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## How to solve child poverty

*As we await the publication of the Child Poverty Strategy, Kitty Stewart, Ruth Patrick and Aaron Reeves reflect on the extent to which increasing parental employment is part of the solution to child poverty. Contrary to conventional wisdom, they argue that getting more parents into paid work will make little difference to child poverty rates overall – unless accompanied by wider policy action.*

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What do we need to do to reduce **child poverty** in the UK? Ministers from recent **Conservative** and **Labour** administrations have been in agreement: get more parents into work.

That “work is the best route out of poverty” is a mantra that also seems to **resonate** with the public: it appeals to common sense and chimes with normative ideas about individual responsibility. **Social security benefits** are often seen as a temporary sticking plaster – a second-best solution which fails to tackle the real drivers of poverty.

And yet the more we have explored this question in our research, the more convinced we are that increasing rates of parental employment has a relatively small role to play in reducing child poverty in the UK. In a new **paper** published this month, drawing on our new research and on wider literature, we explain why.

## Increasing employment is not free or easy for government

The first key point is that there have already been very substantial increases in parental employment over recent decades. **Lone parent employment is up** from around half to two-thirds across the last 20 years. More mothers in couples are also working – up from 69 per cent to 77 per cent over the same period. And there has been an increase in the share of both lone and coupled mothers working full-time.

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These changes are worth celebrating; they are likely to be good for long-term gender equality, and they mean higher tax revenues for the exchequer. But they also mean it has become harder and more expensive to make further progress. **The Resolution Foundation** has shown that nearly 90 per cent of families where no adult is working face at least one significant barrier to work – either a child under five, three or more children, or an adult or a child with a disability or long-standing health condition. This situation in part reflects already very stringent **work requirements** on most Universal Credit recipients (including most of those facing these barriers), and is a very different scenario to that faced, for example, by New Labour when they took office in the late 1990s. There was very limited childcare provision at the time, and no conditionality on Income Support for lone parents until a youngest child reached 16. Helped by a growing economy, it was relatively easy to increase lone parent employment from a low base using policies like childcare investment and the New Deal for Lone Parents.

This is not to say that we should not pursue further improvements, but it is not an easy solution; it will require significant investment in employment support and will take time. It should also be underlined that what drove child poverty down under the last Labour Government was, overwhelmingly, not in fact **the employment increases**, but accompanying investment in child tax credits – so, even where successful, increasing employment is only part of the story, as we go on to discuss now.

## Increased parental employment does not necessarily lift individual families out of poverty

Second, it would be wrong to assume that increasing parental employment will necessarily drive poverty down. Some **70 per cent** of children in poverty live in working households today, and the ability of work to take a family out of poverty has fallen over time. Our new analysis of longitudinal

data finds that where an adult moves from no work to full-time work in a family with three children, the job lifts them above the poverty line in only 43 per cent of cases – down from 66 per cent a decade ago.

This is not just because of low wages; in fact minimum wages have **risen** significantly in recent years and are higher now in the UK relative to median wages than in most other countries. The big issue is that wages do not adjust to meet the extra costs that come with a growing family. This means that even in families where parents work full-time, and even when wages are above the national minimum, the wage may not be enough on its own to ensure children can thrive. This insight was a key **motivation** behind the introduction of family allowances in the post-war welfare state. Cuts in family benefits over the last decade have left more work for wages to do – and they are not always up to the job.

## Not all families have two parents who can work full-time

Third, there will always be families for whom full-time paid work – and especially two full-time workers – is not feasible just at the moment because of family structure, caring responsibilities, health or other challenges. The rate of child poverty in society as a whole reflects the situation of these families too. This is particularly important given that the government's target poverty measure is based on a relative poverty line (60 per cent of equivalised median), which is the standard approach across Europe and in our view the right one. But it follows that employment growth which benefits some families can leave others – those working part-time or not at all – further behind.

The situation of Laura, who we interviewed for our **Benefit Changes and Larger Families** research project, is illustrative. Laura became affected by the two-child limit when she had to leave work because of a serious health condition, and when we met her, her youngest son was being assessed for a number of conditions:

*"I mean there's two things; one is am I gonna be healthy enough to work, and also...things are so uncertain for my youngest at the moment, you know, they're testing him for multiple conditions and I just don't know if I'm ever gonna be able to not be caring for him full-time... So I'd love to [go] back to work... I can't... [know]... what his needs are gonna be as he gets older, but right now he's, he needs full-time care."*

*Laura, July 2021 (Single mother of three, Benefit Changes and Larger Families research project)*

## The limited impact of work

For a combination of these reasons – that wages do not adjust to family size, that in some cases employment will be part-time and/or low paid, and that the poverty line is relative – even very big shifts in employment are likely to have only very modest impacts on child poverty.

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For example, the government has set an **employment target** of 80 per cent by the time of the next election – widely agreed to be highly ambitious. For parents alone it would require an additional 600,000 people in work. Based on figures from the **OB** on past employment programmes (e.g. the **NHS Talking Therapies** programme, which provides personalised employment advice and help with job applications and interview preparation, alongside mental health support), we estimate this could easily cost £9 billion/year, net of expected welfare savings. Yet our modelling with IPPR points to a reduction of around 100,000 children in poverty by the time of the next election, which would only be enough to prevent an expected rise from 4.5 million to 4.6 rather than to 4.7 million children living in poverty. By comparison, abolishing the two-child limit should lift 500,000 children out of poverty.

## Social security is key to reducing child poverty

None of this is to say that the government should not place effort and investment on helping parents to combine paid work with family responsibilities. Good jobs are good for individual and family wellbeing and mean higher tax revenues that can be invested back into the welfare state. And there is value in creating policies that support parents to progress in work, and to ensure that employers do more to support parents to balance their paid and care work.

However, it is clear that “more work” does not on its own lead to child poverty reductions. Increases in parental employment were accompanied by reductions in child poverty under the last Labour Government, with a **drop** from 34 per cent to 27 per cent (or from 4.3 million down to 3.6 million children, even as the child population grew). But, as we have **shown** definitively, what allowed poverty to fall in that period was not in fact the rise in work, but investment in social security benefits for families both in and out of work. This was the social security system doing its job,

supporting millions of families to meet the extra costs of children at the time they needed it. From 2013, cuts to these benefits meant child poverty rose – despite a continued rise in parental employment.

We hope that the long-awaited child poverty strategy will include serious action to make it easier for parents to enter, remain and progress in paid work. But if child poverty is to fall, it is essential that the strategy does not rely on popular but misleading platitudes that suggest that this alone will reduce poverty. Instead, it must place its investment in social security benefits for families with children at its heart.

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*A longer version of the argument made here was published in November 2025 as **CASEbrief 44**, “Why we won’t turn the tide on child poverty with employment alone”, published by the Centre for Analysis of Social Exclusion (CASE). That in turn draws on work conducted as part of the Benefit Changes and Larger Families research **project**, funded by the Nuffield Foundation.*

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