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# 'It's the kids that suffer': Exploring how the UK's benefit cap and two-child limit harm children

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## Abstract

The benefit cap and the two-child limit reduce entitlement for households claiming means-tested benefits and disproportionately affect households with dependent children. This article explores the harms the policies are doing to children through drawing upon data collected from interviews with parents affected by the benefit cap and the two-child limit. To investigate the impacts of these policies we draw on the Investment Model and the Family Stress Model, models principally developed by quantitative scholars seeking to understand how economic disadvantage adversely affects children over the longer-term. While there has been frequent quantitative analysis of these models, there has been very little qualitative engagement with them: this article directly addresses this gap in the literature. We show that the benefit cap and the two-child limit cause multiple and severe overlapping harms to children, principally by exacerbating and deepening financial economic disadvantage. Our research evidence illuminates causal processes underpinning both the Investment Model and the Family Stress Model, but also reveals additional harms that are not foregrounded by either model. We conclude by calling for the removal of both policies as a vital first step in reducing child poverty, and further reflect on the need for greater

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recognition of the harm child poverty does to experiences of childhood; as well as to their future selves.

#### KEYWORDS

benefit cap, child poverty, Family Stress Model, Investment Model, two-child limit

## 1 | INTRODUCTION

Internationally, there are increasingly large variations in the treatment of children within social security systems (Stewart et al., 2023). Recent years have seen a number of examples of significant new investments in support for children: for example Italy's single universal child benefit, Poland's Family 500+ programme, and a new monthly benefit for mothers of children under three in Spain. In contrast, the UK has moved in the opposite direction, introducing cuts and restrictions to financial support that have either directly or disproportionately affected families with children (Cooper & Hills, 2021). This article examines the impact of two such policies: the two-child limit, which restricts means-tested benefits to two children in the family only, and the benefit cap, which imposes an overall cap on the amount of support available if no-one in the household is in paid work. Introduced under the Conservative-led Governments of 2010–2017, both policies create a sharp and historically significant break in the relationship between need and entitlement in social security provision (Patrick & Andersen, 2022).

Analysis by Stewart et al. (2023) places these policies in the context of social security support for children across European countries. Building on Daly's (2020) typology of social policy for children, Stewart et al argue that across diverse national contexts we routinely see a social security policy mix that includes both 'children-oriented' policies and what they describe as 'needs-oriented' policies. Children-oriented policies resource children in their own right as citizens, while needs-oriented policies target children on the basis of needs, for example taking account of family income and household size or structure. Significantly, Stewart et al identify a third strand of 'adult-behaviour-oriented' policies: policies where support for children is in some way contingent on the behaviour of the adults in the household. Here, children are rendered almost invisible, with their needs secondary to the behaviour of adults. Policies that fit this category can be found across at least six other European countries, though the UK's benefit cap and two-child limit are the most striking examples.

As these policies signify a transformation of the treatment of children within the UK's social security system, it is crucial to explore how they affect children in households where they apply. This is especially important given strong evidence from both quantitative and qualitative research of the negative effects of poverty on children's experiences and outcomes (e.g., Cooper & Stewart, 2021; Ridge, 2011).

Quantitative studies have identified a negative causal impact of poverty on a wide range of children's outcomes, including their health, schooling and cognitive outcomes, and social and emotional development (e.g., Blau, 1999; Cooper & Stewart, 2021; Dahl & Lochner, 2012; Milligan & Stabile, 2011; Violato et al., 2011; Wickham et al., 2017). This literature helps identify potential causal processes that explain how having a low household income negatively impacts children. However, the causal processes that can be explored are inevitably restricted in scope by the available data. Additionally, quantitative analysis is unable to capture the lived experiences of affected families or their dynamic responses to hardship. In this article, we foreground qualitative evidence to contribute new understandings of how poverty affects children, and the reasons it may have lasting implications for their ability to thrive.

To explore these effects, we draw on two common theories routinely used to understand the relationship between household income and children's outcomes: the Investment Model and the Family Stress Model (Conger et al., 1999; Mayer, 1997). The Investment Model captures the direct effects of financial resources on parents' ability to buy the things children need to thrive, including nutritious food, learning materials and educational activities. The

Family Stress Model centres the impact of economic hardship on the emotional home environment, and particularly on parents' interactions with each other and their children. While these theories have been tested repeatedly in the UK using quantitative research (e.g., Chzhen et al., 2022; Cooper, 2017; Kiernan & Huerta, 2008), there has been little engagement with them from qualitative research. Using these models as an analytical tool allows our study to speak directly to the wider quantitative literature on the impact of poverty on children. At the same time, we identify key harms not foregrounded by either model.

Our article draws on data from the Benefit Changes and Larger Families project, a major research programme which explores the impact of the benefit cap and two-child limit on families with three or more children. This study includes qualitative longitudinal research with families affected by one or both policies, allowing us to explore and track the impact of living in poverty, and in a context where the social security system provides less income than their needs require.

Our analysis documents how children are harmed by the financial pressures arising from the benefit cap and the two-child limit. We conclude with a call for policies that make substantial investments in financial support for children, rather than ones that withdraw support, as is the case with both the benefit cap and two-child limit. We also highlight the need for both policymakers and researchers to give greater recognition to the harm child poverty does to experiences of childhood, as well as to children's ability to fulfil their longer-term potential.

## 2 | THE BENEFIT CAP AND THE TWO-CHILD LIMIT

The benefit cap and the two-child limit were implemented in the context of a programme of austerity established by the Coalition government (2010–2015) and subsequent Conservative governments (2015, 2017, 2019). This programme of austerity entailed making a series of cuts to social security spending for working-age households, justified on the basis of reducing the public sector deficit (Edmiston, 2018; Taylor-Gooby, 2012). The ensuing restructuring of the UK's welfare state alongside tax reforms has resulted in highly regressive changes that favour those in the upper middle of the income distribution and disadvantages those at the bottom (De Agostini et al., 2018; Edmiston, 2018).

Introduced in 2013, the benefit cap sets a limit on the total amount any household can receive in benefits if no adult earns more than the equivalent of 16 h/week at the minimum wage. There are exemptions for households where an adult or child receives certain disability benefits including Attendance Allowance, Disability Living Allowance and Personal Independence Payment. The cap was initially set at £26,000 per year, in line with median post-tax earnings for working households. The government's stated aim of introducing the benefit cap was to ensure that 'workless households... no longer receive more in benefits than the average working family receives in pay' (DWP, 2012: 1). This rhetoric obscures the fact that many working families are in receipt of means-tested benefits. In November 2016, the cap was lowered to £20,000 (£23,000 in London). It then remained unchanged in cash terms for 7 years. The first increase in the benefit cap's 10 year history was implemented in the face of the cost-of-living crisis, with a 10% rise in April 2023.

Households with higher housing costs and those with more children are disproportionately affected by the cap. Government figures for August 2023 show that of the 83,000 households capped at that point, 90% of capped households had children (DWP, 2023a). Of the total number of capped households, 25,000 contained three children, 15,000 contained four children, and 8000 contained five or more children (DWP, 2023a). Over 300,000 children are estimated to be affected by the cap at any given point (CPAG, 2022a). The average capped amount in the summer of 2023 was £51 per week, with more than 1 in 10 households capped by over £100 per week (DWP, 2023a).

The two-child limit was introduced in 2017. It restricts the child element of means-tested benefits (Universal Credit and Child Tax Credit) to the first two children in a family and affects new births from 6 April 2017. The stated aim of the two-child limit was to ensure that 'families in receipt of benefits face the same financial choices as those supporting themselves solely through work' (Work and Pensions Committee, 2019: 1). Choices about both family size and paid employment appear to be in the frame, though these goals are often implicit, rather than explicitly

stated (see DWP, 2015; Work and Pensions Committee, 2019). There are exemptions to the two-child limit including multiple births, adopted children, and children conceived as a result of rape and during coercive relationships.

Unlike the benefit cap, the two-child limit affects all households in support of means-tested benefits, whether or not they are in paid work. As of April 2023, 59% of claimants affected by the two-child limit were classified by the DWP as being 'in-work' (DWP, 2023b). In April 2023, 1.3 million children lived in affected households, with the number inevitably rising each year that the policy remains in place (DWP, 2023b). The level of support withdrawn is substantial in scale: in 2022 the child element was a maximum £245 per month, rising to £270 per month in 2023. Clearly the loss is cumulatively greater for households with more than three children.

A growing number of households are subject to both the benefit cap and the two-child limit. We estimate that at least 110,000 children were living in such households in 2022 (Stewart et al., 2022). In these cases, the gap between a family's needs and their income is likely to be particularly large: in 2022 a household subject to both policies would have been around £245 per month worse off for each child affected by the two-child limit, and had a further average £200 per month deducted because of the cap. Both policies are vitally important to monitor closely, because they are distinctive internationally (Stewart et al., 2023), and because they represent a significant withdrawal in means-tested support for families with dependent children. Understanding how this affects children is the central task of this article. To make sense of the impacts, we draw in part on two core theories used very widely in the quantitative literature on the relationship between poverty and children's outcomes: the Investment Model and the Family Stress Model.

### 3 | THE INVESTMENT MODEL AND THE FAMILY STRESS MODEL

Two frameworks, the Investment Model and the Family Stress Model, have been designed and progressively advanced by researchers seeking to make sense of the relationships between economic disadvantage and children's outcomes (Duncan et al., 2017). The Investment Model maintains that children's development is ultimately determined by parental wealth and income levels (Becker, 1991). From this perspective, money is a key resource that parents have at their disposal when investing in their children (Duncan et al., 2017). Monetary investments in high-quality childcare, enriching extra-curricular educational activities and housing in safer neighbourhoods are all examples of goods and services that can significantly enhance children's development (Cooper & Stewart, 2013). Typically, low-income households have fewer resources to invest in their children. The Investment Model suggests that disparate levels of investment during childhood between low-income and more affluent families can both reproduce and exacerbate a range of inequalities across generations, with harmful consequences for economically disadvantaged children. The Investment Model arguably captures the most obvious ways in which family financial resources affect children, but in focusing on material consequences it may miss crucial pathways via emotional and psychological impacts. It should also be noted that it is by nature future-oriented, predominantly focused on enabling children to reach their potential, rather than on their experiences of childhood.

While the Investment Model provides a framework for understanding how economic disadvantage can have detrimental effects on children's development through lower levels of financial investment, the Family Stress Model captures how economic disadvantage may also affect children via a negative influence on parents' emotional wellbeing, parental relationships and parenting behaviours (Conger et al., 1999). This model suggests that economic disadvantage creates economic pressure within low-income households which has knock-on consequences for children (Conger et al., 1999). Specifically, persistent financial difficulties in covering essential costs and meeting basic needs can trigger emotional distress among parents (Duncan et al., 2017), which typically manifests in depressed mood and symptoms of anxiety (Kiernan & Huerta, 2008). The build-up of economic pressure and attendant distress can encourage more severe conflict between parents (in families where two parents are resident) and disrupt parents' child raising skills (in all families) by 'making parents less patient' and depriving them of the 'emotional resources needed for supportive and nurturing parenting behaviours' (Cooper, 2017: 66–67). This can in turn

undermine parents' ability to provide a secure and comfortable emotional environment within the household (Wilkinson & Pickett, 2010); conditions often necessary to ensure children are able to successfully navigate the multiple life transitions typically associated with early life (Conger et al., 1999). The Family Stress Model suggests that this may put children at heightened risk of experiencing depression and anxiety, substance misuse, declining school performance, and other anti-social behaviours (Conger et al., 1999). Consequently, by undermining parental ability to maintain a positive emotional environment, economic disadvantage may *indirectly* affect children's development (Conger et al., 1999: 208). In other words, children too 'suffer the effects' of economic disadvantage, but 'due to the *spill over* into their lives from all aspects of their most salient proximate environment—their family' (Conger et al., 1999: 217).

A growing body of literature examines both the Investment Model and (especially) the Family Stress Model as causal pathways linking constrained family financial resources to children's outcomes. Some studies focus on the impact of poverty on intermediate outcomes such as household spending on children's goods (e.g., Gregg et al., 2006), or on maternal depression and relationship conflict (e.g., Cooper, 2017). Others seek to isolate the role of these mediators by mapping the pathways between financial resources and child outcomes via maternal mental health (e.g., Kiernan & Huerta, 2008; Noonan et al., 2018; Schoon et al., 2010). Using quantitative analysis to investigate responses to survey data from both children and adults, Chzhen et al. (2022) have critiqued the Family Stress Model by providing evidence that children, as well as parents, experience economic pressures directly. They argue that the FSM is fundamentally limited in its framing, and underplays the extent to which children are themselves social actors 'actively making sense of and influencing their environment' (2022: 124).

We make use of the Investment and Family Stress Models to explore our qualitative longitudinal data from interviews with parents affected by the two-child limit and/or the benefit cap. To our knowledge, no study to date has used these models in relation to qualitative rather than quantitative data. Doing so enables us to illustrate and illuminate the processes through which both models operate, speaking directly to quantitative research into the impacts of poverty on children's outcomes and development. At the same time, qualitative data has clear strengths and advantages in furthering our understanding of the effects of poverty: qualitative data are not restricted to measuring variables defined in advance by researchers, they can capture complexity and nuance, and they can uncover the most important impacts as participants themselves perceive them. Alongside shedding light on the two models, our analysis therefore enables us to identify additional ways in which poverty affects children's experiences and outcomes.

## 4 | METHODS

The Benefit Changes and Larger Families project is a 3 year multi-method research programme exploring the impacts of the benefit cap and the two-child limit on families with three or more children. The research involves quasi-experimental quantitative analysis, descriptive statistics, and a programme of qualitative longitudinal research with 45 families affected by the two-child limit and/or the benefit cap. The qualitative longitudinal research explores how families are coping with, and responding to, the benefit cap and the two-child limit. Three rounds of individual interviews were conducted between April 2021 and January 2023. This article reports on findings from all three rounds of interviews. The sample sites for the qualitative longitudinal research are Yorkshire and London. The research team principally worked with local authorities to recruit families with three or more children who were affected by the benefit cap, the two-child limit or both policies. To ensure a diverse sample was obtained, a sampling frame was used. Table 1 sets out key characteristics of the participants at the first round of interviews. Due to the project's aims, the experiences of children in smaller households (one or two children) were not obtained. It is possible that their experiences may be different from those reported in this article. Both of the sample sites were in England, with sample sites chosen on the basis of areas with a mix of household types and risks of being subject to the benefit cap and two-child limit. While the two-child limit applies across the UK, there is variation as to how the benefit cap is applied. The cap is mitigated in Scotland and in Northern Ireland, meaning no Scottish or Northern Irish household

**TABLE 1** Key characteristics of the sample.

Characteristic	Number of participants
Policy subject to	
The two-child limit	21
The benefit cap	12
Both policies	12
Number of children	
3	20
4	12
5	8
6	2
7	1
8	2
Relationship status	
Single	29
Partnered	16
Gender	
Female	39
Male	6
Location	
Yorkshire	25
London	20
Ethnicity	
Black African	9
Black Caribbean	1
Pakistani	7
Bangladeshi	7
Black Caribbean and White	1
White	19

should experience the cap. In England and Wales, the cap is set at a higher level for families living in London—a reflection of the higher rents that families living in London face. Notably, the risk of being capped will be higher in areas with more expensive private housing; and this means there are geographical variations (which loosely map onto regional inequalities) in the likelihood of a household being capped, depending on where in England and Wales they live.

Due to the Covid-19 pandemic, most of the interviews were conducted over the telephone. Interview guides were used to explore the range of impacts the policies have on affected families while also ensuring there was space for participants to share other relevant experiences. The first interview guide focused on the impacts of the policies on the participants' household finances, health, children, relationships, motivation and effort to find paid work, and on strategies parents used to get by on a low income. The participants subject to the two-child limit were also asked about the policy's influence on their fertility decision-making. The second interview guide focused on changes in family life, paid work, benefit receipt and the financial impacts of the policies since the first interview, and the impacts of the policies on mental health and the participants' housing situations. The third interview guide followed

up on changes in personal circumstances and social security receipt across the three waves of interviews, the financial impacts of the policies, the cost of living crisis and extra government support, and strategies for managing social security payments. It also explored in more detail the participants' past and current experiences of unpaid care and paid work and the extent of the informal support they received.

With the participants' permission, all of the interviews were audio-recorded and transcribed verbatim. The data was coded in NVivo and analysed thematically. This article draws on themes relevant to the impacts on children of the benefit cap and the two-child limit such as 'impacts on extra-curricular and leisure activities' and 'impacts on family dynamics' to explore the main ways in which children are affected by the shortfall in entitlement. While the data comes from interviews with parents rather than children, the parents frequently spoke about the tangible effects living on a low income had on their children and gave specific examples of things their children had experienced, said or done as a result of living in a household with an inadequate income. The research received formal ethical approval from the University of York. The fieldwork was underpinned by an ethic of care and particular attention was paid to informed voluntary consent, confidentiality and anonymity, prevention of harm and reciprocity. All interviews have been anonymised, and in the following excerpts aliases are used.

## 5 | FINDINGS

We structure our findings under the core themes from our data analysis. We begin by considering the ways that the policies limited families' ability to pay for things their children needed, before widening our frame to consider social and emotional impacts. We then explore how children are impacted by parental emotional distress, and how they respond to this.

### 5.1 | Reduced ability to pay for basic necessities

Our evidence shows the ways and extent to which the benefit cap and the two-child limit reduce parents' ability to pay for basic necessities that are important to children's outcomes. The parents we spoke to highlighted a wide range of basic items they struggled to afford, including food, clothes and heating.

Everything was going wrong for me because when you can't feed your children and you keep going to the food bank it's not so easy; because in the food bank it's not like you can do an actual shopping, it's what they give you and like mostly it's tinned food, and, you know, living on tinned food constantly can get kind of like boring and frustrating for the children.

*Lucy, coupled mum, three children, benefit cap*

[One-year-old daughter] was in size four shoes and she had her feet measured the other day and she's a six, so for the last two months she's been wearing shoes that are two sizes too small, but I couldn't do anything about it.

*Rachel, coupled mum, eight children, two-child limit*

The house is a bit cold as well, because we're dealing with the damp as well, the same thing, because when I call someone to look at the damp they say to me 'The better, the more you put more heating the damp will be less'. So then I said 'How can I do it cos I can't afford it every night the heat to be on?'

*Bushra, single mum, seven children, benefit cap and two-child limit*



## 5.2 | The struggle to afford extra-curricular and leisure activities

We found that parents affected by the benefit cap and the two-child limit routinely struggled to afford extra-curricular and leisure activities. The majority of the participants explained that their children either could not take part in extracurricular activities or had to stop on account of the cost. This is evident in the account of Laura, who was no longer able to afford extra-curricular activities for her eldest child after she became subject to the two-child limit following the birth of her third child:

I mean my oldest, since [youngest child]'s come along he's had to stop doing things... like after school clubs and stuff, and things like that. I just can't afford any extras; so he's had to stop going to his Jujitsu classes which he really loved.

*Laura, single mum, three children, benefit cap and two-child limit*

Similarly, Melissa explained:

They just don't get many days out or owt like that, cos it just costs like a lot and obviously with me not getting nothing for her and paying all that rent like it's just literally week-to-week, pay yer bills and buy yer bit of shopping and then that's it really. It's sad really, in a way, for kids, you know, it's the kids that suffer more than anybody... it's them that miss out and you know, you feel for.

*Melissa, single mum, three children, benefit cap and two-child limit*

## 5.3 | Knock-on emotional and social harms

Our interview data shows it is not just lack of material items and activities themselves that have negative impacts on children: there are also knock-on social and emotional impacts of not having these goods and access to these activities. Due to the benefit cap and the two-child limit, parents lacked financial resources to pay for material items which led to children feeling anxious, sad and embarrassed. Parents frequently commented on the comparisons their children made with those around them and the peer pressure their children faced regarding the clothing and items they did—or more often did not—have. Alisha, who experienced a considerable shortfall in income as she did not get the child element for her youngest two children and was also subject to the benefit cap, explained:

My nine-year-old, a huge impact on him; things like school photos, when school photos come round, he starts to panic because he wants a haircut, he daren't ask me. Cheapest haircut I can get for him is about £10 or £11. I've tried doing clippers and stuff at my home; no, it don't work, he's got very thick hair and he's nine, he wants to look nice. Things like their school uniform, if it wasn't for his school actually buying it this year; again he's got quite anxious. He is a more shy child than my oldest but he didn't have anxiety issues before.

*Alisha, single mum, five children, benefit cap and two-child limit*

Similarly, Jessica, who was also subject to both the two-child limit and the benefit cap, explained how difficult it was for her daughter when she did not have the 'right' school shoes:

One of my children has been wearing trainers that she's not actually allowed to wear at school because I can't afford her a new pair of school shoes...so things like not being able to wear the school uniform properly is affecting her wanting to go to school...my child's going to school and getting picked on cos she can't wear the right school shoes because I don't have £10.

*Jessica, single mum, four children, benefit cap and two-child limit*

Here we see how lack of financial resources leads to stigmatisation, with significant ramifications for children's mental wellbeing, educational attendance, and social exclusion.

Parents also talked about children feeling left out because they could not take part in extracurricular and leisure activities. Ashley explained how her daughter (aged 12) was impacted by inability to afford leisure activities:

She asked if she can go cinema; I can't afford to just give her the money to go cinema. And all her other little friends, she's watching her other little friends going out.

*Ashley, single mum, four children, benefit cap*

This data demonstrates the immediate and acute social and emotional harms that an inadequate income causes children. These harms are also likely to have longer term impacts on children's social and emotional wellbeing.

## 5.4 | Parental emotional distress and harm to relationships between parents

The parents we interviewed commonly spoke of how the inability to pay for basic material items and essential bills resulted in feelings of stress, anxiety and depression:

Since the two-cap happened it made me really depressed and I'm not gonna lie about it because...I started not being able to afford the top-up for my rent.

*Amanda, single mum, four children, benefit cap and two-child limit*

I'm always stressing about money, how am I supposed to pay this, how am I supposed to pay that? So I'm always stressed about that and I always wake up in the middle of the night with all that and it takes me ages to go to sleep on a night-time thinking about that.

*Suzie, single mum, five children, benefit cap and two-child limit*

The qualitative interview data also illustrates how the economic pressure experienced by parents subject to the benefit cap and the two-child limit harms relationships between parents. We saw examples where stress about money diverted attention away from the coupled relationship and caused increased arguments:

Like when you're stressing about it, so it does affect that husband and wife relationship, because you're stressing so much about something else you can't concentrate on each other.

*Yalina, coupled mum, three children, two-child limit*

He [ex-husband] was like 'We already like get paid to have four kids and then we have to support this one, the fifth one and then now the sixth one'. And because we were having lots of argument.

*Khadra, single mum, six children, two-child limit*

Khadra, quoted directly above, had her fifth and sixth children after April 2017, and therefore did not receive the child element for either of these children. This increased the financial strain the family were under, ultimately leading to the breakup of the marriage.

## 5.5 | Impact on parental behaviours

The interview data shows more ambivalent and limited evidence of impact of economic hardship on parental behaviours, and specifically whether the parents adopted harsher and less nurturing behaviours. While the parents we interviewed may have been less inclined to disclose this, the project's findings still provide some insight into these impacts. Parents overwhelmingly tried to protect their children from the negative impacts of economic hardship, including concerning their relationships with their children. On being asked about the impacts of the two-child limit on her mental health, Angela explained that she experienced emotional distress on account of her inadequate income, but tried not to let this negatively affect her parenting:

It's just depressing when you can't do things with your kids or you can't have a Sunday dinner every Sunday, it just gets to you and it does have a knock-on effect and then I don't want to get moody or anything with the children so I'll always take myself away.

*Angela, single mum, five children, two-child limit*

Angela sought to protect her children from her distress by taking herself away. However, some of the parents explained that although they tried to protect their children from seeing their emotional distress caused by lack of adequate income, at times the distress they were under did have an impact on their parenting, as Rachel's comments show:

So yeah, it does impact them and there are days where I just think I just don't want to get out of bed. I mean I do, but yeah, it's like what is the point? And so, yeah, they do notice if I'm not my usual smiley self; cos I do try and just slap a smile on my face and get on with it cos there's not much else I can do about it. So yeah, but they definitely say I'm more, I'm having a go at them.

*Rachel, coupled mum, eight children, two-child limit*

The parents routinely did all they could to protect their children from being adversely affected by financial hardship. But the extent of the hardship the parents were experiencing and the depth of the resulting distress made it impossible for the parents to completely prevent this from causing negative impacts on family relationships and parenting behaviours.

## 5.6 | Children's emotional distress and response

The interviews with parents subject to the benefit cap and the two-child limit show that children pick up on their parents' emotional distress (despite parents' efforts to protect them from this) and in turn become stressed and anxious themselves about their households' financial hardship. Alisha and Kalima, who were affected by both policies and experienced a considerable reduction in entitlement as a result, explained how the policies caused their children emotional harm:

I just want them to be happy; and it does affect happiness, it really does affect happiness. I don't want my kids growing up with worries and anxiety about money; they're children, there shouldn't be anything that's in their world. No, I should be protecting them from that completely but when they're seeing me getting miserable because I can't afford to get them stuff, it's quite obvious.

*Alisha, single mum, five children, benefit cap and two-child limit*

All of this is having a strain on them, which is bad...they shouldn't really be stressing at their age but they are because when they see mummy stressing so that's why they're stressed.

*Kalima, single mum, five children, benefit cap and two-child limit*

The parents' desire for their children to be free from financial worry and able to enjoy their childhood was not always possible given the severity of the financial hardship the policies cause. Instead, children can suffer from considerable anxiety on account of the acute financial pressure their families are facing daily.

At times, the children responded to the emotional distress their parents were under on account of the household's financial hardship by trying to protect their parents from further emotional distress. Some children did this by stopping asking for things. Christina explained how her 12 year old son held off asking her for a new pair of shoes when his current pair was too small:

He does worry...I think that's why he didn't say about his shoes for so long as well, and I had to [say] 'No, no, no, no, they're not that bad, we can manage, if you need something, you know, don't stress it'.

*Christina, coupled mum, three children, two-child limit*

Several of the parents also reported that their older children tried to stop younger siblings from asking their parents to buy things for them. Laura said:

You'll hear him [oldest child] say things when he will be in the shopping, his sister will say that she wants a magazine, he'll say 'Don't ask mummy, don't ask mummy, you know mummy hasn't got money'. You know, and you can see that he's trying to be really like protective and he knows like, all right, I don't want you to ask mum because it's gonna stress her out, she's gonna feel guilty about saying no. And, you know, he'll just say things, like if his friends want to go and do something, he'll say 'Oh, you know, my friends are doing this on the weekend can we go with them? I know if we can't if it's going to cost lots of money, mum, then it's fine, I understand'. And, you know, he's too grown up for his age really.

*Laura, single mum, three children, benefit cap and two-child limit*

While parents try to protect their children from the negative impacts of the benefit cap and the two-child limit, at times, older children try to protect their parents from further emotional distress. This adds to the burden living in poverty places on growing children. As Laura's comment indicates, children are maturing beyond their years and taking on an adult role, which is likely to cause lasting, as well as immediate, harm. Previous research has also found that children are aware of their households' financial hardship and try to protect their parents by hiding their needs (Hooper et al., 2007; Ridge, 2002; Shropshire & Middleton, 1999). Shropshire and Middleton (1999: 42) argue that through this process, children are 'learning to be poor' and that this could result in lower aspirations for their own futures.

## 6 | DISCUSSION

The benefit cap and the two-child limit reduce entitlement to social security provision and in doing so increase child poverty (CPAG, 2022b). Our exploration of the impacts of these policies provides new insight into the Investment Model and the Family Stress Model, two models widely used to explain the links between poverty and children's outcomes. Our data provides strong supporting evidence for both of these models. At the same time, our qualitative

approach provides more nuance and complexity about the causal processes captured in the two models, and also highlights wider impacts that go beyond them.

In relation to the Investment Model, many of the parents in our sample were unable to provide the food, clothing and safe housing environment that children need to thrive. These deprivations affect children's health and are likely also to affect their education; for example, presence of mould and damp in homes has known links to childhood asthma and associated illnesses, which can lead to school absences (Lee et al., 2022). Children were also frequently missing out on participation in extracurricular activities, which studies have linked to positive outcomes including higher educational attainment, civic engagement and psychological flourishing (Guilmette et al., 2019; Mahoney & Vest, 2012).

Our data sheds further light on the causal processes through which a lack of material things affects children—not only through the material deprivation itself, but also via the social and emotional impact of stigma and social exclusion. This receives limited attention in the existing quantitative literature as surveys rarely capture variables that would allow a focus on stigma, especially as felt by children. But these wider impacts came through repeatedly in our interviews: a haircut or the right shoes are important not (only) in their own right, but because of what they mean to children, and the consequences for their self-confidence and willingness to engage in education. One important implication is that we need to widen our perspective of the impact of material deprivation to include not just the lack of the material item itself, but the social meaning of that item: our data supports a relative conceptualisation of poverty.

At the same time, the Investment Model—by nature future-oriented—downplays the relevance of children's well-being in the here and now, and the damage poverty inflicts on their experience of childhood. The longer-term impacts of childhood poverty are of crucial importance, but there remains a need to comprehensively capture the harms experienced in the present. These harms came through strongly in our data. The fact that Laura's son could no longer attend Jujitsu classes because of his family's poverty may well hold longer-term consequences because of the relationship between participation in such activities and longer-term outcomes. But it also affects him today: he had to give up something which gave him enjoyment and pleasure. This is problematic in and of itself, and should also be central to critiques of the harm caused by child poverty (Lister, 2021).

In relation to the Family Stress Model, we found very strong evidence that hardship leads to parental stress, anxiety and depression. We also found evidence of increased relationship conflict in couples. There was more limited evidence that a lack of money led to less nurturing parental behaviours, although some parents felt they were not always able to present cheerfully to their children. In addition, children were clearly picking up on parental distress. These findings all support the pathways encapsulated in the Family Stress Model (Conger et al., 1999; Cooper, 2017; Kiernan & Huerta, 2008).

Our data also reveals complexity in the relationship between hardship and children's emotional distress which the Family Stress Model does not usually capture. First, it was clear that although children's emotional well-being can be directly affected by material hardship as discussed above, it is not always mediated via parental stress. Most quantitative studies do not collect data on children's economic worries, which may be why this is rarely included as a pathway in the model, although recent work by Chzhen et al. (2022) has done so, using their own survey data. Their quantitative analysis describes the lack of attention to children's direct emotional distress as a limitation of the Family Stress Model. Our study provides qualitative support for this argument.

In addition, our study also highlights the complex interactions between children's and parents' well-being in a way that quantitative analyses are simply unable to do. It was clear that children not only suffer from considerable anxiety on account of the acute financial pressure their families face daily, but that they go out of their way to try to protect parents from further emotional distress by hiding their own needs or managing the demands of younger children. Taking on this adult role too soon may cause long-term harm. But it also means children are losing out on the experience of childhood. Children's actions to manage the impacts of poverty are not captured in the traditional Family Stress Model.

In sum, our evidence points to the need to give greater centrality to children themselves in our understanding of the pathways through which poverty affects children and childhood. Albeit in different ways, both the Investment Model and the Family Stress Model position children in relation to adults—to their future adult selves and to their parents' levels of stress. But it is clear that the impact of poverty is also felt very directly by children. Material deprivation has a substantial effect on the everyday experience of childhood, not just on children's future opportunities, and it does so in ways that are felt not only as material absence but as social exclusion, stigma and anxiety. In addition, children are not only passive subjects exposed to the effects of parental economic stress but active agents seeking to manage and reduce this stress by protecting their parents.

Our study therefore highlights the need for greater direct visibility of children within theories explaining the impact of poverty on children. Even more urgently, it underlines the need to increase the visibility of children in the UK's social security system. Stewart et al. (2023) suggest that the two-child limit and benefit cap are examples of adult-behaviour-oriented policies which treat children as secondary, focusing instead on the behaviour and parenting of the adults in their household. There is clearly a grave problem with making support for children contingent on parental 'choices' around work or fertility: it explicitly prevents the social security system from being able to do its essential poverty-preventing work. The harms done to children by the two-child limit and the benefit cap underscore the importance of centring children within policy design, with policy explicitly oriented towards children's rights and/or children's needs, not adult behaviour.

## 7 | CONCLUSION

The research reported in this article demonstrates the considerable impacts of the benefit cap and the two-child limit on children. Despite parents' best efforts to protect their children from the negative impacts of the policies, the poverty households endure has a range of severe and interlocking impacts on children. Insufficient social security payments create an inability to meet basic needs and to afford extra-curricular and leisure activities, which in turn generates specific social and emotional harms for children. These include social exclusion and stigma, and feelings of anxiety, sadness and embarrassment. The financial hardship that these policies create can also lead to children trying to protect their parents from further distress, resulting in children carrying considerable burdens at a young age and potentially maturing prematurely as they seek to protect their own parents from some of the consequences of their poverty. These impacts are detrimental to children's everyday lives in the immediate term, but are also highly likely to negatively impact children in the long term, for example, by hindering healthy emotional and physical development and lowering educational attainment (Cooper & Stewart, 2021; Ridge, 2011). These impacts are also very difficult, if not impossible, for parents to prevent. While the government claims that people can escape the benefit cap by undertaking paid work, and can make up the shortfall from the two-child limit by entering paid work or increasing earnings, in the majority of cases these options were simply not possible for the project's participants (see Patrick et al., 2023 for a detailed discussion).

It is also important to note that although the material and relational impacts were felt across the sample, there was some variation in the severity of the material impacts. For example, households with more children (such as Kalima's and Rachel's) were especially badly affected by the policies. Conversely, some households received financial support from relatives and this helped to minimise the effect of the policies.

In demonstrating the negative impacts of the two-child limit and the benefit cap on children, this article sheds new light on how poverty adversely affects children. The qualitative evidence presented here illustrates the causal processes underpinning both the Investment Model and the Family Stress Model, but also provides insight into further harms arising from poverty. These include the social and emotional harms that result from an inability to afford material goods and children's activities, the emotional distress children themselves experience, including directly, on account of acute financial hardship, and the fuller range of negative impacts on family dynamics, particularly the ways in which children try to protect their parents from emotional distress.

In addition, our qualitative research highlights the harms child poverty does to everyday experiences of childhood; harms that matter in and of themselves, and not just because of their negative impact on the adults that these children will become. Policymakers should recognise children as 'beings' and not just 'becomings' (Chzhen et al., 2022), something which would both require and enable a more ambitious and progressive approach. As Lister (2021: 78) has persuasively argued in her analysis of poverty, there is a '...need for a child-centred perspective that places due emphasis on what poverty means for childhood itself and that treats children as agents in their own lives'. The empirical evidence shared in this article reinforces Lister's call, which is one we would make of researchers and policymakers alike.

For researchers, there is more to do to centre and illuminate the emotional and social harms which arise from poverty, and the negative impacts that children can experience, not all of which are mediated through their parents (see also Chzhen et al., 2022). While the research reported here includes parents' descriptions of the tangible effects living on a low income had on their children, with specific examples of things children had experienced, said and done as a result of living in a household with an inadequate income, we acknowledge the limitation that we did not speak to children themselves. To understand the full impacts of recent social security reforms and poverty on children, it is essential to centre children as experts and learn directly from them. This recognises children as social actors who are best placed to share their experiences and perspectives (Ridge, 2002, 2011).

For policymakers, our qualitative evidence is a stark illustration of the multiple and severe harms caused by poverty, and—in this case—by two poverty producing policies: the benefit cap and the two-child limit. In the UK, both policies should be urgently removed, while internationally, policymakers should prioritise policies that invest in children, and which are orientated towards children and towards tackling child poverty (Daly, 2020; Stewart et al., 2023). This should be premised both on an articulation of the damage child poverty does in the longer-term, but also on more aspirational and positive statements that make the moral case for building a society in which children can experience their childhood free from financial hardship and its consequences. In the UK context, we would argue that the removal of the benefit cap and two-child limit constitutes a necessary starting point to a more ambitious and wide-ranging effort to effectively tackle child poverty and place children's needs at the centre of policymaking and social security policy specifically. Here, there is particular scope in targeted work with children themselves to more effectively map and understand the extent and nature of their needs, and how different interventions are experienced, not just by parents, but by children themselves (see Ridge, 2002). Beyond that, we would advocate for an approach that much more squarely, and following innovation in Scotland, talks about investment in children and their families through our social security system as a positive and necessary foundation to a decent and more socially justice society (see Social Security Scotland, 2024). We would promote investment in children through mechanisms such as Child Benefit (CPAG, 2023), which should once again be universally provided as a recognition of the costs of children and should be increased significantly. We would also advocate for universal free school meals provision (Cohen et al., 2023). But no country can claim to be taking child poverty seriously while the benefit cap and two-child limit remain in place.

In our interviews with parents affected by these two-policies, we asked for any message they would like to share with policymakers about the impact of the benefit cap and the two-child limit. Parents often emphasised what they described as the unfairness of the harms caused; harms that ultimately fell to their children. Rachel explained:

It's not fair; the people that are suffering are the kids, you know, like I said, wearing clothes that don't fit 'em, shoes that don't fit 'em, they don't have enough food in their bellies...And so you are punishing the kids.

*Rachel, coupled mum, eight children, subject to the two-child limit*

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The authors declare that there is no conflict of interest.

## DATA AVAILABILITY STATEMENT

Research data are not shared.

## ETHICS STATEMENT

The research reported on in this article received formal ethical approval from the University of York.

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