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## The cost of a child in 2019

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**CHILD  
POVERTY  
ACTION  
GROUP**

# THE COST OF A CHILD IN 2019

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**SEPTEMBER 2019**

Donald Hirsch



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Child Poverty Action Group works on behalf of the more than one in four children in the UK growing up in poverty. It does not have to be like this. We use our understanding of what causes poverty and the impact it has on children's lives to campaign for policies that will prevent and solve poverty – for good. We provide training, advice and information to make sure hard-up families get the financial support they need. We also carry out high-profile legal work to establish and protect families' rights. If you are not already supporting us, please consider making a donation, or ask for details of our membership schemes, training courses and publications.

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The logo for Child Poverty Action Group is a bright pink, tilted rectangle. Inside the rectangle, the words "CHILD POVERTY ACTION GROUP" are written in white, bold, uppercase letters, stacked vertically.

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## ABOUT THE AUTHOR

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**Professor Donald Hirsch** is Director of the Centre for Research in Social Policy, Loughborough University, where he leads the Minimum Income Standard for the UK programme. A former journalist and writing and research consultant, he has written widely on poverty and related fields. From 1998 to 2008 he was Poverty Adviser to the Joseph Rowntree Foundation, where he wrote a number of major reports on child poverty, welfare reform, long-term care and the situation of older workers.

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## **ACKNOWLEDGEMENTS**

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# CONTENTS

## One

- 7 Introduction

## Two

- 9 The calculation

## Three

- 11 The cost of a child in 2019

## Four

- 24 Some cost and income trends, 2009–2019

## Appendix

- 27 The main calculations

# ONE INTRODUCTION

Many families in the UK have found it increasingly difficult to cover the cost of bringing up children in recent years. Costs have risen faster than incomes. Parents are reluctant to see their children go without essentials, yet those on low incomes may face a stark choice between not meeting their children's needs, making severe material sacrifices themselves or going into debt.

Since 2012, a series of calculations supported by the Child Poverty Action Group have systematically monitored the minimum cost of a child.<sup>1</sup> This eighth report in the series updates those calculations. It highlights the growing significance of the benefit cap and the 'two-child limit' on means-tested benefits, together with the increasingly complex system for government support with childcare costs.

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## THE CONTEXT

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The past decade has been unprecedentedly tough for families on modest incomes. Household costs have risen, while household incomes have stagnated. After a fall in general household incomes at the end of the last decade, median income (after housing costs) grew by 8 per cent in real terms (adjusted by the Consumer Prices Index (CPI)) between 2012/13 and 2016/17, before levelling off in the following year.<sup>2</sup> However, many families on low incomes benefited little from the modest overall growth in incomes in the mid-2010s, and some saw a further fall.

Families on low incomes have been particularly disadvantaged by cuts in benefits, tax credits and universal credit, affecting disposable incomes both in and out of work. The various elements of child tax credit and child benefit have grown by between zero and 3 per cent since 2012, whereas consumer prices have risen by 12 per cent. Many families have faced additional losses through the benefit cap, cuts in housing benefit and the introduction of the 'bedroom tax'. Working families have benefited from a modest rise in real wages, with over-25-year-old parents on the national minimum wage having seen a much sharper increase of 35 per cent between April 2012 and April 2019. However, much of these gains are



clawed back through the tax credit system, since the level at which tax credits are reduced as income rises has stayed the same, and losses through the freezing of tax credits have tended to outweigh net gains from earnings. Similarly, universal credit rates and the work allowance are not rising with inflation under the freeze.

The net effect of these trends on family wellbeing depends not only on what is happening to incomes but also on what happens to costs. The use of the CPI to compare the 'real' value of family income over time neglects the fact that not all costs rise in line with the CPI. Indeed, a review of changes in the minimum required for an acceptable living standard between 2008 and 2018<sup>3</sup> suggests that minimum household costs have grown substantially faster than the CPI, largely because certain essentials such as food, energy and transport have risen more rapidly in price than goods and services generally – creating a higher rate of inflation for low-income families than the published CPI rate. In 2019, this has been accentuated by high increases in the cost of public transport, domestic fuel, council tax and childcare.<sup>4</sup> It is in this context that it is important to monitor the actual cost of raising children, and not just family incomes.

This report updates the calculation of the cost of a child for 2019, and then goes on to make comparisons between these costs and incomes. Chapter 2 explains the basis of the calculation, Chapter 3 shows the main results for 2019 and Chapter 4 presents the trends in costs and incomes over the last decade.

#### Notes

1. D Hirsch, L Sutton and J Beckhelling, *The Cost of a Child in the Twenty-first Century*, Child Poverty Action Group, 2012
2. Department for Work and Pensions, *Households Below Average Income 1994/95 to 2017/18*, 2019
3. A Davis, D Hirsch, M Padley and C Shepherd, *A Minimum Income Standard for the UK, 2008–2018: continuity and change*, Joseph Rowntree Foundation, 2018
4. D Hirsch, *A Minimum Income Standard for the UK in 2019*, Joseph Rowntree Foundation, 2019

# TWO THE CALCULATION

The 2012 study on the cost of a child developed a detailed, systematic and updatable method for making such a calculation.<sup>1</sup> This is based on the 'minimum income standard (MIS) for the UK', which researches regularly what members of the public think are the essential items that every family should be able to afford (see p10).

The calculation of the cost of a child starts with MIS budgets for a range of family types. These are the product of detailed discussions among members of the public, specifying which goods and services a family would need in order to reach a minimum acceptable standard of living.<sup>2</sup> The costed items in MIS range from food, clothing and heating bills to modest items required for social participation, such as buying birthday presents and taking a week's self-catering holiday in the UK once a year.

The cost of an individual child is calculated not by producing a list of items that a child needs, but as the difference that the presence of that child makes to the whole family's budget. For example, the additional cost of a first child for a couple is the difference between costs for a couple without children and for a couple with one child. The additional cost of a second child aged, say, six with a sibling aged eight is calculated as the difference between the budget of a family with two children aged six and eight, and that of a family with just an eight-year-old. Similarly, calculations are also made for lone-parent families, whose costs with one child are compared with the cost of a single adult.

These calculations are made for different children according to their birth order, in each year of their childhood, and also added up to produce a total cost from birth to age 18. They are shown both with and without childcare costs (which, for those requiring childcare, now comprise nearly half of all the costs of a child reported here). Additional housing costs are also included, using a model of minimum costs based on social rents for families with children, but this understates the cost to families in private housing, who may need to spend considerable additional sums to rent or buy a bigger home in order to accommodate additional children.

## The minimum income standard

The minimum income standard is the income that people need in order to reach a minimum socially acceptable standard of living in the UK today, based on what members of the public think. It is calculated by specifying baskets of goods and services required by different types of household in order to meet this need and to participate in society.

The research is funded by the Joseph Rowntree Foundation and carried out by the Centre for Research in Social Policy (CRSP) at Loughborough University, producing annual updates from 2008 onwards. It was originally developed in partnership with the Family Budget Unit at the University of York, bringing together expert-based and ‘consensual’ (based on what the public think) methods. The research entails a sequence of detailed deliberations by groups of members of the public, informed by expert knowledge where needed. The groups work to the following definition:

*A minimum standard of living in the United Kingdom today includes, but is more than just, food, clothes and shelter. It is about having what you need in order to have the opportunities and choices necessary to participate in society.*

This research process involves agreement being reached by groups of members of the public, and then checked and rechecked by subsequent groups. Each group has detailed discussions stating its rationale for what should be included in a minimum household budget. The standard therefore represents a considered, settled agreement on what is the minimum, rather than just a collection of subjective opinions held by individuals.

The minimum income standard distinguishes between the needs of different family types. It applies to ‘nuclear’ families and to childless adults – that is, to households that comprise a single adult or a couple, with or without dependent children.

For further information, see [www.lboro.ac.uk/research/crsp/mis](http://www.lboro.ac.uk/research/crsp/mis).

### Notes

1. D Hirsch, L Sutton and J Beckhelling, *The Cost of a Child in the Twenty-first Century*, Child Poverty Action Group, 2012
2. See [www.lboro.ac.uk/research/crsp/mis](http://www.lboro.ac.uk/research/crsp/mis)

# THREE THE COST OF A CHILD IN 2019

## SCORECARD: THE COST OF A CHILD IN 2019

The following 'scorecard' summarises the cost of a child in 2019 and its relationship to basic family incomes. Each of the seven indicators in the scorecard is then looked at more closely, in graphs showing the change since the costs were first calculated in 2012.

### Scorecard: cost of a child in 2019

A. How much extra a child adds to family costs, and how much social security benefits contribute to this cost	Minimum additional cost of a child (averaged for first and second child)	
	Couple	Lone parent
1. Basic cost over 18 years	£74,333	£102,620
2. Full cost over 18 years	£150,582	£185,036
3. Percentage of basic cost covered by child benefit	22%	16%
4. Percentage of basic cost covered by child benefit plus maximum child tax credit (or children's element of universal credit)	95%	69%
B. The extent to which families have enough to cover the minimum cost of living	Net income as a percentage of minimum family costs (family with two children, aged 3 and 7)	
	Couple	Lone parent
5. Not working	56%	58%
6. Each parent working full time on the national living wage	90%	79%
7. Each parent working full time on the median wage	110%	84%

Note: 'Basic cost' does not include rent, childcare or council tax. 'Net income' refers to disposable income, after subtracting rent, childcare and council tax.

Families are assumed to receive available benefits in the 'legacy' system as most families with children have not yet moved onto universal credit (for non-working families, their entitlement to the basic benefits shown here is the same in universal credit).

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## THE COST OF A CHILD AND HOW IT IS CHANGING

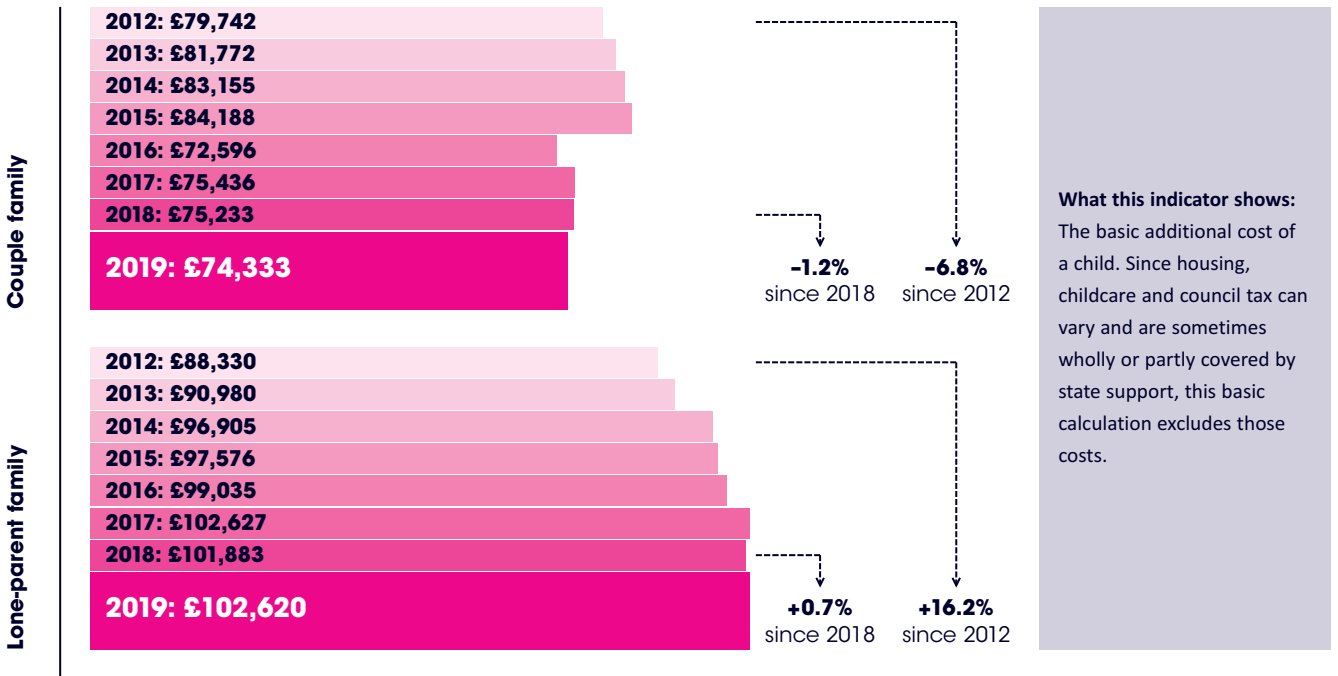
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Indicators 1 and 2 are indicators of the cost of raising a child. As these evolve over time, we can see how this cost is changing, relative to general prices and to earnings.

Overall, in the year to April 2019, the estimated minimum cost of bringing up a child from birth to her/his 18th birthday, excluding rent and childcare costs, stayed largely stable, falling slightly to just over £74,000 for a couple and rising slightly to nearly £103,000 for a lone parent. (Actual family costs rose with inflation, but the *additional* costs of children were affected by transport costs rising by less for families with children than for those without children.<sup>1</sup>) The overall cost of a child, including rent and childcare, stayed stable at just over £150,000 for a couple but rose from £183,000 to £185,000 for a lone parent. The overall cost of bringing up a child has risen by 5.5 per cent for couples and 19 per cent for lone parents in the past six years.

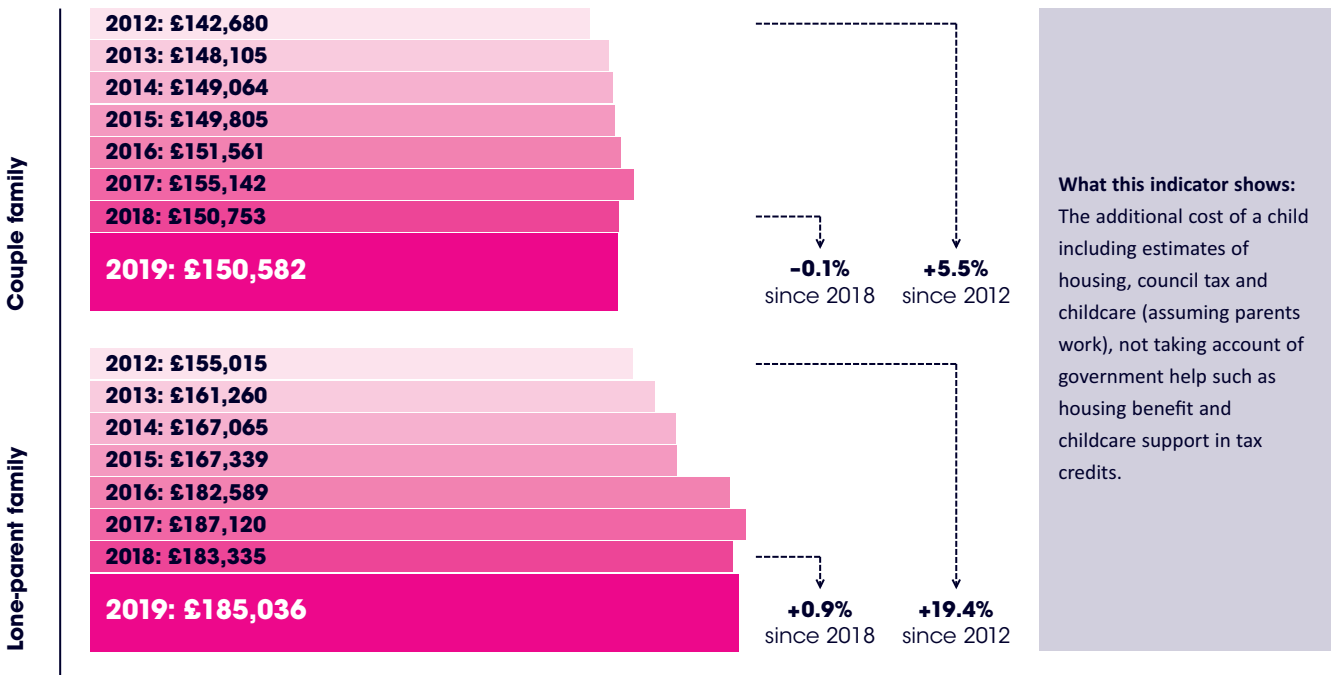
### Indicator 1

#### Basic cost of a child, from birth to age 18



### Indicator 2

#### Full cost of a child, from birth to age 18

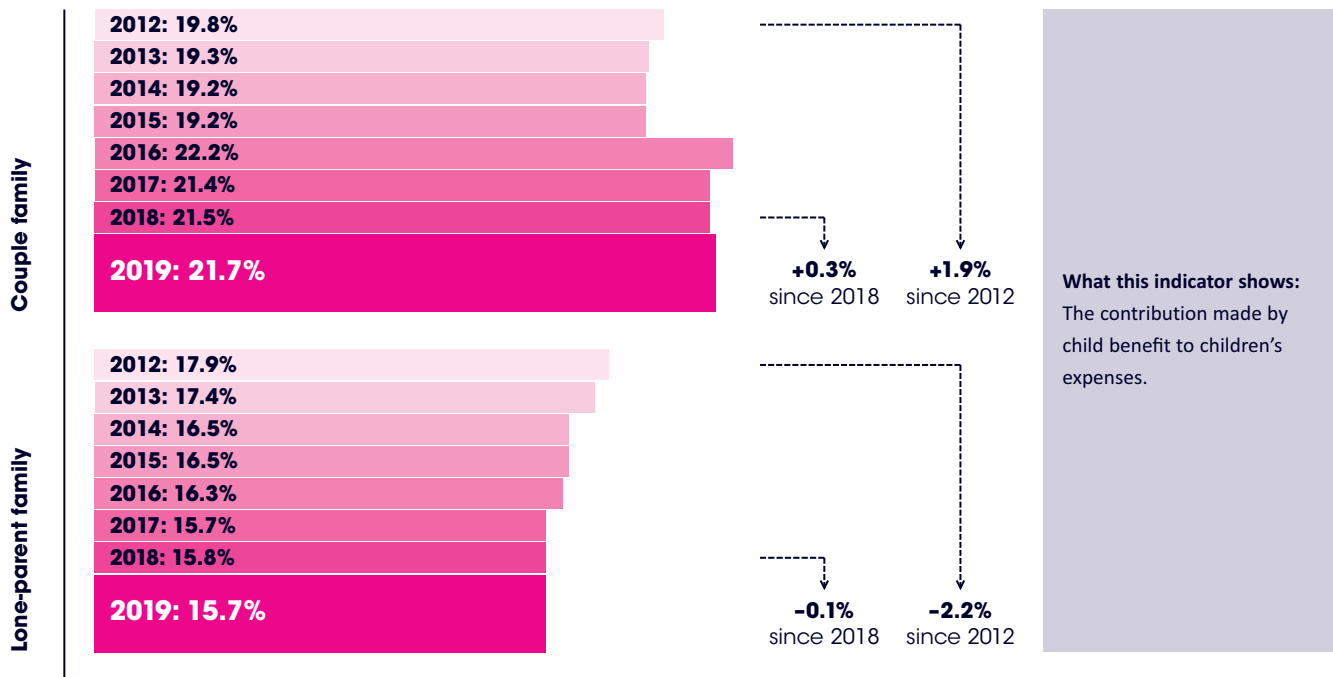


## THE ADEQUACY OF CHILDREN'S BENEFITS

Indicators 3 and 4 show how much of the additional costs of a child, not including childcare, are covered by benefits.

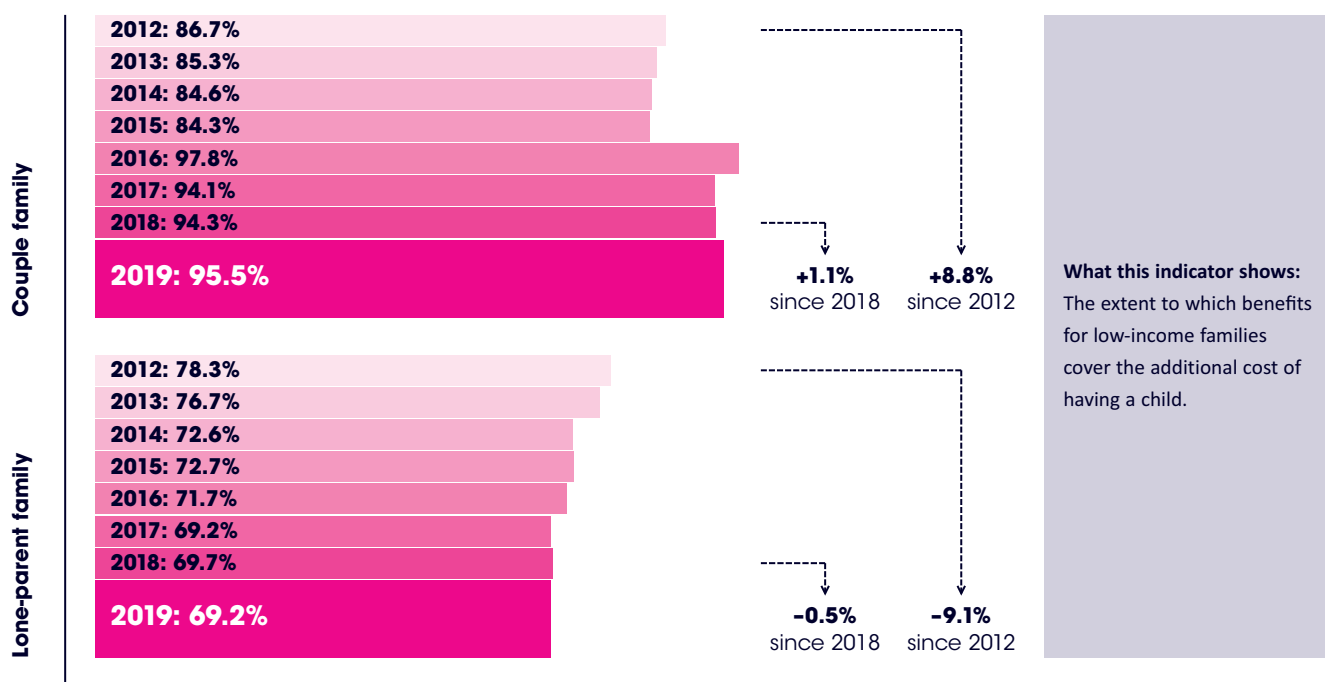
Child benefit and child tax credit (and its equivalent in universal credit) have not increased in cash terms since 2015. The return of inflation since 2016 has caused an overall fall in the proportion of the minimum provided by these benefits, but with no significant change in the past year. Child benefit now covers barely a fifth of the cost of a child for a couple, and less than a sixth for a lone parent. Children's benefits cover a lower percentage of the cost of a child for lone parents because the additional cost of a child is higher for lone parents than for couples, largely because for those areas where parents have lower specified spending requirements than adults without children, this offsetting benefit is only felt once for a single adult rather than twice for a couple. For those receiving maximum child tax credit and child benefit, the overall benefit package for children now falls 30 per cent short of covering the cost to a lone parent of bringing up a child, up from 22 per cent in 2012. For a couple, it falls less than 5 per cent short, less than in 2012, influenced by a more modest assessment of minimum costs made by couple parents in 2016, in the wake of years of austerity.<sup>2</sup> It is important to bear in mind that while children's benefits still cover the bulk of the additional cost of a child, adult benefits fall so far short of covering the cost of adults that families fall far short of meeting their costs overall, as shown in Indicator 5.

### Indicator 3 Percentage of basic cost covered by child benefit



#### Indicator 4

Percentage of basic cost covered by child benefit plus maximum child tax credit



## THE ADEQUACY OF FAMILY INCOMES

Indicators 5 to 7 go on to consider incomes relative to costs from the perspective of the whole family rather than just the additional cost of children. They show the adequacy of family income after any childcare, rent and council tax have been paid (but including as income the amount the government gives to help pay for these things). They tell us what families who do not work, who work for the minimum wage or who earn the median wage are left with to pay weekly expenses, relative to what they need.

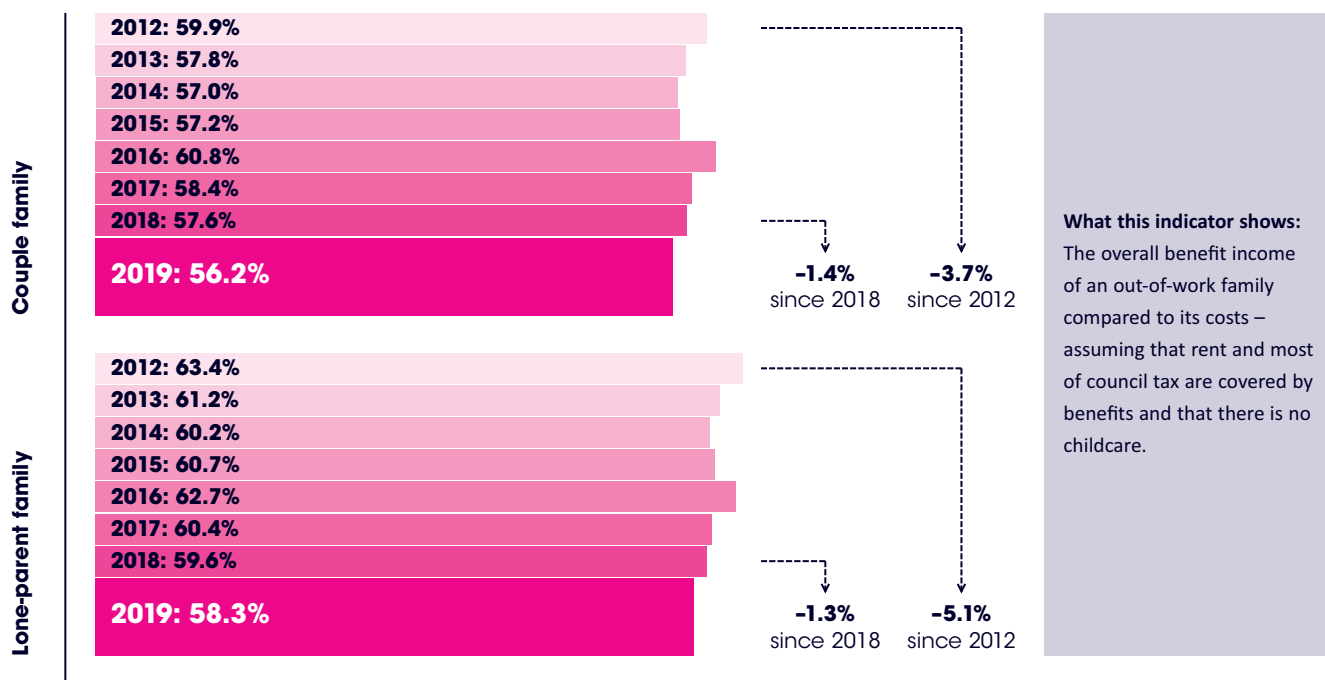
Out-of-work benefits continue to fall far short of what is needed for a minimum acceptable standard of living. As shown in Indicator 5, this shortfall has grown overall since 2012, and although there was some improvement in the adequacy of benefits in 2016 when more modest requirements were specified by parents in the research, this has since been followed by a sharp deterioration, due to incomes falling behind inflation. Both couple families and lone parents who rely entirely on support from social security now have incomes that fall 40 per cent short of the budget that they need for a socially acceptable minimum.

Despite the increase in the national minimum wage for over-25-year-olds (labelled the 'national living wage') from £7.83 to £8.21 in April 2019, parents receiving this pay rate are unable to earn enough to meet their families' needs,



## Indicator 5

### Disposable family income as a percentage of minimum family costs: out-of-work family

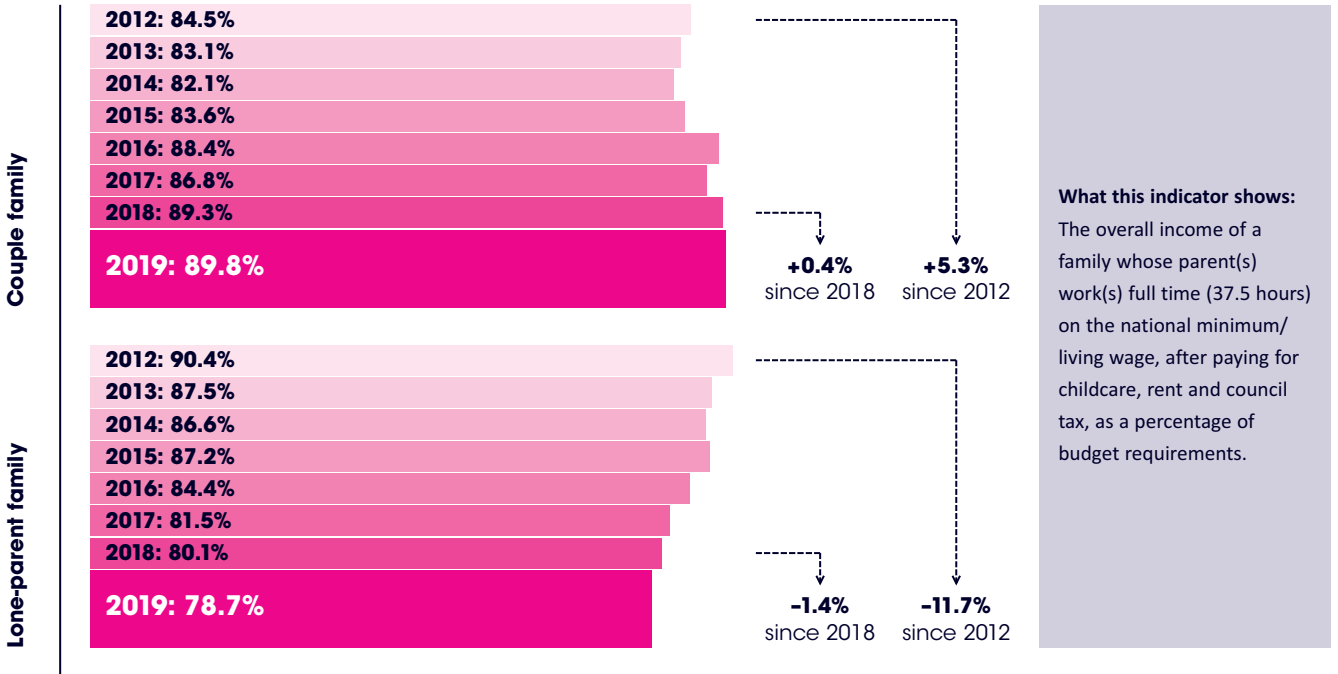


even if they work full time. Gains made from higher minimum wages have been offset by the freeze in tax credit support. Families with two working parents have tended to benefit overall: where both work full time, the shortfall in disposable income has fallen from 16 per cent of minimum family needs in 2012 to 10 per cent in 2019; and where one works full time and the other half time, it has fallen from 17 per cent to 14 per cent. However, for households with fewer working hours overall, the shortfall has risen: from 23 per cent to 24 per cent for a single-earner couple, from 10 per cent to 21 per cent for a lone parent working full time and from 12 per cent to 24 per cent for a lone parent working half time.<sup>3</sup> An important influence on these trends is the fact that, as wages rise, much of the gain is clawed back through the means testing of tax credits against earnings – with a similar effect for those on universal credit. The amount that families can earn before this ‘tapering’ occurs has not been adjusted to reflect rising pay and prices, meaning that only around a quarter of additional pay is retained (once taxes are taken into account).

For families working full time on the median wage of £12.78 an hour, the contrast between lone parents and couple families is particularly pronounced. Lone parents now fall 16 per cent short of an adequate income even with a reasonably paid job, up from only 6 per cent in 2012, burdened in particular by the high cost of childcare. For a couple with two young children, on the other hand, median wages produce disposable income 10 per cent above the minimum. Such couple families are now less vulnerable to benefit cuts than lone parents. A couple with

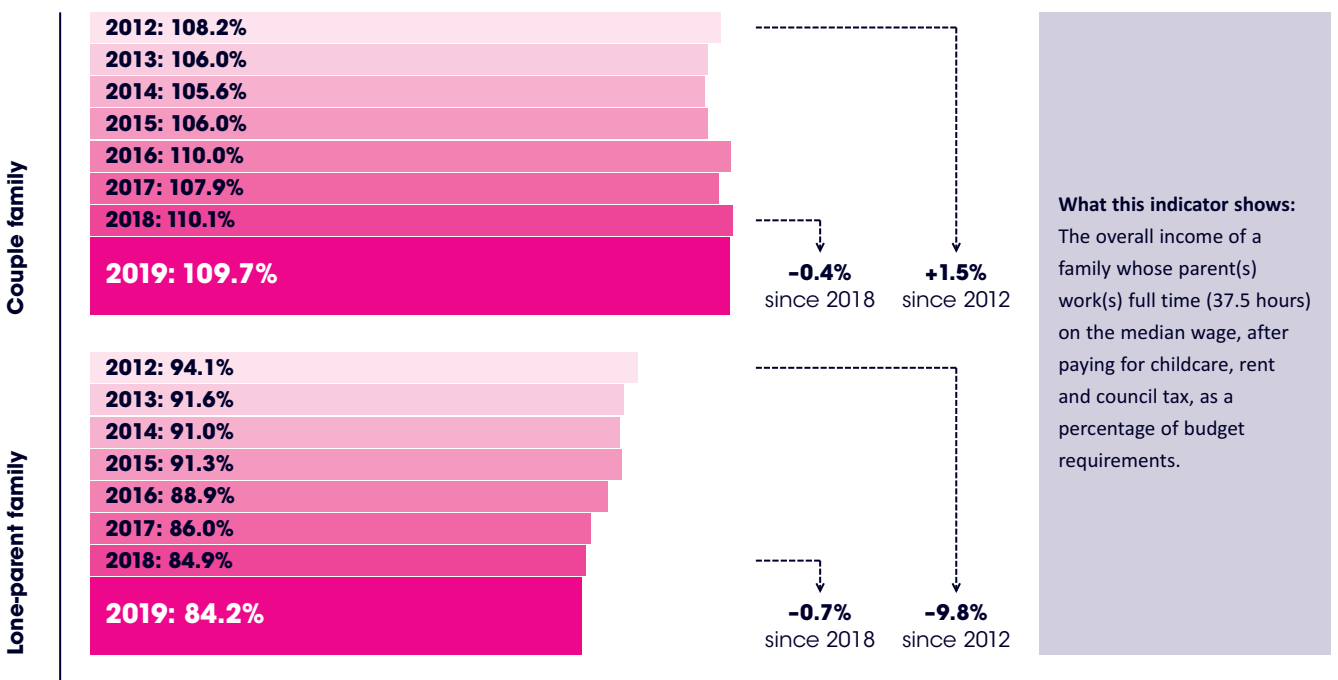
Indicator 6

Disposable family income as a percentage of minimum family costs: working full time on national minimum/living wage



Indicator 7

Disposable family income as a percentage of minimum family costs: working full time on median wage



two children working full time on median wages does not receive any support from tax credits or universal credit (although they do receive child benefit), whereas a lone parent on such a wage still relies on these to help fund childcare if s/he pays for it.

## HOW MUCH FAMILIES NEED AND THE ADEQUACY OF BENEFITS: FURTHER DETAIL

The following table and graphs update those published in the 2012 report, *The Cost of a Child in the Twenty-first Century*. For more detail on their interpretation, see Chapter Five of that report.<sup>4</sup>

- Table 3.1 shows the additional cost of children, according to their birth order and whether they are brought up by one or by two parents. This shows that, in general, the cost of each successive child in the family tends to fall with economies of scale, but that this is not a straightforward relationship. The arrival of a first child brings some general additional costs (notably the cost of a car, which is not considered essential for families without children), but also brings some economies in terms of the ways in which adults tend to specify their own needs as parents, compared with before they were parents, such as a reduced budget for some forms of socialising. (These are greater for couples than for lone parents, since they apply to two adults.) Since these savings are not repeated with subsequent children, the relative cost of the first child is not as

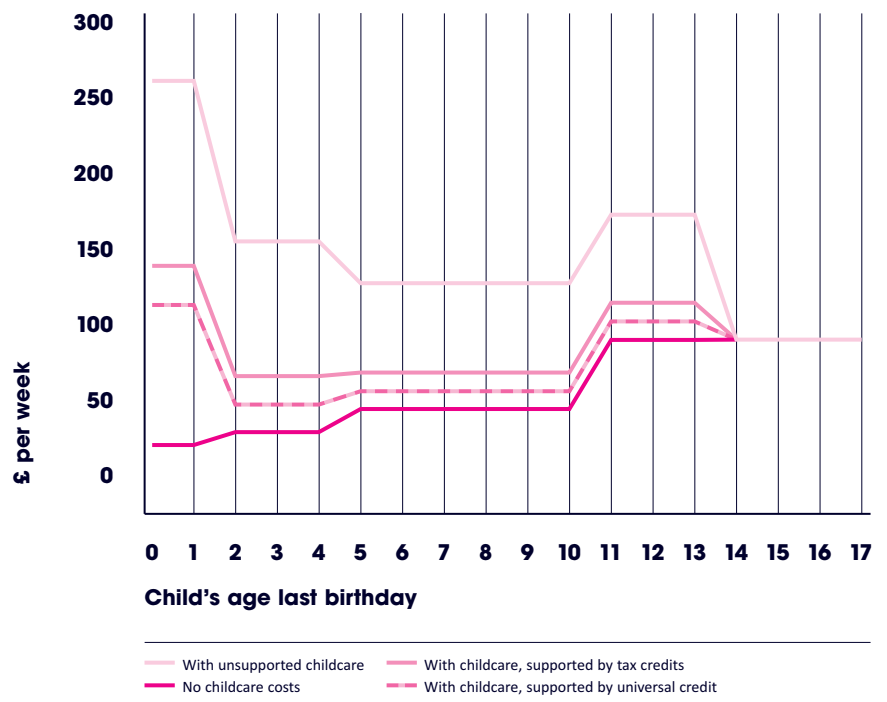
Table 3.1  
The additional cost of each child, 2019

	Couple parents				Lone parent		
	First child	Second child	Third child	Fourth child	First child	Second child	Third child
Total cost over 18 years	£141,922.16	£159,242.22	£173,096.85	£162,236.27	£199,700.61	£170,371.96	£158,700.47
Average per year	£7,884.56	£8,846.79	£9,616.49	£9,013.13	£11,094.48	£9,465.11	£8,816.69
Average per week	£151.21	£169.66	£184.43	£172.85	£212.77	£181.52	£169.09
<b>Excluding rent, childcare and council tax</b>							
Total cost over 18 years	£74,142.19	£74,523.24	£87,330.58	£80,096.10	£122,288.90	£82,951.86	£88,355.37
Average per year	£4,119.01	£4,140.18	£4,851.70	£4,449.78	£6,793.83	£4,608.44	£4,907.52
Average per week	£78.99	£79.40	£93.05	£85.34	£130.29	£88.38	£94.12

great as it would otherwise be. Moreover, there are some features of having additional children that can bring new types of cost. For example, a tumble dryer is not considered essential until there are at least three children in the family, and some larger families need a larger car. Other differences can be produced by specific aspects of shopping costs. For example, the economies of buying larger food pack sizes in supermarkets are not always continuous, as there may be an additional per-person cost at the point where a larger family's needs just exceed what is supplied in a standard large pack.

- Figure 3.1 shows the relationship between the age of a child and weekly costs according to whether a family needs to use childcare and, if so, whether the family's income is sufficiently low to get help paying for it through tax credits. This graph shows that, for families paying for all of their childcare costs, the cost of children is greatest when they are youngest, most particularly before they are eligible for up to 30 'free' hours of childcare, now theoretically available to three- and four-year-olds whose parents work.<sup>5</sup> For those without childcare costs, on the other hand, expenses increase with the child's age.

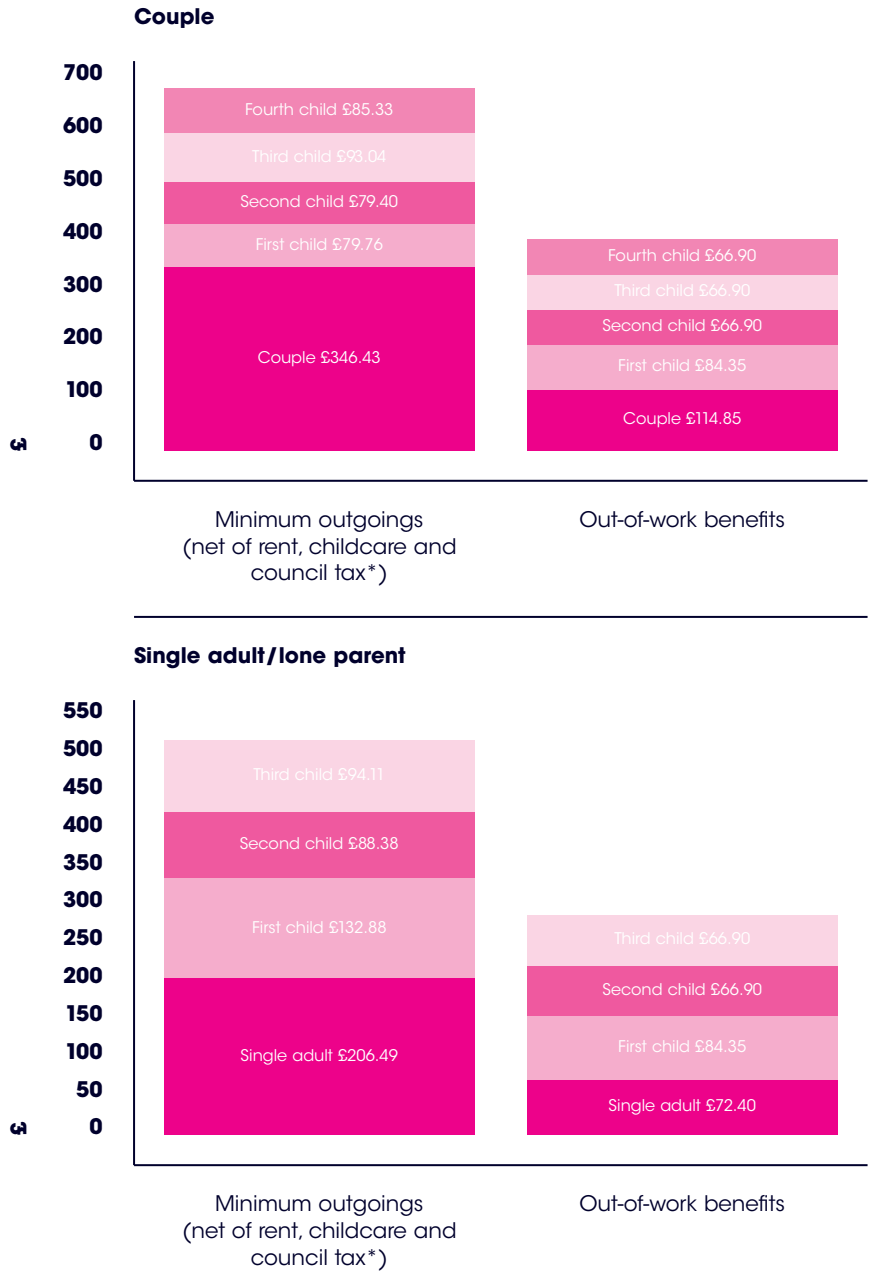
Figure 3.1  
Additional cost of first child of a couple, by age and childcare status, 2019



Tax credits and universal credit help even out the cost of a child over the lifecycle, by giving working families on low incomes support with childcare. The combination of the early years entitlement and tax credits reduce net childcare bills for a pre-school child to a level similar in scale to the additional cost of feeding, clothing and in other ways providing for children at primary school, making the net cost of a child similar at pre-school and primary school ages. By secondary school age, however, the costs rise significantly, driven by higher spending requirements on items such as food, clothing and leisure activities. For those on universal credit, which pays up to 85 per cent of childcare costs rather than 70 per cent under tax credits (cut from 80 per cent in April 2011),<sup>6</sup> net costs are more tilted towards higher ages, although the failure to increase the maximum childcare fundable through tax credits or universal credit means that families continue to face very high childcare costs for under-three-year-olds.<sup>7</sup> (Note that the jump in costs shown at the age of 11 in Figure 3.1 is due to the simplified assumption that day-to-day costs are the same for any child aged 5–11 and the same for any child aged 11–18, so the increased cost of a secondary school child comes all at once. On the other hand, a schoolchild’s childcare needs are assumed to continue until age 14, so there are three years when both of these costs combine. In reality, changes are likely to be more gradual, but it is reasonable to assume that the growing cost of a child at secondary school will start to kick in before the expense of childcare ceases.)

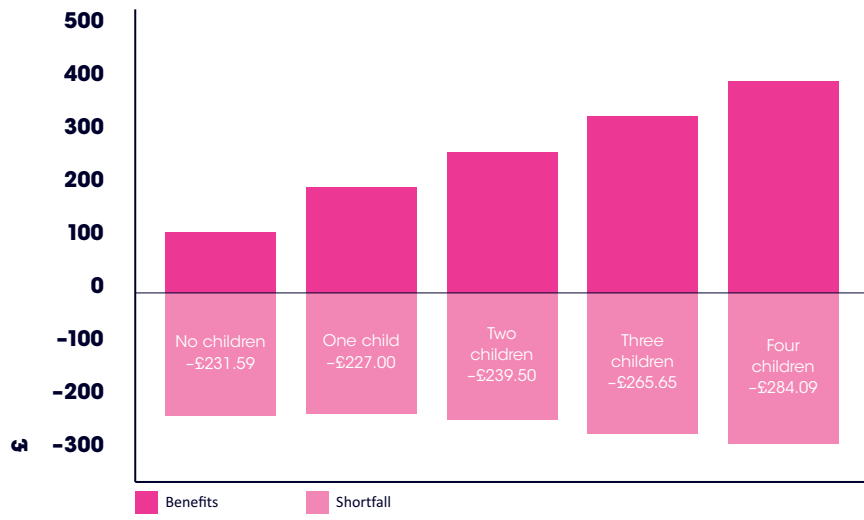
- Figures 3.2 and 3.3 show how much the state contributes to the cost of a child, in the case of families without any income from work. (This does not take account of the ‘two-child limit’ with respect to children born after April 2017. For such children, the benefit level reduces from £66.90 a week to £13.70 as a result of losing child tax credit but retaining child benefit). Figure 3.2 shows that benefit entitlement is more generous, compared to costs, for children than for adults. For the first child of a couple, additional benefits are around £5 a week higher than additional costs. For other examples shown here, additional benefits for children are between 63 per cent and 84 per cent of additional costs. This is down on the previous adequacy of children’s benefits, albeit still much higher than for adults, where it is well under a half. This means that a family with children has a greater *percentage* of their costs covered by benefits than those without – provided they are not subject to the two-child limit or benefit cap. However, as shown in Figure 3.3, having additional children increases the shortfall, in absolute terms, between benefit income and needs, with the exception of the first child of a couple.

Figure 3.2  
 Cumulative weekly costs and benefit entitlement for successive children, non-working families, 2019



Note: Applies to children born before April 2017, and therefore not subject to the two-child limit.  
 \*Except the portion of council tax not covered by benefits.

Figure 3.3  
Adequacy of out-of-work benefits for couple families



Note: Combined bars show minimum spending requirements, net of rent, childcare and council tax.

The amounts available are not shown after the benefit cap because the amount to which it reduces benefit entitlement depends on housing costs, which vary from family to family. However, the highest entitlement shown in Figure 3.2, the £400 entitlement of a couple with four children, will now rarely be paid, since it is already above the benefit cap limit outside London and less than £50 below the London benefit cap, which also takes account of housing benefit paid on top of the basic benefit amounts shown. Analysis in the 2018 *Cost of a Child* report shows the huge shortfalls which families affected by the benefit cap can face.<sup>8</sup>

The fact that the ‘adult’ elements of tax credits and universal credit are so low relative to need suggests that a more adequate set of entitlements would depend on a higher level of family benefits, rather than depending only on per-child entitlements being brought closer to the cost of individual children. In fact, the £10.45 a week family element of child tax credit is being phased out, as is its equivalent in universal credit. To make family benefits of equal adequacy to individual children’s benefits, such a per-family payment would need to be raised to between £60 and £100 for lone parents and to between £100 and £180 for couple parents.<sup>9</sup>

#### Notes

- Specifically, groups of members of the public agree that, outside London, families with children need cars, whereas those without children do not. Since public transport fares rose more than car costs in 2019, the additional net cost of having to use a car more, and using public transport less, as a result of having children, reduced somewhat.

2. See D Hirsch, *The Cost of a Child in 2016*, Child Poverty Action Group, 2016
3. See D Hirsch, *A Minimum Income Standard for the United Kingdom in 2019*, Joseph Rowntree Foundation, 2019
4. D Hirsch, L Sutton and J Beckhelling, *The Cost of a Child in the Twenty-first Century*, Child Poverty Action Group, 2012
5. However, limits in the accessibility of this benefit, and its association with rising charges by providers, are discussed in Coram Family and Childcare's *Childcare Survey 2019*.
6. This applies to families not receiving in-work housing benefit, either because they earn above the income threshold at which they are entitled or because they are home owners. Those receiving housing benefit recoup a higher proportion of their childcare bill because the income test in housing benefit disregards an additional amount of income equal to eligible childcare costs.
7. See D Hirsch, *The Cost of a Child in 2018*, Child Poverty Action Group, 2018
8. See D Hirsch, *The Cost of a Child in 2018*, Child Poverty Action Group, 2018, Chapter 5
9. This represents the level of family benefit that would cover between 63 per cent and 84 per cent of adult costs, and therefore bring the whole-family benefits into this range as a percentage of whole-family costs.



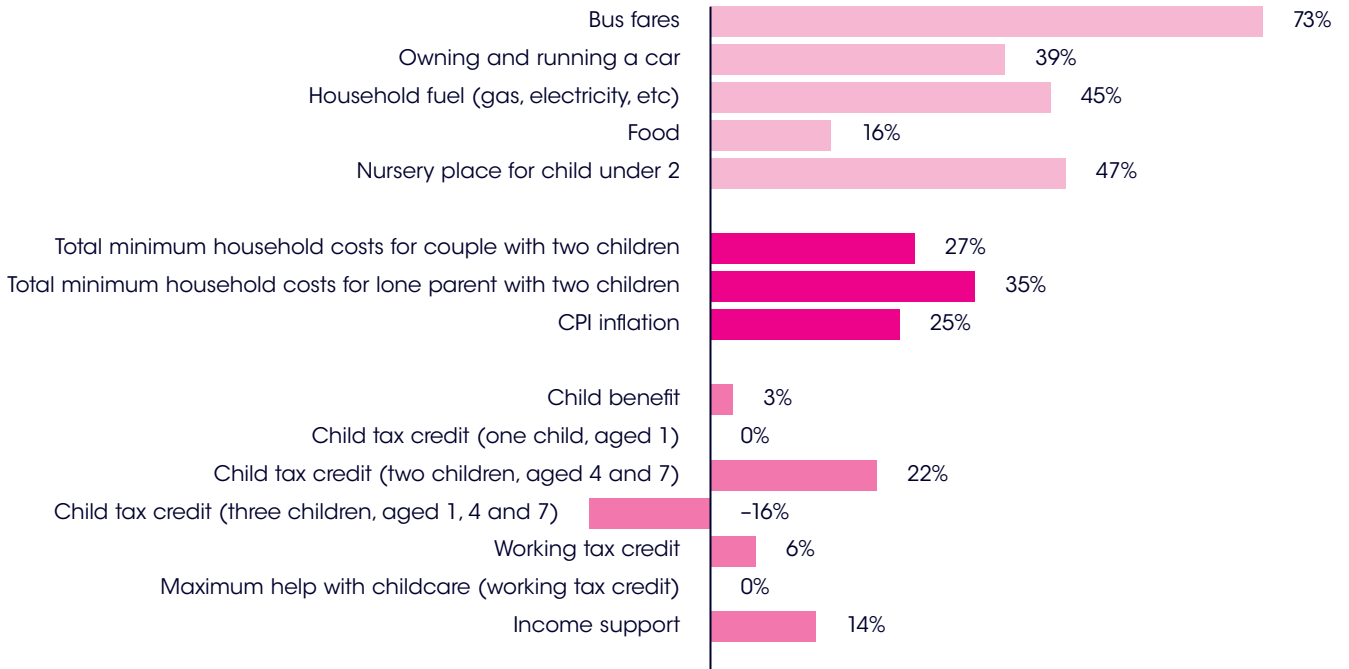
# FOUR SOME COST AND INCOME TRENDS, 2009-2019

As the cost of a child has risen over the past decade, for many families incomes have fallen behind. The following three graphs briefly present some salient features of the way in which this has been the case.

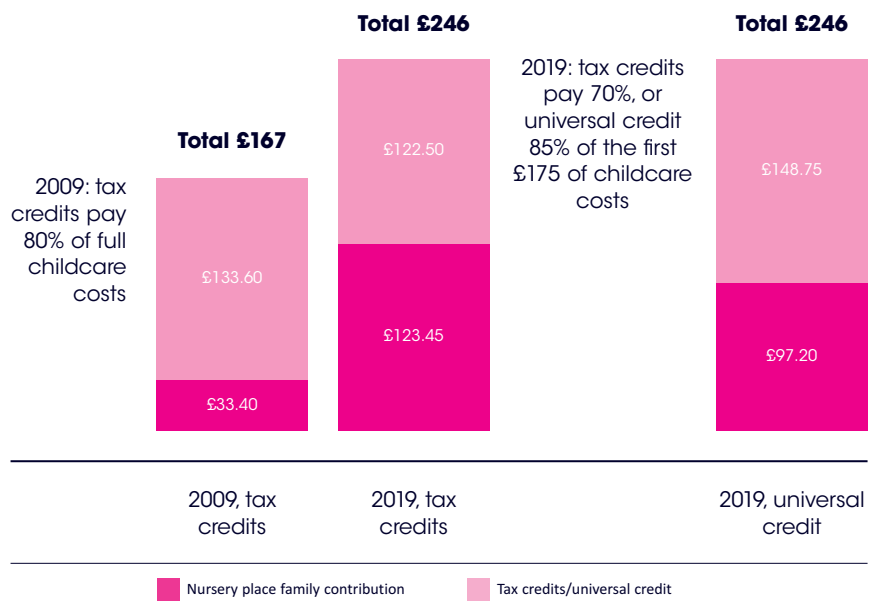
Firstly, Figure 4.1 gives an overview of the ways in which costs have been increasing, and benefits far more slowly or, in some cases, not at all. Specifically, the minimum cost of raising a family has risen faster than the 25 per cent increase in the Consumer Prices Index (CPI), especially for lone parents for whom it has risen by over a third. All main benefits have risen more slowly than the CPI, and some not at all. In the case of larger families affected by the ‘two-child limit’, they have fallen.

Secondly, Figure 4.2 shows a particularly sharp increase in the costs that families can incur for childcare. This is the product of sharply rising childcare costs and the fact that the ceiling on the level of fees eligible for support through tax credits or universal credit has not risen. Even with the higher rate of reimbursement under universal credit, the burden on families has tripled.<sup>1</sup>

**Figure 4.1**  
Increase in selected costs, compared to increase in benefits, 2009–2019



**Figure 4.2**  
The cost to a low-income family of full-time childcare for a child under two has at least tripled between 2009 and 2019



Finally, Table 4.1 illustrates an often-neglected aspect of the tax credit and universal credit systems – the effect of ‘disregards’ and ‘tapers’ on the ability of families to increase their earnings over time. Since 2009, the minimum wage for over-25-year-olds has risen by 43 per cent, considerably more than inflation. However, the threshold at which tax credits start being tapered (the ‘disregard’) has not been changed, and the taper rate has increased, with the combined effect of reducing the increase in retained earnings to 30 per cent, similar to the increase in family costs. Effectively, this represents a higher proportion of earnings being lost through the taper, with the result that even with an exceptionally fast increase in the minimum wage, retained earnings have only risen at about the same rate as family costs (see Figure 4.1). This means that cuts in the level of in-work benefits represents a net loss. Under universal credit, the initial announced rate of the disregard (the ‘work allowance’) was cut in 2016, but a roughly similar increase implemented in 2019, as well as the taper rate being reduced in 2018. These were encouraging developments, but nevertheless the failure routinely to increase disregards in line with earnings means that the system’s default is to restrict gains from increasing wages for families on low incomes, by subjecting higher proportions of earnings to tapering as earnings grow.

**Table 4.1**  
Disregards and retained annual earnings, tax credits system, 2009 and 2019

	2009	2019	Increase
Gross earnings working full time on minimum wage	£11,204	£16,053	43%
Disregarded earnings	£6,420	£6,420	
Earnings on which tapering is based	£4,784.20	£9,633.48	
Taper rate	39%	41%	
Amount of earnings tapered	£1,865.84	£3,949.73	
Percentage of earnings tapered	17%	25%	
Earnings after taper	£9,338.36	£12,103.75	30%

**Notes**

1. These calculations do not take account of additional childcare-related support through housing benefit – see footnote 6 on page 26. If this were included, the comparison with universal credit would be even less favourable.

# APPENDIX

# THE MAIN

# CALCULATIONS

The following table sets out the basis for the cost of a child calculation.

Table A1 Additional costs 2019, £ per week

1. Excluding childcare, rent and council tax	Couple				Lone parent			
	Age last birthday	First child	Second child	Third child	Fourth child	First child	Second child	Third child
	0	43.72	49.11	67.64	51.77	95.02	49.56	57.71
	1	43.72	49.11	67.64	51.77	95.02	49.56	57.71
	2	50.80	56.21	74.74	58.82	102.09	56.66	64.81
	3	50.80	56.21	74.74	58.56	102.09	56.66	64.81
	4	50.80	56.21	74.74	58.56	102.09	56.66	64.81
	5	66.47	63.78	82.31	66.25	117.77	64.23	72.39
	6	66.47	63.78	82.32	66.25	117.77	64.23	72.39
	7	66.47	63.78	82.32	66.25	117.77	64.23	72.39
	8	66.47	64.63	83.13	67.10	117.77	65.08	73.24
	9	66.47	64.63	83.13	67.10	117.77	65.08	73.24
	10	66.47	64.63	83.13	129.44	117.77	65.08	73.24
	11	111.89	110.94	128.02	128.02	163.19	111.39	118.17
	12	111.89	110.94	128.02	110.94	163.19	111.39	118.17
	13	111.89	110.94	110.94	110.94	163.19	111.39	111.39
	14	111.89	110.94	110.94	110.94	163.19	111.39	111.39
	15	111.89	111.12	111.12	111.12	163.19	162.75	162.75
	16	111.89	111.12	114.97	111.12	163.19	162.75	162.75
	17	111.89	111.12	114.97	111.12	163.19	162.75	162.75

2. Including childcare, rent and council tax	Couple				Lone parent		
	Age last birthday	First child	Second child	Third child	Fourth child	First child	Second child
0	266.48	294.84	307.41	291.54	328.04	295.29	297.48
1	266.48	294.84	307.41	291.54	328.04	295.29	297.48
2	159.68	188.07	200.64	184.72	221.24	188.52	190.71
3	159.68	188.07	200.64	184.46	221.24	188.52	190.71
4	159.68	188.07	200.64	184.46	221.24	188.52	190.71
5	132.67	152.95	165.52	149.47	194.23	153.40	155.60
6	132.67	152.95	165.54	149.47	194.23	153.40	155.60
7	132.67	152.95	165.54	149.47	194.23	153.40	155.60
8	132.67	153.80	166.34	150.32	194.23	154.25	156.45
9	132.67	153.80	166.34	150.32	194.23	154.25	156.45
10	132.67	153.80	166.34	129.44	194.23	154.25	156.45
11	178.09	200.10	211.23	211.23	239.65	200.55	118.17
12	178.09	200.10	211.23	200.10	239.65	200.55	118.17
13	178.09	200.10	200.10	200.10	239.65	200.55	117.34
14	94.88	94.88	200.10	200.10	156.44	117.34	117.34
15	94.88	94.88	94.88	94.88	156.44	156.44	156.44
16	94.88	94.88	94.88	94.88	156.44	156.44	156.44
17	94.88	94.88	94.88	94.88	156.44	156.44	156.44

