

Is it fair to remove the two-child limit on benefits?

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SUMMARY: The two-child policy is unfair in multiple dimensions. It has also failed to achieve its stated objectives, and it has a wide range of negative consequences for society and for the economy.

Background

The two-child limit for Universal Credit and Child Tax Credit was announced by the government in the 2015 summer budget.

- Under this policy, enacted in the Welfare Reform and Work Act 2016, families are no longer eligible for means-tested benefits for their third or subsequent children, for all those born after 6 April 2017.
- The loss of income for those families affected by the policy is substantial, amounting to up to £3,235 per child in 2023/4. Approximately 1.5 million UK children live in those 10% of families whose income is affected by the two-child limit.

The moral arguments

Fairness-based arguments for the two-child limit are unpersuasive.

- Defenders of the policy argue that households on means-tested benefits should “face the same financial choices about having children as those supporting themselves solely through work”, and should take responsibility for their own life choices.
- However, 59% of claimants affected by the two-child limit are in work, and those who are not in work are generally affected by illness or disability, or are caring for a family member affected by either illness or disability.
- Arguments for the policy rest on the idea of a population split into strivers and skivers, rather than on the idea of a social security system that provides insurance for when people’s circumstances change.

The two-child limit is unfair in terms of fair process and discrimination between groups, with disproportionate impacts on some families.

- It introduces a random and unjustifiable form of unfairness between children in larger families born before and after the policy came in.
- It indirectly discriminates against women, who are more likely than men to have caregiving responsibilities.
- It indirectly discriminates against families from some ethnic and religious communities, who are more likely to have larger families.
- It directly discriminates against children in larger families (as the UK Supreme Court found in 2021), and is a failure of equal treatment by the state of over a million children.

It is unfair because this discrimination against children in larger families leads to unfair opportunities and outcomes.

- It disadvantages some children simply because they have two or more siblings – something which is entirely out of their own control.
- It reduces the wellbeing and life chances of children in larger families in a way that seems arbitrary from a moral perspective.
- The two-child limit negatively impacts all children in affected households, not just the third or subsequent child.

It is unfair because it treats children as a means to an end, rather than as people who are important in their own right.

- The purported justifications for the two-child limit focus on ideas of reciprocity and fairness regarding different groups of parents, but only at the cost of completely abandoning any conception of justice or reciprocity when concerned with the affected children themselves.
- It looks to justify real material harm to some of the most vulnerable people in society, in a way that fails to treat them with due respect.

The political arguments

One poll in 2023 showed that a majority of the public support the two-child limit, but other research shows that most people want to see more income support for working parents.

- A [July 2023 YouGov](#) poll found 60% in favour of keeping the two-child limit. Support for the policy does not vary much by gender or class, but is lower for younger adults (and only 42% for those aged 18-24).
- However, [40-50% of people think the benefit system offers too little support for people on low incomes bringing up children](#), more than three times the number who think that it offers too much support.

In addition, the evidence shows that most people have values that are undermined by the two-child limit, which suggests that they are open to persuasion on the policy itself.

- Polling shows that [85% of Britons are concerned about inequality](#) and [83% want to see inequality reduced](#), suggesting that the vast majority hold values that the two-child limit policy contradicts, and may change their minds about the policy if it is presented differently.
- Politicians can play a role in shifting public attitudes to the policy by challenging dominant media and political narratives, for example by arguing that universal credit and other benefits are a form of social protection that any of us could need if our circumstances changed, and which mostly provide support for those who are already in work.

The policy arguments

The idea that the two-child limit would give families incentives to reduce their fertility and/or to increase their incomes through work by encouraging personal responsibility has not worked.

- A report on benefits changes and larger families found [“no evidence of any increases in employment among families affected by the limit”](#) and that [“its main effect is to push families with three or more children further into poverty”](#), while making it harder for parents of larger families to afford the costs of work (e.g. transport, childcare).
- Increased financial precarity has negative effects on parents’ mental health, which makes it harder for them to find or sustain paid work.
- Impacts on fertility and family size have been negligible, probably because decisions on these issues are influenced by many factors.

Removing the two-child limit would be the most cost-effective way of reducing the number of children living in poverty, and would increase GDP while reducing future costs to society.

- IPPR and the TUC have calculated that [abolishing the two-child limit, alongside uplifts to the child element of universal credit and the child tax credit, would increase GDP by 0.5% \(£14 billion per year\)](#).
- The Women’s Budget Group calculate that [lifting 250,000 children out of poverty could save nearly twice as much in future ‘societal costs’](#) (such as unemployment) as it would cost to remove the policy.

The two-child limit is a vivid example of the terrible harms wreaked by short-term political and economic thinking.

- Child poverty wrecks the emotional and mental wellbeing of families, and [reduces the current educational attainment](#) of affected children.
- Child poverty also stunts the long-term life chances of those children. It is [associated](#) with health problems later in life, with behavioural problems, and with reduced future educational attainment. The two-child limit generates huge future cumulative costs for society.

SUGGESTED QUESTIONS FOR THE GOVERNMENT:

- Does the Government agree with expert assessments that scrapping the two-child limit would increase gross domestic product, cut levels of child poverty and reduce long-term costs to society?
- What recent assessment has the Government made of the prevalence of child poverty among families with three or more children, and of any changes in levels of child poverty in this group since April 2017?
- What plans does the Government have to ensure that working families with three or more children who subsequently come to rely on means-tested benefits are not unfairly targeted by the two-child limit?