

Policy Briefing: Why reducing child poverty requires support for larger families

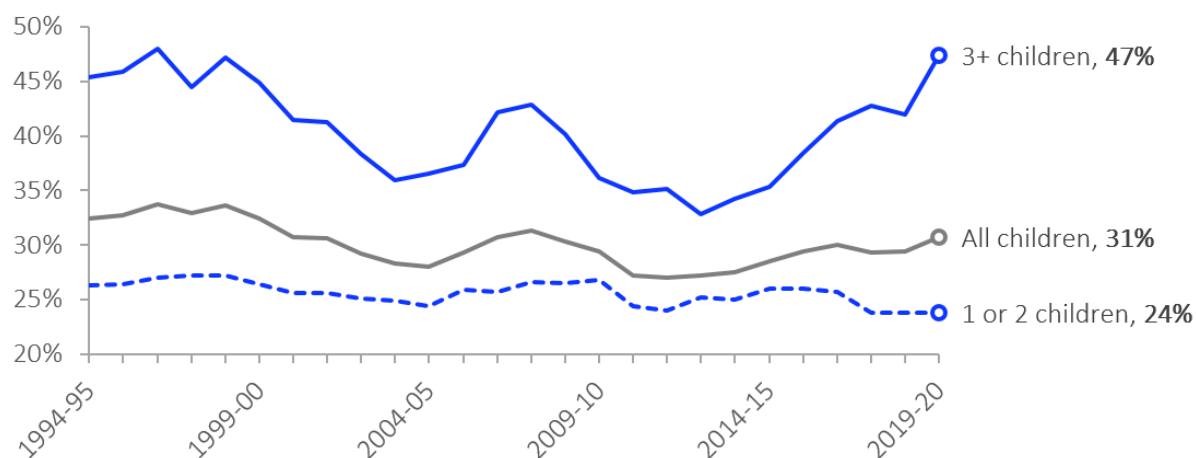
Introduction

Child poverty is rising and one group in particular is bearing the brunt: families with three or more children. This briefing explores this trend – it looks at how changes in child poverty since the mid-1990s have differed by family size and what this implies for public policy. It is a summary of a [paper](#) produced as part of the ongoing [Benefit Changes and Larger Families](#) research study funded by the Nuffield Foundation.

What are the trends in child poverty by family size?

Child poverty in the UK has seen rapid change over the last two decades, falling from the late 1990s until the early 2010s, and rising since then. A breakdown by family size shows that these trends disguise more marked changes among larger families, while the poverty rate among children in smaller families has been much more stable. The recent rise in child poverty has been felt significantly more by larger families.

Figure 1: Child poverty rate (after housing costs) by family size



Source: Households below average income: for financial years ending 1995 to 2020, Department for Work and Pensions

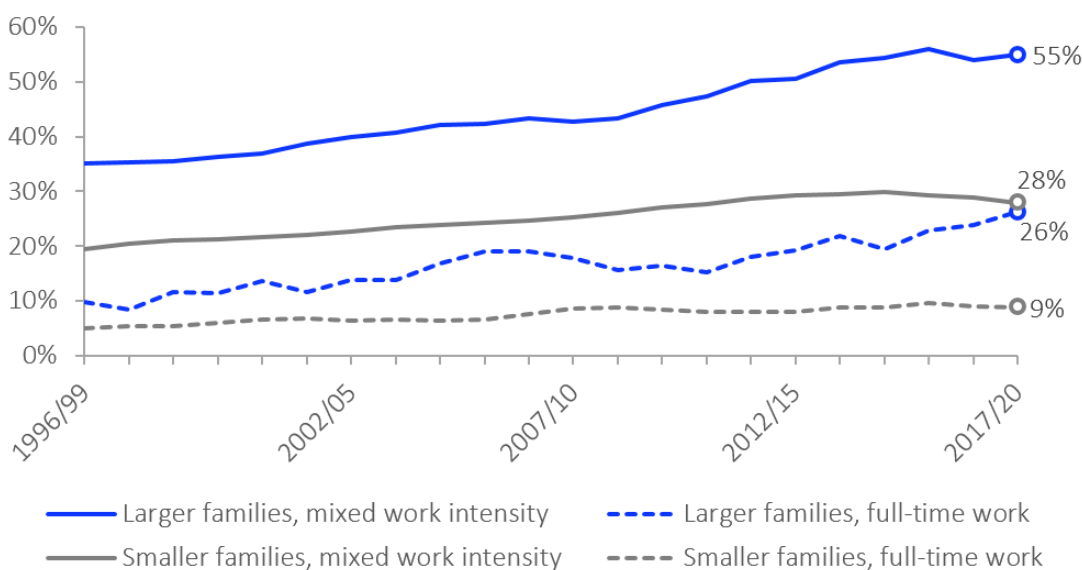
There are substantial differences in family size by ethnic group. This does not explain the poverty trend, but does mean that the rising risk of poverty in larger households has had a disproportionate effect on children from some minority ethnic backgrounds.

Even though parents with more children have greater childcare needs, which limits their capacity to work, work intensity has increased substantially among parents in larger families since the mid-1990s. While the employment rates of larger families remain considerably lower than smaller ones, especially among mothers, this gap has narrowed.

Can work lift larger families out of poverty?

Over the same period that employment increased among families with children, earnings became less effective at lifting them out of poverty, particularly for larger families. By the late-2010s, a quarter of children in larger families where all parents worked full-time were in “pre-transfer” poverty (i.e. living in poverty before taxes and benefits were taken into account), as were half of children in larger families with mixed work intensity. As a result, the need for redistribution to keep families with children out of poverty has increased.

Figure 2: Pre-transfer child poverty rate by family size and work intensity (selected groups, three year average)



Source: Authors’ calculations from *Households Below Average Income, 1994/95-2019/20*. 15th Edition. UK Data Service SN:5828.

Mixed work intensity families are those where at least one adult is in paid work but not all adults are working full-time. This includes lone parents working part-time and couples where one adult is full-time and one part-time or at home.

Parents in larger families face two labour market disadvantages which may make them more likely to be in precarious, low-paid work. Firstly, their average education levels, while rising over time, are lower than those in smaller families and, secondly, they have greater caring responsibilities.

How does social security help larger families?

The labour market barriers that larger families face, coupled with the higher living costs that come with having more mouths to feed, make it harder for them to avoid poverty through work alone. Both of these factors are part of a temporary life stage. In recognition that wages do not and should not reflect family size, when family allowances were originally introduced in 1946 they were provided for the second and subsequent child only.

Because social security is more important for larger families than smaller families, expansion and cuts in social security have had a greater impact on larger families. Changes in the generosity of support for children are the central explanation for the substantial fall in child poverty in larger families in the years to 2012/13, and in the sharp rise in poverty since then.

Recent reductions in financial support for larger families will have fallen most heavily on children from some minority ethnic groups and have long-term implications in terms of exacerbating existing inequalities by ethnicity.

Lessons for policy makers

Current approach: punitive and unrealistic

Through the two-child limit the government argues that families should not have additional children unless their job opportunities mean they can afford them. This disregards the principle that an effective social security system protects against future risk and implies that parents can guarantee something that's impossible to guarantee (for example, that none of their children will have additional needs that might prevent them from working full time).

The two-child limit and benefit cap disregard the fact that larger families invariably need some financial support. These policies not only expect all parents in larger families to work, they also assume reasonable pay, almost indefinite job security and consistent good health. Given current labour market trends, this is out of reach for all but the few. The current policy approach therefore accepts that many children will grow up in poverty because of their family size.

Employment approach: complex and finite

Rising levels of pre-transfer poverty even in full work-intensity households demonstrates that pursuing ever greater increases in work intensity is not a plausible or sustainable path forward. It's also important to consider whether a society where all parents must consistently be in full-time employment to avoid poverty is desirable.

Working more hours may be part of the way out of poverty for some families, but at best this offers a slow and partial solution to poverty overall. A more realistic path forward would focus on addressing structural inequalities in the labour market while accepting the importance of redistributing resources between those in a life stage of lower need to those in a life stage of greater need.

Social security approach: essential and effective

Past investments in social security support for children have been successful at reducing poverty principally because they have benefited larger families. With the benefit cap and two-child limit in place, any renewed investment in children is likely to have only a limited impact on poverty. This has been apparent with the £20 increase to universal credit and working tax credit, which did not reach families affected by the benefit cap prior to the pandemic.

In fact, offering more support to larger families is likely to be more effective at reducing child poverty, an approach that was previously the norm.

Larger families experience a temporary period of increased need during a time when they are taking on paid and un-paid work (such as caring), and raising the next generation. Investment in larger families is necessary to support these families at their time of need and to reduce child poverty.

About the Benefit Changes and Larger Families research project

This briefing is a summary of the paper [A time of need: Exploring the changing poverty risk facing larger families in the UK](#) by Dr Kitty Stewart, Dr Aaron Reeves and Dr Ruth Patrick and was produced as part of the [Benefit Changes and Larger Families](#) research project. The project examines how the risk of poverty for larger families has changed as a result of recent benefit reforms which have broken the link between needs and entitlement in the social security system. It is a collaboration between Dr Ruth Patrick (University of York), Dr Aaron Reeves (University of Oxford), Dr Kitty Stewart (London School of Economics and Political Science) and Child Poverty Action Group (CPAG). The project has been funded by the [Nuffield Foundation](#), but the views expressed are those of the authors and not necessarily the Foundation.