

The Two-Child Cap: Why so Many UK Children Will Have No Holiday this Year by *Prof Danny Dorling (University of Oxford) and Tamara El-Halawani (SOAS University of London)* (17th July 2024)

The UK has experienced **the largest worsening of child poverty rates in Europe**. According to the latest [UNICEF rankings](#), this represents a **19.6 per cent increase in child poverty between 2019-21** compared to the same period in 2012-14 (see [Figure 8](#)). The [total number](#) of **UK children in poverty in 2022-23 stood at 4.3 million**: in 2010-11, it was 3.6 million. This means that one in every three children cannot access the material resources to meet their minimum needs, marking the [highest increase in UK child poverty in thirty years](#).

The two-child benefit cap is the principal policy contributing to this alarming rise. In families with three or more children, [46 per cent of children](#) are now living in poverty: in 2011-12, the number was 36 per cent. Conversely, over the same period, child poverty among families with one or two children [decreased from 26 per cent to 22 per cent](#). The evidence is clear: **abolishing the two-child benefit cap will decrease child poverty**.

The two-child benefit cap was announced in 2015 as a birth control measure for those out of work. It stopped low-income families from claiming additional means-tested benefits after the first two children [in most households](#). Then Chancellor George Osborne asserted it would ensure that [‘families on benefits face the same financial choices about having children as families who are supporting themselves solely through work.’](#)

The policy came into effect on 6 April 2017, but has had [minimal impact on fertility rates](#): the number of births dropped by an estimated 5,600 annually. [Research](#) conducted by the Child Poverty Action Group indicates that the availability of government support **plays a minor role in influencing a family's decision to have another child**, illustrating a more nuanced reality than assumed by current policy.

Furthermore, Osborne's justification for the policy as an equaliser between working and non-working families is undermined by 57 per cent of affected households **including at least one employed individual**. The two-child benefit cap has [failed to achieve its intended objectives](#).

In 2023, [child mortality rates](#) among children residing in the most deprived neighbourhoods of England have more than doubled in comparison to those in the least deprived neighbourhoods. Additionally, findings from Professor Dorling at the University of Oxford indicate that 11 per cent of parents of the poorest children in 2021-22 expressed that a single week-long annual holiday was no longer considered necessary or a feasible aspiration: two years earlier, 5 per cent held this view (‘Peak Injustice’, forthcoming, October 2024). Based on the March 2024 [Housing Below Average Income \(HBAI\) statistics](#), Dorling also found that the percentage of UK children enjoying at least one week's holiday with family away from home has now fallen from 66 per cent to 62 per cent, with the poorest children most affected (‘Peak Injustice’, forthcoming, October 2024). **The two-child limit will affect an additional 670,000 children by the end of the next parliamentary term**.

By comparison, Scotland has the **lowest child poverty rates in the UK**. This is partly because Scotland does not penalise households with three or more children in receipt of any kind of benefits. Coupled with [Scottish Child Payment](#), this has helped to counteract the effects of the two-child limit. **Scotland is among the countries with the lowest levels of inequality between children in Europe** (‘[Seven Children](#)’, forthcoming, September 2024).

Abolishing the benefit cap is an immediate and effective way to promptly lift 250,000 children out of poverty. Its estimated annual cost of £1.3 billion per year is comparatively modest within the context of a government budget totalling [£1.1 trillion annually](#). Furthermore, it would mitigate the long-term costs to public services associated with the repercussions of child poverty, which are currently [projected](#) to reach £40 billion by 2027.

The new Labour Government has [pledged](#) to ‘break down barriers to opportunity,’ (p.11) ‘change Britain’ (p.9) and ‘restore hope’ (p.4) in a [‘decade of national renewal’](#). **Being fiscally responsible necessitates investing in children as an invaluable long-term resource for Britain's future prosperity**.

We urge all Peers and MPs to support the amendment to abolish the two-child benefit cap.