BRIEFING | CHILD POVERTY

Three policies to reduce child poverty this parliament

This briefing sets out which children are at greatest risk of severe and acute poverty, and what a child poverty strategy must include to address it.

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Executive summary

Without substantive action to change course, 4.8 million children will be in poverty by the end of this parliament, 300,000 more than when the Government came to power. Going ahead with disability benefit cuts could add a further 50,000-100,000.

The Government has committed (https://www.gov.uk/government/publications/tackling-child-poverty-developing-our-strategy/tackling-child-poverty-developing-our-strategy-html) to delivering an enduring reduction in child poverty, with a strategy that also prioritises children facing the most severe and acute poverty. New JRF analysis shines a spotlight on 3.6 million children in the UK growing up in below average-income families who are pushed to such levels of hardship they are going without at least one of the following: enough food, a warm home or keeping up with bills.

To reduce child poverty by 500,000 in 2029/30, and reduce the depth of poverty for a further 1 million children, the Child Poverty Strategy should include:

- removing the two-child limit
- inserting a 'protected minimum floor' in Universal Credit (UC)
- stopping planned cuts to disability and health-related benefits, and involving disabled people in reform.

JRF are urging parliamentarians to write to the Chancellor and the Prime Minister to press for these measures to be included in the strategy.

1. Overview

- 6 in 10 people (60%) say (https://www.moreincommon.org.uk/wp-content/uploads/2026/05/no-overall-control_-british-politics-in-an-era-of-fragmentation-1.pdf) the Government is going in the wrong direction on tackling the cost of living and hardship.
- As the Government came to power, 4.5 million children were in poverty - a record high. Without substantive action to change course, this number is forecast to rise further, reaching 4.8 million by the end of the parliament in 2029/30 – and this is before the benefit cuts are factored in.
- The Government's £7 billion cut to disability and health-related benefits will worsen this outlook, pushing 50,000-100,000 additional children into poverty (https://assets.publishing.service.gov.uk/media/67e667fe4a226ab6c41b1fe2/spring-statement-2025-health-and-disability-benefit-reforms-impacts.pdf).
- A majority (56%) of the public favour removing the 2-child limit if it is framed as a way of helping every child get the best start in life and ensuring they receive support when their families are struggling (only 28% oppose). This includes a majority in each of Labour's key target voter groups.

2. 3.6 million children growing up without basic essentials

Just ahead of the Labour Party taking office, the number of children in poverty reached a record high of 4.5 million (https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2024/households-below-average-income-an-analysis-of-the-uk-income-distribution-fye-1995-to-fye-2024) (in 2023/24). Without substantive action to change course, JRF analysis shows the number of children in poverty is expected to hit 4.8 million by the end of this parliament – and that's before disability and health-related benefit cuts are factored in.

Behind these headline statistics lays an even more concerning picture. New JRF analysis of the Family Resources Survey shows a growing number of children, in families with below average income, are pushed to such levels of hardship they are going without at least 1 of 3 basic essentials:

- being unable to afford enough food (measured by having low or very low food security)
- being unable to afford to heat your home
- being unable to afford to keep up with household bills.

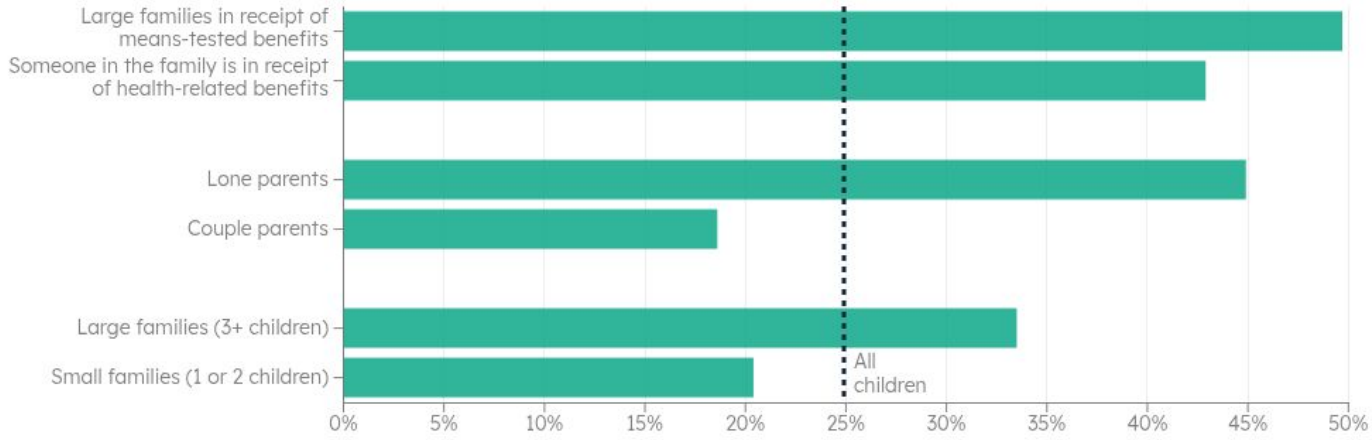
3. 3.6 million children without at least 1 basic essential, up from 2.3 million in 2019/20

Notably, children in large families, lone-parent families, and families receiving Universal Credit or disability benefits have a very high risk of hardship.

To live up to its commitment to focus on 'children experiencing the most severe and acute forms of poverty' the child poverty strategy must target these groups.

Figure 1. Children are more likely to experience hardship if they grow up in large families, to lone parents, or if a family member has a disability

Percentage of children in hardship, by selected family types



Source: JRF analysis of DWP, Family Resources Survey 2023/24

4. A Child Poverty Strategy that genuinely meets the moment

6 in 10 people (https://www.moreincommon.org.uk/media/3lodwqne/disabilty-benefit-cuts-jrf.xlsx) (60%) say the Government is going in the wrong direction on tackling the cost of living and hardship, making the child poverty strategy a pivotal moment to show intent.

The child poverty strategy will not deliver lower child poverty this parliament if it does not include measures to rebuild Universal Credit, so it supports families when they fall on hard times or are in low-paid or part-time work.

Removing the 2-child limit

We recommend removing the 2-child limit and introducing a protected minimum floor in Universal Credit to lift 500,000 children out of poverty, and reduce the depth of poverty for a further 1 million. To realise this impact in full the Government must also halt the planned cuts to disability and health-related benefits that will increase child poverty.

The 2-child limit is a punitive policy that disconnects support from need. It limits support for children via Universal Credit to the first 2 children in a family, with losses of £3,514 per year for each third and subsequent children born after April 2017(in

most cases).

Already 1.3 million children in large families in receipt of Universal Credit are going without at least 1 basic essential, a number that can be expected to grow if the 2-child limit remains in place. The first children impacted by this policy are now 8 years old, meaning we are still 10 years away from the full impact on poverty – and it is pushing 109 more children into poverty each day (https://cpag.org.uk/news/10000-children-dragged-poverty-two-child-limit-labour-took-office).

Removing the 2-child limit would cost almost £2.0 billion in 2025/26, rising to £2.8 billion at the end of the parliament (2029/30).[1]

However, removing the 2-child limit while leaving the benefit cap in place would mean some families gaining from the removal of the limit would simply hit the benefit cap instead. This is why the protected minimum floor must be introduced alongside removing the 2-child limit (see below).

A majority (56%) of the public favour removing the 2-child limit if it is framed as a way of helping every child get the best start in life and ensuring they receive support when their families are struggling. This includes a majority in each of Labour's key target voter groups, including red-wall voters.

A protected minimum floor in Universal Credit

The benefit cap eats into an out-of-work family's already inadequate basic rate of benefits (https://www.jrf.org.uk/social-security/guarantee-our-essentials-reforming-universal-credit-to-ensure-we-can-all-afford-the)universal-credit-to-ensure-we-can-all-afford-the) by deducting the difference between the amount a family is eligible for and the cap. It disproportionately impacts some of the family types most at risk of hardship. Of the 95,000 households with children that had their Universal Credit capped in November 2024, over 4 in 5 were lone parents and over half (55%) were large families. An additional 2,000 PIP claimants (https://questions-statements.parliament.uk/written-questions/detail/2025-04-22/hl6725) will likely become subject to the cap in 2029/30 as a result of the disability and health-related benefit cuts.

On average, households had £60 per week deducted (https://www.gov.uk/government/statistics/benefit-cap-number-of-households-capped-to-november-2024/benefit-cap-number-of-households-capped-to-november-2024) in November 2024, but over 10,000 faced a reduction of over £600 per month (https://www.gov.uk/government/statistics/benefit-cap-number-of-households-capped-to-november-2024).

Introducing a protected minimum floor in Universal Credit (https://www.jrf.org.uk/social-security/protected-minimum-floor-in-universal-credit-new-policy-targeting-hardship) would put a backstop in the system, limiting these losses by not allowing any reductions to pull incomes below 85% of the Standard

Allowance. This would build on the Government's recently introduced fair repayment rate, which protects families from damaging debt deductions from Universal Credit, limiting those to 85% of the Standard Allowance.

Over 240,000 children would benefit from this policy alone in 2025/26, with their families gaining around £75 per week on average. This would cost £340 million in 2025/26, rising to £380 million in 2029/30. Combining the protected minimum floor with removing the 2-child limit would cost £2.6 billion in 2025/6, rising to £3.6 billion in 2029/30. **It would lift 500,000 children out of poverty and reduce the depth of poverty for a further 1 million in that year.**

Stop cuts to disability and health benefits - involve disabled people in reform

The Government has announced deep cuts to both the Universal Credit health element and Personal Independence Payment (PIP), which will take £7 billion out of the disability benefits system in 2029/30 (https://www.jrf.org.uk/social-security/where-will-cuts-to-sickness-and-disability-benefits-fall-hardest). This will increase child poverty and deepen hardship in families with a disabled family member. This will increase child poverty and deepen hardship in families with a disabled family member.

Already, 43% of children in families receiving disability and health-related benefits are growing up going without at least one basic essential. The DWP estimates that 3.2 million families will lose out financially by the end of the parliament

(https://www.gov.uk/government/consultations/pathways-to-work-reforming-benefits-and-support-to-get-britain-working-green-paper/spring-statement-2025-health-and-disability-benefit-reforms-impacts) as a result of the disability benefit cuts, 700,000 of whom are already in poverty (https://www.theguardian.com/society/2025/may/07/disability-benefit-cuts-to-hit-700000-families-already-in-poverty-dwp-forecasts-show). **An estimated 50,000-100,000 more children will be pushed into poverty by these changes**.

These cuts would push more children into the severe and acute forms of poverty the child poverty strategy has committed to tackling as a priority. They should not go ahead.

5. Tax reforms to give children the best start in life

There are several tax options available to fund a Child Poverty Strategy which would raise revenue disproportionately from those with the broadest shoulders, while supporting growth by removing some perverse incentives in the tax system and staying within the Government's manifesto commitments and fiscal rules.

Specifically, this includes narrowing the gap between tax paid on returns from investments compared with earnings from work, for example, though further reforms to capital gains tax, or applying National Insurance Contributions to investment income. Recent modelling (https://www.jrf.org.uk/cost-of-living/starmers-missed-milestone-the-outlook-for-living-standards-at-the-spring-statement) suggests that either of these approaches could easily raise enough revenue to fund the policies proposed in this briefing.

6. What parliamentarians can do

Ahead of the publication of the Government's Child Poverty Strategy, JRF is asking parliamentarians to **write to the Chancellor and the Prime Minister** to raise concerns about the forecast rise in child poverty over the parliament and the 3.6 million children without at least 1 basic essential, and to press for the above measures to be included in the strategy.

If you have any questions or would like to meet to discuss this issue further, please contact Maddy Moore, Senior Campaigns and Public Affairs Manager at maddy.moore@jrf.org.uk (mailto:maddy.moore@jrf.org.uk).

Note

1. JRF modelling calibrates take-up of UC to published numbers of children impacted by the two-child limit in April 2024 and holds take-up constant in each policy scenario.

How to cite this briefing

If you are using this document in your own writing, our preferred citation is:

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