policies in the 'Social security benefits', 'Tax credits', 'Welfare inside cap' and 'Welfare outside cap' categories for 2025/26, except 'Devolving disability benefits to the Scottish government.' These policies cover all policies announced from the 2010 Budget to the 2026 Spring Statement.

The impact of the additional income on families

> ***In terms of household bills, it's a lot better now. If we get an unexpected bill, then it's not as much of a panic to pay it now. It used to be, and I'd have to always live in my overdraft then but now I can pay most of my bills. I could buy some clothes and shoes for my children rather than going to charity or community centre to try and get free or second-hand stuff.***
>
> Couple with three children, one parent in part-time work, July 2026

The abolition of the two-child limit has provided families with an increase of up to £303.94 a month for each child who was not supported by the child element in UC prior to April 2026. Our evidence demonstrates that this additional income has not had the same effect for every family. For some, it has created more room in household budgets to pay utilities and afford essentials such as food and clothing that they had previously gone without.

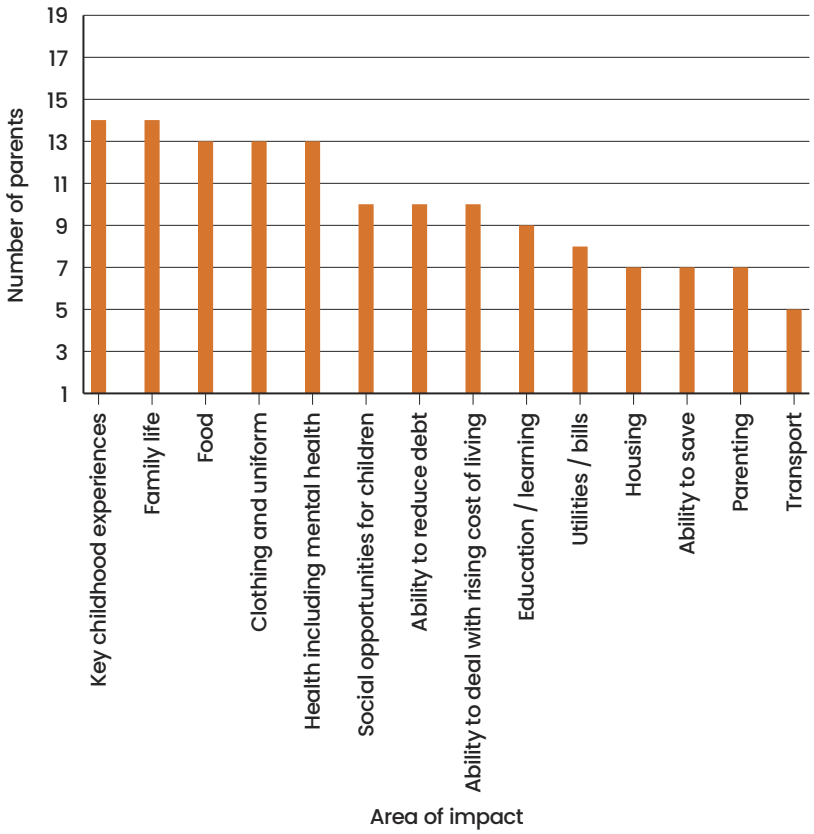
For others, the extra money has noticeably enhanced their quality of life across a range of areas, including nutrition, children's learning and education, and mental health.

> *'I can buy them things and take them to places and out and about… It stretches way further than it used to… now we get extra money for my youngest children, and it's just made life in general way more comfortable… I mean, it's not massive amounts that we're getting extra, but for us, the impact it's made is huge. The impact is far greater than the amount you receive, if that makes sense?'*
> Couple with five children, full-time carers for disabled children, July 2026

Some parents are using the increase to address financial problems that had built up while they were subject to the two-child limit, so it has not resulted in more money being available for everyday spending. But most parents reported that it has helped to manage financial pressures that had previously been difficult to deal with.

The evidence from the second interviews also indicates that the increase in income has had a positive impact across many areas adversely affected by the two-child limit (see Figure 2). Notably, nearly three-quarters of interviewed parents (14 out of 19) reported improvements in their children's access to key childhood experiences and a positive impact on family life, and more than two-thirds (13 out of 19) noted a greater ability to afford essentials and a positive impact on health and mental health. Improved financial resilience was recorded by more than half of parents (10 out of 19) who felt their ability to manage the rising cost of living and ability to save have increased since the policy was scrapped.

Figure 2: Parent-reported positive impacts since the abolition of the two-child limit



Source: CPAG, Round two interviews from the impact of the two-child limit research project.

> ***It's partially neutralised some threats. It's a step towards neutralising the threat of... basically not being able to pay bills and rent... It's a step towards things being normal. But we're definitely not there yet, more needs to be done.***
>
> Single parent of three children, in full-time work, July 2026

'I would say it has added to the financial resilience and added a small buffer. So it has kind of taken the temperature down a bit on many different parts of family life. Like the pressure is still there, but it's kind of, I can deal with that pressure as opposed to it being overwhelming.' Couple with four children, parents in full-time and part-time work, July 2026

Better food and less reliance on food banks

One of the clearest ways families have benefitted is by being able to buy better food. In the first interviews, many families described significant difficulties affording food and explained they had to make choices about what to buy and what to go without. Similarly, almost nine in 10 respondents to our online survey about the impact of the two-child limit[6] reported that the policy affected their ability to buy food. In our follow-up interviews with parents, a clear majority (13 out of 19) reported they now find it easier to afford food, which often translates into providing more balanced and nutritious meals for their family.

6. Our online survey about the impact of the two-child limit on children and families was facilitated by the entitledto benefits calculator and received more than 4,580 responses between 2018 and April 2026.

'Shopping has just been so much easier since we got the increase. We're able to buy more nutritious food, food that is better for the growing children, more fresh vegetables and protein-based food, instead of just all the cheap stuff. You know, when it gets to the end of the month and you just feed them cheap baked beans or pasta, it's very demoralising. Knowing you are not giving them what their bodies need to be healthy and grow well, just because you can't afford it. Now with the extra money, we can get more nourishing food for all of us. More meat, chicken and eggs more regularly, and also fresh vegetables and salads. We are not so desperately low on money at the end of the month now.'

Couple household, one parent in part-time work, July 2026

Several parents who reported insufficient food to feed the family in the first interviews told us in the second interviews that the extra income has enabled them to buy adequate food. Some parents reported they could now provide better-quality food and a greater variety, including fresh fruit and vegetables. The extra income enabled several families to enjoy new cuisines, which wasn't possible before. A few parents mentioned being able to purchase specialist products required for an allergy, which was challenging when they were subject to the two-child limit.

> Round one interview (March 2026): *'There are times when we don't have enough money for food and are often having to feed the children some very random meals which are not healthy or balanced… The children are sometimes hungry because we haven't got anything to give them… And I go without too, maybe once or twice a week, I prioritise feeding the children…'*
>
> Round two interview (July 2026): *'I managed to get the children some more healthy foods, like some nice fruit and fresh vegetables and stuff. So, instead [of] them just having something really cheap, like some cheap pasta, they've had some vegetables and things with it but that's not every day, just like once a week… My youngest has allergies, so I have to buy special food and it is expensive. So the extra money we get now can help with that.'*
>
> Couple with three children, one parent in full-time work

> Round one interview (March 2026): *'I'll prioritize feeding the kids so we, I mean my husband and I, will only have one meal a day, which is on a nighttime, but there are times where we haven't had that too.'*
>
> Round two interview (July 2026): *'We've been able to get big shops in, with some nicer food, more like nice food instead of just making dough and pasta sort of thing. I've been able to make like proper meals rather than just relying on processed food because it was cheaper. So, it's much better now. It's in the cupboards, in the freezer and stuff's been full and it's just been really nice.'*
>
> Couple with five children, full-time carers for disabled children

> Round one interview (March 2026): *'I cut down on food and try to balance with something else, I try to save elsewhere to make sure the bill is paid. So it might be that we have very simple meals around that time. I normally buy snacks for them, vegetables and fruits but at [a] time when I need to save, I cut down on all that. So maybe we'll just have a baguette, I just put something on it and we have it, or noodles, the very cheap ones that you can get in the supermarket.'*
>
> Round two interview (July 2026): *'I buy a lot of vegetables and fruits for them and some snacks too. Now I buy them weekly and I don't need to worry that I can't afford enough like I did before. And they also can try some new foods, so when their friend says, "oh, I tried this food, I tried that food" if they ask me, I can also buy it and let them try whilst before, I couldn't afford it… I think since we've been getting the extra money, we sometimes try different cuisines, but we would never do it before.'*
>
> Couple with five children, one parent in part-time work

Reduced reliance on emergency food support was commonly reported by parents who, in the first round of interviews, had described their dependence on food banks and community fridges.

> Round one interview (March 2026): *'And just the basics overall, the food, definitely, I'm going to food banks. I've been going to food banks for a few years now…'*
>
> Round two interview (July 2026): *'It's easier to pay for food now and get enough food and snacks for the kids. I still go to the food bank, but I don't need to be so strict about it, if I can't go, it's ok, I'll go the next week whilst before, I would panic if I didn't go.'*
>
> Single parent with three children, in part-time work

And some families noted that the extra income they are receiving has allowed them to stop using food banks altogether.

'We're little bit better off and for example, I haven't had to go to food bank. I can spend a bit more on food, so I can get more snacks that the children like and not just the bare essentials.'
Couple with three children, one parent in part-time work, July 2026

The changes described by parents are relatively modest and would generally be expected to be affordable for most families. Yet for the interviewed families, simply knowing that there is enough food to feed the whole family, or flexibility to afford a greater variety of produce rather than choosing the cheapest options available, has made a significant difference.



Baking cookies.

Less pressure on clothing and school uniform expenses

The cost of clothing, including footwear and school uniform, posed a significant challenge for the majority of families at first interview, with almost four-fifths reporting they struggled with these costs. Parents described having to delay purchases or go without certain items, leaving children wearing unsuitable or damaged clothing and shoes. Almost nine in 10 survey respondents also reported that the two-child limit affected their ability to afford clothing. At second interview, over two-thirds of families (13 out of 19) reported that the extra income has helped them meet these costs, with several parents who previously struggled to provide adequate clothing and footwear and who relied on second-hand or hand-me-downs reporting using the extra money to buy new items.

> Round one interview (March 2026): *'It's embarrassing to tell school, "Sorry but I can't afford new shoes," and he goes around with holes until I get a second pair when I have the money.'*
>
> Round two interview (July 2026): *'I've been able to get the uniform with the increase, they have 25 per cent off in Tesco and so being able to get that, other than having to get everything from second-hand sales like always, which was really good.'*
>
> Single parent with three children, in full-time work

Parents also appreciated being able to replace clothing when needed, and being able to buy appropriate items for their children.

> *'Now, with the extra money, I can also buy them trainers if they need it. I bought my youngest one some new shoes because he needed it, he's only two so his shoes must fit properly. So, we went to Clarks and again, I was able to go and buy him a decent pair of trainers that cost £20 and it wasn't too much of a stress to do that whereas before it would not be possible.'*
> Single parent with three children, in full-time work, July 2026

> *'It [the increase] has meant that we get stuff when it needs to be changed, because obviously kids go through stuff like crazy. So instead of wearing a size too small or hand me downs, we're being able to buy it. I got a few things on eBay, you can get some deals or even new stuff. It's meant that we're being able to cover more of those costs. So it's stuff like that meant that we can replace when we need to, and I guess that's a confidence and dignity thing as well, isn't it?'*
> Couple with four children, parents in full-time and part-time work, July 2026

More access to transport

Transport costs were frequently unaffordable for families subject to the two-child limit, as evidenced in the first report of this research. Survey respondents increasingly reported that the policy affected their ability to pay for transport over the years, from over a quarter in 2018/19 to more than 45 per cent in 2025/26. In the first interviews, parents described a range of challenges from not being able to afford a bus fare for everyday logistics such as the school run to not being able to access opportunities and experiences. At second interview, just over a quarter of families reported that the increase in support has improved their ability to meet transport costs, and consequently their children have been able to enjoy valuable time with family and friends. The following quotes are from a family who previously didn't get support for their youngest child.

Round one interview (March 2026): *'Trying to arrange to see their friends, we calculate how much fuel is going to cost and how much the train ticket is going to cost. And because we have three children that would have friends, it does get quite busy in terms of invitations… So sometimes we discreetly say, "we can't go," and sometimes, well, we just don't tell them [the children] about the birthday they've been invited to, quite frankly.'*

Round two interview (July 2026): *'I can allocate that [the increase] for the fuel, you know, for like a present to take, etc. So, I think it has increased that option. Like it's not life changing in that sense, but in the sense of… it's more of an available option [for children to go] if it comes up as opposed to not even like mentioning it sometimes. It's definitely an option that can be put on the table, and then if they go to that, then I can reallocate money for that, but perhaps… I have less money to buy something else.'*

Couple with four children, parents in full-time and part-time work

Parents who reported greater ability to meet transport costs identified a range of positive effects on their children and themselves.

'The extra money means that I am no longer worried when taking a bus to go to my English and maths classes. I also have money to put petrol in the car to take the kids out. Also, for my eldest daughter, when she goes to college in September, she can take a bus and go to college, and I don't need to worry about those bus tickets. I can also afford to pay for her driving theory test.'
Couple with five children, one parent in part-time work, July 2026

'Before if we wanted to take the children on a walk… to a place a bit further, this was often not possible… my husband would say, "oh, I don't think I'll be able to get enough petrol to get to work if we also drive to do the walk." So then we didn't, we couldn't take them to just two towns down about 15–20 minutes away… So, we just don't have that now. We can say, "right, we'll take them off for a trip" and we can just go. … [P]etrol isn't a big issue or… I can get on a train and go and see my mum… . We now have the chance to have both petrol and food even at the end of the month, which sounds so basic, it sounds… well, it's ridiculous… that we couldn't always afford both, but it was what it was like back then.'
Couple household, one parent in part-time work, July 2026

> ***I love having new pedals and grips, thank you, and I love being able to ride my bike to school each day now.***
>
> Child whose bike has been fixed up

Chloe's experience[7]

Chloe is a single mum with three children. She works part time. Chloe became affected by the two-child limit when she separated from her partner and had to claim benefits for the first time. Although she found the process of applying straightforward, she was shocked to discover that she would not receive financial support for all three of her children.

During her first interview, Chloe told us about transport barriers that affected her children's social life and access to enrichment activities:

> *'I don't have a car, as I can't afford one so at times my children miss out on playdates or days out because I simply can't get them there. A car is just an outgoing that I just cannot afford right now at all. So, it limits us and it is really challenging. There are the days when I'd love to take them, you know, for a drive to the beach or I'd love to even just drive to the nearest soft play or something. And you're so limited by not having a car and not being able to take them to places.'*

Chloe reported a transformation in her family's circumstances after the two-child limit was abolished. She was able to buy a car:

> *'I was able to buy a little runaround car. And since we've had the car, we've gone to the beach, we've been strawberry picking, it's just given me that freedom. And I wouldn't have been able to do it without that additional payment because I pay monthly for the car. So to be able to afford it, I needed that increase. So, a proportion of that extra money has gone towards paying for the car every month. And now with the car, we're able to kind of do so many things…'*

Owning a car has not only improved the family's access to activities, it has had a huge impact on Chloe's employment at a time of crisis when she was made redundant and urgently needed to find a new job. Having a car enabled her to widen her job search and apply for jobs she wouldn't have been able to reach by public transport. She has secured a better job with greater long-term prospects:

> *'[Without the increase] there definitely wouldn't be a car sat on the drive right now, it would have been financially impossible. I probably wouldn't have gone for this job. I probably would have gone for a job where I could walk or get the bus or get the train. So, that's huge. That's opened up the doors for me to be able to look at a job that is slightly better, slightly further away because I've got the flex to put a little bit towards the car right now… That's probably the biggest shift, without the extra money that came after the limit was gone, it would be still really tight, penny to penny. And it's not only [the] car I will use to get to my new job, it's experiences for the boys like that camping trip or squirrels club, or proper shoes.'*

As well as bringing significant benefits for both family life and Chloe's employment prospects, the removal of the two-child limit has given the family a bit more financial breathing room: the additional money means that they're living *'less pay cheque to pay cheque, penny to penny.'*

7. Names in this report have been changed to protect the anonymity of parents

Limited impact on housing

Housing costs emerged as a challenge for some families in the first round of interviews, with approximately a third of families experiencing overcrowding and over a quarter facing unaffordable rent. Among survey respondents, around two-fifths indicated that the two-child limit affected their ability to afford rent. In the first interviews, parents described being stuck in unsuitable accommodation and in inadequate conditions that sometimes adversely affected the health or development of their children.

By the second round of interviews, there was little evidence of improvement in respondents' housing situations that could be linked to the increase in income after the policy ended. However, around one-third of parents (seven out of 19) reported some positive effect of the increase on their housing circumstances, including a small number of parents who reported that the extra money had made rent more manageable, and a few who noted that they were able to afford minor home repairs.

> Round one interview (March 2026): *'My rent means I will be leaving the home counties and will have to find a new life and job and start again as we can't afford to live here. My rent has increased by £200 a month, and I work full-time as a nurse but right now I don't know where or what I am going to be able to do due to money being not enough. I'll be pushed out of the county.'*
>
> Round two interview (July 2026): *'So the uplift helped me to pay a bit towards the increased rent… But if my rent goes up again, that's it, I'll have to move out but… there's nowhere else to go.'*
>
> Single parent with three children, in full-time work

> Round one interview (March 2026): *'We can't really do things on the house. We've had to make it as safe as possible, but we really need more space… it does feel a bit overcrowded… And I can't see the ability to move to a bigger place anytime soon, in any foreseeable future, no.'*
>
> Round two interview (July 2026): *'I'm not going to be able to suddenly, you know… get the kitchen done, but… When little things go wrong, because it's an old house, we'll actually be able to fix them.'*
>
> Couple with three children, one parent in part-time work

During the 6 weeks off school me and my family went up to the loft to give it a deep clean and empty out the rubbish. We turned it into a chill area for me and my brother… So now it has two inflatable chairs, some carpet and a spider-man rug that we found when we were clearing out. There are also some LEDs we found in my sister's wardrobe and some curtains to stop it being that creepy at the back, and some more stuff coming on Monday. We also have our PlayStation4 there to watch our films on and also our books, blankets and stuff. It's a space we can go in when we are stressed, and it is a place of calm just for us. It was a great idea and I love it, and I can't wait to upgrade it.

12-year-old who shares a bedroom with his brother

Dream home.

This has also enabled parents to afford addressing home issues that are impacting their children's health.

> Round one interview (March 2026): *'My daughter has eczema… she often can't get to sleep because it is so sore and itchy. It is aggravated by the black mould in her room… I'm just scrubbing it with vinegar… if we had enough money, we would just buy anti-mould paint, but we can't afford it, so I'm scrubbing it with cheap vinegar… I looked on eBay… to see if I could get another radiator or a dehumidifier but they were too expensive… but I can't, so their room is cold and they are suffering…'*
>
> Round two interview (July 2026): *'I know when it [winter] comes, we should be able to get them what they need, the radiator and anti-mould paint… Whereas before, I mean, I looked on eBay, but we were not able to pay for it then, even if it's £10–£15, we just didn't have it. But hopefully, we will be able to when the cold weather hits.'*
>
> Couple household, one parent in part-time work



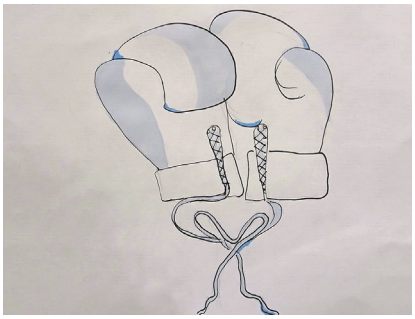
More key childhood experiences

A recurring finding from the first interviews was that financial pressures constrained children's participation in key childhood experiences, which often impacted their opportunities, and sometimes affected wellbeing and contributed to isolation. The evidence from the second interviews shows that the additional income has created greater scope for nearly three-quarters of families (14 out of 19) to spend money on enrichment activities for their children.

> Round one interview (March 2026): *'The younger one, he wants to go to football club, his friends are attending clubs and things, but he can't. Even his after-school clubs, they're very cheap, but still not cheap enough for us.'*
>
> Round two interview (July 2026): *'They'd be able to do more activities, hopefully get into a decent summer activity club thing. We were accessing the free ones last time and they weren't very good. So this time, I'd be able to pay for... decent activities I hope...'*
>
> Single parent with three children, in part-time work

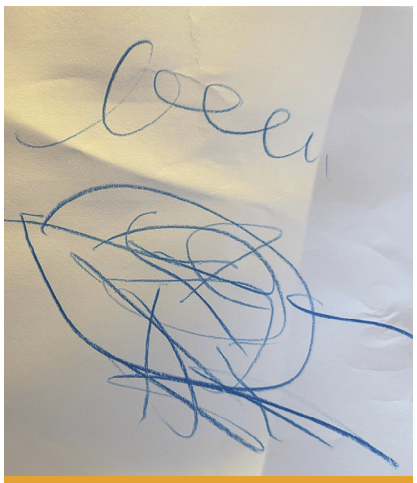
Parents who were able to use the extra money to pay for activities noted multiple benefits for their children that ranged from improved wellbeing and health to enhanced social opportunities, experienced by over half of interviewed families. Parents also valued the financial flexibility that allowed them to say 'yes' to their children and provide more experiences that previously were out of reach.

> *'It has meant that, say their friend goes to karate, and you consider doing a taster session and perhaps inquiring about cost. So, whereas before it would just be like... shut down, we can't. But now it's like, "okay, let's think about it. Do you want to try it, see if you like it, go to karate? Or swimming?"... that's paid a lot of dividends, like not financial ones, obviously, but sort of social ones and child health and being active and that kind of thing. So, I would say that it's more of a conversation now, sort of "let's see how we can do it" as opposed to, "no, it's not gonna happen, we can't do that."'*
>
> Couple with four children, parents in full-time and part-time work, July 2026



'I loved doing the Boxwise course that was running along the martial arts lessons.'

> ***When we had the heatwave and I had to keep them home from school, I took them to the movies because I knew the cinema was air conditioned. So, I was able to just do that... I did that because I knew that it was something we could absorb financially on the balance, and I also needed to keep my kids cool. So... I think my kids have noticed that I'm a bit more relaxed about stuff like that, knowing that long term we have more income to rely on.***
>
> Single parent with three children, in full-time work, July 2026



'This is me swimming with my face in the water and closed my eyes.' (Three-year-old)



The water slide.

Positive impact on family life

Where families previously had to prioritise essentials, the extra income has given some flexibility to allow occasional treats and to spend time together in a way that previously was out of reach. These changes have reduced some of the restrictions that poverty places on children's experiences and have allowed around three in four interviewed families to enjoy time together without the burden of financial worries. Additional income is not simply about having more money; it means parents can make choices about family life without every expense having to be weighed against another essential cost.

> *'In the summer holidays, I'm taking the boys away for the weekend. And that I really budgeted for, it was £40 a month… And I'm so pleased that we're going. And then when I got my first increased payment, I booked a week off at the end of the summer holidays, and I've booked us to go camping… I thought that's a treat and they are so excited and I'm really looking forward to it. We're going to have the most incredible time.'*
> Single parent with three children, in full-time work, July 2026

Emma's experience

Emma is a coupled mum with five children. She has mobility issues and two of her children are disabled. Emma's husband is their full-time carer. At the first round of interviews, the two-child limit applied to the couple's younger three children. This substantially insufficient income meant that the family struggled to afford necessities including food, rent and utilities, resulting in debt:

> *'We struggle to get shopping at times, we struggle to do things as a family, just everything it really affected, from school uniforms and all sorts of other things. The policy left us with no money to buy clothes or pay for essential expenses. Our rent costs are affected; we rent off the council and sometimes I could not pay the rent as I didn't have the money. The general cost of living is very high and yet we get support for only two children, so it really does affect the family financially. The utility bills, gas and electric have been affected massively, I've got really big debts on it. And I do prioritize it but the money we have is just not enough.'*

The two-child limit meant that the children could not take part in activities with their friends. The couple also struggled to afford specialist items for their children with autism.

> *'The children become quite isolated because they can't do what their friends are doing. There's lots of negatives, it's just restricting what they can do. The best way to put it, is that they can't do what the friends do, because we haven't got money. And a lot of times their needs can't be met if you can't afford the specialist equipment, for example, for my two little ones who have autism.'*

The removal of the two-child limit has had 'an absolutely massive impact' on the family. At her second interview, Emma told us about some of the things the family could now afford:

> *'I've been keeping on top of bills recently. I've been paying things on time with the extra money… Before, I had no choice, I sometimes had to use the rent money to get the food, so I was not paying the rent… I've been able to buy them [my children] like footwear and summer clothes. I can take them to places and soft play and a treat sometimes, like ice cream and stuff. I was able to buy my son a suit to go for his interview for an apprenticeship, because he's just done his GCSEs.'*

Emma explained that the children had noticed the difference the extra money had made, particularly as they were now able to socialise with friends:

> *'They've been able to go out and stuff. They're not just sitting around the house bored or getting left out, like I say, that they've been out and about, they've been doing loads of fun things with friends. They have noticed it and that it's having a really positive impact on them.'*

The extra income allowed the family to go on holiday for the first time:

> *'We've actually got a holiday booked for next week, we're going to Scotland, like a caravan holiday, it's the first one we've been to, it's the first time ever. It's [the increase] made it, like we've never been and now with it, we're going…'*

The removal of the two-child limit also meant that Emma could now afford specialist items for her children with autism. She told us:

> *'I've got the means to be able to pay now, so it's brilliant. It was really so positive as now, I can get it. It's like, it's made such a difference, I'm just so glad it's happened and that limit [the two-child limit] was lifted.'*

> ***With the uplift, we're not going away on holiday, but I can actually take them out. You know, the universal credit £1 entry to attractions, we're using that. So without the uplift, and this sounds really stupid, but something like an ice cream, it's too expensive. So when we go out to visit those £1 attractions, I can actually buy some ice cream for them, and it sounds daft but… it's just really nice to do that.***
>
> Single parent with three children, in full-time work, July 2026

While the parents we spoke to welcomed being able to pay for goods and activities that previously were out of reach, they remained cautious about spending, reflecting their continuing low income and the sustained financial precarity over years when subject to the two-child limit.

'We've done a few things, but I still have to look out for cheaper things, nothing too lavish. I am still careful about spending so just looking for the cheaper activities, or free activities… But the cheaper activities, well you know, now we can do them but before even the cheap activities were too expensive.'
Single parent with three children, in part-time work, July 2026

'We hopefully will look at going away for a few days over the summer holidays, which we possibly wouldn't have been able to do before [the uplift]. But for general activities over the summer, I think I'm probably more likely to have people here for a play date rather than go somewhere where you're having to pay for activities, so I'm more likely to do home play dates as the outings are still expensive.'
Couple with three children, parents in full-time and part-time work, July 2026

Not all families can now spend more on activities that contribute to key childhood experiences. However, these families are hopeful that this will be possible in the future.

'I wish I could say that we've got £300 a month to play with, we're getting swimming lessons, we're buying new sports equipment, we're getting bikes… I wish I could say they can do all these activities but I don't think it's possible right now, I think if you ask me in six months from now, then I might be able to say that we're investing in all the activities that they couldn't do before. But for now, it's not yet possible… Or even just to say that we're eating better food… but nothing has really materially changed… Because the entire increase has been absorbed by my debt… So yeah, we're in the same situation as we were before…'
Single parent with three children, in full-time work, July 2026



Ice cream cones.

Improved access to social opportunities for some children

A few parents had told us in the first interviews that financial hardship caused by the two-child limit affected their children's social interactions. By the second interviews, more than half of parents (10 out of 19) noted that the increase in income had improved their children's access to social opportunities.

> Round one interview (March 2026): *'I can't give the children money to go and do what their friends are doing. The two-child limit has affected activities – there's been loads of times where they haven't been able to go, there's just no money… When their friends are going and doing stuff, but you cannot afford it, it's really difficult for the children, looking at their friends and thinking, "Well, how are they going on holiday? Why can't we do this? Why [have] they got better clothes?" And then the children get bullied if they haven't got the right clothes and stuff. They have been bullied and laughed at, because they haven't got what their friends have got.'*
>
> Round two interview (July 2026): *'It's [the increase] meant that they can go out with a friend to places that cost money like the cinemas or things like that.'*
>
> Couple with five children, full-time carers for disabled children



Family trip to a water park.

The impact on children's education and learning

The two-child limit caused children to miss out on education and learning new skills, as families were unable to afford school activities that required financial contributions and equipment such as laptops to enhance learning. This had changed for just under half of interviewed parents following the abolition of the policy.

> Round one interview (March 2026): *'We haven't got a computer so that's a bit hard… I do think it makes it harder for her to do her homework, because she's got to look up multiple screens on the tiny little screen, and then she's got to try and put that data in. I think it impacts how well she can do her homework.'*
>
> Round two interview (July 2026): *'I did get her a tablet recently, and it has been helpful for her homework, it's been much better now since she has the tablet.'*
>
> Couple with three children, one parent in part-time work

> Round one interview (March 2026): *'My eldest had a very different experience, she did have different classes, went to netball and did lots of activities in school… But my younger four don't get to do anything, and I feel really sad about it… I can't pay for it because I've bills to pay and there is no flexibility on that.'*
>
> Round two interview (July 2026): *'I will start putting them to classes they want to try. I want to make sure they do a lot and try different things that they enjoy and learn… I'll be able to do things for my 16-year-old when she starts college, she's going to study art and design, so she will need to get a lot of equipment for painting, drawing and art, and now I can afford it so she can concentrate on her education…'*
>
> Couple with five children, one parent in part-time work

> Round one interview (March 2026): *'My son had a theatre trip we couldn't afford to send him [on]. He just had to miss out.'*
>
> Round two interview (July 2026): *'I know that my daughter will be having some school trip next year, which is quite expensive, so… now I have some hope that we might be able to actually save up for it, whereas I had no hope then. There was no room for anything extra then, whilst now, there's a little bit of room for something extra, like school trips and activities. And there is a possibility now that we could afford to send her to one paid club, like swimming because she loves swimming, so she might start swimming from September.'*
>
> Couple with three children, one parent in part-time work

The effect on health and parenting

In the first interviews, the majority of parents reported being under enormous pressure due to financial instability, spending significant time preoccupied by budgeting and solving financial problems. This sometimes affected their parenting. At the same time, the vast majority of interviewees reported that financial difficulties were putting a strain on their mental health, and over half noted a negative impact on their health or that of other family members. The evidence from the second interviews shows that the additional income that families have been receiving since the abolition of the two-child limit has provided some parents with additional 'breathing space' and eased these pressures for some families. These changes have been experienced by more than half of interviewed parents, who reported improved health including mental health, and just over a third who noted a positive effect on their parenting.

> Round one interview (March 2026): *'It's… completely out of control. I'm always filling out forms or doing budgets… I had to get signed off from work with stress and anxiety recently. I took eight weeks off because… with all of the financial worries on top of trying to perform well at work, but also trying to be a good mom… It just kind of spiralled and the financial worries were a big part of that.'*
>
> Round two interview (July 2026): *'Since the [two-child] limit is gone, I am also a bit more relaxed about the future because I know that things will get easier soon… I know that things are getting easier and my entitlement is a bit higher, I feel a bit more relaxed about the future, and I don't feel as stressed out about affording my son's school uniforms for example.'*
>
> Single parent with three children, in full-time work

> Round one interview (March 2026): *'Trying to keep my head above water with everything, was I the most patient? Was I the most present? You know, I was there but was I the most engaged with them? Probably not. And there's been several times when I've been on my laptop looking at my budget and the boys have asked "mum, can you play with me for a second?" And I'd be like, "no, no, no, no, just one second, one second." And you never want to be like that as a parent.'*
>
> Round two interview (July 2026): *'It's less stressful now, I don't worry all the time about money. Before, when they've grown out of clothes, I'd be like "Oh my God, where am I going to get the money to get new clothes?"… And now, I don't have to panic. I can actually think about buying clothes, rather than having to go to a charity. I can get them a pair of shoes if they need them, you know, not the most expensive, but a decent pair of shoes. So, that's a huge thing; that takes a lot of worrying from my shoulders.'*
>
> Single parent with three children, in full-time work

Parents also spoke about seeing a positive impact on their children's wellbeing as well as their own.

> Round one interview (March 2026): *'I can't do activities with them at home… when I'm just down and depressed and on medication, I can't do it… I just feel like I'm really not doing a good job as a parent at the minute, whereas… if financially things were more available, at least I would be able to not to be that burned out… I get really depressed and have needed mental health support, but it doesn't deal with the underline issue of finance…'*
>
> Round two interview (July 2026): *'I just get a bit more breathing space. And then for my children, they actually seem a lot more happy and cheerful. And they're actually asking me now, "oh, what are we going to do next weekend? Or what are we going to do next time?" And it's actually impacted on my daughter, even though she's got her anxiety issues, she's been able to come out more recently, at least she attempts to come out now.'*
>
> Single parent with three children, in part-time work

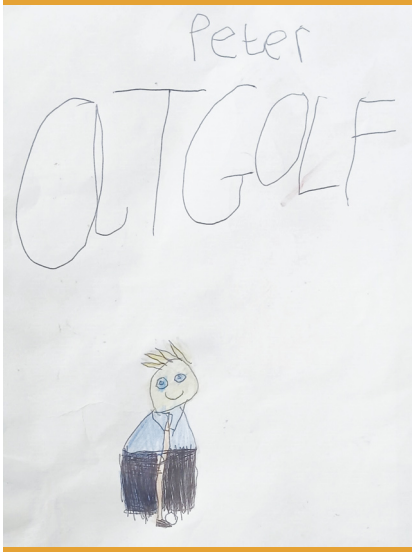
Some parents reported improved family relationships, attributing this to reduced financial pressures following the two-child limit's abolition.

> Round one interview (March 2026): *'It's very stressful. We do argue over money quite a lot, me and my partner, probably two or three times a week. It's very stressful, always worrying about money, always worrying that something's going to come up, like an unexpected bill and how we're going to pay it.'*
>
> Round two interview (July 2026): *'My partner and I used to argue a lot about money and now it's a lot less, so it definitely improved our relationship. If you're just so stressed and strained all the time about money, you end up feeling resentful. So now, we're both less stressed about it and it's improved the relationships immensely.'*
>
> Couple with three children, one parent in full-time work

Round one interview (March 2026): *'You're just obsessive about wasting a single penny and that causes tension in the house. It's just that constant stress and constant pressure, where you can't let your guard down for a minute or you feel something will go wrong. And of course, that's not great for the children. They pick up on the stress and at times get fed up with constantly hearing "no, we can't afford it". They sometimes come out with comments like, "is everyone as poor as us?".'*

Round two interview (July 2026): *'The stress has just reduced between everyone in the family, and the children are less anxious because they know they can have their needs… So they're much more relaxed and happy and we are as well, my husband and I, just less stressed… It's just less stressful and it felt like in the past there were certain areas which just seemed impossible. You know, it's just impossible to pay for this, impossible… And that whole feeling of just being completely helpless and impossible, no matter what you do, not being able to afford the basics, that seems to have lifted now…'*

Couple household, one parent in part-time work



Five-year-old playing golf.



11-year-old enjoys new stationery and art resources.

Ayesha's experience

Ayesha is a single parent with three children. She works part time. Ayesha became affected by the two-child limit when she separated from her abusive partner. At the first interview, Ayesha explained the policy's wide range of financial effects. She struggled to afford food, utilities, school uniforms, leisure activities and extracurricular clubs. As her income from wages and benefits was not sufficient to meet the family's basic needs, she was in debt and had to borrow from family to get by. She told us she couldn't afford food during the holidays and explained how she managed:

> *'The only way I work around that is, to be honest, and I feel embarrassed to say, but I actually end up inviting myself to a family member's house for luncheon with the kids… And I can't return the invite.'*

Living on an inadequate income took a toll on both family life and Ayesha's mental health:

> *'Because we're spending more time at home, meaning we're just getting on top of each other, which is impacting the mental health side of things, especially for myself. Just knowing that, you know, when they ask to do things and stuff, having to repeat to them "I'm sorry, but we can't do this, or we can't do that," or "we can't have, you can't have this, and you can't have that." And it's just those kinds of things, just to have emotionally, mentally, like I said, it impacts my health condition as well.'*

At the second interview, Ayesha explained that the removal of the two-child limit meant she was far more able to consistently meet her family's basic needs. She explained that she kept the child element for her third child aside and used it for essentials towards the end of the month once her wage and the rest of her UC payment had been used up:

> *'So now, I haven't been running dry, I've still got some money left and I can dip into it [the child element for her third child], so when all my wages and universal credit run out, that's when I've dipped into it and been able to manage towards the end of every month, whilst before it was not possible, I had to borrow money or go without.'*

The removal of the two-child limit had a positive impact on Ayesha's ability to pay for essentials but most importantly on family life and mental health:

> *'Before, I was like, I pay this bill but not the other and next time, it's that one but not this one, and I was behind all the time. And now I can pay the bills… Before I had to restrict them [the children] and that just ruined the whole experience. But now, I'm a bit more relaxed and say "okay, we can get this, this is your budget, you can get whatever within that." But my main one [the difference] is my mental health, to be honest, that one is a really big one for me. I think it's just having that breathing space and just knowing that it's going to be a bit easier, that I have a bit of money to take them for an ice cream or maybe get them into a good club thing in holidays.'*

The improvements in wellbeing were evident in both Ayesha and her children:

> *'It's a positive outcome for families like ours, now we're just together more, I don't really know how to explain it… But I feel like we're not avoiding each other like we were before and we're able to share ideas and do things together. It's just a happier environment in the house and it has changed when the, cap thing was removed. Like, for myself, it's just a lot off my shoulders stress-wise with the extra money, and the kids are happier and more cheerful too.'*

Although the removal of the two-child limit was 'a positive outcome' for her family, Ayesha explained more support was needed as she had no buffer if something went wrong and the family was still living 'at the edge'.

Reducing debt and rebuilding financial resilience

The financial consequences of the two-child limit are long-lasting; many families have been affected by the policy for years and so are still experiencing the repercussions months after the abolition of the policy. In the first interviews, over two-thirds of parents disclosed that they were in debt, including rent and utility arrears. Many of these families reported the increase has been largely absorbed by debt in their second interviews, meaning that they have not yet experienced any improvements in overall living standards. While these families didn't feel better off, the extra money has helped prevent their financial situation from deteriorating further and enabled more than half of families to repay arrears faster.

'The fact that we're not having money for our third child is the reason we got in such a big debt in the first place. Before our youngest was born, we didn't have to use credit cards to pay for the basics, and then we had to as we couldn't afford food and essentials. I think we were kind of forced in that position by not having an alternative than either/or, like feed the kids or pay the bills.'
Couple with three children, one parent in part-time work, July 2026

'It [the increase] has gone into our overdrafts… knowing that there is a little bit more money coming in, once we're in a better place, and [have] paid our overdrafts, you know, hopefully we can use that money for more things for the children.'
Couple with three children, parents in full-time and part-time work, July 2026

'Like with the IVA [Individual Voluntary Arrangement], it's been extended until October but now I can pay £70 or £100 towards it but before I used to pay only £50, so that's what is making it come down quicker and I should be able to complete it in October.'
Single parent with three children, in part-time work, July 2026

'Once I clear my balance, then it will be so helpful to build up some savings, and I don't want my money problems [to] undermine the importance of the two-child limit being removed. I mean, all of these problems are less because the two-child limit has been removed. Like, I'll clear my debt faster because of that, but I think what it speaks to is the fact that… the two-child limit has been impacting us for all this time, and so all of this debt is like… if the two-child limit had never existed, I probably wouldn't have that debt right now.'
Single parent with three children, in full-time work, July 2026

> ***I'm hopeful because once I clear the debts and my kids don't need as much paid childcare, I think that the extra £300 a month will start to make a visible difference for us. So, I'm hopeful...***
>
> Single parent with three children, in full-time work, July 2026

Families who have been using the increase to repay their debt anticipated that the extra money would start making a difference once they are debt free.

> *'I do hope that we're a lot financially better [off] in the next six months. So we see that impact and we could start [to] put it away and start doing more with the children. That has given me some hope for a positive change... but it's just... I don't know, I don't want to cross all my fingers for all eggs in one basket yet.'*
> Couple with three children, parents in full-time and part-time work, July 2026

> *'I hope that we can get some of our debts paid. I'd hope that we can get it paid off by Christmas, if there are no emergencies... I mean, if something breaks, like the washing machine or something like that, then it'll take longer, but otherwise hopefully next year we're debt free. And then once they're paid, then hopefully we can like start looking to the future of like... living a more comfortable life.'*
> Couple with three children, one parent in part-time work, July 2026

Not seeing noticeable improvements in everyday living standards didn't mean that the additional income had no effect. Some families, who didn't feel that the additional income improved their capacity to pay for day-to-day necessities, reported reduced reliance on borrowing from family and friends. This indicates improved ability to meet essential costs.

> Round one interview (March 2026): *'[I am] asking to borrow money from my mum, you know, £400 at the end of the month... I'll ring her up and say "look, I can't afford food this week. Can you send me over some money?".'*
>
> Round two interview (July 2026): *'Well, that's changed as she hasn't heard from me with regards to money for the last two months, which is positive. So that's good because we're managing to stay afloat now.'*
>
> Couple with three children, parents in full-time and part-time work

Families also reported reduced use of credit for everyday spending, which is further evidence that they are better able to meet essential costs. A parent who previously frequently used credit cards to pay for essentials says that since the increase the family rarely uses credit.

> *'We don't use the overdraft for now, so that's good. I mean, we still have to use the overdraft when things go wrong, but then we can pay it off sooner than we used to. But we don't need to use credit cards for everyday stuff. And if we do, we can pay it off sooner than we used to.'*
> Couple with three children, one parent in part-time work, July 2026

Looking forward to them starting back at school and having hopefully a little bit of money back in my pocket with the breakfast club and the free school lunches, helping to shoulder some stuff.

Single parent with three children, in full-time work, July 2026

While debt repayments mean some families aren't yet feeling the full benefit of the increase in income from the two-child limit being abolished (ie, being able to afford more), it has stabilised their budgets and eased their minds. The consequences of the policy will be long-lasting due to how long many families were going without adequate support.

> *'It's good that it's gone, but it's kind of not soon enough because families have been struggling for a long time, families are in difficult situations now because the policy was in place for a long time.'*
> Couple with three children, one parent in full-time work, July 2026

> *'It's not made a huge difference yet because we're in a lot of debt… But we've not had to rely on the food bank since… But my car was poorly and cost us a lot of money this month, so… I don't know how to say… the extra money has gone for the debt and paying to fix the car… It's unfortunate but that is what happened.'*
> Couple with three children, one parent in full-time work, July 2026

Some families anticipated that the combined effect of policies brought in by the child poverty strategy, specifically (in England) the expansion of free school meals, free breakfast clubs and a limit on branded uniform items alongside the abolition of the two-child limit, will ease pressure on their fragile household budgets in the near future.

> *'Maybe when we speak next year, there will be a big change, I hope so. I'm hoping by then we're out of our overdrafts… I think that the cumulative effect of the two-child limit, so a bit of extra money and then the free school meals and then the uniform will make a difference.'*
> Couple with three children, parents in full-time and part-time work, July 2026

Courtney's experience

Courtney is a mum in a couple, in full-time work with three children. Courtney unexpectedly became affected by the two-child limit at a time of major life transitions.

Initially, Courtney and her husband shared custody of her husband's older two children with their mother. When Courtney was pregnant with the couple's first child together, she and her husband unexpectedly gained full custody of the two older children.

Once the couple's daughter was born, they found themselves subject to the two-child limit, leading to significant financial hardship. At her first interview in March 2026, Courtney told us that they were struggling to afford a wide range of items including food, clothes, childcare, extra-curricular and leisure activities, dental treatment and petrol.

> *'Even work, I've got to the point that my boss has offered me the food from the cupboard, you know, so I can go home and feed the kids, but I wouldn't accept it because I'm too embarrassed because I work there as well… It is really tough.'*

To get by, Courtney was borrowing from her mum and going into her overdraft.

At her second interview, Courtney told us that since the removal of the two-child limit, the family was 'managing to stay afloat'. Courtney was no longer borrowing from her mum and the couple were able to start paying off their overdrafts:

> *'It's [the increase] just filling a hole at the moment. It's just getting into our overdrafts and so we're not seeing a massive change yet… And we're managing to get our overdraft paid a little bit faster.'*

The extra money has also made a difference to their ability to pay for childcare:

> *'The extra money we get now covers the childcare bill… And before we had to borrow money for the upfront fees from parents so it's great that now it comes from universal credit.'*

Being able to pay for childcare reduced Courtney's stress levels and she also anticipated that attending nursery will have a positive impact on her youngest child:

> *'Knowing that my youngest's nursery fees are covered, I feel a lot less stressed about having to fork out that extra money and worrying each month how we're going to manage to pay it. The fact that she's going to nursery and it'll give her that social ability to make friends… I'm hopefully to see a difference in the education side as well.'*

Courtney also appreciated the recognition of her third child brought about by the removal of the two-child limit and she feels more hopeful about the future:

> *'It's nice to see that my third child's included, that they've acknowledged that she's alive and that she does need some funding and some help and support. And for me, it's that hope. It's given me hope that we will get there with this extra little bit of money that's coming in… so my youngest will get what I want for her, and what I do want is to have the same kind of experiences that her older brothers had when they were her age.'*

Cost of living increases are starting to cancel out income gains

The extra income that families have been receiving since the abolition of the two-child limit has made a difference to the majority of households we interviewed. This increase in social security entitlement for families with three or more children, who spend a higher proportion of their income on essentials and are more likely to live in poverty, was desperately needed. However, more than half of the parents we interviewed were concerned about the increase in income being swallowed up by the rising cost of living in the coming months.

Families in poverty are particularly susceptible to rising prices, and more than half of parents we spoke to envisage the extra income being eroded by rising costs.

> *'The cost of living is probably about to cancel out the increase, even our water bill from August is actually doubling… [it] was £49 a month and they're… raising it to £78 a month. So the bills are going up, food is getting more expensive and sadly that's going to cut into our enjoyment of extra child element for sure. But I hope that when people hear this, they're not thinking that the two-child limit [removal] didn't make a difference. It did, because imagine how it would be for us if they hadn't removed the two-child limit and we weren't getting that £300. Things would be even worse. I can't imagine what that would be like if they [government] put the two-child limit back in place. I think I would be completely overwhelmed, if you told me tomorrow that they're putting it back, I would have a breakdown…'*
> Single parent with three children, in full-time work, July 2026

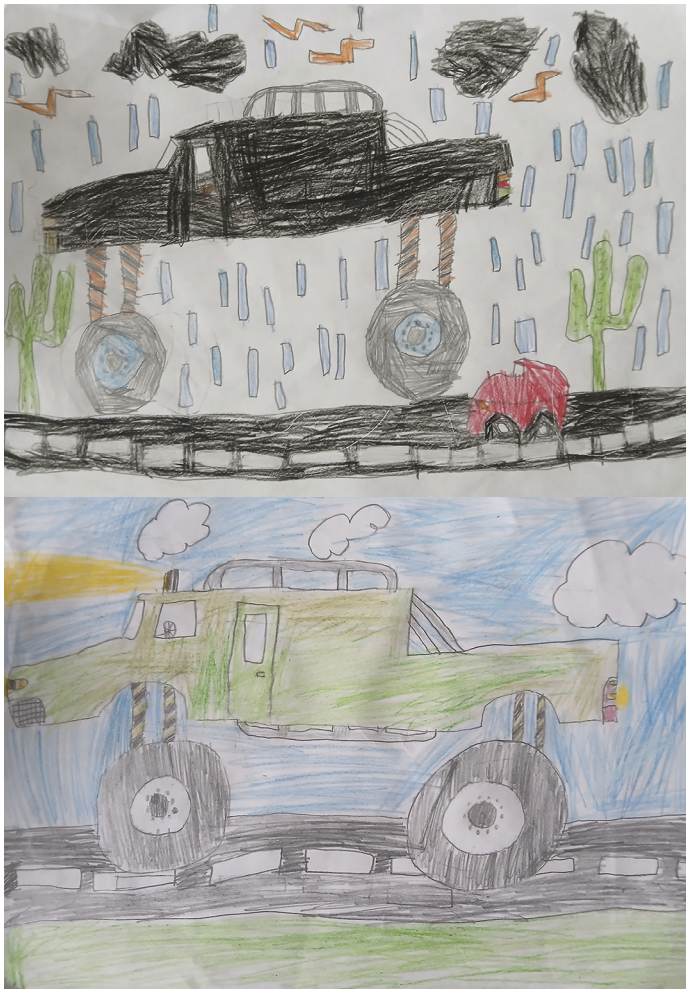
> *'With the cost of living, it's [the child element] gone, it's all swallowed by increasing prices and in our overdrafts… and then childcare fees.'*
> Couple with three children, parents in full-time and part-time work, July 2026

> *'Heading into the winter, no, it's still going to be a struggle. It's just not risen enough [my income after the removal of the policy] that it's going to cover food, fuel, and when I say fuel, I mean electric and oil, costs that are going to go up. I think probably after that is when the test is going to come, sort of end of October when that heating needs to be on and things.'*
> Single parent with three children, in full-time work, July 2026

'I think probably the biggest issue facing families at the moment is the rising fuel costs. And that's across the board… with the fuel being up, the oil being up, and the electric being up… And as much as I can avoid using a lot of it in the summer because, you know, lights don't tend to be on in the day, I'm not using the heating… But I'm still quite worried about the winter. I think it's going to be no easier at this moment in time because of how much everything's gone up. I've got to renew my electric and I was looking at the new prices, and I haven't even pressed a button on one of them as to which one to fix because none of them are good…'

Single parent with three children, in full-time work, July 2026

While scrapping the two-child limit has brought some relief to struggling households, they cannot continue to absorb rising bills on inadequate incomes. At the first round of interviews, the vast majority of parents told us that there was nothing left in their already stretched budgets they could cut to save, and many had already accrued debt to provide everyday essentials. With winter and cold weather fast approaching, it's crucial that more is done to support families so that the relief provided by removing the two-child limit is not completely eroded.



A remote-control monster truck birthday present for a nine-year-old boy, drawn by him and his five-year-old brother.

Families affected by the benefit cap see no relief

Our evidence shows that the removal of the two-child limit is making a significant difference to families, but those subject to the benefit cap have not seen any financial gain. These are predominately families who live in very deep poverty and will continue to face severe financial hardship.

The benefit cap limits the total amount a household can receive from the social security system if no-one in the household is working a set minimum number of hours. It does not account for the children in a household and, as a result, the policy disproportionately affects families with children. The vast majority of affected families are single-parent families with children under the age of five. Before the removal of the two-child limit, around 140,000 children were living in families affected by both the benefit cap and the two-child limit: these children have not seen any improvement in their everyday lives or life chances. Additionally, tens of thousands of children have been newly affected by the benefit cap since April 2026, as receipt of the additional child element has pushed these households onto the cap. An average capped family with three or more children is now capped by £123 a week. There is simply very little left after rent has been paid. This leaves families at the sharpest end of poverty, which has multiple knock-on harms.

Halima's experience

Halima is a single parent with five children. At her first interview, she was subject to both the two-child limit (affecting her younger three children) and the benefit cap. Halima is taking active steps to find paid work, including undertaking unpaid work experience, but has not been able to find a job that fits with her children's school hours. She is also unable to escape the benefit cap by moving to cheaper accommodation as her family of six is already living in an overcrowded two-bedroom housing association property. At her first interview, she explained that the two-child limit and benefit cap were causing severe financial hardship:

> *'With the two-child limit and the benefit cap, it's affecting my family in the way that every day we go through a lot of financial difficulties. I am unable to buy clothes or even shoes for my children, because all I am doing is trying to keep them fed and have some food in the house. I cannot afford to buy their uniform to wear for school. With the money that I'm receiving I find myself with nothing left at the end of the week.'*

Halima is in a considerable amount of debt and the financial hardship has harmed her mental health:

> *'I did go through a mental breakdown and where I was just feeling like, "You know what? I'm going to go crazy. I can't do this. I feel like, what should I do to myself? What can I do to get money? What can I do to help my kids?" I'm tired of answering their questions, I'm tired of lying to them, making fake promises just to keep a smile on their face, and hearing their little questions like, "Why can't I do this? Why can't we go here? Why can't we do this?" It's just like you're waking up, they're always inside, we're always inside, not socialising out there.'*

At her second interview, Halima told us that although she had received a letter saying that the two-child limit had been removed and she would be receiving support for all five of her children, she was not seeing any difference in her UC payments due to the continuation of the benefit cap. The family's financial struggles had increased. At the first interview in March 2026, Halima was able to pay towards her electricity and gas, but by her second interview in July 2026 she had stopped paying her bill:

> *'Things are a bit harder... I just stopped [paying the gas and electricity bill]; I can't manage it. Because when I try and do pay the bills on time, when I try and take everything off, I'm left with nothing, literally... I'm left with nothing and not even an emergency fund for food.'*

The financial hardship has continued to take a toll on Halima's mental health:

> *'Whenever I'm at home, I'll be stressing about the kids, about... having not enough of this and that... we're just trying to survive but things are harder so... there's no difference.'*

Halima was very concerned about the impact of the benefit cap on children growing up in the UK, and ended the interview with a powerful message for policymakers:

> *'What kind of generation is it going to be if from day one, they're struggling? ... It's a huge impact for us because these kids [are] going to grow up thinking they're limited. So, if somebody grows up with a mindset thinking that they're limited to certain stuff, do you think their minds would expand or they would dream or they would plan big things? No, they're going to be restricted in a mindset where, they go like, "you know what, we can't do this, I can't do that, I can't manage this." So, we're not going to have a generation of powerful people, strong people who can lead... They [the government] need to look at the policies and try and fix and change this, because otherwise, like in a couple of more years' time, I don't know how our kids will grow up or how they will ever get out of this.'*

A step in the right direction, but more is needed

At the first round of interviews, parents anticipated a range of positive changes for their children and family life from the extra money they would get after the abolition of the two-child limit. When we spoke to them again, we found that some of their expectations had been met whereas other expectations needed more time to become a reality, particularly for families who face high levels of debt.

'There's more to be done… For a lot of single parents, removing the two-child limit has helped them. But it hasn't changed my earning capacity. It hasn't changed my earning potential as a single parent, and it won't change it for a lot of dual parent families either. And with the costs of bringing up children, I still need that additional support…'
Single parent with three children, in full-time work, July 2026

'We need a bit more support, please… just a bit more will go even further, and help to cover especially when things go wrong, like if something breaks. With the extra [money we get now], when the dust has settled and the bills go up again, and then especially because I'm not working now as my job is term-time only, I'll have to cut back again… so a little bit extra would go a long way. I think I've learnt enough financial budgeting skills, I'm very sensible now and hope I get a job come September but we're still at the edge kind of thing…'
Single parent with three children, in part-time work, July 2026

'If we're focusing on the future and we're focusing on the fact that me and you need our pensions paid, how we're surviving when we get old and that only happens if today's children do well, isn't it? So they need investment to do well at school and to get skills and to get [a] good education and then progress into good jobs. But if parents struggle to pay for school uniform, and clubs and all of that, for fuel and food, it doesn't happen that they are in position to invest in their children.'
Single parent with three children, in full-time work, July 2026

Conclusion

The two-child limit has had a devastating impact on children and families, pushing them into poverty and leaving a lifelong stamp on many childhoods. The policy has left many children missing out on activities, living in inadequate conditions, wearing damaged clothes and walking in too small shoes. Children sometimes saw their parents struggling to afford essentials and skipping meals so they could eat. For these children and their families, ending the two-child limit is a step in the right direction towards a future where each child gets a childhood they deserve. The accounts of parents presented in this report have shown the transformational difference investment in social security for children can make.

> *'It has given us this vast improvement to our quality of life, to, you know, stress levels, the education of the children, and their prospects for the future. I mean, it's a huge difference. We've got a significant difference... I mean, we're still getting used to the effects of it and building on the effects of it, but the direction now that we can go in is positive and it was just all negative before. So yeah, a vast improvement.'*
> Couple family, one parent in part-time work, July 2026

But our evidence also highlights the fragility of the outcomes achieved, as parents are concerned with the cost of living crisis and are still navigating financial challenges they found themselves in when subject to the policy. They are grateful for the additional support but stress the urgency for continued help.

And while scrapping the two-child limit has increased incomes and provided families with some relief, it has not improved their financial circumstances enough to support the actual costs of bringing up children. When subject to the policy, many households accumulated debt simply so that they could afford essentials. At the same time, these families have been receiving inadequate social security, depleted by years of austerity that pushed millions of children into poverty.

Many of these families welcomed the abolition of the two-child limit and as our evidence indicates, the additional money they get is making a difference to their children and family life. However, this progress will be eroded without further investment in child-related social security, as many families still receive inadequate support and the real value of many benefits remains below 2010 levels. There are still 3.7 million children being harmed by poverty that impacts their education, health and future life chances. And with seven out of 10 children in poverty growing up in a

household with at least one parent in paid work,[8] it is clear not all families can make up for lost income with earnings from paid work.

The government has taken important first steps to reduce child poverty, including scrapping the two-child limit. But as the child poverty strategy recognises, much more needs to be done. Urgent further investment in social security for children is needed to build on the positive changes that children and their families have experienced since the end of the policy. One parent told us about the difference investment in children makes:

> *'I think the difference is like night and day, it's completely turned around. It's a difference between children having a positive future and just having goodness knows how miserable a future.'*
> Couple household, one parent in part-time work, July 2026

Achieving long-term growth requires investing in children now so they can unlock their potential. Supporting families to meet their needs is vital to children's lives and to our future, and it cannot wait. The government must lay out a clear plan and take bold actions, building on the policies implemented by the child poverty strategy. As one parent explained:

> *'I would say… that's [the abolition of the two-child limit] a very good one. I would say go further, because it's investing in the future, and the future of the country so the children, but also everyone, because we can all fall on hard times at some point and, you know, it's… it just doesn't make sense to keep people in poverty.'*
> Couple with four children, parents in full-time and part-time work, July 2026

8. DWP, *Households Below Average Income (HBAI) statistics*, June 2026

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. 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..

> ***I urge policymakers to engage with the evidence presented in this report and recognise the difference that an investment in social security for children can have on families like ours.***
>
> Mother of three children, in part-time work

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