



**Single Parent Families in Crisis**  
**The Impact of the Two-Child Policy**

**A Pre -Budget Briefing for Scottish MPs**  
**October 2024**

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## One Parent Families Scotland (OPFS)

OPFS provides Support for Families services both locally and nationally and advocates for policy changes to tackle child poverty and inequality. We provide direct support to over 5,000 families annually through one-to-one support, peer groups, and information and advice services. Our policy and campaigning work aims to challenge systemic and structural barriers through research, awareness raising, involving single parents, and engaging with policymakers.

Established in 1944, OPFS is the leading charity for single parent families who make up 25% of families with dependent children in Scotland, with women as the primary caregivers in most cases. Single parents face unique challenges, including being sole carers & breadwinners, which contributes to a higher child poverty rate than average - 38% compared to 24% of all children in Scotland.<sup>1</sup>

## The two-child limit in Universal Credit

“It’s as if I’ve done something wrong. It’s like a punishment, even though I am the responsible one. I’ve looked after my three children after their father left. This was such a shock, but I’ve tried my best to give the kids the life they deserve and not to have all the support we should have is devastating. Why is my youngest not given the same worth as his brother and sister? It seems so unkind”

(Fiona is a single mother from Stirling with three children.)

This briefing paper aims to highlight the impact of the two-child limit on single parent families and why we think it should be abolished in the UK October 2024 budget.

Universal Credit awards can include additional amounts for children or “qualifying young people” in full-time, non-advanced education up to the age of nineteen in a household. These amounts are designed to help with the costs of bringing up children, and to reduce child poverty. Under the UK’s two-child limit, families on benefit receive a payment for each of their first two children, but no more for any additional children.<sup>2</sup>

The policy has resulted in a substantial reduction in family income for affected households. There are 1.6 million children living in households affected by the policy in 2023/24. That is 1 in 9 children. The limit results in families losing up to £3455 a year for any third or subsequent child born after April 2017.<sup>3</sup>

Unlike the Benefit Cap, the ‘Two Child Rule’ has limited exemptions, the most controversial being that the child was conceived as a result of rape and the mother does not live with the perpetrator.<sup>4</sup>

Recent research shows that larger families have become poorer since the introduction of the two-child limit – and the poorest families are losing out the most. The policy breaks the link

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<sup>1</sup> [PowerPoint Presentation \(www.gov.scot\)](http://www.gov.scot)

<sup>2</sup> <https://www.gov.uk/guidance/claiming-benefits-for-2-or-more-children>

<sup>3</sup> <https://endchildpoverty.org.uk/about/allkidscount/>

<sup>4</sup> [www.engender.org.uk/news/blog/-5-things-you-need-to-know-about-the-family-cap-and-rape-clause1/](http://www.engender.org.uk/news/blog/-5-things-you-need-to-know-about-the-family-cap-and-rape-clause1/)

between need and social security: rather than assisting those in greatest need, it penalises them.<sup>5</sup> The policy had the following stated objectives<sup>6</sup>:

- To make savings in the welfare system.
- To ensure households on means-tested benefits would “face the same financial choices about having children as those supporting themselves solely through work.”

The next section looks at what research says about whether the two-child policy has met these objectives.

## Has the two-child policy achieved success in meeting its aims?

The UK government’s two-child benefit limit policy aimed to achieve two main objectives: to reduce government spending through cuts to social security and to encourage ‘financial responsibility.’ The policy’s success in meeting these aims is questionable:

- **Financial savings and the cost of poverty:** The Resolution Foundation estimates that the two-child limit will save the Government an estimated £2.5 billion in 2024/25.<sup>7</sup> So, the policy has achieved some financial savings, but it has also contributed to significant hardship for many families. Research by CPAG estimates child poverty costs the UK £39.5 billion a year.<sup>8</sup> This raises questions about the overall effectiveness and fairness of a policy that actively increases child poverty.
- **Employment:** Research has shown that the two-child limit has limited impact on increasing the number of parents who enter employment.<sup>9</sup> In fact, the majority (58%) of families affected by the policy are already in work.<sup>10</sup>
- **Behavioural Impact:** Studies suggest the policy has had a minimal effect on family planning decisions, reducing the probability of having a third or subsequent child by only about 5%.<sup>11</sup>

The two-child benefit policy understandably remains a contentious issue in the UK, with significant opposition.

## Key Arguments Against the Policy

The arguments against the policy highlight that it has not achieved its aims, and the evidence shows it has an extremely negative impact on child poverty, vulnerable groups, mental health, and ethical considerations. The key issues are:

### 1. Increase in Child Poverty:

Research indicates that half of families with three or more children will be in poverty by 2028-29, up from a third in 2013-14.<sup>12</sup> The policy disproportionately affects larger families,

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<sup>5</sup> [The two-child limit and child poverty in the United Kingdom - Wiley Online Library](#)

<sup>6</sup> <https://commonslibrary.parliament.uk/research-briefings>

<sup>7</sup> [The impact of the two-child limit in Universal Credit - House of Commons Library \(parliament.uk\)](#)

<sup>8</sup> [The cost of child poverty in 2023 | CPAG](#)

<sup>9</sup> [Benefit changes and larger families](#)

<sup>10</sup> [Universal Credit and Child Tax Credit claimants: statistics April 2023](#)

<sup>11</sup> [Executive-summary-fertility-effects-of-the-two-child-limit.pdf \(nuffieldfoundation.org\)](#)

<sup>12</sup> [Catastrophic caps • Resolution Foundation](#)

pushing them further into financial hardship. According to the Child Poverty Action Group, abolishing the limit could lift 250,000 children out of poverty.<sup>13</sup>

Moreover, most single parents have the same housing and energy costs as couples.

However, they have a lower standard allowance in Universal Credit than couples, so get less help.<sup>14</sup> They are further penalised if they do not receive the child element of Universal Credit due to the two-child rule. This policy therefore contributes directly to an increase in child poverty for single parent families.

## 2. **Disproportionate Impact on Vulnerable Groups:**

The policy disproportionately impacts Black and Ethnic Minority families, single-parent families, and families who rent their homes. These groups are already more likely to experience financial instability, and the cap exacerbates their struggles.<sup>15</sup>

## 3. **Mental Health and Well-being:**

Research indicates that the policy has put enormous pressure on larger families, negatively affecting parents' mental health. The stress of financial insecurity can lead to long-term psychological and emotional issues for both parents and children.<sup>16</sup>

## 4. **Work Incentives:**

Contrary to the policy's intention to encourage work, many families affected by the cap are already in employment. Approximately 55% of the families impacted by the policy are working households. This undermines the argument that the policy incentivises employment.<sup>17</sup>

## 5. **Ethical Concerns - The "Rape Clause":**

One of the most controversial aspects of the policy is the so-called "rape clause," which requires women to prove that a third child was conceived as a result of rape to qualify for benefits. This has been criticised for forcing victims to relive their trauma and for being fundamentally inhumane.<sup>18</sup>

## 6. **Human Rights Issues:**

The policy has been criticised for breaching human rights, particularly the rights of children to receive adequate support regardless of their parents' circumstances. This raises ethical questions about the fairness and humanity of the policy. Although a legal challenge was dismissed by the Supreme Court in 2021, the debate over the policy's compatibility with human rights continues.<sup>19</sup>

## 7. **Social Inequality**

The policy disproportionately impacts the poorest families, further entrenching social

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<sup>13</sup> [Six years in: the two-child limit | CPAG](#)

<sup>14</sup> <https://researchbriefings.files.parliament.uk/documents/SN06547/SN06547.pdf>

<sup>15</sup> [The two-child limit: a growing hole in the UK's safety net \(lse.ac.uk\)](#)

<sup>16</sup> <https://theconversation.com/the-uks-two-child-limit-on-benefits>

<sup>17</sup> [Child poverty: trends and policy options | Institute for Fiscal Studies \(ifs.org.uk\)](#)

<sup>18</sup> <https://womensaid.scot/wp-content/uploads/2017/09/FamilyCapRapeClause.pdf>

<sup>19</sup> [Mothers lose fight against two-child benefit limit - BBC News](#)

inequality. This can lead to a cycle of poverty that is difficult to break, affecting future generations.<sup>20</sup>

## 8. Child Development & Education

The two-child benefit policy has far-reaching implications for child development and education. By increasing financial strain on families, it can negatively impact children's physical health, emotional well-being, and academic performance. Addressing these issues needs a comprehensive approach that considers economic and social factors.<sup>21</sup>

## 9. Long-term Economic Costs

The long-term costs of entrenched child poverty are substantial, estimated at around £39 billion annually. These costs include increased demand for social services, healthcare, and other support systems.<sup>22</sup>

The long-term effects of the two-child benefit policy suggest that while it may achieve some minimal short-term cost saving, it also contributes to increased child poverty, financial strain, mental health issues, and social inequality. These outcomes highlight the need for a balanced approach that considers both economic and human impacts.

## The Impact on Single Parent Families

"The cost of living's risen too much to have quality of life, and I can't see a way out. I have a 14-year girl, 9-year boy, twin girls 4 years old and a 19-month baby. I receive benefits for three children only. It's the domino effect of spending more on food, gas and utilities which then limits money left over for leisure or fun things for the kids. It is very impactful on mental health especially when it's not only yourself but your dependents who need security and safety. I must go without so that my children don't. It's not a choice I make it's the life that has been forced upon me by standing up to and leaving a domestic abuser. It's becoming very depressing for me that there's nothing to enjoy in life now."

(Janie is a single mother from Paisley who has five children)

There are now 450,000 households and 1.6 million children in the UK affected by the limit, up by 100,000 since 2023. Almost six in ten claimants (59%) are in work, or 270,000 households, illustrating how near double-digit increases in the national minimum wage in recent years have failed to lift working families out of poverty.<sup>23</sup> In Scotland, 87,160 children are affected by the policy.<sup>24</sup>

Although a range of different families are affected by the two-child limit, disadvantaged groups are disproportionately represented: almost **half** of the households affected by the two-child limit are single parent families, for example.<sup>25</sup>

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<sup>20</sup> [Two-child limit to benefits is only increasing poverty further, Social Policy Research Unit, University of York](#)

<sup>21</sup> [Exploring how the UK's benefit cap and two-child limit harm children - Andersen](#) and [The two-child limit: a growing hole in the UK's safety net \(lse.ac.uk\)](#)

<sup>22</sup> [The cost of child poverty in 2023 | CPAG](#)

<sup>23</sup> <https://www.theguardian.com/society>.

<sup>24</sup> [New data reveals North/South divide of children hit by two-child limit on benefits - End Child Poverty](#)

<sup>25</sup> [Catastrophic caps • Resolution Foundation](#)

Research shows 20% of all households impacted by the two-child limit are families with at least one disabled child, which is just over 87,500 households. Moreover 25% of all families impacted by the two-child limit are single-parent households, with a child under 3 years.<sup>26</sup>

We know a high percentage of single parents have a disabled child and most single parents are mothers. These families lose out on up to £3,455 per child a year. **As an organisation supporting families, we see the devastating impact of this policy in our day-to-day work.**

The two-child benefit limit was supposed to incentivise parents into work. We know from our own research the grinding poverty experienced by so many single parent families. We were shocked at the level of destitution that so many single parents described.<sup>27</sup>

**Amy , a single mother, lives in Glasgow with three children aged 6,4 and 2 years old.**

Amy's partner left when her youngest was 1 year old. They lived on a reasonable income but now life has changed. She lives in a flat rented from her local Housing Association. She is struggling week to week to cover her essential costs and is often having to cut back on her own food to make sure her kids are eating. She is unable to work due to the lack of childcare and has no family support.

Amy gets £287.92 per month less to keep herself and her three children because of the Two Child Limit. Because of the limit she does not receive the child premium in universal credit for her third child.

Due to the poor condition of the flat, her energy bills are high, and she has to pay on average £70 to £80 weekly for gas and electricity. Amy makes hard decisions daily as to how she covers her costs. She will only heat the children's rooms and not the rest of the house. Although she budgets her money, she is still short on a weekly basis as she has to spend more on her outgoings than she has coming in. Her debts are piling up.

"The reduction in my benefit income means that I can only heat one room during winter, the kids have always got colds, and I feel so stressed about their health is suffering. We can't go on family outings that cost money, and I always buy basis foods and will either miss meals or eat small amounts to make sure that my three kids eat a healthy meal.

I feel so hopeless and anxious. I fear how I will cope with a sudden emergency and the looming cost of Christmas fills me with dread. I feel that I'm letting my children down and would love to go out to work but that's just not an option."

Increases in family income substantially reduce differences in schooling outcomes and improve wider aspects of a child's well-being. Cognitive development and school achievement are most improved by having more money. Conversely, reductions in family income, including benefit cuts, are likely to have wide-ranging negative effects. Money has more of an effect among low-income

<sup>26</sup> [Research reveals policy pushing families into poverty](#)

<sup>27</sup> [Living without a lifeline - One Parent Families Scotland \(opfs.org.uk\)](#)

families.<sup>28</sup> Therefore, the 2CL policy is at risk of impacting negatively on the early childhood development of children in single parent families through several different potential pathways.

Research by NESTA shows parents affected by the 2CL have fewer resources to invest in their children's early development, including in areas such as good quality food, resources such as books and games, access to fun activities and family trips, as well as access to childcare. Secondly, parents affected by the 2CL often experience severe stress and worry due to their constrained resources, and some parents perceive that this has contributed to poorer mental health and impacted negatively on their parenting. Parents in the research also reported their concerns that their young children's wellbeing was being impacted negatively by their awareness that their family could not afford to give them the same experiences as older siblings or peers.<sup>29</sup>

## What next? The UK Government child poverty strategy.

The new Labour government have said welfare reforms designed to assist parents to return to work will be the focus of their planned child poverty strategy.<sup>30</sup> The strategy will be published in spring 2025.

At the meeting of the UK government child poverty taskforce in August 24 ministers confirmed that the number one objective set out for the strategy was "supporting households to increase their income including considering social security reforms that support people into work and alleviate poverty. Helping to bring down essential household costs, build savings and tackle problem debt "

The strategy will also look at how to reduce the cost of household essentials and help poorer people build up savings, as well as "alleviating the negative experience of living in poverty" through trying to avoid family breakdown and make public services better to deal with.<sup>31</sup>

Scrapping the 2- child limit would cost between £2.5 billion and £3.6 billion in 2024-25<sup>32</sup>, and to underline fiscal discipline, the UK government has insisted that they will not end it until there is a clear way of funding the extra benefit payments, worth about £3,400 a year per child. Estimates suggesting that abolishing the limit could lift around 250,000 children out of poverty which includes up to 15,000 in Scotland. <sup>33</sup>

## OPFS Response

We believe it's an injustice to so many children in Scotland that they are being deprived of essential support because of the unethical two-child limit. Progressively more children across the country are experiencing poverty and are going without just because they have older siblings.

The two-child limit is cruel and needs to be ditched immediately to stop families from having to choose between heating and food this coming winter.

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<sup>28</sup> [Does money affect children's outcomes? | Joseph Rowntree Foundation \(jrf.org.uk\)](https://www.jrf.org.uk/does-money-affect-childrens-outcomes)

<sup>29</sup> [Lost opportunities: parents' perspectives on how the two-child limit policy is affecting their children's early learning and development | Nesta](https://www.nesta.org.uk/resources/publications/lost-opportunities-parents-perspectives-on-how-the-two-child-limit-policy-is-affecting-their-childrens-early-learning-and-development)

<sup>30</sup> [Department for Education Child Poverty Taskforce Terms of Reference August 2024 \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/118112/20240801-2CL-Taskforce-Terms-of-Reference.pdf)

<sup>31</sup> <https://www.gov.uk/government/groups/child-poverty-taskforce>

<sup>32</sup> [Catastrophic caps • Resolution Foundation](https://www.resolutionfoundation.org/en/insights/catastrophic-caps)

<sup>33</sup> [Labour's child poverty strategy seeks to return parents to work \(thetimes.com\)](https://www.thetimes.com/uk/article/labour-child-poverty-strategy-seeks-to-return-parents-to-work)



We urge the new Labour government to reform the benefits system to tackle child poverty as it is a major cause of mental illness that impacts young people's wellbeing.

At OPFS we know from our work that a childhood scarred by poverty and poor mental health sadly impacts children for the rest of their life. Families deserve better than constant anxiety about making ends meet. Effective action from the government can start to turn this around.

Protecting children and families from poverty and its impact on their lives is not just good for the economy, it is also a health intervention, it will open the door to improved child health, averting illness and strengthening communities.

If the Labour party is serious about breaking down the barriers to opportunity, abolishing the two-child limit should be the first thing they announce in the Oct 2024 budget.<sup>34</sup>

UK Government should also introduce an Essentials Guarantee would embed in our social security system the principle that, at a minimum, Universal Credit should protect people from going without essentials.<sup>35</sup>

A functioning social security system should be one that catches us all when we fall. Considering we are living through a cost-of-living crisis, which no one could have predicted, this policy is punishing low-income families who may have previously felt they could afford a third or fourth child. A couple could separate, leaving a single parent as the main carer of the children, and without enough income to support them all. These are things that can't be foreseen but put families in a situation where they need support more than ever.

## Policy Actions

We urge the new Labour government to reform the benefits system to tackle child poverty as it is a major cause of mental illness that impacts young people's wellbeing.

The most effective measures are those that boost the incomes of families with children that are living in poverty. The pandemic response and the introduction of the Scottish Child Payment have shown that the quickest and most direct way to do this is through the benefits system. We recommend:

### Priority action

1. **Scrap the 2-child limit to benefit payments:** Abolishing the two-child limit would cost the Government £2.5 billion in 2024-25. These costs are low compared to the harm that the policy causes and scrapping the two-child limit would be one of the most efficient ways to drive down child poverty rates. If abolished today, 490,000 children would be lifted out of poverty.<sup>36</sup>

### Medium term actions:

2. **Introduce a Social Security Child Lock:** Immediate action the UK government should take would be to support the most vulnerable families by introducing a 'child lock.' This would ensure child-related benefits are uprated by the rise in average earnings or the rate of the

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<sup>34</sup> <https://labour.org.uk/wp-content/uploads/2023/07/Mission-breaking-down-barriers.pdf>

<sup>35</sup> [Guarantee our Essentials: \(jrf.org.uk\)](https://www.jrf.org.uk/guarantee-our-essentials)

<sup>36</sup> [Catastrophic caps • Resolution Foundation](https://www.resolutionfoundation.org/en/insights/catastrophic-caps)

Consumer Price Index each year, whichever is higher. A child lock would represent an investment in our collective future and would also be an effective way of reducing inequalities and enabling inclusive growth. All children's benefits, including child benefit should be guaranteed under this 'child lock.' This will mean that a vast majority of families can share in the benefits of this child lock.<sup>37</sup>

3. **Remove the benefit cap:** This is a separate policy from the two-child limit. It caps the overall level of benefit support a family can receive. Like the two-child limit, it also disproportionately affects families with children. Although the Scottish Government mitigate the Benefit Cap, this money could be spent elsewhere if it were abolished.

The IFS reports that child poverty has increased, particularly among families with three or more children. The benefit cap, along with other policies like the two-child limit, has contributed to this rise. They estimate that abolishing the benefit cap would cost around £500 million per year. They suggest that removing both the benefit cap and the two-child limit would be more effective in reducing child poverty. This combined approach would lift 620,000 children out of absolute poverty, compared to 540,000 if only the two-child limit were reversed. This would come at a cost of £3.3 billion annually.<sup>38</sup>

4. **Increase the base level of benefits and introduce an 'essentials guarantee':** Evidence suggests that benefit levels are too low, and that families are often not able to afford daily living costs and extra costs associated with having a health condition or disability. The real value of the base level of benefits has fallen by 7.6% since 2010 and is widely considered to be inadequate.<sup>39</sup> The Westminster cross-party Work & Pensions Committee recommended that the Government "review the adequacy of benefit levels and publish its findings". The introduction of a 'protected minimum floor' within Universal Credit would embed in our social security system the principle that, at a minimum, Universal Credit should protect people from going without essentials.<sup>40</sup>
5. **Universal Credit Sanctions:** The sanctions regime under Universal Credit can leave single parents with reduced income for weeks or even months, exacerbating poverty and hardship. We need to replace conditionality and sanctions with specialist support (The DWP 'New Deal for Lone Parents' was a great example<sup>41</sup>) that enables single parents to access and retain work that fits in with caring for their children.<sup>42</sup>
6. **Local Housing Allowance (LHA):** The LHA rates, which determine the amount of housing benefit or Universal Credit housing element that can be claimed, are often insufficient to cover actual rent costs that single parents are charged, leading to rent arrears and potential

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<sup>37</sup> [Child Lock – What the UK government can do to secure children's futures \(savethechildren.org.uk\)](http://savethechildren.org.uk)

<sup>38</sup> [Abolishing the two-child limit would be a cost-effective way of reducing child poverty | Institute for Fiscal Studies](https://www.ifs.org.uk/publications/10000)

<sup>39</sup> [7 Key facts about UK Living Standards \(ifs.org.uk\)](https://www.ifs.org.uk/publications/10000)

<sup>40</sup> [Guarantee our Essentials: reforming Universal Credit | Joseph Rowntree Foundation](https://www.rowntree.org.uk/publications/2014/09/Briefing_LoneParents)

<sup>41</sup> [https://warwick.ac.uk/fac/soc/ier/publications/2000/hasluck\\_2000\\_esr51rep.pdf](https://warwick.ac.uk/fac/soc/ier/publications/2000/hasluck_2000_esr51rep.pdf)

<sup>42</sup> [www.welfareconditionality.ac.uk/wp/2014/09/Briefing\\_LoneParents](http://www.welfareconditionality.ac.uk/wp/2014/09/Briefing_LoneParents)

homelessness. There should be an increase in LHA rates to fully reflect current rental market conditions, ensuring that claimants can afford decent housing.<sup>43</sup>

The 2-child limit policy is a stark reminder that economic austerity often targets the most vulnerable, trapping larger families in poverty and stripping children of their right to a fair start in life. This policy not only deepens immediate financial hardship but also sows the seeds for long-term inequality, as it also affects children's access to education, need for healthcare, and the opportunity to achieve their potential.

It is vital that the UK government Child Poverty Task Force recognises that to tackle child poverty policies need to be tailored to support single parent families out of poverty.<sup>44</sup> There is a high cost of poverty, not only for children, but for the whole of society. Single parents must often balance the role of sole breadwinner alongside being sole carer, giving them unique needs. Yet despite this, we see policies designed repeatedly in a way which disregards single parent realities. By investing in single parent families, the taskforce can develop more effective strategies to reduce child poverty and ensure that all children, regardless of their family structure, have the best possible start in life.

**Marion Davis**

**One Parent Families Scotland**

2 York Place, Edinburgh EH1 3EP

Tel: 0131 556 3899

[marion.davis@opfs.org.uk](mailto:marion.davis@opfs.org.uk)

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<sup>43</sup> <https://www.crisis.org.uk/get-involved/campaign/cover-the-cost/>

<sup>44</sup> <https://www.gov.uk/government/groups/child-poverty-taskforce>