



Cuts can't fix child poverty: it's time for a new approach

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Foreword

Right now, households across the UK are facing an unbearable reality: many are unable to afford the essentials - food, energy bills, and basic household items. This briefing is crucial because it sheds light on the scale of the crisis, the reasons behind it, and, most importantly, the urgent need for change. It's not just about statistics - it's about real people, real households, and the dignity we deserve.

As a disabled single parent, I know firsthand how broken the system is. After losing my children's father to suicide, I have felt like a second-class citizen - left to struggle in a system that penalises disabled and unwell people rather than supporting them. I have spent the last three years campaigning with Changing Realities fighting for change. Yet despite all of the work we have done, things seem to be taking a turn for the worse.

To those in power: behind these numbers are real people, their voices echoed in this report. No one should be forced into hardship. The responsibility to protect those in need cannot be ignored. We need urgent action - fair wages, a stronger social security system, and policies that address the root causes of poverty. The solutions exist; what's lacking is the political will to implement them. It's time to act to change that. The future without that is unimaginable.

- Marie, Changing Realities participant

Summary

The latest Household Below Average Income (HBAI) statistics show that poverty continues to affect millions of children in the UK, with 4.5 million affected by poverty during 2023-2024, an increase of 100,000 on the year before. These figures should shame us all, and must be examined alongside the UK Government's proposals to take £4.8 billion in social security support from some of the most vulnerable, and indeed poorest, among us. The Government's own Impact Assessment suggests that 50,000 more children will be pulled into relative poverty as a direct result of these changes. But another way is possible.

For the past five years, almost 200 parents and carers living on a low-income from all four nations of the UK have been working alongside researchers at the University of York and Child Poverty Action Group to document everyday life in poverty and to push for change. The project started life as Covid Realities in the pandemic and became Changing Realities in a cost-of-living crisis that has never gone away. In our work together, we have contributed real-time evidence to policymakers, challenged harmful media narratives, and developed co-produced recommendations for change.

People across the UK want to see meaningful and lasting action on child poverty, so that every child has the chance to thrive and to live a full and happy childhood. For this to happen, we need to see concerted action by the UK Government, including investment in social security. Cuts to social security will have the opposite effect: consigning more families to a life of hardship and a constant struggle to get by. It really is very simple. We cannot achieve reductions in child poverty without committing to investing in social security.

Our new analysis shows that were the UK Government to follow the Scottish Government's example and make an equivalent per-child investment in social security, the rate of child poverty could drop by 700,000 overnight. Talk of tough choices and fiscal responsibility puts balancing the books ahead of supporting children, who are this nation's future.

2025 will see the publication of a UK Child Poverty Strategy, the first in many years. This must include significant improvements to what little remains of our social security safety net. The two-child limit and the benefit cap have to go; and we need sustained, long-term action to restore adequacy to our social security system. The happiness, wellbeing and future of our nation's children depends on it. There really is no other way.

Introduction

The latest Household Below Average Income (HBAI) statistics provide a stark reminder of the scale of child poverty in the UK. But they also show that this is not inevitable. In Scotland, child poverty has actually fallen: the result of targeted policy intervention. 22% of children in Scotland faced poverty in 2023-2024, compared to 26% in 2022-2023.¹ This contrasts with the picture for the other nations: 31% of children in England faced poverty in 2023-2024, 31% in Wales, and 24% in Northern Ireland.

Poverty continues to affect millions of children, with the ongoing cost-of-living crisis exacerbating hardship for those on the lowest incomes. These figures come at a difficult time for the UK Government. March's Spring Statement showed a Chancellor who is committed to her fiscal rules, even if that means cuts to core public services and to social security. And the publication of the Work, Health and Disability Green Paper announced the largest cuts to social security in a generation. By 2029/30, an [estimated 3.2 million families](#) - both current and future recipients - will be financially worse off due to these policies, facing an average annual loss of £1,720. As a result, an additional [250,000 people, including 50,000 children](#), are expected to be pushed into relative poverty. This deepening crisis coincides with the eighth anniversary of the two-child limit on 6 April 2025, a policy which has been poverty-producing, arguably by its very design.

¹ The three-year average fell from 24% to 23%. But the single-year figures in Scotland may be more informative due to changes in the adequacy of the Scottish Child Payment year-by-year

The financial and political context may be difficult, but this is a moment when change is both possible and urgently needed. Later this year, the UK Government will publish its Child Poverty Strategy, setting out a ten-year plan for delivering sustainable reductions to the record numbers of children living in hardship. What should the priorities for this strategy be? And how can the Government turn the corner and deliver positive change that lasts?

This briefing outlines co-produced recommendations from Changing Realities, a collaboration of almost 200 parents living on a low income, researchers from the University of York, and Child Poverty Action Group. In a series of online discussion groups in Spring 2025, and through video-elicited questions to participants across 2024 and 2025, we have worked together to explore policy options and priorities, and to develop an agenda for change. In this briefing, we report on parents' priorities for action on child poverty, and share a headline message: **we cannot fix child poverty without investing in social security - there really is no other way.**

We first set out why the need for action is urgent, before looking at the key elements of an effective approach to tackling child poverty.

Living with everyday crisis: “I never ever get to the end of the month feeling ok”

Living with poverty is akin to living with everyday crisis: where an appliance breaking down, or a request from school for an outfit for a non-uniform day brings panic, fear and a desperate scramble to try to find the money needed. But, the money is simply not there. Families have been battered by first the pandemic and then the cost-of-living crisis, and by the collision of an inadequate social security system and the continued prevalence of insecure, poorly-paid employment.

In diary entries, parents from Changing Realities share the daily difficulties they face and how financial insecurity increasingly shapes their lives in very harmful ways:

I never ever get to the end of the month feeling ok, I have to scrounge around for food bank vouchers and baby banks to access food and clothing for my child. I'm already spending so much money on getting about day to day stuff with taxis as I am unable to manage public transport. My budget is always stretched and here is me still in temporary housing where the rent is paid. – **Riya N, September 2024**

Honestly I'm spiraling and constantly worried about losing my social security benefit ... We don't have a life outside of surviving mostly. I can't afford it. But I can't get a full time job because of the demands of caring for my son and the flexibility I would need. I am isolated. My son is growing ... he costs a lot to keep. I'm too scared to contact the child maintenance service as my son's dad has been underpaying for years, but he'll punish my son if I say anything. I can't afford the mental load of this, never mind the financial.

– **Evelyn D, November 2024**

The rise in costs for essential items comes up as a recurring issue, with inflation and increasing housing costs putting additional pressure on low-income households:

Feeling stuck, struggling to move house looking at around 9 years on social housing, LHA rate frozen this year and rents increasing meaning I am stuck where I am, cannot access an early nursery place for my child in this area due to no spaces meaning I can't return to work. Feeling down. – **Effie B, February 2025**

Our biggest costs are Council Tax, Electricity and monthly Food / Groceries bill, we spend roughly £1000 a month on these alone! Together with £14 a day wraparound care at primary school (£280 per month) and roughly £350 per month on fuel, parking and bus fare costs (one of us drives, one doesn't), the cost-of-living doesn't take account of stagnant wages in the education sector over the last 15 years or so. – **Izzy V, November 2024**

Parents speak again and again about the realities of in-work poverty, and of how the social security system leaves them with not enough to survive:

I am in paid work but I am no better off for working than I am if I didn't work. I work in education and my pay is terrible. I still can't even pay the basics. – **Jen T, September 2024**

Trying to work from home, poorly coughing my guts up just want to lay in bed but can't afford to lose a day's pay, banging headache, so cold my nails have even started to go slightly blue but I can't put the heating on it costs too much just so fed up.

– **Roxy N, September 2024**

Inevitably, living with everyday crisis takes a toll on parents' mental health and negatively affects their children:

Lower income and declining of mental health goes hand in hand. The anxiety of dealing with bills and the shame of not being able to provide for your family affects my mental health in a big way. I also see the same happening to my teenagers. – **Gil T, February 2025**

I feel my children do not get my time and attention like they used to do before. They are also exposed against my wishes to my stress and constant struggle to cope on a low income. No matter how hard I try not to let them see me worried they can read it and sense it. Normal activities or things we enjoyed seem a thing of the past now. Every penny counts towards paying bills and food. We have stopped talking about trips, holidays and fun social activities we enjoyed.
– **Sadie Q, February 2025**

Financial pressures mean children and families are missing out on opportunities, with far-reaching consequences:

We need an opportunity to participate in all the same groups and clubs as my children's classmates. I feel like my kids are slipping behind with basic skills like swimming, learning languages and being able to attend sports camps. Clubs are too expensive and half term has crunched us financially. If we stay home, my mental health worsens so we always try to go out if we can, but everything costs money.
– **Mollie U, February 2025**

The rich and detailed accounts from parents in Changing Realities give meaning to the latest poverty statistics, which reveal just how many of us are struggling to make ends meet. The 2025 HBAI statistical release shows that

14.2 million people (just over 1 in 5 people in the UK) experienced poverty between 2023-2024.

This can and must change. And the parents taking part in Changing Realities have a clear set of proposals for where to start if we are to repair our social security system and bring child poverty rates down.

How do we fix things? Social security as a force for good

In our work on Changing Realities, we have explored policy priorities for change, and have taken some of our ideas to the highest levels of Government. We have met with members of the Cabinet, been to Downing Street, and sat down with senior civil servants and politicians to discuss what an effective child poverty strategy would look like.

To these meetings parents bring their own experiences of poverty, and the expertise that comes from that, but they also bring an understanding of a wide and varied evidence base. This evidence base has a resounding conclusion - to move the dial on child poverty, you have to invest in social security. There really is no other way.

Parents in Changing Realities would like to see large investment in social security, but they are also pragmatic, and recognise that prioritisation is required. They identify cost neutral steps that can be taken as well as the need for targeted investment.

Immediate priorities for change are:

- End the poverty-producing benefit cap and two-child limit
- Commit to continued uprating of social security benefits, at least in line with inflation
- Make sure support is available to help every child by providing protection to children affected by the No Recourse to Public Funds regime
- Expand Free School Meal provision as part of a longer-term mission to move towards universal free school meals.

- Invest more widely in support for children through the social security system.
- Ensure that all those who receive support from social security are treated with dignity and respect, and that steps are taken to tackle stigma.

Together, these measures would start to turn the tide on child poverty, and would show a Government ready to stand up in support of this nation's children.

What is also clear, and is reinforced by the latest HBAI statistics release is that poverty is incredibly responsive to policy change: if a Government acts decisively, it can immediately drive rates down.

The March 2025 HBAI release shows that the single-year child poverty rate in Scotland fell from 26% in 2022/23 to 22% in 2023/24, a large reduction.² Although there is a lot of uncertainty around single-year estimates, a large fall was forecast through economic modelling of child poverty rates.³

The key factor driving this reduction in child poverty is the Scottish Child Payment, a targeted benefit delivered by the Scottish Government that provided £25 per child per week in 2023-2024 to families on a low-income (£27.10 from April 2025).

We already know that the Scottish Child Payment is having a positive impact on families' lives. Lisa, a Changing Realities participant, sets out the difference it has made for her family:

The Scottish child payment has enabled me and my son to participate in more social and educational activities which normally we would have struggled to afford. It alleviates some of the financial pressure and gives me and my son more breathing space to enjoy life. The

² Households Below Average Income 2023/24, DWP, 2025

³ [Best Start, Bright Futures - tackling child poverty: progress report 2023 to 2024](#), Scottish Government, 2024

Scottish child payment has been a ‘game changer’ for me.
– Lisa, December 2024

There was no special design feature that made the Scottish Child Payment so effective, rather it was the Scottish Government’s readiness to substantially invest in children’s related benefits. The Scottish Government spent £405m on the Scottish Child Payment in 2023-2024, equivalent to £400 per year for every Scottish child.

This provides a useful benchmark for what scale of investment is eminently achievable at the UK level. The latest figures show there are 14.6 million children across the UK. A £400 per child investment equates to £6 billion, and this is the level of support that needs to be channeled into our social security system to match the rate of investment by the Scottish Government in the Scottish Child Payment.

Westminster can implement a wider range of policies than those available to the Scottish government, so there is no need to replicate the Scottish Child Payment. But testimonies from Changing Realities participants, coupled with economic modelling, suggest that scrapping the two-child limit and the benefit cap, and investing more wildly in children’s related benefits should be the priority. For an investment of £6 billion, the UK government could scrap both the two child limit and the benefit cap and increase the child element of universal credit by £50 a month.⁴ This would reduce child poverty overnight by 700,000.⁵

What this new analysis shows is that if Westminster were to match Scotland’s level of policy investment on child poverty, it could immediately cut the rate of child poverty across the UK by one sixth. £6 billion is a lot of money in the current context, but the cost of not acting is greater still.

⁴ The calculations were carried out by Child Poverty Action Group. The results presented here are based on UKMOD version B1.11 UKMOD is maintained, developed and managed by the Centre for Microsimulation and Policy Analysis (CeMPA) at the University of Essex. The results and their interpretation are the author’s sole responsibility

⁵ See Note 3

It's not only about money: How the Government can also make a difference without spending a penny

As well as making a sustained investment, the Government should also change how it talks about social security. It is time to tell a new, more honest story about social security, that recognises it as a force for good, and as part of an investment in each of us, and in the nation's children. The UK Government can shift the narrative so that we start to celebrate the role the state can play in supporting those people who, at points across their lives, require help to meet their needs. The evidence shows that most of us will rely on social security at some point in our lives, and that decent social security can play a protective role in preventing households from falling into poverty. And we know that needs are higher at certain points of time: when children are young, when you are old or ill, and to help with the additional costs of impairments. Social security is something that matters to all of us - a household's financial circumstances can change in a moment when a job is lost, a family member becomes ill, or when relationships break down. We need to reframe social security as a positive force and our political leaders should lead the way here.

This should be allied to a radical shift in how people are treated within the social security system: a focus on benefits maximisation rather than benefits fraud; and a willingness to do everything possible to make sure that those accessing social security support experience dignified and respectful treatment.

To understand the need for this change, we need only look to how parents currently experience the social security system:

I cried a lot today as I am worried. My body hurts from my fibromyalgia. My anxiety is through the roof and I am dissociating a lot from the stress of the potential cuts to disability payments as I know I won't

have enough money to get by. The establishment has no idea how deeply disabled people are already struggling in poverty. Recently I found I am regularly using my PIP to buy food for the family instead of treatments for my health conditions, which means my health has worsened because I can't afford to manage it properly. My money is going towards survival instead. I'm scared about how I'll cope if they reduce my payments in the new budget. – **Nicola P, March 2025**

To experience poverty is to experience material and relational hardship and exclusion. Narratives matter, and can create the conditions needed to shift both how we think about and how we make policy on social security. That is why the changes outlined above are so important.

How do we get to where we need to be? The importance of meaningful involvement and co-production

If we are to see meaningful and lasting change on poverty, we need to see changes to both the substance of policy, but also to the policymaking process. Policymakers need to make sure that they widen out the expertise incorporated into and, critically, acted upon within policymaking and changemaking processes. Too often, and for too long, policy has been made in a top-down way, with Universal Credit 'tested' on claimants, rather than listening to people's ideas of what works, what doesn't, and how things might be improved in the future.

This all needs to change, and we need to move towards a much deeper recognition of the expertise that comes with experience. We have seen some real progress here already, and Changing Realities has been pleased to play a structured role in the UK Child Poverty Strategy development process.

Policy that is rooted in a deeper understanding of everyday lived experiences, and brings on board co-produced recommendations for change, will be policy

that is better able to work with, rather than against, the grain of everyday lives. Importantly, to be in poverty is often to be ignored and disrespected, and so the very process of engagement holds value. It constitutes a vital reminder that people in poverty's voices do count, and can and should make a real difference to future policymaking.

Critically, meaningful engagement can be transformative, for all involved:

All too often, families on a low income are portrayed by many areas of the media as lacking ambition and the will to lift themselves out of poverty. This is not true! I know that my children want and also deserve exactly the same opportunities as children from more privileged backgrounds. – **Aurora T, December 2024**

Changing Realities stands ready to be part of a conversation about change – and to do the work required to make a real difference in driving rates of child poverty down. But this week gave me hope, and it's hope that I hope the Government will show is well-placed. The alternative is almost unimaginable. – **Jo, December 2024**

The UK Child Poverty Strategy is an opportunity to demonstrate the improved understanding that emerges from this engagement, and we very much hope this will be evidenced in what is published later this year.

Conclusion

The latest HBAI poverty statistics show that policy drive and investment in social security really can make a difference. While UK-wide figures show rising rates of poverty, in Scotland we see a 4% point reduction in child poverty rates between 2022-2023 and 2023-2024. This is largely down to policy choices made by the Scottish Government. Their investment in the Scottish Child

Payment has made a real, tangible difference to the risk of poverty faced by Scottish children. It provides a clear lesson: where governments choose to strengthen social security, poverty can be reduced.

As the UK Government reviews these statistics, the need for action will be clear. It must change path and follow the evidence; it must invest in social security to build a better future for all of us. Drawing on the everyday experiences and expertise of parents in Changing Realities, this briefing makes the case for investing in social security as a proven, cost-effective way to reduce poverty and improve life chances. Conversely, inadequate support leaves families struggling and increases long-term costs to the economy and public services. The UK Government must do the right thing: **invest in social security and see child poverty fall**. There really is no alternative.

We end this briefing with the words of Mollie, who imagines what a different, better future might look like.

Afterword

Our children deserve a future filled with hope and prosperity; one where they receive sufficient support and tools to fulfil their true potential. Increasing numbers of families are struggling to make ends meet and the statistics released today show this is getting worse. We desperately need a system which works for the people, not against them. We need a Social Security system which is fit for purpose, and works to alleviate parent's hardships, rather than punitively seeking to cut off lifelines to those who need it most.

If the Government acts, my children might be able to have access to school uniforms when theirs become too worn, as we are currently facing this problem. We have no spare income to sign them up to after school clubs, or any extra curricular activities. If the Government invests in social security, it would provide a great deal of relief to our household budget. I would be able to afford wrap-around childcare and consider returning to employment. My mental health (and subsequently my family's) would improve if I knew I was supported, rather than feeling heavily daunted at the idea of not being able to fulfil both my caring responsibilities and employment. Not everything costs

money: the Government could make a huge difference by changing the narrative around people claiming benefits, as well as the way claimants are treated.

I hope each child, regardless of their economic background, grows up to be proud of themselves and tells a story of their childhood not hindered by struggle or preventable poverty.

- Mollie, Changing Realities participant

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