



The Two-Child Limit to Benefit Payments: Pushing Families into Poverty

Key Facts

- Across the UK 1.6 million children live in households that are subject to the two-child limit to benefit payments.¹ This is 1 child in every 9.
- Every UK constituency is home to families impacted by this policy.²
- But there is widespread variation across the country – in some constituencies the rate is as high as 3 in 10 children affected by this policy.³
- 20% of all households impacted by the two-child limit are families with at least one disabled child, that is just over 87,500 households.⁴
- 25% of all families impacted by the two-child limit are single-parent households, with a child under 3.⁵
- The majority of families impacted by the two-child limit are in work. For example, 81 per cent of two-parent families affected by the limit have at least one working parent.⁶
- Scrapping the two-child limit would immediately lift 300,000 children out of poverty, at a cost of £1.7 billion in 2024/25.⁷

¹ From <https://www.gov.uk/government/statistics/universal-credit-and-child-tax-credit-claimants-statistics-related-to-the-policy-to-provide-support-for-a-maximum-of-2-children-april-2024/universal-credit-and-child-tax-credit-claimants-statistics-related-to-the-policy-to-provide-support-for-a-maximum-of-two-children-april-2024>

² From https://endchildpoverty.org.uk/two_child_limit/

³ From https://endchildpoverty.org.uk/two_child_limit/

⁴ From <https://endchildpoverty.org.uk/2childlimit/>

⁵ From <https://endchildpoverty.org.uk/2childlimit/>

⁶ From <https://endchildpoverty.org.uk/new-research-majority-of-families-impacted-by-the-two-child-limit-are-working/>

⁷ From <https://cpag.org.uk/news/things-will-only-get-worse-why-two-child-limit-must-go>



I am a single parent to three children. My youngest was born in May 2017 – so we were one of the first families to be hit by the two-child limit. This policy had a huge impact on our family. I had to put my 3-month-old son into childcare so that I could go and wash pots in order to pay for essentials. I often had to choose between paying for new clothes for my children or paying the gas and electricity bill. I had to take out loans to be able to afford food.

Today, I am still impacted by this policy psychologically. My children have even said that they don't want kids of their own because they have seen me struggle.

Rosie, mother to three children in the North East

What is the two-child limit to benefit payments?

Universal Credit payments for families with children include additional amounts for each child in the household. Child-related amounts are designed to help towards the extra costs of bringing up children and to reduce child poverty.⁸ In April 2017 a “two-child limit” was imposed on these additional amounts. With some exceptions, households with a third or subsequent child born since 6 April 2017 do not receive an additional amount for these children through Universal Credit. **These families are missing out on up to £3,455 per child in 2024/25.**

The two-child limit also applies to Child Tax Credit payments, which is a legacy benefit that people who claim Working Tax Credit could have applied for.

There are certain exemptions to the policy, a second or subsequent child born in a multiple birth for example is exempt. Mothers can also claim an exemption under the ‘rape clause’ where they are required to disclose that they have been sexually abused. This can be difficult to prove as sexual violence and rape can occur within a relationship, and to qualify for this clause the woman must not be living with the rapist.⁹ Something which may not be possible for women who, for whatever reason, have to remain living with their abuser.

Many families could have planned to support more than two children through work alone, but for many reasons including a family break up, death of a partner, losing a job and the

⁸ House of Commons Library, 2022, the Impacts of the two-child limit in Universal Credit, <https://commonslibrary.parliament.uk/research-briefings/cbp-9301/>

⁹ From Everything you wanted to know about the rape clause but were afraid to ask <https://www.womensaidni.org/everything-wanted-know-rape-clause/>

cost-of-living crisis – are no longer able to meet the financial requirements of providing for their family without support. Currently our benefits system is not set up to support these families and instead they can end up living in poverty.

Research has shown that the two-child limit has little impact on fertility rates¹⁰ or employment. Parents are not deciding to have fewer children as a result of the policy.

The majority of families affected by the policy are in work.¹¹ Affected parents who would like to enter work or increase their working hours, often face considerable barriers to doing so. Such as the cost and availability of childcare.

Most significantly the policy has a huge impact on the lives of children. The two-child limit is one of the biggest drivers of rising child poverty. By 2026/27, 51% of children in larger families will be living in poverty in 2028-29 if this policy is not scrapped.¹²

The two-child limit and child poverty

Larger families are much more likely to experience poverty. The poverty rate for children in families with three or more children was 42%, compared with 23% and 22% among children in families with one or two children.¹³

There is a strong positive correlation between the proportion of children living in relative poverty in each Westminster constituency, and the proportion of children in each constituency who are living in families subject to the two-child limit.¹⁴

Scraping the two-child limit is one of the most effective ways to reduce the number of children living in poverty. Doing so would lift 300,000 children out of poverty, and would also ensure that 700,000 children were living in less deep levels of poverty.¹⁵

¹⁰ <https://largerfamilies.study/publications/the-two-child-limit-and-choices-over-family-size/>

¹¹ DWP & HM Revenue and Customs, <https://www.gov.uk/government/statistics/universal-credit-and-child-tax-credit-claimants-statistics-related-to-the-policy-to-provide-support-for-a-maximum-of-2-children-april-2023/universal-credit-and-child-tax-credit-claimants-statistics-related-to-the-policy-to-provide-support-for-a-maximum-of-two-children-april-2023#households-affected-by-the-policy-to-provide-support-for-a-maximum-of-two-children-by-work-status>

¹² From Resolution Foundation, Catastrophic Caps, 2024, <https://www.resolutionfoundation.org/publications/catastrophic-caps/#:~:text=The%20two%2Dchild%20limit%20results,a%20year%2C%20poverty%20rates%20soar>

¹³ From Local indicators of child poverty after housing costs, 2021/22, https://endchildpoverty.org.uk/wp-content/uploads/2023/06/Local-indicatorsof-child-poverty-after-housing-costs_Final-Report-3.pdf

¹⁴ ¹⁴ From <https://endchildpoverty.org.uk/child-poverty-2024/>

¹⁵ From <https://cpag.org.uk/news/things-will-only-get-worse-why-two-child-limit-must-go>

The two-child limit and parliamentary constituencies

Every UK constituency is now home to families impacted by this policy. But there is widespread variation across the country.¹⁶ In general, the constituencies most affected by the two-child limit are those with the highest child poverty rates.

The table below details the 30 Westminster Constituencies with the highest proportion of children impacted by the two-child limit. Alongside the percentage of children living in poverty in each area.

Region	Constituency	Percentage of children affected by two-child limit	Percentage of children living in relative, after housing costs, poverty
North West	Blackley and Middleton South	28%	50.8%
London	Hackney North and Stoke Newington	28%	40.5%
West Midlands	Birmingham Ladywood	25%	54.6%
West Midlands	Birmingham Yardley	24%	53.5%
West Midlands	Birmingham Hodge Hill and Solihull North	24%	51.2%
North West	Manchester Central	24%	51.3%
Yorkshire And The Humber	Bradford East	22%	39.9%
North West	Manchester Rusholme	22%	53.0%
Yorkshire And The Humber	Leeds South	22%	43.8%
West Midlands	Birmingham Erdington	21%	48.9%
Yorkshire And The Humber	Bradford West	21%	40.5%
London	Tottenham	21%	43.9%
West Midlands	Birmingham Perry Barr	21%	52.6%
North West	Oldham West, Chadderton and Royton	20%	53.5%
North West	Bolton South and Walkden	20%	49.2%
West Midlands	Birmingham Hall Green and Moseley	20%	54.6%
North West	Blackburn	20%	52.4%
West Midlands	Walsall and Bloxwich	19%	49.1%

¹⁶ From https://endchildpoverty.org.uk/two_child_limit/

East Midlands	Leicester West	19%	34.8%
North West	Rochdale	19%	49.2%
Yorkshire And The Humber	Sheffield Brightside and Hillsborough	19%	43.3%
West Midlands	Stoke-on-Trent North	19%	49.9%
North East	Middlesbrough and Thornaby East	19%	42.9%
North West	Bury South	19%	39.8%
West Midlands	Wolverhampton North East	18%	48.4%
London	Bethnal Green and Stepney	18%	51.1%
East Midlands	Derby South	18%	45.8%
North West	Bolton North East	18%	50.1%
Yorkshire And The Humber	Leeds East	18%	39.7%
North West	Burnley	18%	45.6%

The End Child Poverty Coalition

The End Child Poverty Coalition is made up of over 120 organisations including child welfare groups, social justice groups, faith groups, trade unions and others. Together with a group of Youth Ambassadors – who have personal experience of growing up in low-income families – we all believe that no child growing up in the UK should live in poverty.

Together we ask that this and future governments commit to end child poverty.

www.endchildpoverty.org.uk