

More, please, for those with less: why we need to go further on the Universal Credit uplift

Members of the 'COVID-19 and low-income families: researching together' Special Interest Group of the [COVID Realities](#) project explain why the government must go further in its provision of financial support for families with children in the light of the coronavirus crisis.

The COVID-19 pandemic has laid bare the shortcomings within the UK social security system. The Westminster Government's efforts to temporarily support the social security system through measures such as the £20 weekly uplift to Universal Credit (UC) are welcome and have offset significant hardship. However, they still fall short of making our benefits system fit for purpose.

The 2021 Budget, despite pledging to extend the UC £20 uplift for six months until October 2021, will only exacerbate already rising levels of hardship and destitution for families on a low-income. Not extending the uplift for those on legacy benefits, or impacted by the benefit cap, further marginalises those who have been excluded from the uplift since it was first established.

Since April 2020, the [Covid Realities](#) project, a research collaboration between parents and carers, the Universities of York and Birmingham, and Child Poverty Action Group, has been documenting the experiences of parents and carers on a low-income as they navigate the pandemic. We have also brought together a collective of [fourteen different research projects across the UK](#), including academics and researchers from the voluntary sector, in a Special Interest Group. Together, these projects are working with over 4,000 parents and carers, through a range of approaches, including quantitative, qualitative, longitudinal, and participatory approaches, involving online and telephone interviews; diaries; national surveys, both postal and online; asset mapping; and virtual discussion groups with parents and carers living in poverty, alongside community stakeholders and practitioners from national support organisations. As such, we have a strong collated and co-produced evidence base to draw on, giving us insights into key issues facing parents and carers on a low income at this time. This makes our collective well-placed to assess how the budget has responded to the pressing needs of families living on a low income.

Alongside a [growing number](#) of academics, campaigners, charities, and activists, we have [previously outlined](#) a strong case to do more for low-income families with children, and to prevent rising levels of hardship and destitution. Our findings show that many families with dependent children receiving UC are reporting financial hardship, with associated debts, stress and worry. The £20 uplift is therefore important to help mitigate this hardship, especially for those [losing jobs](#) or with reduced hours of work.

Our findings have shown that, even with the temporary relief of the £20 uplift for those receiving UC, benefit levels are inadequate for many. While the £20 uplift represents a significant increase to UC, it does not always make a decisive difference to people's financial circumstances. Critically, it is paid at a flat rate, meaning that single households and those without children get the same increase as those whose households [include dependent children](#). The uplift will, therefore, be especially inadequate for larger families, who simultaneously have greater needs and are at risk of benefit reductions through the two-child limit and the benefit cap. There is therefore a clear need for a wider consideration of the [adequacy of the benefits system](#).

This also points to the cumulative impact of a decade of real-terms cuts to social security benefits under sustained austerity measures. Working age benefits have been left behind as earnings, state pensions, and costs of living have all risen. Child benefit has been subject to [freezes](#) and sub-inflationary uprating since 2011, reiterating how families with children have been particularly affected. The £20 uplift is therefore needed to at least partially redress the imbalance.

For some families, the £20 weekly increase in UC payments was absorbed into debt deductions or used to cover additional – and rising – living costs. These increased costs often had severely negative effects, such as an increase in [food insecurity](#), and worsening mental health, which had an impact upon both parents and their children. Legacy JSA and ESA claimants, who did not receive the UC uplift, reported the [highest levels of food insecurity](#). For those households in poverty before the pandemic and/or in debt, often as a result of benefit advances, the additional £20 was absorbed into debt repayments or used to purchase essentials which had been necessarily neglected because of the poverty they faced. Often, parents and carers were [currently repaying advance payments of UC](#), and described how these [debt deductions](#) left them struggling despite the £20 uplift. The government must take immediate steps to reduce the ways in which such deductions push families further and deeper into poverty and associated debt and hardship.

Removing the £20 uplift in October 2021 would have a devastating impact on family budgets. There is a compelling case to do more for low-income families with children, and to prevent rising levels of hardship and destitution, not just for UC recipients, but also those who are currently excluded from the financial benefits of the uplift. The failure to extend the uplift to those on legacy benefits and those subject to the benefit cap is deeply problematic, and creates a [two-tiered system](#) of deservingness for people receiving legacy benefits, who are predominantly disabled, sick, or carers.

Those who are subject to the benefits cap have also been excluded from the UC uplift. The [social and economic fallout](#) from COVID-19 has created a context where the actions that families can take to avoid the benefits cap, such as finding paid work, or moving to a new house, have become much harder, if not impossible. Inevitably, the receipt of the £20 uplift has then led to some households experiencing the Benefit Cap, sometimes for the first time, adding additional hardship and complexity to families' lives.

For families with dependent children on a low income, the government's adjustments to the benefit system have been inadequate in sufficiently addressing poverty. From the evidence gathered across COVID Realities, it is clear we need to re-design systems and supports. One solution would be a (long overdue) real terms [increase to the level of Child Benefit](#), which would not be subject to the problems associated with means testing that can undermine Universal Credit. The government must go further by providing dedicated financial support for families with children as we continue to navigate the way through the coronavirus crisis.

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