



ALL KIDS COUNT: The impact of the two-child limit after two years

June 2019



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The Church of England's Mission and Public Affairs Council is the body responsible for overseeing research and commenting on social and political issues on behalf of the Church. The Council comprises a representative group of bishops, clergy and lay people with interest and expertise in the relevant areas, and reports to the General Synod through the Archbishops' Council.

Child Poverty Action Group 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.

Women's Aid is the national charity for women and children working to end domestic abuse. We are a federation of over 180 organisations providing just under 300 lifesaving services to women and children across England. Over the past 44 years, we have been at the forefront of shaping and coordinating responses to domestic abuse through research, policy and practice. We provide expert training, qualifications and consultancy to a range of agencies and professionals working with victims of domestic abuse. The 24 Hour National Domestic Violence Helpline, which Women's Aid run in partnership with Refuge, and our range of online services, help hundreds of thousands of women and children every year.

Turn2us is a national anti-poverty charity helping people find financial safety nets such as charitable grants and welfare benefits so anyone at risk of being pulled into poverty can get their life back on track and plan for their future with dignity. Over 7 million people visited the Turn2us website last year, 2.3 million people used our Benefit Calculator, and our helpline which provides guidance to individuals on their benefit entitlement, handled 76,000 enquiries.

The Refugee Council is one of the largest organisations devoted to supporting and empowering refugees and people seeking asylum in the UK. We provide a broad range of services for both children and adults, including an advice service that supports newly-recognised refugees to access welfare benefits as part of their integration into the UK, and integration support for refugees who arrived in the UK through government resettlement schemes. We also work with refugees and people-seeking asylum to ensure their needs and concerns are addressed by decision-makers

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** Not their real names. The names of all children mentioned in this report have also been changed.*

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Executive Summary

The two-child limit was part of a package of changes to benefits announced in 2015, aimed at reducing spending on working-age families. From 6 April 2017, low-income families having a third or subsequent child lost their entitlement to additional support through child tax credit and universal credit, worth £2,780 per child per year.

This joint report by Child Poverty Action Group and the Church of England presents detailed evidence on the impact of the two-child limit after two years. It is based on a survey of more than 430 families and in-depth interviews with 16 families directly affected by this policy, as well as additional evidence from Women's Aid, the Refugee Council, Turn2us, and the Interlink Foundation, who work with groups and communities where the two-child limit has particular impacts.

Key findings:

- An estimated 160,000 families have already been affected by the two-child limit to date; the majority are working families and the majority have just three children. More than 800,000 families and three million children could eventually be affected by it, while a third of all children will be affected in many constituencies across the country.
- As a result of this policy, 300,000 children will be pushed into poverty and one million children, already in poverty, will be pushed even deeper into poverty by 2023/24. By then, over half of children in families with three or more children are expected to be in poverty.
- 95 per cent of survey respondents said that the two-child limit had affected their ability to pay for basic living costs, including 88 per cent who said it had affected their ability to pay for food and clothing. Families are facing severe and ongoing financial difficulty and being forced into debt just to cover basic living costs each month. Parents are being placed under huge levels of stress, which is negatively affecting their mental health and relationships, in some cases to breaking point.
- Many parents told us they can no longer afford to pay for their children to take part in after-school clubs, sport and school trips, affecting their children's wellbeing; they feel guilt and shame at being unable to maintain a 'normal' family life for their children.
- The families we interviewed were unable to compensate for the reduction in support by working longer hours. They believe that they have been unfairly penalised despite working hard, and feel let down that support is not there when they need it. Most cannot see a way out of their situation.
- Awareness and understanding of the two-child limit are low. Only half of those affected by the policy said they knew about it before having their youngest child.
- Victims of domestic abuse are particularly vulnerable to the harmful effects of the two-child limit and the requirement for disclosure of non-consensual conception to get an exception provides no solution. The policy can make it more difficult to leave an abusive relationship and put them at increased risk of violence.

- Refugees affected by the two-child limit are likely to have arrived in the UK with next to nothing, and the two-child limit hinders their ability to rebuild their lives after traumatic experiences.
- Orthodox Jewish and Muslim communities are also disproportionately affected by the two-child limit, due to strong cultural norms and deeply held religious beliefs that favour larger families.

It is clear that the two-child limit is having a devastating effect on parents and children up and down the country. We would never turn a third child away from school or hospital, yet this policy turns children away at a time when they and their families most need support and leaves them to grow up in hardship. We know that this harms children's wellbeing today and can have lifelong consequences.

There can be no justification for this, and the arguments advanced for the policy fall away as soon as we listen to the testimony of people who are affected: ordinary people raising their children while working hard in jobs that do not pay high wages, struggling with health conditions or being hit by unexpected redundancies or the breakdown of relationships.

In our society, we believe that every child should have the best start in life. Yet the two-child limit denies families the support they need from our social security system when they experience tough times, trapping children in poverty. It is right to support families when they need it most. Our government should lift the two-child limit and help all children to thrive.

Paula's story*

Paula lives with her three children in a council flat in Perth, Scotland.

Before having her youngest child, Ben*, who recently turned one, Paula and her then-husband were not worried about money. Unfortunately, Paula had a bad pregnancy and a difficult birth when she almost died. Paula and her husband separated shortly after the birth, having been together for a number of years. This took her by surprise and changed her circumstances drastically: *'I'm really feeling the brunt of it because how I'd planned it to be at the time is worlds away from the situation we are now.'*

Following the separation, Paula tried to go back to work, but eventually felt she had no choice but to give up her job: *'I was working and my friends were taking the kids, then they got fed up...When I looked into childcare, they wanted £1000 up front [for the nursery and after-school club]. So, I had the choice of pulling £1000 out of nowhere or giving up my job, which is a real kick in the teeth because it was an alright job. I was a customer service manager, so it's not like it was an entry level job.'*

Paula receives about £700 a month in universal credit and relies on £48 a week in child benefit in order to survive: *'We're now week to week living off my child benefit. As soon as I get that universal credit, there's nothing left. It literally goes to the bank and comes straight out'*.

Without the extra support for Ben, Paula struggles to afford the basics for her family and has turned to credit cards to keep afloat: *'I didn't have any credit cards this time last year. I've now got two. They're maxed out... I'm in a good bit of debt now, it's not possible to make it work at the end of the month'*. She used credit to pay for daily items, like the £30 a week she spends on special milk and bread for her son, due to his allergies.

Her older children's wellbeing has been affected as they can no longer have swimming lessons and have had to stop their football and basketball, which enabled them to keep fit and to socialise. The family's finances have also affected their relationships with one another, which Paula feels very guilty about:

'I can't enjoy [days out] because I'm just waiting for the "Mum can we have...?" ...and then it spoils the day. They're annoyed that you can't do that, and you're annoyed at yourself that you can't do that.'

'The kids don't understand and they get frustrated at it all. They get bored of doing the same things week in week out...It causes a lot of conflict with everyone. The middle one has even told me that he wished we'd never had Ben.'

Paula explains how this affects her own self-confidence, as well: *'If I just had one nice outfit that I could go out in... They're the things that nobody thinks of. Even a haircut would be lovely.'* She dreams of providing a bit of normality for her children, but feels trapped in her financial situation: *'I don't actually know how we get out of this mess'*.

* All names in this case study have been changed.

1. Introduction

This report presents detailed evidence on the impact of the two-child limit after two years, drawing on modelling of the policy's likely impacts on poverty, an online survey of more than 430 families affected by the two-child limit, in-depth interviews with 16 affected families, freedom of information requests, and testimony from faith organisations and charities working with survivors of domestic abuse, refugees and religious communities at risk of being particularly affected by this policy.

There has been a system of support for low-income families for nearly 50 years, to help with the additional cost of raising children - starting with the Family Income Supplement, introduced by Edward Heath's Conservative Government in 1970, and carried through into the new universal credit (UC) system. Both tax credits and UC originally included a 'child amount' for each additional child in the family, recognising that each child brings extra costs for families and that all children need to be adequately supported. The two-child limit, announced in 2015 and introduced in April 2017, removes the extra support for any third or subsequent child born after April 2017, marking a significant departure from the long-standing principle of linking entitlement to need and leaving families worse off to the tune of £2,780 a year for each third or subsequent child born after this date. The only help that most families will get is £13.70 per week in child benefit - well short of the £92 per week, which is the estimated additional cost of raising a third child on a minimum socially acceptable standard of living in the UK.⁸

The two-child limit was due to be extended to all new UC claimants from February 2019, meaning families claiming UC would only receive support for two children irrespective of when they were born. This retrospective application of the policy was abandoned in January this year as the Secretary of State recognised that it was unfair to target families whose children were born before it came into force (especially as the policy was ostensibly supposed to encourage parents to think carefully before having children).

This change of policy is welcome and will protect an estimated 15,000 families with children born before April 2017. However, concerns about the two-child limit go well beyond the retrospective element of the policy. Unless this policy is completely reversed, in the future nearly all low-income families with three or more children will eventually be affected as a growing proportion will include at least one child born since April 2017.

Child poverty is already rising and the two-child limit will lead to further increases over the next few years.⁹ The adverse effects on children's wellbeing and early development arising from poverty are well established.¹⁰ With over 40 per cent of families with three or more children already living below the poverty line,¹¹ it is also clear that the impact of the two-child limit will fall most heavily on families who are already in poverty, driving them deeper into hardship instead of supporting them to increase their incomes. Lifting the two-child limit must be part of any serious government strategy to tackle child poverty.

⁸ See Hirsch, D. (2018), 'The Cost of a Child in 2018', Child Poverty Action Group, Table 3.1. This figure is the estimated additional cost of raising a third child, excluding rent, childcare and council tax.

⁹ Hood, A. and Waters, T. (2017) 'Living standards, poverty and inequality in the UK: 2017-18 to 2021-22' (and online appendix), Institute for Fiscal Studies. <https://www.ifs.org.uk/publications/10028>

¹⁰ Cooper, K. and Stewart, K. (2013) 'Does money affect children's outcomes? A systematic review', Joseph Rowntree Foundation; and Cooper, K. and Stewart, K. (2017) 'Does money affect children's outcomes? An update', CASE paper 203, Centre for Analysis of Social Exclusion, LSE.

¹¹ DWP (2019) Households below average income: 1994/95 to 2017/18, Table 4.5db, shows that 43 per cent of children in families with three or more children are in poverty after housing costs.

Furthermore, this policy is fundamentally unjust, because it fails to protect families when they experience tough times as a result of unpredictable life events, such as the breakdown of a relationship, redundancy, or the onset of disability. These are moments when many families have to claim support, often for the first time in their lives, yet increasingly families will find that only two of their children are eligible for support. It is right to support families when they need it most.

In defending this policy, Ministers say that it is fair that people on benefits face the same financial choices about whether to have more children as those supporting themselves solely through work. According to the government's impact assessment,¹² the policy could have 'a positive impact on overall family stability' and 'support improved life chances for children', by encouraging parents to reflect carefully on their readiness to support an additional child. However, the government has not supplied any evidence to substantiate either of these claims, despite repeated requests.¹³ Ministers have said they are monitoring this policy carefully,¹⁴ but we are not aware of any formal plans to evaluate the policy's impact on the wellbeing and life chances of children, or on family stability.

Given that the two-child limit represents a major shift in social policy - and one that will affect the lives of millions of children - it is surely incumbent on Government to assess whether the policy is achieving its aims, and whether it is having any unintended outcomes, before rolling it out more widely. This report represents our best effort to fill this evidence gap.

Methodology and sources of evidence

At the heart of this report, the analysis in chapter 4 draws on an online survey of 438 families and in-depth interviews with 16 families, all of whom have been directly affected by the two-child limit. The survey was carried out from mid-February to mid-June 2019, using the Entitledto benefits calculator¹⁵ to identify tax credit or universal credit claimants who are subject to the two-child limit. Anyone who reported being in receipt of child tax credits or universal credit with a third or subsequent child born after 6th April 2017 (and who did not qualify for one of the exceptions) was invited to complete a short online survey about their awareness of the policy and the impact on their family (see annex A). Our sample is broadly reflective of the profile of all families affected by the two-child limit nationally in terms of work status, household type, and family size.¹⁶

We then sampled for in-depth interviews from those respondents who expressed a willingness to be contacted for further information. The sample was chosen to ensure a mix of family types from different parts of the UK (see Table 1). The interviews were transcribed and analysed thematically alongside three additional case studies similarly collected by Turn2us (who provide a similar online benefits calculator). A number of these case studies appear throughout this report.

¹² HMT / DWP (2015) Welfare Reform and Work Bill: Impact Assessment of Tax Credits and Universal Credit, changes to Child Element and Family Element. <https://www.parliament.uk/documents/impact-assessments/ia15-006e.pdf>

¹³ See, for example: <https://hansard.parliament.uk/lords/2019-04-24/debates/66701345-1E29-4A0F-8F9E-35A8B8924EB5/Debate>

¹⁴ See, for example: <https://hansard.parliament.uk/Lords/2018-03-26/debates/13975ED6-EED8-4800-BDE5-29D0AAA814CF/BenefitsTwo-ChildLimit>

¹⁵ Online benefits calculator: see <https://www.entitledto.co.uk/>

¹⁶ Of the families that had completed the online survey at 10th June 2019, 29% had someone in full-time work and 22% had someone in part-time work. Two-thirds of these families (66%) had three children and about half (51%) were lone parents. Compared with the characteristics of all households affected by the two-child limit in its first year, our sample contains fewer working families, and more 3-children and lone parent families.

Table 1: Case studies of families affected by the two-child limit

Name	Relationship status	Work status	Number of children in the household	Region
Alva	Single	Not working	3	Northern Ireland
Andrew	Couple	Not working	4	North East
Anna*^	Couple	Not working	3	Wales
Charlotte*^	Single	Not working	7	South West
Dare	Single	Not working	3	London
Janet*	Couple	Working (FT)	4	North West
Jenny*^	Couple	Working (FT)	3	North East
Katy	Couple	Not working	3	Wales
Kimberly*	Single	Working (PT)	4	East
Lisa*	Couple	Working (FT)	4	Scotland
Michelle	Single	Working (PT)	3	East Midlands
Paul	Couple	Working (FT)	3	South West
Paula*	Single	Not working	3	Scotland
Sam*	Couple	Working (FT)	3	South East
Samantha*	Single	Working (PT)	3	Northern Ireland
Samira	Couple	Working (FT)	4	-

* Not their real names ^ Supplied by Turn2us

In addition, we invited contributions from a number of charities that work with groups that are particularly vulnerable to the impact of the two-child limit, including victims of domestic abuse (authored by Women's Aid Federation of England), refugees (authored by the Refugee Council), and religious minorities (co-authored with the Interlink Foundation). The evidence presented in chapters 5-7 is based on interviews with families directly affected by the policy and with the support workers and agencies that advise and support them.

Lastly, we carried out several additional pieces of analysis to provide further quantitative evidence on the impact of the two-child limit, including:

- Modelling the impact of the policy on child poverty in 2023-24, once universal credit is fully rolled out;
- Submitting freedom of information requests in order to collect additional data, including on the potential impact of the two-child limit by parliamentary constituency;
- Scenario analysis, using an online benefit calculator, to examine the scope for families to compensate for the effect of the two-child limit by working longer hours.

The results of this analysis are presented in Chapters 2 and 3.

Jenny's story*

Jenny and her husband have always worked, but money has been tight. Jenny's husband works in security and she was a nursery nurse until the birth of her third child. *'Neither of those are hugely high paying jobs'*, but they were receiving working tax credit and child tax credits for their two daughters, aged 9 and 12, which enabled them to get by.

Then, in 2016, Jenny discovered that she was pregnant and the family had a baby boy in July 2017, just after the two-child limit came into effect: *'It wasn't a planned pregnancy but we were happy we had him'*. Jenny's mum is no longer able to help with childcare, *'because my mum is older now and can't do it, and we've moved a little bit further away'*. This means that Jenny is unable to work at the moment whilst she looks after her son.

If Jenny were to receive child tax credit for her son, then the family would have an extra £232 per month. She says that the two-child limit has affected them hugely: *'Our life would be so much easier if the support was still available for our third child'*.

As it stands, Jenny and her husband are only just managing to get by, and relying on support from their parents just to buy the bare essentials:

'This week, we have no money. Tax credits will be paid on Tuesday so my mum will buy our food this week. I honestly don't know what we would do without her. It sounds dramatic, but we would be visiting food banks otherwise.... It is demoralising. I'm 40 now and I'm having to ask my mum for money... My mum had to give my husband petrol money so he could get to work.'

Jenny describes a situation where her family is trapped by the pressure of not having enough to get by. It is immensely stressful and they feel they are living close to the edge:

'Every month it gets to the point where we literally have no money. We're not extravagant, we don't have holidays... I don't have a social life because I've got an 18-month-old son. I feel like we are living hand to mouth.'

'My husband is under a lot of pressure, and I suffered from anxiety whilst I was pregnant with [my son] which doesn't help. The whole situation is just miserable... They are putting so much stress on my husband; this is why people end up with mental health problems.'

Jenny says that if her two older children need something, their grandparents will help, but they are both aware that money is short and they'll say: *'have we got any money for this? Can we afford this? You can't hide it. Neither of us have got any money in the bank until next Tuesday, nothing, not a penny... I'm just hoping there aren't any emergencies or anything.'*

Jenny believes that current policies are keeping her out of work right now: *'I can't afford to go to work, because I can't afford childcare.'* She also feels let down by the system:

'It doesn't seem fair on people in our situation. I always thought the benefit system was here to help you when you needed it, not to rely on all the time, but as a top up or because I can't work right now.'

*Names have been changed.

2. Who is affected by the two-child limit?

According to official statistics,¹⁷ in the first year of the policy (to April 2018):

- 70,620 households had been affected by the policy (i.e. were not receiving a child element for at least one of their children). This equates to about 8 per cent of all families claiming tax credits or universal credit who have three or more children.
- 2,900 households were in receipt of one of the exceptions, most commonly for multiple births (2,440).
- Most claimants affected (59 per cent) were in-work.
- A majority of households affected were couples (62 per cent).

In response to a subsequent freedom of information request, some additional information was made available:

- Of the households affected, 55 per cent had three children, 27 per cent had four children, and 18 per cent had five or more children.
- In total, 264,820 children were living in households affected by the two-child limit at the end of its first year.

Extrapolating to the end of June 2019 (assuming that a similar number of families is affected each month), we estimate that approximately **160,000 families** and **600,000 children** have been affected to date. These are likely to be somewhat conservative estimates because the published figures for the first year do not include families who did not register the birth of a third or subsequent child before the cut-off point on April 2nd.

More families will be affected each year as new children are born, or as families with children born after April 2017 make new claims for tax credits or universal credit, until eventually all families with three or more children who claim this support are subject to the limit (excluding the small numbers eligible for exceptions). New modelling by IPPR (see chapter 3 for more details) projects that **1.8 million children will be affected by the two-child limit (including older children in affected families) by the time universal credit is fully rolled out in 2023/24**. Eventually we expect the number of families affected to top 800,000 – including around 3 million children – based on the number of families claiming child tax credit in 2016/17 who have three or more children (see table 2).

The majority of families affected by the two-child limit in its first year were working families, and the majority had just three children. The profile of tax credit recipients with three or more children in 2016/17 similarly shows that two-thirds are in work, and two-thirds have three children.

¹⁷ See DWP official statistics published in June 2018 at <https://www.gov.uk/government/statistics/child-tax-credit-and-universal-credit-claimants-statistics-related-to-the-policy-to-provide-support-for-a-maximum-of-2-children-april-2018>

Table 2: Profile of families with three or more children in receipt of child tax credits

	In-work	Out-of-work	Total
Three children	395,000 (46%)	186,000 (22%)	581,000 (67%)
Four or more children	176,000 (20%)	106,000 (12%)	282,000 (33%)
Single	133,000 (15%)	177,000 (21%)	310,000 (36%)
Couple	439,000 (51%)	115,000 (13%)	554,000 (64%)
Total	571,000 (66%)	292,000 (34%)	863,000 (100%)

Source: Child and Working Tax Credit Statistics UK, Finalised annual awards in 2016-17 (Table 2.2)

All families affected to date must by design contain at least one child under the age of 2 and a quarter years old. This is significant for two reasons: first because families with young children are already more likely to be living in poverty than families with older children,¹⁸ and second because the experiences which children have in their very early years (including the experience of living in poverty) have lifelong effects.¹⁹

The two-child limit will have a disproportionate impact in areas with higher-than-average concentrations of larger and poorer families. Assuming that a similar number of families with three or more children will require support in these constituencies over time, and using data on families claiming tax credits in each constituency obtained through freedom of information requests, we estimate that there are 39 parliamentary constituencies in which more than a third of children are eventually expected to be affected, and two in which the number will reach more than half of all children (see annex B for a list of the 100 most-affected constituencies). An interactive map is available on the 'All Kids Count' website at <http://www.cpaq.org.uk/twochildlimitmap>.

This data shows that the impact of the two-child limit will be felt in constituencies up and down the country: from Blackburn, where 13,800 children (43 per cent) could be affected, to Ipswich (7,300 children or 27 per cent), and from Newcastle-upon-Tyne Central (7,400 or 33 per cent) to North Cornwall (4,700 or 27 per cent). Parts of Scotland, Wales and Northern Ireland will also be disproportionately affected, including Glasgow Central, Cardiff South, and Belfast North. Table 3 shows the constituencies in which the largest numbers of families are likely to be affected in each region of the country. Even in the wealthiest parts of the country, more than a quarter of children will be affected in some constituencies.

¹⁸ According to the latest Government statistics, the poverty rate for families where the youngest child is aged 0-4 is 53 per cent, compared with 14 to 28 per cent for families with older children. See DWP (2019) Households below average income: 1994/95 to 2017/18, Table 4.4db.

¹⁹ See, for example, the Marmot Review (2010).

Table 3: Parliamentary constituencies most affected by the two-child limit in each region

Region	Constituency	No. of <u>families</u> likely to be affected by two-child limit	No. of <u>children</u> likely to be affected by two-child limit	% of <u>children</u> likely to be affected by two-child limit
East	Luton South	3,170	11,150	34.7%
East Midlands	Nottingham East	2,430	8,550	38.4%
London	Hackney N & Stoke Newington	3,830	16,410	44.4%
North East	Middlesbrough	2,495	8,940	36.5%
North West	Blackley and Broughton	4,880	18,720	48.8%
Northern Ireland	Belfast North	2,265	7,885	30.4%
Scotland	Glasgow Central	1,410	5,055	32.4%
South East	Slough	3,120	10,790	26.8%
South West	North Cornwall	1,365	4,715	26.9%
Wales	Cardiff South and Penarth	2,305	8,250	31.8%
West Midlands	Birmingham, Hodge Hill	6,560	24,445	51.2%
Yorkshire & Humberside	Bradford West	5,225	18,940	51.5%

Sources:

1) Number of children in families with at least 3 children and receiving child tax credit in April 2018: *HMRC response to freedom of information request on 14 Dec 2018: FOI2018/02694*

2) Total number of children: *HMRC (2018) 'Child Benefit Statistics geographical analysis tables: August 2017.'*

The figures quoted here are for the total number of children in families receiving or opting out of child benefit (Table 6 and Table 11).

Andrew's story

Andrew and his wife live in a rented home in north-east England with their four children. His family is experiencing severe financial difficulties, which are exacerbated by the two-child limit applied to their youngest daughter.

Until about three years ago, Andrew and his wife were both in work and coping financially: *'We were getting by relatively okay with no, like, worries'*. Unfortunately, a family emergency meant that they had to go overseas for several months to look after his wife's parents. Their third child – now aged two – was born shortly after they got back, and Andrew and his wife have struggled to find work ever since: *'It's just been crazy trying to get back into work. We've got no paid work around here.'*

Andrew's wife then became pregnant again even though she was on the pill, but being Catholic, *'there was no question of getting rid of it'*. Their youngest daughter, who is nearly one, is subject to the two-child limit.

Throughout this period, the family received the same amount of tax credits, whilst their needs have increased with another child to look after and the other children growing and eating more. They have struggled to stay afloat with mounting debts, and Andrew has had to make some very difficult decisions: *'I've been like, not paying the rent, or not paying my council tax, or not paying the gas and electricity, so we've got food - it's a struggle.'*

Even though his wife recently started a new job, Andrew says they are probably only about £40 a week better than before, once petrol costs and the withdrawal of means-tested benefits are factored in. Andrew has worked for 19 years and intends to go back to work, but says it would be *'physically impossible'* for both of them to be working at the moment: *'I, physically, can't get a job, otherwise we'd just be rushing around all over the place, picking the kids up from school, putting that one into childcare, there's just nothing spare...'*

Andrew has tried phoning the debt collectors to explain their financial situation, but they have simply threatened to obtain a county court judgement against him if he does not pay. He deals with this by trying not to get worked up about it, as there is very little he can do: *'Obviously you get wound up. I try not to, but sometimes I'm a bit snappy, but most of the time I just crumple letters up and forget all about it, because there's naught else I can do.'*

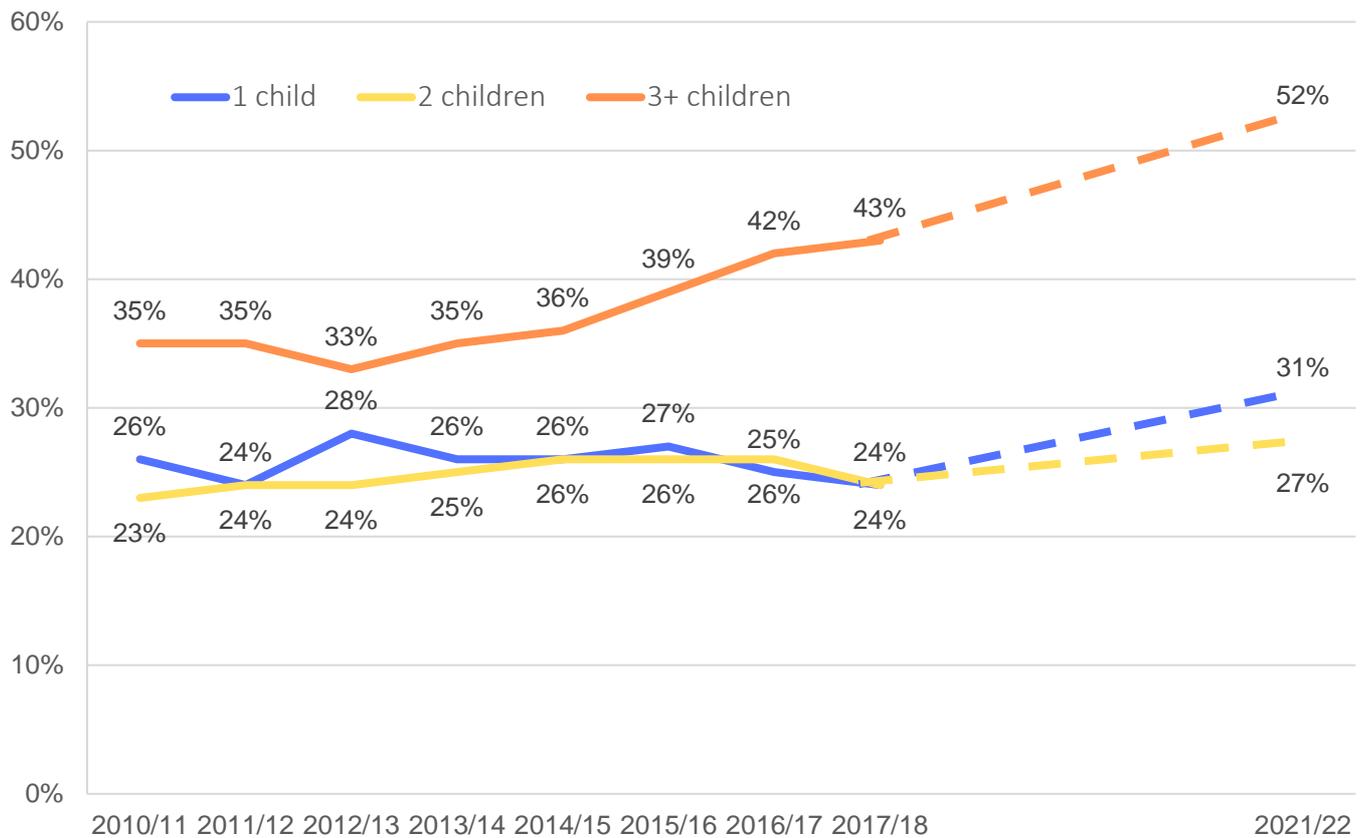
Andrew and his wife have just about managed to provide clothing for their children, by going to charity shops and using hand-me-downs. He has bought nappies and milk on credit cards in the past, when they were waiting for the next benefit payment. But these are now maxed out, so Andrew is unsure how they will cope in the coming months. Without enough to cover the basic essentials, there is no money for the children to take part in extra-curricular activities: *'everything else which is good for becoming a good-rounded adult'*.

If the two-child limit were not in place, Andrew and his family would not live such a knife-edge existence: *'It would give us that cushion, because we've literally no savings whatsoever, so if something goes wrong like an MOT on our car, we couldn't afford it. We'll just not have a car anymore.'* The family car, which they bought for £400, is needed for his wife to get to work. Andrew has no idea where the money will come from when it needs maintenance.

3. Impacts on poverty and living standards

Child poverty (after housing costs) rose by 500,000 between 2010/11 and 2017/18, from 3.6 to 4.1 million,²⁰ and is projected to reach 5.2 million by 2021/22.²¹ Poverty rates have long been higher among larger families than smaller ones, and the two-child limit is widening the gap with projections that the risk of poverty among families with three or more children will reach an alarming 52 per cent by 2021/22 (see Figure 1).²²

Figure 1: Poverty rates and projections for children in families of different sizes (after housing costs)



Source: DWP (2019) Households below average income: 1994/95 to 2015/16, Table 4.18ts (figures to 2017/18), and Portes, J. and Reed, H. (2018) 'The cumulative impact of tax and welfare reforms', Equality and Human Rights Commission, Table 7.5 (projections to 2021/22).

²⁰ DWP (2019) Households below average income: 1994/95 to 2017/18, Table 4.3db

²¹ Hood, A. and Waters, T. (2017) 'Living standards, poverty and inequality in the UK: 2017-18 to 2021-22' (and online appendix), Institute for Fiscal Studies <https://www.ifs.org.uk/publications/10028>

²² Portes, J. and Reed, H. (2018) 'The cumulative impact of tax and welfare reforms', Equality and Human Rights Commission. <https://www.equalityhumanrights.com/sites/default/files/cumulative-impact-assessment-report.pdf>

Analysis by IPPR for CPAG²³ estimates that **1.8 million children will be living in families affected by the two-child limit in 2023/24** (the year when universal credit is expected to be fully rolled out). Of these:

- More than two-thirds are expected to be living below the poverty line.
- **300,000** children will be pushed into poverty by the two-child limit (i.e. they would not be in poverty if it were abolished).
- A further **one million** (more than half of all the children affected by the policy) will be pushed into deeper poverty as they are already expected to be below the poverty line even without the effect of the two-child limit.

These numbers are likely to rise in the years after 2023/24 as even more children fall under the scope of the policy. It is clear that the two-child limit disproportionately affects those families and children already at high risk of poverty, meaning that as well as driving an increase in the number of children in poverty it will increase the severity of poverty for large numbers of children. The further a family or child lives below the poverty line, the greater the risk of serious deprivation and the more difficult it is for their family to escape poverty through other means such as finding more hours or a better-paid job.

This is also true if we look at the ethnic groups most likely to be affected. Analysis by the Equality and Human Rights Commission found that the policy disproportionately affects children from Pakistani and Bangladeshi backgrounds who are also those whose families stand to lose the most from tax-benefit reforms this decade as a whole (see Figure 2).

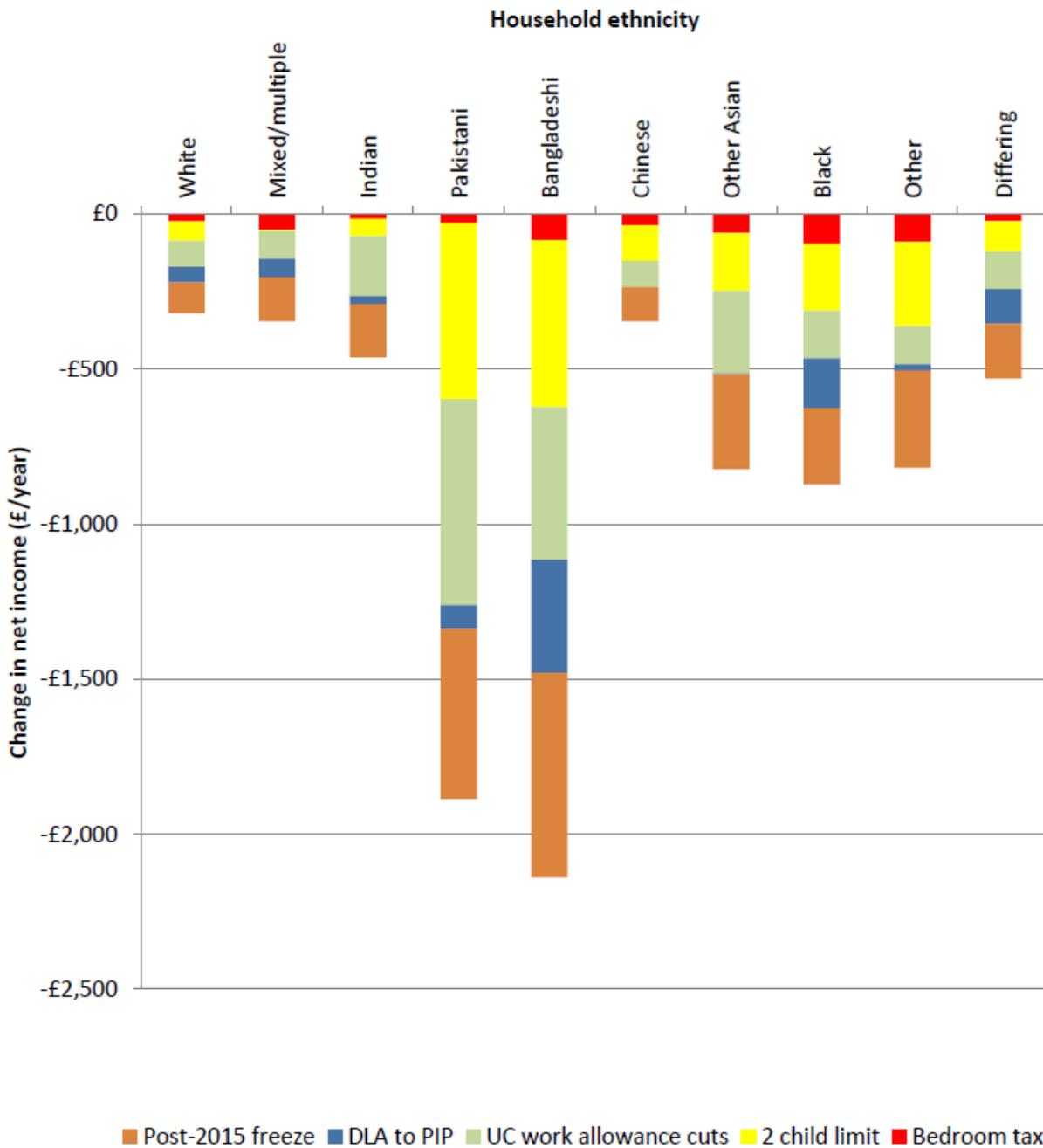
The two-child limit makes it difficult for even working families with three children to achieve a basic 'no-frills' standard of living, costing them around ten per cent of the income they need. Analysis by Professor Hirsch at Loughborough University has compared family incomes with the 'minimum income standard' – a level based on the cost of a basic socially acceptable lifestyle as agreed by focus groups with members of the public – and shows that:

- A couple with three children aged four, eight and 12, both working full time for the 'national living wage' and renting privately in an inexpensive part of the country, will have an income 28 per cent below what they need if affected by the two-child limit. Without the two-child limit the shortfall would be 19 per cent.
- A single parent in the same circumstance would be 35 per cent short, falling to 24 per cent if the two-child limit were abolished.²⁴
- For non-working families, the shortfalls between what out-of-work benefits provide and actual needs are enormous. By 2021, a couple with three children renting privately as above can expect a shortfall of nearly two-thirds of the minimum income standard and a single parent a shortfall of 41 per cent. This is due to the combined effect of the benefit cap and the two-child limit, as box 1 explains.

²³ Analysis of 2016/17 family resources survey data using the IPPR tax-benefit model and forecasts from the 2019 Spring Statement (latest available data at the time of analysis). See also Tucker, J. (2019) 'Universal credit: what needs to change to reduce child poverty and make it fit for families?' Child Poverty Action Group.

²⁴ Hirsch, D. (2018) 'The cost of a child in 2018', Child Poverty Action Group.
http://www.cpag.org.uk/sites/default/files/uploads/CostofaChild2018_web.pdf

Figure 2: Cash impact of specific policies by household ethnicity (to 2021/22, England)*



Source: Landman Economics tax-transfer model analysis using FRS pooled dataset 2012-13 to 2015-16. Reproduced with permission from: Portes, J. and Reed, H. (2018) 'The cumulative impact of tax and welfare reforms', Equality and Human Rights Commission.

*This analysis predates the increase in universal credit work allowances in April 2019, so the impact of "UC work allowance cuts" will be smaller than shown here.

Box 1: Two-child limit and benefit cap interactions

For non-working families the impact of the two-child limit is complicated by – and increasingly likely to be dwarfed by – the effect of the benefit cap. This limits total benefit receipt, including help with housing costs, for families who are not working or earning only a small amount, to £20,000 per year (around £384/week) outside London or £23,000 (around £440/week) in London. There are some exceptions for families where an adult or child is disabled.

These thresholds are low enough that most non-working families renting privately are likely to hit the benefit cap threshold even if they receive support for just two children, meaning that the two-child limit will not have an additional effect. However if they were to start work (or increase their hours/earnings) and thus have the benefit cap lifted, the two-child limit would reduce their income, meaning that they might not see a significant benefit from doing so.

Social tenants are currently more likely to be affected by the two-child limit, because they have lower rents and are unlikely to reach the benefit cap threshold based on entitlement for support for two children. In the future, however, benefit levels are expected to rise with inflation while the benefit cap threshold is not. (There is no provision in legislation for it to do so.) This means that, as early as 2021, families in social housing may find that their entitlement is capped when they receive support for just two children, overriding the effect of the two-child limit for these families.

For non-working or very low-earning families, therefore, removing the two-child limit will have a limited effect unless the benefit cap is also abolished. However, most benefit capped families are single parents with children under five, and the vast majority start working once their children are of school age. This means that while lifting the two-child limit may not increase their income for as long as they are subject to the benefit cap, it would benefit them as soon as they become uncapped, and increase the rewards they see from work.

Source: Hirsch, D. (2018) 'The cost of a child in 2018', Child Poverty Action Group

Can families compensate for the two-child limit through work?

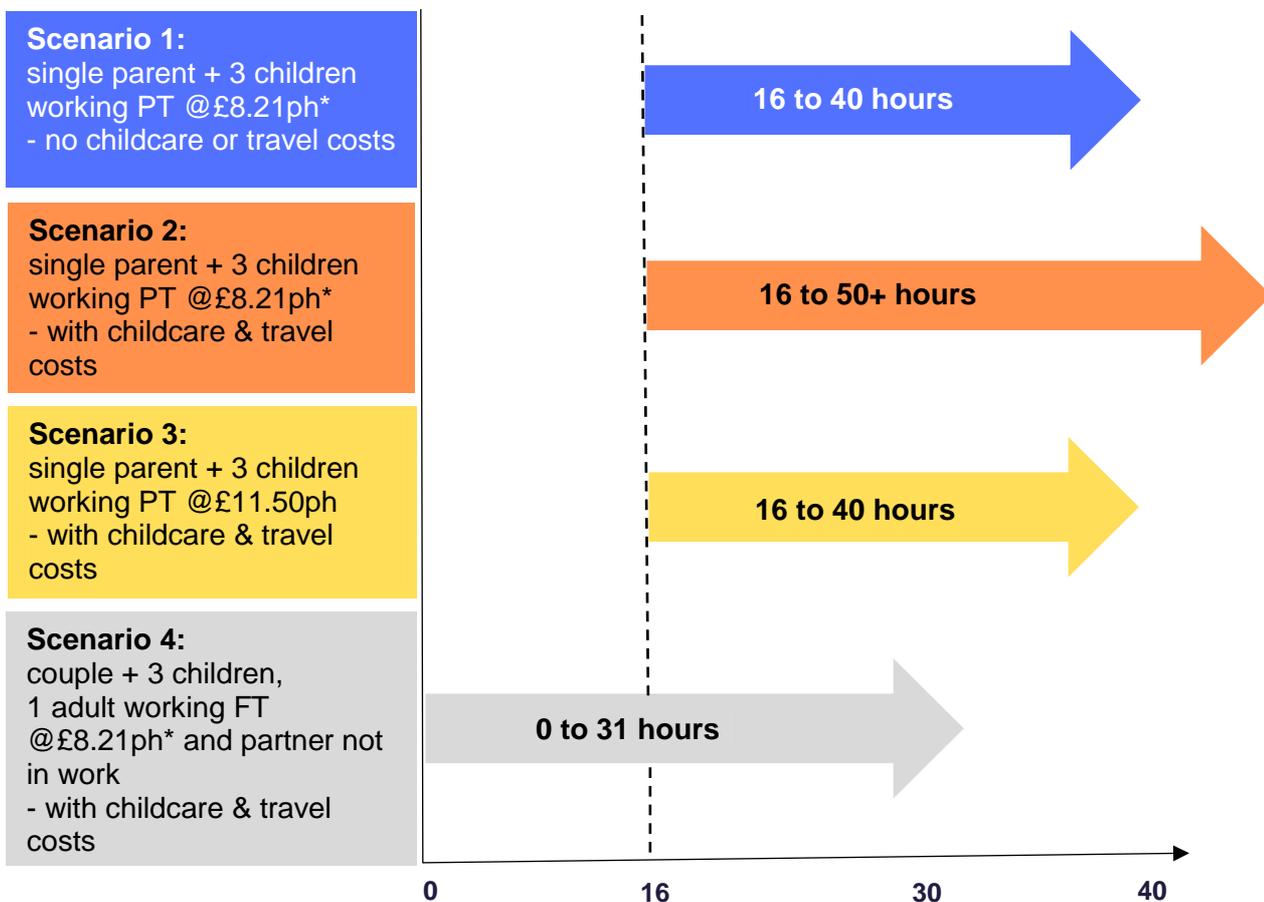
Due to the withdrawal of means-tested benefits as earnings increase, it is in practice very difficult for families to compensate for the loss of a child element (worth £2,780 per year) by working additional hours (see Figure 3):

- A single parent with three children working 16 hours per week²⁵ at the 'national living wage' of £8.21 per hour *cannot ever compensate for the loss of a child element by increasing her hours*, if she incurs childcare costs from doing so (because these are never covered in full by universal credit). Only if she can access free childcare (e.g. by using help from family members in addition to the free entitlement for 2-4 year-olds), can she compensate for the loss, but she would still have to more than double her hours from 16 to 40 per week.

²⁵ We chose 16 hours per week as a starting point because this is the threshold at which a single parent would be eligible for working tax credit, and the hours for which a carer of child aged three or four is required to work (or look for work) in universal credit.

- A single parent with three children working 16 hours a week at £11.50 per hour would need to increase her hours by 150 per cent, from 16 to 40, just to compensate for the loss of a child element, assuming that she incurs additional childcare and transport costs when increasing her hours.
- A couple with three children, where one of the adults is working full-time at the ‘national living wage’ and the other is not working, could only compensate for the loss of a child limit if the non-working partner were to work 31 hours, assuming they incur some childcare and transport costs.

Figure 3: Additional weekly working hours needed to offset impact of the two-child limit**



* current ‘national living wage’ i.e. the minimum wage for over-25s.

** renting a 3-bed social rented property in Birmingham at £90 per week

Source: own analysis, using Entitledto’s online benefit calculator to calculate household net income (including universal credit, net of rent, council tax and childcare costs) under each scenario. Full calculations are available from the authors on request.

Anna's story*

When Anna and her husband decided to have a third child things were going well. They were not well off, but they were comfortable and lived within their means. Anna's husband was working in recruitment but he has now lost his job and has since been diagnosed with post-traumatic stress disorder; he has even tried to take his own life.

'We chose to have our third child while we were both working full time in permanent professional jobs. We chose to have our child because we could afford to. However, my husband suddenly lost his job and is suffering with mental illness, so is unable to find new employment.'

This has left them and their three children 'in dire straits' financially, as Anna is currently on maternity leave from her job as a secondary school teacher. They have very little money and, even if Anna went back to work early, she would not make enough to cover childcare costs (needed because her husband is not well enough to be left alone with the children).

The two-child limit has hit Anna's family hard. Without financial support for their third child, they are having to cut back on food. So far, Anna has managed to continue to provide meals for her children but, as much as she tries to shelter them from their financial situation, the quality of food she can buy has deteriorated. As the end of the month approaches, Anna is running out of money:

'We are now in a situation where we cannot pay all the bills and feed our family. I know from talking to family and friends with three children all born before the two-child limit, who are in receipt of the money, that would make a major difference to us.'

She has never missed a bill before, and feels really upset and ashamed that she has to now. But it is an easy choice – she needs to feed her family.

Anna feels let down by the system, as her family has paid taxes all their working lives:

'The safety net doesn't exist any more for my family.... You feel really distressed that you have turned to the welfare state and that there is nothing available for you, and now I must turn to charity. What am I paying my taxes for?'

The added financial burden from not receiving support for her third child is taking its toll, and is not helping her husband's health. Anna had no experience of benefits when she chose to have a third child, but she has found herself affected by a policy that would not even have been a consideration at the time that decision was taken.

**All names have been changed.*

4. Findings from the survey and interviews with affected families

This chapter presents the findings from the online survey and in-depth interviews with families directly affected by the two-child limit. Further details of the methodology can be found in chapter 1.

Context

People's lives are complicated, particularly so around the arrival of a new baby. It is a time when families need stability, and are often more reliant on the extra financial support provided by the social security system. The families we spoke to had experienced a wide range of life events in the recent past, including the breakdown or formation of a relationship, redundancy, and the onset of disability or birth of a disabled child. In some cases, these had occurred since the decision to have a third child. There were also a significant number of unplanned pregnancies, despite the use of contraception.

The stated logic behind the two-child limit assumes that parents can completely control the conception of children and guarantee the financial security of their families for the next 18 years. But unexpected life events and changes of circumstances have significant financial implications for families, in addition to the impact of the birth of a child, which is itself a time of upheaval, with repercussions for work patterns and sometimes for parents' health and relationships.

This is vividly illustrated by Anna's case study (see p. 18), but also by many of the open-ended responses we received to our online survey:

'I've recently split with my long-term partner and father of my four children. When I had my children, I did not intend to be a single parent - and now that I am, I feel like I'm being penalised by the government.'

'My partner became ill and unable to work due to disability and I'm now at home having to care for him and our four children. Me and my partner are literally not eating at all during the day to feed the children.'

'I have two children from a previous relationship and remarried and had our daughter last year. She is my new husband's only child, but my third. It means we struggle financially every month to pay our bills and buy food. We go further into debt each month as we don't have enough money to cover our basic living even though my husband works full time.'

'I was with a recovering alcoholic man who was working and doing very well. I was nervous to have a third child with him when I found out I was pregnant, as I was scared how his recovery would pan out. I booked an abortion as I saw this as my only way out. I couldn't go through with it. I was aware I wouldn't receive help for a third child which made the pressure much worse. We have since split up and I'm left on my own with three children unable to meet my outgoings. The extra child tax credits would have greatly helped.'

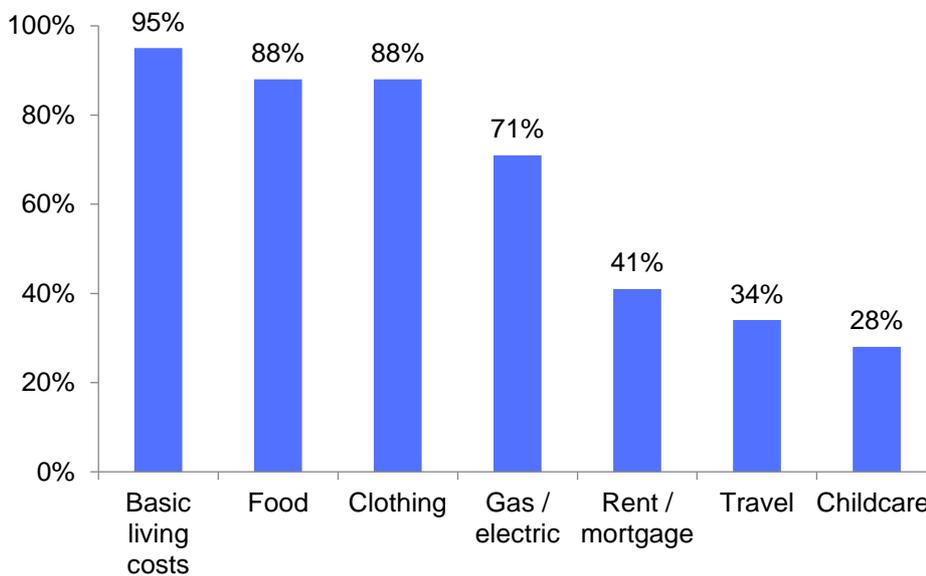
'Since the birth of our third child, I have now lost my job due to circumstances beyond my control.'

Financial effects of the two-child limit

The overriding picture emerging from both the survey and interview findings is that families affected by the two-child limit are facing severe and ongoing financial difficulty, which cannot be overcome through careful budgeting or just 'tightening their belts', but instead leads to real deprivation. Many have cut back on essentials, cannot afford activities for their children, struggle to pay bills each month and are in debt to family, utilities and credit card providers – a situation which they often cannot see how to escape.

95 per cent of survey respondents said that the two-child limit has affected their ability to pay for essentials, including 88 per cent who said it has affected their ability to pay for food (see Figure 4).

Figure 4: Percentage of respondents reporting that the two-child limit has affected their ability to pay for basic living costs



Responses to the open-ended question in the online survey confirm that many families affected by the two-child limit are experiencing severe hardship (see box 2).

Box 2: Survey responses describing hardship among families affected by the two-child limit

Inability to afford the bare essentials:

'I can't afford the full rent if I put gas and electric on. Food is a minimum. I'm relying on others.'

'I have amassed a huge amount of rent arrears because I can't afford to feed my children AND pay my rent.'

'I'm struggling to pay my rent as I need to feed my children... [We] may become homeless as I'm in rent arrears.'

'I have four children and we struggle daily to clothe and feed them.'

'Our daughter sleeps in a broken cot as we can't afford to replace it.'

'We are currently unable to buy the children new shoes/clothes when needed without taking funds from our food allowance.'

'We are living hand to mouth and using food banks to survive.'

'I am in tears daily because I can't afford baby milk, nappies.'

Parents who are not eating or going without medication:

'I go without eating to ensure they have enough food to last us.'

'I very often miss meal times and eat what they have left.'

I don't eat properly – one meal a day if I'm lucky, and that's a six year-old's size. I can't afford to heat the house and I can't afford my rent.'

'I couldn't afford inhalers this week because I'm more concerned about my children having food. Just praying I can make my inhalers last before I run out.'

Relying on family or borrowing to get by:

'My monthly money barely covers all my bills, shopping, gas and electric. Most weeks I have to borrow money from my family just to get by.'

'If we need anything, it has to be bought using store credit; this includes clothes and shoes for the children.'

'I have debts building up on a weekly basis.... We could easily go under if there was an emergency one week as we have absolutely no reserves.'

The in-depth interviews shed further light on the financial impacts of the two-child limit and the range of strategies which families have had to adopt to get by.

Cutting back

Most families we spoke to reported trying to buy things more cheaply, but noted that this can mean buying things which are lower quality and not being able to provide fresh, healthy food for their children:

'We live on the breadline really. I need to go out at 7 o'clock on a Tuesday to go yellow sticker hunting to fill my freezer... I don't buy foods that I would like to buy, just food that's close to nothing... I would have liked to get them fruit. I can't remember the last time I made a fresh dinner, it's all stuff I've got in my freezer.' (Lisa)

'We go to charity shops a lot, we accept any hand-me-downs that we can get, but... you can't necessarily get decent clothes from the charity shop, they're always worn out.' (Andrew)

However, for most people buying more cheaply is not nearly enough. Several of the families we interviewed told us that they have had to cut back on the type or amount of food they buy. Some parents reported that they go without proper meals themselves in order to ensure their children are fed:

'We try our best to make sure [the children] are well fed and pick up the leftovers if they leave anything, or just toast.' (Janet)

Many parents described a situation of constant juggling and budgeting – despite which they are usually still left short – as well as managing additional necessary expenses which inevitably arise as children get older:

'We always try and cut back and save where we can... like turning the lights off. But there's not a great deal of money every month.' (Paul)

'If the children need more school shoes and things like that.... You'd have to cut back on your shopping or you might not be able to put as much gas or electric on that week or you might have to miss a bill payment. You're constantly juggling.' (Kimberly)

'There will be a shortfall at the end of the month...Every month it's just a struggle. I just have to budget and balance at the end of the month and see how I can do it. So sometimes somebody will have to go without.' (Dare)

As well as struggling to afford the very basics, around half of the families we talked to described having to cut back on activities previously enjoyed by their children. These are not expensive luxuries, but ordinary things which most people would expect children in this country to be able to enjoy as part of a normal childhood and which help children learn and develop. These include sports clubs and lessons, after-school clubs and taking part in school trips. Family days out and occasional treats can also become impossible.

'Both kids have stopped their swimming lessons, we can't afford it. Amy has had to finish her football and Corey* his basketball... she was at football six days a week and she misses it a lot. What makes it harder is they don't understand why they could get something [before] and now they can't.'* (Paula) *Children's names have been changed.

'I don't get to take the kids out any more, you know? Take them out places.' (Alva)

'No trips to cinema, no picnics, no treats, nothing. The eldest two end up staying with their Nana or asking other people. It's horrible.' (Lisa)

'It affects them [the children], you know. Creating memories - we can't, we have no money. We've got no money to treat them to anything nice... just getting a round of ice creams in the park is expensive... We can't take them to any clubs or activities or anything unless we beg, steal or borrow.' (Sam)

'There was a trip [three day residential school trip for £180] and my son didn't even ask me now. His cousin went and his pals went.' (Lisa)

Parents also struggle to afford the costs associated with children socialising and spending time with their friends, like going to a birthday party or even something as small as buying a drink at school like their friends do.

'When they start having school clubs or one of their friends' birthday parties, you start panicking... You can't just go there without the presents or the cards for their friends... it all adds up.' (Janet)

'[It is hard] having to explain to the weans, "you can't go and buy a can of juice in school, you need to take one from here", so I can bulk buy things' (Lisa)

A couple of parents also mentioned that any leisure activities or treats for themselves have become completely out of the question, as they all put spending on their children first. While an occasional evening out with friends or a haircut is not essential for survival, most people would expect to be able to enjoy them on occasion, and parents mentioned how much they would love a break from the relentless worry about money:

'Just having the option, those little things no one thinks of... Even a haircut would be lovely... just a bit of normality without having to worry about money.' (Paula)

Unpaid bills

Even cutting back in all these ways is not enough and most families had been forced to delay paying bills or simply not pay them at all, just to afford the essentials. They did this even though they admitted feeling ashamed of not keeping up with bills, and worried that this would cost them more in the future:

'We get behind on council tax, any bills where I think I'm not going to have people at us constantly. Not paying these so we have food... it's a struggle.' (Andrew)

'With water bills you think I'll have to pay next month, but obviously it does get a bit out of control and you do end up having to pay back two months.' (Paul)

'The only bills I was just about paying were my rent and car payments... I had to let my credit card payments go, my other bills that I have go. It got to the point where I had letters from the debt collectors.' (Samantha)

Reliance on help from family

Many had only coped because they had been given or lent money by their family, although several felt ashamed or guilty about having to ask for help. This help is often needed to cover basic essentials and bridge the gap between the money running out and the next benefit or wage payment coming through:

'There was one point I didn't even have money in my bank account and I had to ring my dad and say can you come up to my house and give me £5 so I can buy electric... My father would come and take me shopping or my uncle would come up and put petrol in my car.' (Samantha)

'Sometimes, by the time you pay all the bills and you buy food shopping, if you need anything else throughout the week sometimes it doesn't last... like say you needed milk, bread, just bits and pieces. Sometimes we have had to borrow money.' (Katy)

'I have had quite good family support from my mum and dad... I'm quite lucky but you shouldn't have to should you? At 36 years old you shouldn't have to rely on your mum and dad.' (Michelle)

Credit cards and loans

Not everyone has access to support from family and friends, or this support is limited, in which case people are turning to other forms of credit. Several of the interviewees had borrowed heavily on credit cards, again usually for essentials and to get through the last few days before money comes through. One family had resorted to a high interest lender:

'There's no money for things like clothes or personal expenses, even cheap clothes... we're in debt about £5,000 with credit cards and a clothing account online.... We're forced into using high interest lenders.' (Sam)

'I didn't have any credit cards this time last year. I've got two now and they're maxed out... [I'm using them to] cover daily things and about £30 a week just to pay for his special milk and bread. I'm in a good bit of debt now, it's not possible to make it work at the end of the month.' (Paula, whose young son has a health condition requiring a special diet)

'My credit cards are maxed out, so, maybe, the next couple of months might be a bit trickier than the last.... It's mainly when we [were waiting for money to come in] and had no money for milk or nappies or for small things.' (Andrew)

In summary, most of the families we spoke to feel they are barely getting by, having to rely on help from family and in many cases incurring other debts just to cover the bare essentials. They describe feeling trapped in a constant cycle of financial shortfalls with no obvious way out of their situation, at least until their children are older, which for some might allow them to change their working patterns. However, they also fear that, as their children get older, they will start to ask for more expensive activities. Some described their fear of inevitable future expenses and of having absolutely no financial cushion to fall back on:

'We've got no savings whatsoever so if something goes wrong like an MOT on the car we couldn't afford it.' (Andrew, whose family need the car for his wife to get to work and the children to get to school)

Other sources of financial strain

It is important to remember that the two-child limit is not affecting these families in isolation, but is compounded by the effect of other reductions in the support available to families. Some families had noticed that their benefits have not increased in recent years (as a result of the four-year freeze on benefit rates) while the cost of living and rents have gone up. Some of those in work said that wages have not kept up either:

'We've been getting the same tax credits for the last three years.' (Andrew)

'It looks like a handsome figure when you get it each month.... but it's not, because the cost of living has risen, you know.' (Sam)

'Everything has gone up in price, all your gas, your electricity, council tax.... In real terms the pay has gone down.' (Paul)

Isolating the impact of the two-child limit

In this context, the two-child limit makes a significant difference to families' financial situation and quality of life. We sought to isolate this impact from families' wider financial situation by asking respondents how an extra £230 per month or £53 per week (the amount lost as a result of the two-child limit) would change their situation. All felt that this was a significant amount which would improve life for their family, and some mentioned being able to put something aside for emergencies to avoid getting into debt:

'It would allow us to live and have a bit more freedom, not as much stress. We'd be able to buy better food for the kids.' (Janet)

'The money would give my children a sense of normality. It would mean the world... It would mean they could go back to their clubs.... It would get them out socialising and being with their friends and seeing family without me counting the pennies.' (Paula)

'It would make a world of difference, my kids could do things with their pals, I could take them out, they could have better food.' (Lisa)

'It would mean I could give them a better future... I could put my little girl into a playgroup before school. Stuff like that... to help with her own little personality.' (Alva)

'You could actually have some in reserve for emergencies or something, so you wouldn't actually have to borrow money from anybody.' (Paul)

'That £230 could do a lot. It could take away all the bills... We could plan for the holidays... to go somewhere different from just staying in the house... It would be nice just to go outside [this area].' (Dare)

Non-financial impacts of the two-child limit

Stress, anxiety and mental ill-health

It is clear from our respondents that this level of financial difficulty is having a profoundly negative impact on the wellbeing of both parents and children. The majority of people we spoke to reported living with constant stress and anxiety. Some already had mental health difficulties and explained that their illnesses were exacerbated by their money worries. One had even contemplated suicide because she could see no way out from her situation:

'I tried to go through a termination but we're in turmoil now thinking how are we gonna cope [...] It's a depressing situation, it's absolutely awful especially when I'm pregnant and thinking what am I going to do for clothes and stuff...It's a constant worry, you're constantly writing stuff down and checking how much money you've got.' (Janet)

'It [money] just causes you unnecessary worry and stress ... and you spend your whole life worrying... I can understand how people get ill with worry I mean some of my friends have made themselves ill from worrying about money and things.' (Kimberly)

'I won't lie, [I have] even [had] thoughts of suicide at some points - I mean how horrible is that – 'cause I don't know a way out.' (Samira)

Shame and guilt

Feelings of shame and embarrassment were interwoven through many of the stories we collected from families affected by the two-child limit. Parents felt ashamed of not being able to provide for their children, of having to ask friends or family for help and of not paying bills. Many had a sense of having failed as a parent and felt that others looked down on them:

'You see other people getting their wee trips and [it] makes you feel less.' (Lisa)

'Being a 37 year-old woman thinking to myself, "How did I get to this stage?" where I'm trying my hardest to juggle everything between going out to work, doing my bills, trying to make sure everything's paid, the roof's over my children's head.' (Samantha)

Parents also reported feeling a great deal of guilt because they know their children are missing out, whether on healthy food, experiences or activities they used to do such as sport, and they all desperately wished they could give their children more:

'[The children] need to go with their granny if they want a day out...it makes me feel I've failed them.' (Lisa)

'There is nothing to bring them into. If you're bringing [them] in to struggle yourself.' (Michelle)

Some parents also talked about missing out themselves and the social exclusion that comes with struggling to get by. One respondent spoke about how difficult it is to see her friends on social media, going out and socialising, when she cannot afford to take part. It is likely that this isolation would compound the stress and anxiety parents are experiencing. Many gave the impression that they never get a break from worrying and do not see a prospect of this changing soon.

Impact on relationships

Many of the families mentioned that constant worry about money – in many cases despite working long hours and cutting spending to the bone – had negatively affected relationships within the family:

'For myself and for my partner [we feel] the stress and that of it, you get to Christmas time and it is really difficult.' (Paul)

'Obviously you're easily wound up, so sometimes you can be a bit snappy and I try not to be, nowt else I can do really.' (Andrew)

Two of the families we spoke to observed that the two-child limit is causing strained relationships between siblings, as older children who have had to give up activities or who are no longer able to do things with their friends feel resentful of the youngest child and blame him/her for the financial pressures now placed on the family:

*'My middle one has even told me that he wishes we never had *Ben [the youngest child] ...it's even causing resentment between them.'* (Paula)

Impacts on children

The interviews make it clear that the two-child limit is having a devastating effect on children. Older children seem most likely to miss out, as essentials for babies and toddlers are more likely to be protected and very young children have less need for paid activities. However, there may also be later life consequences of young children having a reduced quality diet or growing up in a household where family members are under constant stress, and as babies grow into toddlers they benefit from early education and social activities which were unaffordable to some families, with potentially negative consequences for their development.

One of the biggest ways in which children miss out is on opportunities for socialising. This can be particularly difficult for teenagers for whom being able to fit in with the crowd and do things that their peers do is crucial:

'[They] start to get angry 'cause they're teenagers and they want what other children have.' (Lisa)

One parent was worried that not being able to afford to send her children to clubs or groups where they could socialise with other children was affecting her young daughter's social development and confidence such that when she did go to the kids' club at the family's church - their only remaining activity, because it is free - she was too shy to interact with other children:

'[...] one thing I noticed is my child is so shy with other kids 'cause she's not getting any interaction with other kids. When we go to the church she's still clinging to my legs.' (Lisa)

Some families explained that the combination of their lack of money and a reduction in free or cheap activities available in their area had left their children with very few options. Children may be unable to do anything in the school holidays except stay at home or go to the same local park. One family who lived near the sea said that at least their children could enjoy the outdoors at no cost (though they could not afford a bike), but children in urban areas may not have anywhere to go.

Several families explained that being stuck at home with limited access to different activities was leaving children bored and frustrated. This can exacerbate existing behavioural problems, making life even more stressful for the family as a whole:

'Yeah it's all the time, the kids get frustrated and bored doing the same things week in week out and it causes a lot of conflict with everyone.' (Paula)

'I can't afford [to do fun things with her children]...it's obviously having an effect on my eldest son's behaviour as well, which isn't great...you see he does have troubles with his behaviour...they are suspecting ADHD...obviously, him being indoors angers him more...it means he lashes out more.' (Alva)

In summary, parents are suffering huge levels of ongoing stress and worry which place strain on their mental health and family relationships. Almost all of them reported a sense of not being able to lead a 'normal' life and of not being able to provide things which form part of a 'normal' childhood and family life for their children, feelings which create a heavy burden of shame and guilt. Children miss out on a host of social, educational and physical activities, which puts their wellbeing and social and emotional development at risk and can leave them angry, frustrated, or lacking confidence.

When asked what difference removing the two-child limit would make, a number of families explained that having this money would alleviate stress and worry by lifting them out of the knife-edge existence in which they are currently living, as well as reintroducing some sense of normality into their family's life. Many of the responses to our online survey revealed a similar picture (see Box 3).

Box 3: Survey responses about the non-financial impacts of the two-child limit

'I haven't had my baby yet and I am already stressed and anxious of how I will afford the day to day living expenses.'

'It resulted in the breakdown of my relationship due to money stresses.'

'Trying to keep our family afloat is putting major stress on mine and my partner's relationship to the point that there have been a few times we have discussed throwing the towel in.'

'We are struggling, I won't lie, I have contemplated suicide.'

'My partner has been signed off work for over six weeks due to stress-related problems and now feels he will be sacked.'

'I am in serious financial debt. I am struggling to survive on my wage and I am contemplating quitting work. I don't know what to do. I am feeling very depressed.'

'It has caused so much stress on our family that it is looking like we are headed for divorce. Instead of enjoying the birth of our baby, we have dealt with hardship and having to scrape together for meals.... We had to borrow money for sterilizer bottles, pram, cot, everything you need for a baby and without the usual income for each child we can't afford to pay it back. We are at an end in our family life and relationship because of the stress and hardship the limit has caused for us.'

Does work offer a way out?

When the two-child limit and other changes to benefits were debated in Parliament, proponents of the reforms claimed that parents could compensate for the reduction in support by getting a job or working longer hours. We explored this possibility by asking people about their current work status and whether their decisions about work had been influenced by the two-child limit. It is important to remember that all families so far affected by the two-child limit have a child aged two or younger, and if they are not working now expect to do so when their youngest child is older.

The majority of the families we spoke to had at least one adult in paid work, in some cases two. Those who were not currently working had worked at some point in the recent past, and expressed positive views about work and an ambition to work.

Those who were not currently in work faced significant barriers to employment, often due to a disability or health problem – their child's, partner's or their own. Alva, a single mother with three children, was not working because her youngest daughter has a serious heart condition and needs to be taken to regular hospital appointments. She said that she *'worried a lot'* about going back to work and thinks that she should be able to get a job when her daughter goes to school and no longer requires full-time care:

'I do want to go and work and provide for my family and try to give them a better start in life.'
(Alva)

Anna is currently on maternity leave, but is unlikely to return to her previous role as a secondary school teacher, at least in the foreseeable future. Her husband was working in recruitment when they decided to have a third child, but he subsequently lost his job after being diagnosed with PTSD and severe depression. He is not well enough to look after the children, so Anna has to stay at home to look after the whole family, even though this leaves them in *'dire straits'* financially.

Health issues are also a barrier to some people working *longer* hours. Samantha, who works part-time, explained that she needs to be available to look after her disabled daughter, and that she cannot afford to work more hours in any case, because she would lose her entitlement to Carer's Allowance. If it were not for disability benefits, she said that her family would not be able to survive.

Among those who were working or had recently been in work, the cost of childcare was cited as the main constraint to working longer hours, or to working at all, and was raised spontaneously by parents in most of the interviews. Paula, whose partner left her whilst she was pregnant with her third child, had considered going back to work as a customer service manager but the upfront cost of childcare for her youngest and after-school clubs for her two older children, was too much:

'Even with universal credit, you have to find the first month's nursery fees but it's five weeks [to wait] for a payment. So the way they've set it out, they're just making it impossible for people who want to get back to work.' (Paula)

The combination of relatively low wages and high childcare costs means that, even with childcare subsidies of 70 per cent in tax credits or 85 per cent in universal credit, many people said they simply could not afford to work more. This was a particular issue for those with two pre-school children, as the total amount of support for childcare costs is capped.

Jenny, whose partner works in security, used to work as a part-time nursery nurse before they unexpectedly had a third child. She feels unable to go back to work at the moment because she cannot

afford the paid childcare, and her mother, who provided informal childcare for her older two, is now too old to help with the children.

Several of the people we spoke to felt that it was not worth increasing their hours after taking into account the additional childcare and travel costs and the loss of passported benefits. Janet, for example, had looked into whether it was worth getting a job to supplement her husband's full-time earnings, but worked out that the family would be no better off after paying nursery fees of £800 a month. Her husband had tried working overtime for a while, but stopped because they felt that *'it just gets taken off you with universal credit, you're no better off'*.

One interviewee even said that the two-child limit is preventing her going back to her teacher training (which would lead to a secure and valuable job) because she could otherwise have used the additional support to top up the available help with childcare costs. A survey respondent agreed, saying: *'If we had £60 more a week, I could afford more childcare so I could work more'*.

The common perception is that work either does not pay at all, given the withdrawal of benefits, childcare and travel costs, or is worth extremely little for the hours put in. This confirms the results of our own scenario analysis in chapter 3 which shows that it is very difficult, or even impossible, to offset the impact of the two-child limit by working longer hours.

Sam, who works full-time on the minimum wage, feels like he is being penalised even though he is doing the right things in life:

'It really feels like a kick in the teeth to think that if he was born six weeks previous, we'd be an extra £200 better off [per month] and that's a big difference... The truth is work don't pay and that's what we're finding, that I'm going to work and I'm about £50 a week better off, but then I've got to travel to work, I'm not here five days, I've got four children. It's really pointless me working if you add it all up. It just makes you feel defeated before you've even begun.'

For some interviewees, the decision about how much to work was influenced by their desire to spend more time with their children, especially when they are very young. Dare, for example, continued working after her first child was born but is not working at the moment, *'because I like to bring up my kids by myself'*. She would ideally like to work part-time and spend the rest of the time with her family.

Other parents also talked about their struggle to maintain a work-life balance whilst trying to raise at least three children under heavy financial pressure. Lisa said that her partner had been working 60 hours a week and commuting three hours a day, but had recently taken a lower paid job with fewer hours in order to help out more with the children.

In summary, none of the families we interviewed were able to make up for the reduction in support by working longer hours. Caring responsibilities frequently dictate whether or how long people can work, whilst childcare and other costs mean that the financial benefits of working (even) harder are limited. Far from incentivising work, several respondents felt that the two-child limit unfairly penalises working people.

As one respondent to the online survey put it, there is often simply no way out for parents affected by the two-child limit and nothing they can do to mitigate its effects:

'I am unable to work extra hours to make this money up as the childcare costs for my three children would be so excessive, even with the percentage I could claim back, and due to the

£200 loss [the two-child limit monthly impact] I just cannot afford any additional bills. Therefore I am stuck in this situation with no way out or any chance to improve my financial situation. Other than my third child having to live with his father I am simply unable to financially support him.'

Knowledge of the policy

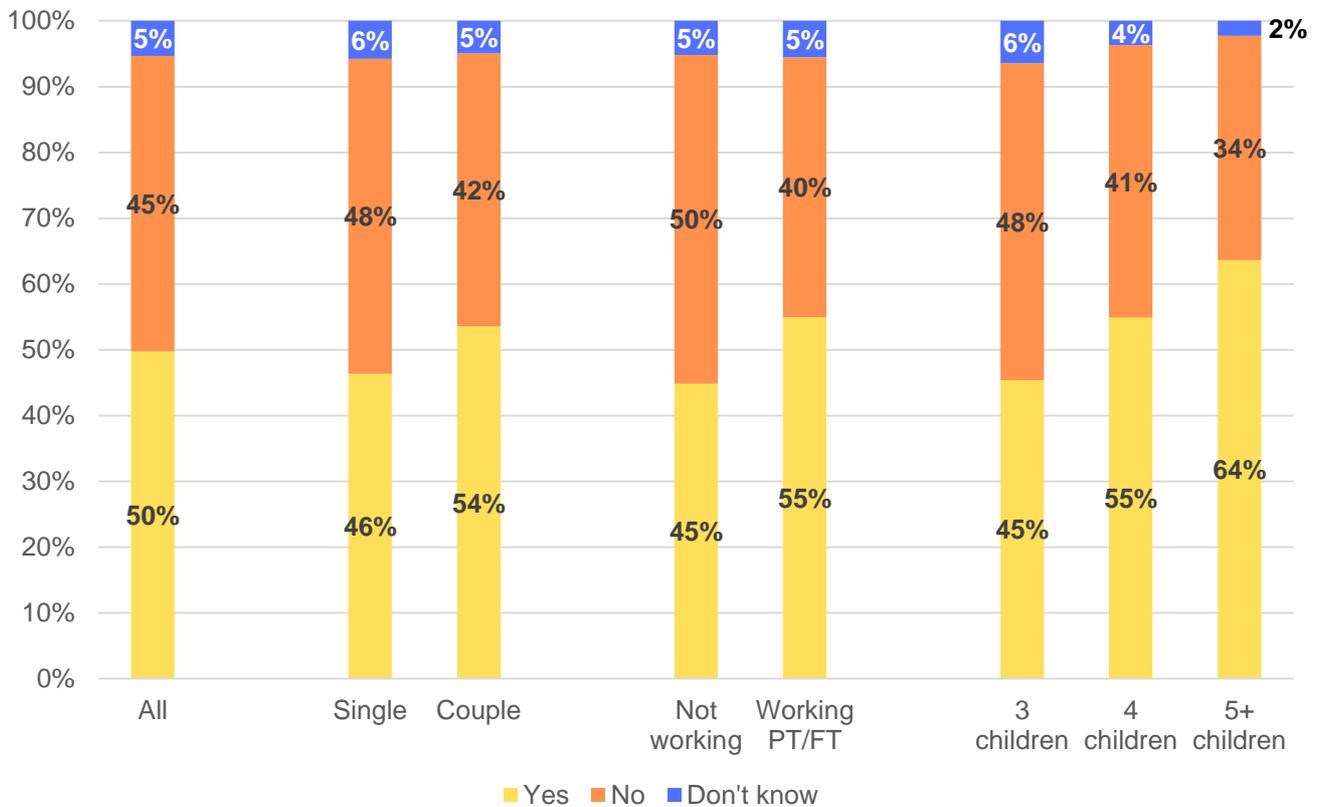
One of the main aims of the two-child limit – and the one most commonly cited by Ministers and DWP officials – is ‘to ensure that people in receipt of benefits face the same financial choices about having children as those supporting themselves *solely* through work’.²⁶ Critical to achieving this aim is that there is a good awareness and understanding of the policy among people likely to be affected by it.

However, only half of the respondents to our online survey of people affected by the two-child limit said they were aware of the policy ‘before they had their youngest child’. 45 per cent said they had not been aware of it and 5 per cent were unsure. Furthermore, it is not clear whether some of those who responded positively to this question knew about the policy prior to the conception, as opposed to the birth, of their youngest child, as our interviews suggested that some people learn about the policy only once they are pregnant.

There is some variation in levels of awareness between different sub-groups of respondents: couples, those who are working, and those with more children are generally more aware of the policy (see Figure 5).

²⁶ See, for example, HM Treasury and DWP (2015) Welfare Reform and Work Bill: Impact assessment of Tax Credits and universal credit, changes to Child Element and Family Element.
<https://www.parliament.uk/documents/impactassessments/ia15-006e.pdf>

Figure 5: Were you aware of the two-child limit when you had your youngest child?



A previous survey by Turn2us carried out in 2018 similarly found that many families with young children were unaware of the two-child limit. In total, only 38 per cent of parents said that they ‘fully understood’ the policy, whilst 43 per cent were entirely unaware of it. This survey – like our survey and interviews – was based on a sample of people using an online benefit calculator, who might be expected to be more knowledgeable about the benefits system than average.²⁷

Among the parents we interviewed, the majority were unaware of the policy when they or their partner became pregnant. Katy is typical in saying that she had not heard about the policy until her friend told her about it when she was already pregnant with her third child. She decided to keep the baby because she felt it would be wrong to have a termination simply for financial reasons:

‘I know some people – I know it’s not nice – but they would not keep their baby then. I wouldn’t do that. I’d make things work.’

²⁷ See: <https://www.turn2us.org.uk/About-Us/Media-Centre/Press-releases-and-comments/Over-one-in-five-affected-by-the-Two-child-Limit-n>

Michelle, who also has a 12- and 15-year old, only found out about the policy when she applied for tax credits for her youngest child:

'I didn't even know about this policy, at all, 'cause obviously I wasn't expecting to have a child. So when I applied for my child tax credit for him they were like "Well, we'll put him on but you don't get anything". I was like "OK, that's disgusting, why?"'

Dare, too, did not know about the limit until she made a brand new claim for benefits, after the Home Office granted her permission to remain in the UK.

A few others, like Paula, were aware of the limit, but did not think it applied to them, because they were working or because they had a disabled child:

'With us working, I didn't think it applied to us... I didn't think it would affect us.'

Overall it is clear that levels of knowledge and understanding of the policy are quite low. This view is confirmed by respondents' own views of whether their family, friends and people in their community are aware of the policy or not, with this response being typical:

'I don't think anyone has a good knowledge about it. One or two people I know have had a third child. They didn't really understand it until it happened with them. It wasn't actually explained to anyone, you know... It just wasn't advertised as much as it probably should have been.' (Alva)

It appears that no information about the two-child limit has been sent directly to tax credit claimants for nearly two years.²⁸ Nor have other communication channels been used to help raise awareness of the two-child limit – for example, through children's centres, other public services, or faith organisations. It is perhaps not surprising that so many of the families affected by it have been caught unawares.

A significant number of the women we interviewed had also had an unplanned pregnancy, making knowledge of the policy irrelevant even had they known about it, as there was no 'decision' to become pregnant. The only way to exercise choice would have been to have a termination, which some of the women simply would not contemplate for moral or emotional reasons and which those in Northern Ireland would have been unable to access even if they had wanted to:

'I would never have an abortion, but even if I was to look for one, I couldn't afford it, I couldn't afford to fly to England to pay for it. I live in Northern Ireland, even if I was to get something online to get posted to the door, like the pill, I'm sure you've heard the stories about what happens to women over here.' (Samantha)

The families we spoke to are not alone in experiencing an unplanned pregnancy. Amongst women who already have two or more children, 25 per cent of pregnancies are unplanned, 38 per cent are classified as 'ambivalent', and only 37 per cent are planned, according to academic analysis of the latest National Survey of Sexual Attitudes and Lifestyles.²⁹

²⁸ In response to a written question in May 2019, asking the Secretary of State for Work and Pensions what steps she has taken to make prospective parents aware of the two-child limit, the Minister replied that claimants were alerted to the changes in the Summer Budget 2015 and on the Gov.uk website, and that leaflets about this change were also distributed to all claimants renewing their child tax credits claim in Summer 2016 and Summer 2017.

²⁹ (Wellings et al, 2013) 'The Prevalence of unplanned pregnancy and associated factors in Britain: findings from the third National Survey of Sexual Attitudes and Lifestyles (Natsal-3)', *Lancet* 2013; 382: 1807-16.

There were a range of views on whether the policy would influence people's decision about having more children. Some, like Samantha and Katy, said that it would definitely affect their decision to have more children, although they also said they weren't planning to have any more children in any case. Others, like Janet and Sam, were expecting a fourth child after being affected by the two-child limit in respect of their third. Janet had considered having a termination, but could not go through with it. Sam, on the other hand, came from a large family and felt that it was perfectly normal for a couple to have three or four children, and that this policy was unlikely to change this:

'If they put a cap on it to stop people having kids, then it's just not gonna have the effect and all it will do is push kids into poverty.' (Sam)

In the Turn2us survey referred to above, parents with young children were also asked whether the two-child limit was likely to influence their decision about how many children to have. Of those who were aware of the policy, about a third (35 per cent) said that it would affect their decision.³⁰

Finally, we asked respondents to our online survey if they knew how much the two-child limit has reduced their income. A third of respondents correctly identified the financial impact at between £40-60 per week, around a third of people guessed the wrong amount, and around a third of people said they didn't know how much it had affected their income. Families responding to the survey were told the actual amount of support lost per child from the two-child limit after answering this question, so that they could reflect accurately on its impact on their family.

Views of affected families on the two-child limit

At the end of each interview, we asked people about their general view of the two-child limit. It is notable that despite a variety of views on the basic idea of the policy, all felt that it did not take sufficient account of their own or other people's particular circumstances, for various reasons.

Most commonly, people felt they were working hard or had worked hard in the recent past and, as such, were being unfairly penalised:

'I do work and it would be nice to be supported a bit more. I didn't randomly choose to have another child.' (Sam)

'I feel frustrated because we've never abused the system... The world needs security guards and nursery nurses, we can't all earn millions of pounds. It was just meant to top up and help us, but unfortunately not any more... It's just not fair.' (Jenny)

Others, like Anna and Paula, had experienced a significant change in their circumstances and felt let down that the support was not there for them when they needed it:

'The safety net doesn't exist anymore for my family... You feel really distressed that you have turned to the welfare state and that there is nothing available for you and now I must turn to charity. What am I paying taxes for?' (Anna)

'I feel like I'm being punished, and I've worked most of my life. And the one time that I did need a proper hand, and a bit of help, I'm just getting penalised for it.' (Paula)

³⁰ Turn2us (Jan 2019), opcit

Some of the people we interviewed, like Michelle, had not planned to have their youngest child:

‘I think it’s wrong. I mean I think if they took people’s individual situations into account a little bit more, like myself, obviously I didn’t have another child to... there’s ten years between my last two, you know it wasn’t something I’d done for a bit of money-making.’ (Michelle)

Respondents living in blended families also felt that the two-child limit affected them unjustly. Janet thought that the policy was unfair on people like her who have children from a previous relationship and want to have children with a new partner: the third child in the family is her partner’s first. Some of the survey respondents are affected even though they only have one or two children of their own, because their partner has children from a previous relationship, and felt penalised for forming a blended family or for agreeing to have their partner’s older children live with them:

‘It is unfair, as this is only my second child, but my partner’s third. If we were not in a relationship, then I would not have these money worries as my baby would be included in my tax credit claim.’ (respondent to online survey)

‘Before our child was born... my partner’s older children were removed from their mother... and came to live with us on a permanent basis.’ (respondent to online survey)

Some families simply saw the policy as a whole as unjust, discriminatory (against children born after a certain date), and a violation of people’s rights:

‘I think it’s horrible. It’s just putting people into poverty, especially people who are trying to be off benefits and work.’ (Lisa)

‘I think they are trying to tell families not to have children or what to do and that’s not right. You can’t tell anyone not to have a family, not to have a private life. That’s a basic human right.’ (Dare)

Lastly, as Charlotte pointed out, this policy disproportionately affects women. She recently separated from her partner, and thinks it is unfair that her ex-partner – and the father of her children – will be able to claim the full amount of child-related benefits for his new household while she is left caring for their children and is affected by the two-child limit. As she rightly noted:

‘It is mainly affecting women, because they are left holding the baby.’

Janet's story*

Janet and her husband Peter live with their three children in the Wirral, England. Janet is pregnant with her fourth child and this will be their second child together; her eldest daughters are from a previous relationship. Being in a working household, Janet thought that she and her family would be able to cope, but this is proving much harder than she anticipated following the introduction of the two-child limit.

Prior to having their own children, Janet and Peter were coping well financially. They had a car and were in a position to be able to save money for their wedding. After getting married, Janet and Peter decided to have children together and, with Peter in full-time work, they were not worried about the financial implications: *'We thought, "It's okay, you're still working full-time, it's manageable, we can do it"'*. However, things changed for Janet and her family when they realised they would no longer receive any support for their third child and they now worry how they will cope with their unborn fourth child: *'I did try and go for a termination and I just couldn't do it'*.

To the best of her ability, Janet prioritises her children's educational experiences, one of whom was recently accepted into grammar school, which is proving very costly: *'Already they want money, because they are going away in the first week they start – so that's £172 and then R's school, they want £135 for a school trip as well.'*

Janet makes sacrifices herself to ensure that her children eat well: *'We try our best, obviously, and make sure they're well fed, and we just pick up the left overs if they leave anything, or just toast'*.

Janet admits that their financial situation is getting to her, especially with the impending birth:

'...it's a depressing situation, it's absolutely awful especially when I'm pregnant and thinking what am I going to do for clothes and stuff...It's a constant worry, you're constantly writing stuff down and checking how much money you've got, seeing if you can do things'.

Janet feels that her children pick up on this anxiety, too, and feels guilty having to cut out family trips: *'It's like they say "Oh Mum, can we do something this Saturday?" And it's like, no, they can't because we're not going to have any [money] to last for the next week'*.

If the two-child limit policy were lifted, Janet would be able to buy better quality food and pay for clubs which would improve her children's health and well-being. She would also be able to plan things better, rather than be caught off-guard with a seemingly small expense such as a birthday party: *'you start panicking, because obviously you can't just go there without the presents or the cards for the friend, you're thinking, God, by the time I get there, it's travel money and then you have to put a fiver in the card. It all adds up.'*

Janet did look into at a job at a supermarket, but worked out that they would be no better off after paying the nursery fees.

**All names have been changed.*

5. Impact of the two-child limit on survivors of domestic abuse (authored by Women's Aid Federation of England)

Survivors of domestic abuse are uniquely and harmfully affected by the two-child limit, alongside their children. Data from Women's Aid Federation of England's On Track database shows that 16 per cent of survivors supported by 49 services across England in 2017-2018 had three or more children.³¹ For survivors with three or more children, knowing that they will not receive adequate financial support, alongside worries about how changes in circumstances will affect their benefit claims when couples separate (as this can mean moving on to universal credit), may increase their likelihood of staying with abusive partners. Those who escape with very young children face significant barriers to working, as there is no free childcare for under-tuos, and they have often fled far from the support networks essential for providing informal care. The two-child limit, therefore, risks increasing financial barriers for women and children trying to escape, and can create stark choices between poverty and safety.

The 'non-consensual conception' exception

For domestic abuse survivors, one of the most concerning aspects of the two-child limit policy is its 'non-consensual conception' exception. This exception applies to children who were born as a result of a sexual act to which the child's mother did not or could not consent, or at a time when the child's mother was in an abusive relationship, under ongoing control or coercion by the other biological parent of the child. If a woman wants to apply for the exception, she needs to complete an application form³² which must then be corroborated and signed by an approved third party professional. Many domestic abuse services in England and some in Northern Ireland,³³ as well health professionals and social workers, are third party organisations who can verify that a survivor is eligible for the exception.

A policy requiring survivors to disclose and evidence domestic and sexual abuse in order to access financial support is inhumane and fundamentally unworkable. A large proportion of rapes take place within intimate relationships.^{34,35} However, research shows that rapes within a relationship are far less likely to be reported than rapes committed by strangers.³⁶

Many women will never disclose rape to anyone, for reasons including trauma, self-protection, shame, and fear for others – including their child. Almost half of women who have suffered the most serious sexual offences never report the offence to the police, and over a quarter never tell anyone about it.³⁷

³¹ On Track, launched in March 2016, is used by over 60 local service providers throughout England. Services contribute to a national dataset by recording information on women's experiences of abuse, the support they are offered and the outcomes achieved. Information about service users was taken from cases closed during 1st April 2017 - 31st March 2018. These data relate to 18,358 female survivors.

³² Non-consensual conception form, <https://www.gov.uk/government/publications/support-for-a-child-conceived-without-your-consent>

³³ Many of Women's Aid Federation of England members and two members of Women's Aid Federation Northern Ireland have agreed to be listed as a third party professionals. Scottish Women's Aid and Welsh Women's Aid have declined to be listed as approved third party professionals.

³⁴ Office for National Statistics (2017) *Crime Survey for England and Wales*. Nearly half of sexual assaults by rape or penetration (including attempts) against women aged 16 to 59 were committed by a partner or ex-partner in the year ending March 2017.

³⁵ Office for National Statistics (2016) *Crime Statistics, Focus on Violent Crime and Sexual Offences, 2013/14*. Chapter 4. Over a three year period from 2012-2015, in 57 per cent of serious sexual assaults on women, the offender was a partner or ex-partner.

³⁶ Myhill, A. and Allen, J. (2002) Home Office Research Study 237, *Rape and sexual assault of women: the extent and nature of the problem: Findings from the British Crime Survey*

³⁷ Ministry of Justice, Home Office and Office of National Statistics (2013) *An Overview of Sexual Offences in England and Wales, Statistical bulletin 2013*

Survivors' main reasons for not reporting include that they: felt it was their fault; were embarrassed; felt they would not be believed; were uncertain about whether it was a crime; were scared of repercussions; or were reluctant to talk to professionals or the police.³⁸

Survivors facing multiple forms of oppression and discrimination – including women from black and minority ethnic (BME) communities, migrant and refugee women – face additional barriers to reporting and therefore receiving the exception. Language barriers and access to interpreters can make accessing support services or other statutory agencies difficult, and women from specific communities and cultures can face further shame, discrimination and the fear of reprisal if they disclose.

The policy also requires survivors to have left the perpetrator in order to be eligible for the exception. This demonstrates a serious lack of understanding about the lived realities for many women who have been raped and remain living with the perpetrator, due to the impact of coercive control and the risks of leaving. Coercive control is a purposeful pattern of behaviour in which violence, sexual coercion, intimidation, isolation and control are used to dominate and exploit a partner and deprive her of basic rights and resources.³⁹ Perpetrators isolate victims from family and friends, instil fear, systematically break down their self-esteem, and restrict their free movement. Victims are therefore living in a daily environment of control and confinement, which severely limits their ability to leave. The point at which a victim leaves her abuser is a significantly dangerous time for her and her children and, in many cases, can be life-threatening.⁴⁰

Government data show that as of April 2018, 190 households had received an exception for non-consensual conception (seven per cent of all exceptions granted).⁴¹ Given that police recorded 41,186 rapes and 488,000 domestic abuse crimes in the year ending March 2017, it is clear that only a fraction of those women eligible have sought to claim this exception.⁴²

Survivors' voices and experiences

Both Women's Aid Federation of England (WAFE) and Refuge have been speaking to survivors and the services supporting them to find out about their experiences of the two-child limit.

Refuge's survey of 65 refuge workers, Independent Domestic Violence Advisors (IDVA) and outreach workers⁴³ found that:

- 20 per cent of these workers were supporting women with issues relating to the two-child limit while they were still with the perpetrator;
- 22 per cent were supporting women with these issues who were trying to flee or end the abuse;

³⁸ Rape Crisis South London (2011), *Reporting sexual offences*

³⁹ Stark E, *Coercive control: How men entrap women in personal life*. Oxford: Oxford University Press, 2007

⁴⁰ Data from the Femicide Census revealed that 87 per cent of women killed by their ex-partner or ex-spouse in 2017 were killed within the first year of separation: Femicide Census (2018) [The Femicide Census: 2017 findings](#). Annual report on cases of Femicide in 2017.

⁴¹ DWP and HM Revenue and Customs (2018) *Child Tax Credits and Universal Credit claimants: Statistics related to the policy to provide support for a maximum of two children*. The data don't show whether there were applications for the non-consensual conception that were refused.

⁴² Office for National Statistics (2017) *Police recorded rape and other sexual offences, by sex of victim and relationship of victim to suspect, police recorded crime (35 forces), year ending March 2017*, Home Office; Office for National Statistics (2017) *Police recorded domestic abuse, year ending March 2017*, Home Office

⁴³ Refuge (2019) *Welfare reform and the impact on survivors of domestic abuse*. [Published online](#)

- 14 per cent were supporting women around the two-child limit as they tried to rebuild new lives after abuse.

Survey participants' comments highlighted the ways that the two-child limit affected survivors and was used by perpetrators to continue their abuse, whether women had escaped, or were still with, the perpetrator:

'Women have felt more trapped [...] as there was no available money to help them move and leave. The two-child limit means that some women will be pressured into having more children and becoming financially reliant on [their] partners for support.'

'[A refuge resident] said that whilst pregnant with a third child her ex demanded she have an abortion because he said they could not get any more money for it and when she said she didn't [want one] he tried by being violent to enforce a miscarriage.'

'The financial implications of not being able to access welfare benefits for a third child, or emergency loans, has made it harder during the transition between joint finances and single, as well as the additional costs of moving into a new property.'

WAFE's interviews with survivors and the services supporting them, illustrated in the case studies below, demonstrate the unworkable, shaming and traumatic nature of the policy and its 'non-consensual conception' exception.

Ana's story*

Ana has a one year old daughter who was conceived during an abusive relationship. This included physical, sexual and emotional abuse, and coercive and controlling behaviour. She described how this abuse negatively affected her freedom to make reproductive choices:

'He was very emotionally abusive. He told me that he couldn't have children, and then I found out I was pregnant. I didn't want to continue with the pregnancy as I already had two children from a previous relationship. But he threatened to kill himself if I didn't give him this chance to be a dad. He then told my other children and my friends that I was pregnant, he posted about it on social media, and he wouldn't let me contact the clinic about a termination. I went to my GP in floods of tears but he didn't see the signs that something was wrong in the relationship, and referred me to mental health. I was put under ridiculous pressure to continue with the pregnancy. Of course now that I have my daughter I'm glad that I have her, but at the time it was not something that I wanted.'

Ana escaped the relationship last year, but has continued to experience post-separation abuse. She has not received any financial support from her daughter's father, and while she receives tax credits for her other two children, for her third child she only receives child benefit.

Ana contacted an advocate working in her local Women's Aid service in England, who advised her that, due to the coercive and controlling behaviour she experienced from her ex-partner, she could meet the criteria for the two-child limit non-consensual conception exception, and said she would support her to make an application. However, Ana found it very difficult to speak to the advocate about the situation:

'I couldn't bring myself to speak to her in person, I had to put it all in an email. It sounds stupid, but I thought that me saying all this stuff about my child means I don't love her. I didn't want people to think that because of this process that I've got to take my child through, that it means I feel less about her than my other children. It was a really difficult decision to make about whether I want to go through with the application or not.'

Ana tried to find out more about the exception but wasn't able to find any clarity or reassurance:

'I don't understand the process. On the website it says if you need any advice, call the tax credits hotline and ask to be put through to the specialist exceptions department. I tried to do this, but the person refused. He said he couldn't put me through without me disclosing what I wanted to discuss or without a referral, but I didn't feel able to tell him, so I put the phone down. It was very insensitive. I don't know how confidential the process is and I'm worried now – it's gone through my mind, will my ex find out that I've made the application? There's just not a lot of information out there.'

* All names have been changed.

Sabrina's story*

Sabrina had been experiencing abuse at the hands of her husband for almost a decade when she and her two young children came to a Women's Aid member refuge in England. Whilst in the refuge, Sabrina discovered that she was pregnant. She went to the hospital for her first scan, where she was given a date for when her third baby's arrival was expected. Sabrina wept at the news – tears of anxiety and worry about how she was going to cope financially when she eventually moved out of the refuge.

Sabrina knew that, because of the two-child limit, she would struggle to bring a third baby into the world. She couldn't bear the thought of having to tell the government how the child was conceived – out of abuse and fear – in order to get the money she was entitled to.

Soon, she packed her family's bag with the few belongings they had and returned to the home she had shared with her abuser, utterly defeated.

** All names have been changed.*

In summary, the two-child limit is increasing the barriers that survivors face in leaving their abusers, and the financial hardship that women and children face after having done so. The case studies collected by domestic abuse agencies reveal how perpetrators have been able to use the policy to financially abuse women and manipulate their reproductive rights as a specific form of control and abuse. The two-child limit is harming both women who have conceived a third or subsequent child as a result of rape or coercive control, and their children. The 'non-consensual conception' exception was designed without due regard for women's lived experiences of rape, and the fact that many women who have experienced this crime remain living with the perpetrator. The exceedingly low take-up of the exception demonstrates that it is flawed and unworkable.

6. Impact of the two-child limit on refugees (authored by the Refugee Council)

Introduction

Due to their background, refugees are particularly vulnerable to the detrimental effects of the two-child limit. Having fled war, violence, or persecution, refugees are in the UK seeking a place of safety where they can rebuild their lives and create a future for themselves and their families. Many have experienced trauma, forced separation from loved ones, poverty, and significant loss. Being recognised as a refugee, and thus granted protection by government, should be a moment of celebration and relief; and yet, this moment is too often tempered by the fact that many struggle financially due to the two-child limit.

It is clear that the two-child limit hits children the hardest. For refugee children, who are in dire need of support as a result of their own exposure to violence and exploitation, the effects of this policy are severe and in direct contrast to the Government's commitment to support the most vulnerable of refugee children.⁴⁴

Refugees will either have been brought to the UK directly via one of the Government-sponsored resettlement programmes or submitted a claim for asylum upon arrival in the UK. The UK currently resettles approximately 5,000 refugees per year via three main resettlement schemes.⁴⁵ In 2018, approximately 10,000 people seeking asylum were awarded protection by the Government under the 1951 Refugee Convention.^{46,47}

As a result, despite differing reception conditions depending on their mode of arrival to the UK, both newly-recognised and resettled refugees are granted protection on the basis of the same needs. Once someone has been recognised as a refugee in the UK, they have the same rights as a British resident, including the right to access all welfare benefits and state services.

Refugees and the two-child limit

Those refugees that have gone through the asylum process may have had to wait years for a decision on their claim. In the meantime, if they can show the Home Office that they are destitute, people seeking asylum are offered accommodation on a no-choice basis, just £5.39 of subsistence support per person per day,⁴⁸ and are banned from working.⁴⁹ Upon receipt of status, newly-recognised refugees have only 28 days – known as the 'grace' or 'move-on' period – to leave asylum accommodation and find new housing, access mainstream welfare benefits, and consider employment opportunities. The introduction of a 35-day waiting period for universal credit has made it impossible for newly-recognised refugees to access a first payment within the move-on period. Thus, in order to access income in the

⁴⁴ <https://www.gov.uk/government/news/new-scheme-launched-to-resettle-children-at-risk>

⁴⁵ These are the Gateway Protection Programme, the Syrian Vulnerable Persons Resettlement Scheme, and the Vulnerable Children's Resettlement Scheme.

⁴⁶ Asylum Data Table Volume 2: <https://www.gov.uk/government/publications/immigration-statistics-year-ending-december-2018/list-of-tables#asylum>

⁴⁷ Under the 1951 Refugee Convention, a refugee is defined as someone who has fled their country and, 'owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group, or political opinion,' is unable to return to or be protected by that country.

⁴⁸ http://www.asaproject.org/uploads/Factsheet_1_-_section_95.pdf

⁴⁹ People claiming asylum are only allowed to work once they've been waiting longer than 12 months for a decision on their claim. They are only able to apply for jobs listed on the Government's Shortage Occupation List. <http://lifttheban.co.uk/>

immediate aftermath of receiving status, they have no choice but to go immediately into debt by applying for an advanced payment.

This cliff-edge newly-recognised refugees encounter at the end of the move-on period means that many become homeless or are at risk of homelessness and destitution.⁵⁰ Such a precarious financial position leaves them ill-equipped to manage the effects of the two-child limit, the consequences of which put them at even greater risk of severe deprivation.

Resettled refugees have been assessed as in need of protection prior to resettlement. Upon arrival in the UK, they are provided with accommodation on a no-choice basis, a cash lump sum to bridge the gap in income while claiming welfare benefits or searching for work, and intensive casework support to aid their integration.

Refugees are selected for resettlement because of particular circumstances or experiences, such as women and girls at risk, and survivors of torture. The government's Vulnerable Children's Resettlement Scheme is especially focused on resettling at-risk children and their families.⁵¹ This includes child survivors of violence, abuse, or exploitation, children with specific medical needs or disabilities, and children in or at risk of forced labour. The Government clearly recognises the complex protection needs of resettled refugees and children; and yet, these are ignored with the application of the two-child limit, which compounds these vulnerabilities and worsens refugees' prospects of integration.

As a whole, the circumstances which have caused refugees to flee make them more likely than the general population to experience poor mental health conditions.⁵² The length and uncertainty of the asylum process can also have a negative effect on refugees' mental health and wellbeing. These issues can be exacerbated even when their safety has been secured. Anxiety caused by separation from loved ones who may still be in danger, language barriers, and cultural adjustment make it more difficult for refugees to understand and navigate complex bureaucratic systems in the UK and thus manage the financial difficulties resulting from the two-child limit. When asked if adjusting to life in the UK affected their ability to budget, Nusreldin and Nagat, a couple we support (and who we interviewed for this report), said *'yes, definitely. It impacted us strongly.'*

Financial implications of the policy for refugees

Refugees in the UK are unlikely to have any savings or additional income to rely upon once they receive status or are resettled. Refugees often encounter a lack of employment opportunities in countries where they have sought temporary asylum – indeed, they may not have been legally allowed to work at all. As a result, they are likely to have experienced severe poverty prior to their arrival in the UK.

The lack of recent work experience means that refugees in the UK often struggle to find jobs. Although refugees bring a wealth of skills and experience, they are more likely than the general population to be unemployed.⁵³ Language barriers, a lack of UK qualifications, and other factors contribute to this problem. In practice, this means that refugees are unavoidably reliant on benefits at least in the short-term.

⁵⁰ British Red Cross report: <https://bit.ly/2APRYCW>; NACCOM report: <https://bit.ly/2H7voKQ>; Refugee Council report: <https://bit.ly/2wl4XEw>

⁵¹ Page 32: <https://bit.ly/2ZcBBdu>

⁵² <https://www.mentalhealth.org.uk/statistics/mental-health-statistics-refugees-and-asylum-seekers>

⁵³ <https://www.compas.ox.ac.uk/wp-content/uploads/ECONREF-Refugees-and-the-UK-Labour-Market-report.pdf>

Nabi, who we also interviewed for this report, has been searching for work since he was resettled in the UK, with his wife, Fatima, and their children. In addition to about two years working as a barber, he has over 20 years of experience working in shoe production. Despite searching regularly, taking on work experience, and volunteering to improve his language skills and prospects, he has found the main barrier to securing employment in the UK is his lack of English. *'You need English for everything...but it's hard to speak to find [a job].'*

Refugees also lack other safety nets available to help support children and alleviate some of the pressure resulting from the two-child limit. The Sure Start Maternity Grant, which offers £500 towards the costs associated with having a first child, is not available to refugees who are having their second or third child overall but their first in the UK. Items bought by the grant are intended for reuse for future children. Yet, the fact that refugees will not have brought many possessions with them, especially things such as prams and baby cots, highlights how they will be starting from scratch; to reuse previous children's items is therefore clearly not an option for them.

As a result, refugees have limited flexibility within their budgets. Once the two-child limit hits, the financial constraints cause significant hardship to families. Practical solutions for reducing costs are often just not enough to mitigate the impact of this policy. Fatima told us how they cut internet costs and reduced spending on utilities when the baby arrived: *'It was very expensive, we couldn't pay it...I don't top-up my phone now.'* Still, they said they are struggling financially more than before.

Nusreldin and Nagat told us how they had to borrow money to cover the costs of essentials like shoes for their children. *'We have gone into debt and arrears.'* This has affected them greatly. *'It's quite difficult to ask someone to borrow some money,'* said Nagat. Nusreldin explained, *'just imagine, you can't fulfil your family needs, [that] you can't do that.'*

Effects on refugee children

It is clear that the financial implications of the two-child limit hit children hardest, despite families doing their best to ensure their children's needs are provided for. The impact of poverty on children's development is well documented.⁵⁴ Yet due to the two-child limit, families we support have shared how they have no choice but to reduce costs in areas which contribute to children's wellbeing, including healthy foods and social activities.

Nusreldin and Nagat said: *'we just try to pay the bills and buy food because that's all we can afford, that's what we have to prioritise,'* noting that nutritious foods are outside their budget and that they no longer have a TV to cut costs. In addition, their oldest son is *'passionate'* about football. *'But, since the baby was born, we can't afford the fees for the club which he used to go to every Saturday.'*

With no room in their budget to account for the costs of a newborn baby in addition to the needs of other children, families are forced to use money intended for their older children to ensure their youngest child has essentials, such as milk. Nabi and Fatima told us that the child benefit they receive for the baby is not even enough to pay for his milk every week. Similar to Nusreldin and Nagat, before their third child was born, they were able to pay for their eldest to have swimming lessons at school. Even though she loves swimming, they doubt they will be able to afford it this year.

Children may not understand the reason why they are suddenly no longer able to do activities they once enjoyed, but it is clear that the impact of this is felt strongly. We heard from Nusreldin and Nagat that

⁵⁴ <http://www.cpag.org.uk/content/impact-poverty>

'it's the children who really feel it,' as well as from Nabi and Fatima who stated that their older two children can feel the family's budget has tightened.

This can lead to significant tension between parents and their children and can cause damage to their relationships. As Nusreldin and Nagat explained, *'in regard to the children, when they ask about something, we try to talk to them and explain we'll buy it next time, and they cry, but we try to explain we have to postpone it.'*

Knowledge of the policy amongst refugees

Through our work providing advice and guidance to newly-recognised and resettled refugees, we know that refugees have little knowledge of the UK's complex benefits system. It is even more unlikely that vulnerable groups like refugees, who often lack community links and networks, will be updated on relevant policy changes in welfare policy.

Refugees we support have told us that not only were they not aware of this policy prior to becoming pregnant, but once pregnant, none of the mainstream services they were interacting with informed them about this policy or that it would affect them. This includes midwives, health visitors, children's centres, doctors, and the Job Centre. Some only found out when they applied for child tax credit for their youngest child. When Nabi and Fatima found out, they were surprised, and worried that they wouldn't be able to manage. Fatima said *'I couldn't just abort because of money. Our faith is what helped us.'*

Implications of the policy for refugees' integration

Successful integration relies on a number of factors - and financial security and social connections are vital ones. The two-child limit critically undermines these aspects of refugees' lives and weakens the foundation upon which they rely to rebuild their lives in the UK.

Refugee children may have missed years of education, or may not have had the opportunity to attend school at all, and so support in accessing school activities is a crucial element in their successful adjustment to life in the UK. The financial effects of the two-child limit further isolate refugee children from their peers at a time when they should be receiving support in building these relationships. Nusreldin and Nagat recognise this, and are particularly concerned about when their youngest child grows up as they know their costs will increase: *'When the baby grows older and enters the education system, his brothers will be receiving benefit but he won't be receiving any benefit.'*

As the majority of refugees have no say in where they live, the costs associated with high-rent areas or expensive public transportation in rural areas are difficult to absorb within the constrained budget available to them. The two-child limit leaves them with limited capacity or financial recourse to take part in community activities, and thus adds a further barrier to pathways for integration. Nabi and Fatima commented on their thoughts about the policy, saying: *'it's not good...we came here to have a better life, not to live like we were [in poverty] in Lebanon. It's not enough, we just go from here to school, school to here.'*

Nusreldin and Nagat feel the two-child limit policy is *'unfair'* and should be changed:

'It's a suffering. We did everything to get here just for our children.' 'They should do something so that it's fair to him and his brothers so that it's even between him and his brothers. You feel it's a bit discrimination [sic].'

Looking forward

The Government is rightly proud of the success of its resettlement programmes. Thousands of lives have been saved and many have been empowered to build a bright future for their families. Yet it is clear that these resettlement programmes and other policies, such as the two-child limit, were developed in isolation from each other.

For resettled refugees, many of whom have been resettled with more than two children, and who may have even had their youngest child after April 2017 and before they were resettled, the policy's objectives have little relevance. They have no knowledge of the UK welfare system prior to resettlement and cannot possibly plan or make choices based on this policy ahead of time.

Newly-recognised refugees encounter similar issues, particularly in the case of family reunion when they may sponsor their spouse and children to be reunited with them. The likelihood of newly-recognised refugees becoming homeless or destitute in the move-on period illustrates their financial vulnerability, which is no fault of their own.

It is not enough to amend the two-child limit or enact further exceptions; it is a harmful policy that is affecting on some of the most vulnerable groups in our society. The Government must recognise that the policy is flawed and ineffective, and lift the two-child limit altogether.

Nabi and Fatima's story

Nabi and Fatima are Syrian Kurdish refugees who, along with their two young children, were resettled to the UK under the government's Syrian Vulnerable Persons Resettlement Scheme in autumn 2016. After fleeing the war in Syria, the family lived in Lebanon for some time in difficult conditions: *'In Syria, our houses were demolished.'* *'In Lebanon our situation was terrible...we were living in one room, even the fridge was outside.'*

Nabi and Fatima have very limited literacy in their native languages. Once in the UK, they had sporadic and limited access to English for Speakers of Other Languages (ESOL) courses from the time they arrived, because formal provision at their level is scarce in the area. They have mostly had to rely on limited informal and conversational classes with volunteers. At the time of the interview, their English was still limited and we used an interpreter.

Nabi and Fatima live in a housing association flat in the South East of England. Their rent is covered by housing benefit. They receive jobseeker's allowance, as well as child tax credit for the two older children and child benefit for all three children. They have no other income or savings.

Nabi has been searching for work since they arrived in the UK. In addition to approximately two years working as a barber, he has over 20 years of experience working in shoe production. *'I don't really know any other professions, like a restaurant for instance...I might start and then they let me go, but in my profession, I know it – it's my job.'* Despite searching constantly and volunteering to improve his language and prospects, he has found the main barrier to securing employment is his lack of English.

Prior to having their third child, the family said they were just managing financially: *'It was just enough. If we had extra, we would take the kids out. If we didn't, we'd stay home.'* Having lived in poverty in Lebanon, they found the adjustment to their new income and expenses manageable: *'In*

Lebanon, we were used to being in poverty, and then when we came here we were already used to it so we got by. There's no other way.'

Following the birth of their third child and the application of the two-child limit, the family say they are struggling financially more than before. The baby's child benefit is not even enough to pay for his milk every week. They have tried to find practical solutions to resolving this by changing utility providers, cutting down on internet costs; Fatima no longer tops up her phone: *'We cut down on everything.'* But still it is hard for them to provide more than the very basic necessities for their children.

They do their best to not deprive the children of the things they'd like to do, but they are finding this difficult.

'We are cutting down on spending money on the other two, just so we can spend money on the baby. Because the eldest two will understand, but the baby, without milk for instance, wouldn't survive.'

The older two children have felt the impact of this. Before, they were able to pay for the oldest to have swimming lessons at school, but even though she loves swimming, they doubt they will be able to afford it this year: *'Honestly, at school, everything is expensive. They keep asking us to keep paying but you know we can't keep paying. For sports, trips – the oldest child sang at a concert in London and we managed to get funding for her to go but we could only afford for Nabi to go watch her.'*

Nabi and Fatima didn't know about the two-child limit policy until Fatima got pregnant, when the Refugee Council told them. The other agencies they were in touch with – the Job Centre, their midwife, health visitor, children's centre, doctor – did not tell them about it. They were surprised and worried that they wouldn't be able to manage. Fatima said it was her faith that got her through that period: *'I couldn't just abort because of the money.'*

If they were getting child tax credit for their baby, they said they would spend it on the children. They would be able to afford to visit Fatima's sister, who the children are very close to and who was also resettled under the VPRS programme: *'Our children keep asking us to go every two weeks, but we can't afford it.'* The last time they were able to visit was because a friend took them for free. They would also be able to afford the clothes the children need as they are growing.

In response to asking what they thought about the policy, they said:

'It's not good...We came here to have a better life, not to live like we were in Lebanon. It's not enough, we just go from here to school, school to here.'

Samantha's story*

Samantha works part-time in a café/restaurant and lives alone with her three children in Belfast, Northern Ireland following her divorce. Samantha became pregnant with her youngest child, whilst on contraception: *'I would never have an abortion, but even if I was to look for one, I couldn't afford to fly to England to pay for it.'* Samantha is now heavily reliant on the disability benefits she receives for her youngest child, as well as the support of family and friends.

Before her marriage broke down, Samantha describes herself as: *'quite financially decent'*. Even after a difficult period in which she lost her job, got divorced and had to go onto income support for eight months, Samantha ensured that her rent and car payments were always made. Samantha got back into work and was getting back on her feet, before she unexpectedly became pregnant.

Before the birth, Samantha describes how she began to rely on the support of friends and family: *'When I was on maternity leave things were fine but it was trying to buy everything on top of that, car seats, prams... I had a lot of financial help from my friends and family.'* Just three months after the birth of her youngest child, the financial pressures of looking after her baby daughter without the additional support, became too great: *'I did breastfeed, but after 8 weeks going through two cartons a week, that's £22 a week on that alone, and then nappies on top of that and baby wipes on top of that and I was only receiving £13 a week for her in child benefit...'*

Samantha describes how desperate her situation became: *'I had to let my credit card payments go, it got to the point where I was just burying my head in the sand... I just basically had to ring up the people that I owed money to and said, 'Look I'm sorry I shouldn't have done this, but something had to give'.*

Samantha is now managing her debts, but admits that the disability benefits and carer's allowance she receives for her youngest daughter are a lifeline. Despite this, Samantha continues to be reliant on family: *'There was one point I had to ring my dad and say "can you come up to my house and lend me £5 so I can buy electric?"... Sometimes, I would ring my dad and say "Any chance you can have me and the kids down for dinner tomorrow night? I'm skint and I can't afford to make dinner".'*

Samantha feels embarrassed that her two daughters, aged 7 and 10, are *'missing out'*, as she is unable to afford school trips and other activities. She also says her own mental health is suffering as a result of her financial struggles, which leaves her socially isolated: *'I've been out one night in the last 8 months and the only reason I was able to go was because I got tipped quite a lot that day... I see friends of mine all over Facebook and they're like having a drink here and there and I can't even afford to have a cheap bottle of wine in the house.'*

Samantha's worries are heightened by the impending rollout of universal credit in Northern Ireland which she fears will leave her £42 a week worse-off. Samantha is trying to save a little so that she isn't left without any money when she is on the 'waiting list' for universal credit (referring to the initial five week wait for payment). But this is very difficult when she is struggling to make ends meet. *'It's those unexpected things that can knock you off course really... Just the one bill'*.

* All names have been changed.

7. Impact of the two-child limit on religious communities (co-authored by the Interlink Foundation⁵⁵)

Introduction

The two-child limit is having a significant negative impact on faith communities where larger families are more prevalent. Amongst the general population, 31 per cent of children live in households with more than two children. Within some faith communities, the proportion is significantly higher. 60 percent of Muslim children and 52 per cent of Jewish children, are growing up in households with three or more children (see Table 4 below).

Table 4: Proportion of children living in larger families, by religion

	Total number of dependent children ('000s)	No. of children living in families with 3 or more dependent children ('000s)	Proportion of children living in families with 3 or more dependent children (%)
No religion	3,570	1,036	29%
Christian	6,048	1,696	28%
Buddhist	33	7	22%
Hindu	171	34	20%
Jewish	59	31	52%
Muslim	984	589	60%
Sikh	100	31	31%
Other religion	24	6	27%
Not stated	928	254	27%
Total	11,916	3,685	31%

Source: Census 2011, commissioned from the ONS by the Church of England's Mission & Public Affairs Team.

Within these communities, raising children is closely bound to their faith and culture. When introducing the two-child limit, the government envisaged that it would influence the choices that families make about the number of children they have, and lead to more 'responsible' decision making.⁵⁶ However, where reproductive choices and family planning are motivated by deep faith and devout practice, financial considerations about child-related benefits are likely to play a limited role.

Impact on Orthodox Jewish communities

For Orthodox Jews, procreation is the first commandment (mitzvah) of their faith and the use of birth control is much more limited because of the way their faith recognises the sanctity of potential life.

⁵⁵ The Interlink Foundation is a democratic member organisation, which provides capacity building services to Orthodox Jewish charities, as well as community advocacy, partnership brokerage and representation. Interlink's member organisations are primarily from the Charedi community in Britain, which is concentrated in neighbourhoods in London, Manchester and Gateshead.

⁵⁶ The evidence base for this is questionable in any case – see, for example, DWP (2009), 'The impact of financial incentives in welfare systems on family structure'.

There is no evidence that the withdrawal of child tax credits or child amounts within universal credit has any impact on the choices that families within this community make about having children.

David and Sarah's story

David and Sarah had their third child in the summer of 2017. Both of them are self-employed, with David working full time providing bookkeeping services, and Sarah working as a dressmaker. Since they started their family, child tax credits have provided essential support to balance their budget. The family live simply, but have always managed.

With the birth of their third child, life has become more difficult. After the baby's birth, Sarah took a break from work, and her maternity allowance did not match her loss in earnings. With her third child still a toddler, she is now working but fewer hours than previously. The third child is not eligible for child tax credits. The family's income is lower, and is stretching to cover an additional child's needs.

David and Sarah cannot afford daily fresh fruit and vegetables for their children. Small extras like toys and games, or family trips are rare, and a summer holiday would be out of the question. They are paying off a small loan that they took out to cover the cost of replacing a broken washing machine, and are anxious about what other large costs might unexpectedly arise.

Although Sarah and David are stressed about their financial situation, they still hope to have more children in the future. They are a deeply religious couple, and their use of contraception is limited by their religious beliefs. They regard their children as their greatest blessing, and also a source of security in the long term. They believe that although they have current hardship, in the future, their children will be there to help them when they grow old, and to support each other during times of need.

Agudas Israel Community Services runs a centre in Hackney from which it provides advice primarily to Orthodox Jewish people. Since April 2017, it has seen over 200 families who have had a third or subsequent child and who are subject to the two-child limit. Almost all of those affected are working families on low or middle incomes. They are absorbing the additional costs associated with a new child from the family's existing income. The only help they will get is £13.70 per week in child benefit - well short of the estimated additional cost of raising a third child.

The significant additional costs of having another child often come at a time when the family income has taken a hit, particularly if the parents are self-employed or have their own business, and earnings are interrupted by the new birth.

According to Ruth Erlich, an advisor at the centre, tax credits have helped families with basic costs such as food and clothing for children. With no extra support and another child in the house, families are having to be more frugal than ever with their expenditure and are less able to provide all their children with such essentials as adequate healthy food. Even working families are having to rely on community charity, with many also finding themselves having to borrow money in order to make ends meet. More families are struggling to cover their ongoing costs and are particularly affected when a larger, unexpected expense arises, for example when a household appliance, such as a fridge, needs replacing.

Ms Erlich has highlighted the fact that children cost more to families as they grow older. She believes that the real impact of the two-child limit lies ahead of us, when affected families may have more than

one child who is not eligible for support, and the family's expenses continue to rise as the children grow older.

Impact on Muslim communities

In the summer 2018, we carried out a small-scale research project to understand the two-child limit policy from the religious and cultural perspective of Muslims living in England.⁵⁷ We considered the financial and social impacts of the policy on Muslim families and communities and how their faith influences decisions around family life, through focus groups and in-depth interviews involving around 30 Muslim women who were members of two community groups in Northampton and Bradford.⁵⁸ A small number of the research participants had paid jobs, but most did not. However, most had husbands who were in full-time work, some with more than one job. The majority of the families were in receipt of benefits including child tax credit. British Muslims have wide-ranging beliefs about some of the issues discussed in this research, including gender roles and the use of contraception. This section summarises the views of the women we spoke to, rather than those of all Muslims living in the UK.

We found that the two-child limit policy was poorly understood by the women who took part in this research, even by those who were already affected by the policy, and by local community and faith leaders. Most felt that they had not had much warning or information about it.

Once the policy had been explained to them, there was widespread agreement that it would have a detrimental impact on families in the local area, even though there was some appreciation of the rationale behind it. Levels of poverty are already high, especially in Bradford, and the two-child limit will make families' lives even harder. Many families are already in 'survival mode', struggling to get by day-to-day and week-by-week, and have little scope to save or plan ahead to mitigate the impact of the two-child limit.

As families are squeezed financially, participants anticipated a number of unintended effects, including: a rise in illegal working, less healthy diets, reduced activities for children, additional strain on family relationships, and an increase in mental health problems.

⁵⁷ A copy of the full report is available on request from tom.sefton@churchofengland.org

⁵⁸ Pearls of Peace in Northampton and Barkerend Children's Centre in Bradford.

Kauther's story*

Kauther has four children aged seven, five, three and one, and is pregnant with her fifth child. She became pregnant when the medication she was taking for another health condition made her contraception ineffective. She is unable to work due to illness.

Her husband was recently made redundant and has become a self-employed taxi driver. She explained that they are '*absolutely struggling*' and that '*if his car breaks we don't have anything to pay to fix it*'.

During the heatwave last summer, her seven-year-old daughter wanted to go swimming and asked every day. She found it very upsetting to have to repeatedly tell her young daughter that this was not something they could do.

Kauther is '*very scared*' about what will happen when their fifth child is born.

* All names have been changed.

Almost all participants referred to the levels of mutual support within the Muslim community. In Northampton, the members of the focus group initially agreed that if families were hit by the policy and had financial problems, they would help each other out, just as they do at the moment. However, they acknowledged that as more and more individuals are affected, this could become problematic and the community may start to disintegrate:

'It will be very hard to live here to be honest. At the moment the community is very close. If anything happens we help each other, but how can you help each other if you are homeless? When your situation is hard how can you help someone else? You can't. I think the community will go their own separate ways.'

Strong cultural norms, a religious prohibition on contraception, and widely-held beliefs that God will provide, make it likely that many Muslim families will continue to have more children regardless of the reduction in state support. Some participants thought that the policy could start to influence decisions around family size once the financial pressures on larger families become too great, though only in the longer-term future.

Whilst not one of its stated objectives, this policy was seen by some participants as a response to rising immigration and overpopulation. At the same time, most participants recognised that the policy will also affect many other low-income families, and did not generally view it as a deliberate 'attack' on their community.

However, many of the women strongly felt that the system does not respect the choice of mothers to stay at home and look after their children, whether they are Muslim or not. This policy is seen to be forcing mothers back into work (or forcing fathers to work even longer hours), which is expected to have a negative impact on family life and their children's upbringing:

'As a Muslim woman we do have more defined roles. They aren't set in stone, but most Muslim women recognise their responsibility as mothers. I see the benefits of this role and it shouldn't be put down and made to feel like a lesser position in society. It's not considered a worthy position. I almost feel embarrassed to say, "Yes I stay at home and look after my children".'

Participants felt that the policy is particularly unfair on families with young children and single parents, because decent job opportunities are limited and childcare costs are likely to outweigh any potential earnings.

Information about the policy must be more accessible, including to people with language barriers. Faith leaders, children's centre staff and community workers who have regular contact with families who are likely to be affected by this policy should be made aware of it and be in a position to provide information and advice.

Lisa's story*

Lisa from Scotland lives in a rented two-bedroom home with her partner who works full-time and their blended family of four children, with one more (her partner's older child) who sometimes stays at their house. Lisa and her family are struggling as there are currently six or seven people living on one wage, and the two-child limit is having a huge impact on them, with the two youngest children both born after the introduction of the two-child limit. Lisa is unable to return to work as her daughter, who has additional needs, requires her support and she no longer has access to free childcare, since her mother passed away.

After separating from her ex-partner with whom she had her two eldest children, Lisa met her new partner and they now have two children together, in addition to her partner's child from a previous relationship, who sometimes comes to stay with them. After a very difficult time caring for her terminally ill mother and barely seeing her partner who was working over 60 hours a week, they finally moved in together.

Lisa found out about the two-child limit when she had her third (and their first) child, but felt they could manage. However, Lisa's youngest child was unplanned: *'I didn't realise you could fall pregnant again when you're breastfeeding. I booked a termination, but I couldn't do it... I kept looking up the financial situation and I wasn't sure. I felt I was bringing her into poverty, but people around me were saying, "Don't do it. You'll regret it".'*

Without the extra support, Lisa really struggles to make ends meet after paying rent and bills: *'We're living on the breadline really,'* Always cautious with money, Lisa is completely reliant on bargain-hunting to get by: *'I go on Gumtree for stuff... I got furniture for the wee one's room there. I got a baby walker there for a tenner. I go to the markets. I don't even think about new anymore, 'cause I cannae'.*

Lisa is pessimistic about the family's financial future and feels ashamed that she is unable to afford the extras for her children: *'There was a trip for my son...for £180... but he didn't even ask me...his cousin and his pals went...Two weeks ago I took my weans to a soft-play and I didn't realise the price of it and I had my older kids with me and it would have cost me £40 to get in so I had to walk away'.*

Lisa says their financial struggles are impacting on her family's health: *'I don't buy foods that I would like to buy, just food that's close to nothing... I can't remember the last time I made a fresh dinner, it's all stuff I've got in my freezer'.* Furthermore, Lisa worries about the long-term, developmental impact on her children, particularly her youngest, who has been most affected: *'I now go to the church on a Friday, it's the only activity the youngest do, one thing I noticed is my child is so shy with other kids cos she's not getting any interaction with other kids.'*

Worries over money are causing tensions within the family as her teenage children want to fit in with their peers. Lisa feels that lifting the two-child limit would make a world of difference: *'My kids could do things with their pals, I could take them out. They can have healthier eating...'* She says that she is too ashamed and embarrassed to go to a food bank: *'People probably look at me and think why have you had more children if you can't afford them? But my circumstances changed.'*

* All names have been changed.

8. Conclusions and recommendations

In our society, we believe that every child should have the best start in life. That means access to free healthcare, a good education, and a childhood free from poverty. But it is clear that the two-child limit is having a devastating effect on parents and children up and down the country. Almost two million children will be affected in just the next four years, more than half of whom would be in poverty even without this policy being in place – meaning they will be plunged far below the poverty line by the further loss of support. We would never turn a third child away from school or hospital, yet this policy turns children away at a time when they and their families most need support and leaves them to grow up in hardship. We know that this harms children's wellbeing today and has lifelong consequences.

There can be no justification for this, and the arguments advanced for the policy fall away as soon as we listen to the testimony of people who are affected. Their stories are of ordinary people raising their children while working hard in jobs that do not pay high wages, struggling with health conditions, or being hit by unexpected redundancies or the breakdown of relationships. When new babies arrive this is a time of joy but also of greater financial need, yet this is precisely when families are being deprived of support.

For those in abusive relationships, or who have recently left them, the stakes are even higher. The two-child limit can make it harder to escape abusive partners, increase the risk of violence and put women through trauma and shame. Refugees, who often arrive with next to nothing, are hindered in their efforts to build a new life in the UK. And certain religious minorities will also be hugely affected by this policy, due to deeply held beliefs about birth control and the role of family.

It is all but impossible to escape the two-child limit's impact by working more hours. As a result, the families who we spoke to are struggling to afford the basics and incurring debt each month just to get by, and many see little way out of their situation. If the government is serious about tackling poverty and enabling children to thrive, it must lift the two-child limit.

Annex A: Online survey of families directly affected by the two-child limit

You have told us that you are affected by the 'two-child limit' policy which means you are not receiving any tax credits/universal credit for your child born after April 6 2017. We are working with the Child Poverty Action Group and Church of England to understand the impact of this policy, and would like to ask you a few questions about how it is affecting you and your family.

Q1. How many dependent children do you have living at home?

- 3
- 4
- 5 or more

Q2. When was your youngest child born?

[DD/MM/YYYY]

Q3. Are you a single parent or living as a couple?

- Single
- Couple

Q4. Is anyone in your household in paid work?

- No
- Yes, part-time
- Yes, full-time

Q5. In what UK region do you live?*

- East of England
- East Midlands
- London
- North East
- North West
- Northern Ireland
- Scotland
- South East
- Wales
- West Midlands
- Yorkshire and the Humber

*Only included part-way through the survey period.

Q6. Were you aware of the two-child limit when you had your youngest child?

- Yes
- No
- Don't know

Q7. Do you know how much the two-child limit has reduced your income?

- No impact
- Less than £20 per week
- £20-40 per week
- £40-60 per week
- More than £60 per week
- Don't know

Q8. Has the two-child limit affected your ability to pay for basic living costs?

- No, not really
- Yes, a bit
- Yes, a lot
- Don't know

Q9. If so, in which of the following ways has the policy affected your ability to pay for basic living costs?
[Please select all that apply]

- a. Food
 - Clothing
 - Childcare
 - Travel
 - Gas or electric
 - Rent or mortgage
 - Other (please specify)

Q10. Please could you tell us in your own words about your situation, and how the two-child limit has affected you and your family.

[Open-ended response box]

Q11. Would you be happy for us to contact you to find out more about how this policy has affected you?

- Yes
- No

Q12. If so, please provide your contact details below and a member of our research team will be touch.

Annex B: Top 100 parliamentary constituencies most affected by the two-child limit

	Constituency	Number of families who are potentially affected by the two-child limit	Number of children who are potentially affected by the two-child limit	% of children who are potentially affected by the two-child limit
1	Bradford West	5,225	18,940	51.5%
2	Birmingham, Hodge Hill	6,560	24,445	51.2%
3	Blackley and Broughton	4,880	18,720	48.8%
4	Birmingham, Ladywood	4,890	18,205	48.4%
5	Bradford East	5,065	18,415	47.8%
6	Hackney North & Stoke Newington	3,830	16,410	44.4%
7	Birmingham, Hall Green	4,260	15,780	44.0%
8	Poplar and Limehouse	4,260	14,930	43.7%
9	Blackburn	3,970	13,845	42.9%
10	Oldham West and Royton	3,660	13,110	42.9%
11	Birmingham, Yardley	3,895	14,005	42.6%
12	Manchester, Gorton	3,540	12,670	42.1%
13	Bethnal Green and Bow	3,440	12,020	41.6%
14	Walsall South	3,170	11,185	40.1%
15	Sheffield, Brightside & Hillsborough	3,415	12,490	40.0%
16	Bradford South	3,280	11,590	39.6%
17	Leeds Central	3,550	12,480	39.5%
18	Nottingham East	2,430	8,550	38.4%
19	Manchester Central	3,125	11,300	38.4%
20	Rochdale	3,265	11,535	38.2%
21	Birmingham, Perry Barr	3,295	11,765	38.0%
22	Warley	2,925	10,275	38.0%
23	Pendle	2,445	8,770	37.8%
24	Bolton South East	3,155	11,245	37.6%
25	Birmingham, Erdington	2,825	10,100	37.6%
26	Leeds East	2,870	10,435	37.0%
27	Leicester West	2,990	10,820	36.9%
28	Middlesbrough	2,495	8,940	36.5%
29	Edmonton	3,575	12,710	35.6%
30	Leicester South	2,810	10,295	35.6%
31	Derby South	3,060	11,135	35.2%
32	Stoke-on-Trent Central	1,935	6,875	35.0%
33	Rotherham	2,185	7,725	34.9%
34	Luton South	3,170	11,150	34.7%
35	Nottingham North	2,745	9,700	34.7%
36	Luton North	2,925	10,190	34.6%
37	Brent Central	3,410	12,645	34.6%
38	Walsall North	2,535	8,885	34.3%
39	Peterborough	3,265	11,460	33.5%
40	Telford	2,115	7,745	33.2%

	Constituency	Number of families who are potentially affected by the two-child limit	Number of children who are potentially affected by the two-child limit	% of children who are potentially affected by the two-child limit
41	Coventry North East	3,155	10,885	32.9%
42	Hackney South and Shoreditch	2,470	8,720	32.8%
43	Dewsbury	2,560	9,005	32.8%
44	Halifax	2,455	8,460	32.7%
45	Oldham East and Saddleworth	2,575	9,060	32.7%
46	Newcastle upon Tyne Central	2,140	7,395	32.6%
47	West Ham	4,060	14,095	32.5%
48	Glasgow Central	1,410	5,055	32.4%
49	Stoke-on-Trent North	2,215	7,795	32.4%
50	Tottenham	3,060	11,590	32.4%
51	Great Grimsby	1,950	6,795	32.2%
52	Wolverhampton South East	2,220	7,685	32.2%
53	East Ham	4,265	14,710	32.2%
54	Bolton North East	2,215	7,715	31.9%
55	Batley and Spen	2,475	8,680	31.9%
56	Cardiff South and Penarth	2,305	8,250	31.8%
57	Nottingham South	1,715	5,945	31.8%
58	Holborn and St Pancras	1,945	6,990	31.6%
59	Barking	4,005	14,055	31.5%
60	Leicester East	2,890	9,995	31.4%
61	Gateshead	1,580	6,070	30.9%
62	Dagenham and Rainham	2,695	9,285	30.6%
63	Birmingham, Selly Oak	1,860	6,665	30.4%
64	Belfast North	2,265	7,885	30.4%
65	Scunthorpe	1,830	6,280	30.3%
66	Wolverhampton North East	1,980	6,890	30.3%
67	Birmingham, Northfield	2,305	8,030	30.2%
68	West Bromwich West	2,155	7,555	30.1%
69	Stoke-on-Trent South	1,815	6,305	30.0%
70	Clacton	1,350	4,845	30.0%
71	Mid Ulster	2,340	8,175	29.8%
72	Leeds West	1,830	6,410	29.7%
73	Kingston upon Hull North	1,925	6,740	29.7%
74	Sheffield Central	1,360	4,790	29.3%
75	Harrow East	2,015	7,385	29.3%
76	West Tyrone	1,970	6,810	29.3%
77	Newry and Armagh	2,615	9,025	29.2%
78	Vale of Clwyd	1,270	4,525	29.0%
79	Liverpool, Riverside	1,340	4,855	28.9%
80	Burnley	1,780	6,185	28.9%
81	Huddersfield	1,830	6,300	28.8%
82	Hayes and Harlington	2,770	9,785	28.8%
83	Greenwich and Woolwich	2,310	8,095	28.7%
84	West Bromwich East	1,965	6,675	28.6%

	Constituency	Number of families who are potentially affected by the two-child limit	Number of children who are potentially affected by the two-child limit	% of children who are potentially affected by the two-child limit
85	Stockton North	1,705	5,830	28.6%
86	Keighley	1,845	6,490	28.4%
87	Newport East	1,560	5,305	28.4%
88	Belfast West	2,190	7,435	28.4%
89	Preston	1,850	6,530	28.4%
90	Hyndburn	1,780	6,410	28.4%
91	Fermanagh and South Tyrone	2,180	7,480	28.1%
92	Ceredigion	975	3,365	28.0%
93	Birkenhead	1,695	5,865	27.9%
94	Glenrothes	1,525	5,170	27.9%
95	Erith and Thamesmead	2,605	8,920	27.8%
96	Doncaster North	1,800	6,155	27.7%
97	Glasgow North East	1,280	4,375	27.6%
98	Dudley North	1,570	5,400	27.6%
99	Sheffield South East	1,640	5,875	27.6%
100	Ipswich	2,135	7,320	27.4%