

Who bears the brunt?

Intersectional analysis of social security cuts since 2010



Summary

A series of cuts and changes to benefits since 2010 have had a devastating impact on women on low incomes, women from Black and minority ethnic backgrounds, lone mothers, disabled women and households with three or more children.

Women spend more time on unpaid domestic and care work¹, which means they tend to have less income from paid work, hence leading them to rely on social security more than men do. Women also receive benefits for others that they care for, especially children and disabled family members.

Our analysis of the impact of social security cuts since 2010 shows that:

- Women in the lowest income decile (the poorest) lose on average £3,348 per year.
- Black women (Black African, Black Caribbean and Black British women), across all income groups, lose on average £2,498 per year, compared to white men, across all income deciles, who lose on average £990 per year.
- Lone parents lose nearly £7,000 per year, on average.
- Disabled women also significantly lose out - by £2,553 per year on average.

Social security cuts since 2010 not only disproportionately affect women but have severe detrimental impacts on their children and those they care for. Our analysis also shows that households with children, particularly those with three or more children, are more severely impacted by benefit cuts than households without children.

Child poverty has been climbing rapidly in the last decade, reaching nearly 30% in 2022/23. Several reports indicate that measures such as the benefit cap and the two-child limit are among the main drivers of child poverty over the past decade.²

The social security system should be designed to meet people's needs. A future government should restore the generosity of the system, which has been eroded since 2010. This includes a real-terms adjustment of benefits and the abolition of the benefit cap and the two-child limit.

¹ ONS (2024) [Time use survey: March 2023](#)

² Resolution Foundation (2022) [Social insecurity](#); House of Commons Work and Pensions Committee, ['Children in poverty: Measurement and targets'](#), 22 September 2021, HC 188 of session 2021-22, p 4,

Introduction

In the decade between 2010/11 and 2021, some £14bn was taken from the social security budget through benefit freezes and other changes to social security³. These cuts and changes have resulted in reduced payments and increased women's, child poverty and in-work poverty.⁴

Child poverty increased from 26.98% in 2011/12 to 29.87% in 2022/23, with over 4.3 million children in the UK growing up in poverty. This is up from nearly 3.6 million in 2011/12.⁵ In 2021, the House of Commons Work and Pensions Committee listed "rising living costs, low pay, limited and insecure work and reforms to social security since 2010" as factors contributing to recent increases in child poverty⁶.

Women are more likely than men to rely on social security for a larger proportion of their income because on average they have lower earnings, lower savings and fewer assets, and greater (unpaid) caring responsibilities. The introduction of Universal Credit, the benefits freeze, the benefit cap, the two-child limit on benefits, the 'bedroom tax', and other changes have exacerbated inequalities of gender, race, class and disability.⁷

This briefing examines the average impact of cuts and changes to benefits from 2010/11 projected forward to 2027/28, on women and men, different types of households, ethnic groups and disability.⁸ It illuminates the link between social security cuts and changes since 2010 and the growth of child poverty, homelessness and food bank usage.

³ NEF (2021) [How our benefits system was hollowed out over 10 years](#), in 2020/21 prices

⁴ Joseph Rowntree Foundation (2020) [What has driven the rise of in-work poverty?](#)

⁵ DWP (2024) Stat-Xplore. Table: [HBAI 2 - 60 per cent of median net household income AHC by Type of Individual for All Years](#). Latest data corresponds to 2022/23.

⁶ House of Commons Work and Pensions Committee, [Children in poverty: Measurement and targets](#); p 4.

⁷ WBG's 2019 briefing on [Social Security and Gender](#) gives a full account of changes made from 2010 – 2019. Our Pre-budget briefing [Social security and gender](#) (2023) presents the latest changes to social security.

⁸ Distributional analysis by Howard Reed using the Landman Economics Tax-Transfer Model (TTM), Family Resource Survey and Living Costs and Food Survey. All cash values are in April 2024 prices. The analysis considers only adults over 18 years old. The baseline corresponds to the April 2010 tax benefit system with no changes made except for uprating benefit rates, tax and NICs thresholds and the value of excise duties using the default uprating schema in place in 2010 (ROSSI index uprating for means-tested benefits and RPI uprating for non-means-tested benefits, tax credits, income tax and NICs thresholds and excise duty rates). The benefits modelled are: pensioner benefits changes, uprate of working-age benefits, two-child limit, benefit cap, "bedroom tax", Local Housing Allowance, Universal Credit and other changes that do not fit in the previous categories such as reductions in Council Tax Support (in England) after localization of the benefit in 2013, modellable changes to disability benefits (for example removal of the WRAG premium for Employment and Support Allowance claimants), changes to some benefit rates (e.g. Carers Allowance) as a result of devolution to the Scottish Government, mitigation of certain aspects of the welfare reforms in Northern Ireland, introduction of higher Council Tax bands in Scotland. Further details upon request.

Who loses the most from cuts to social security?

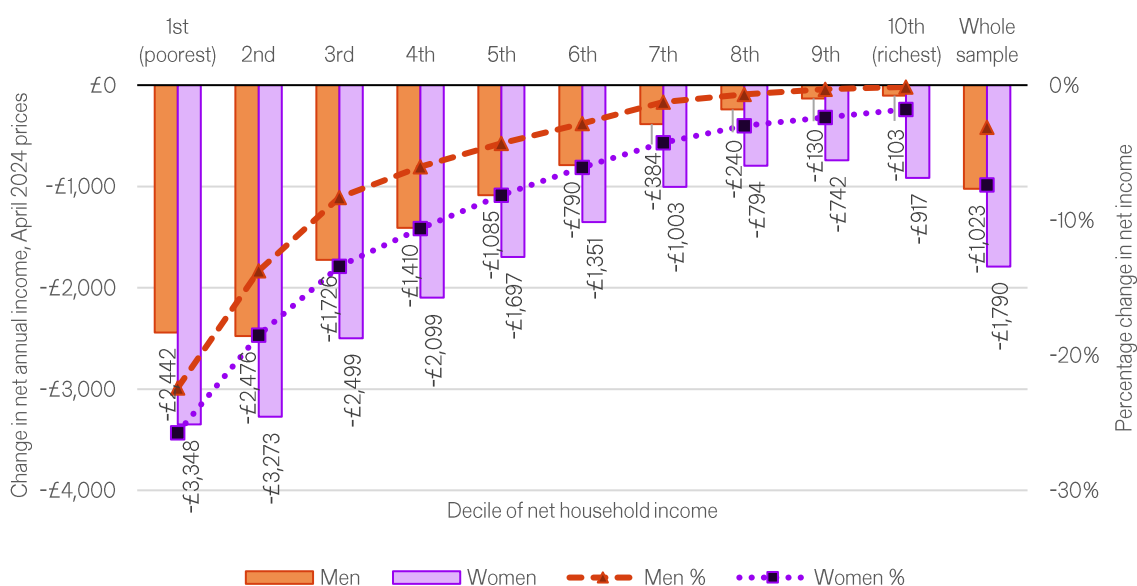
Cuts to social security have contributed to gender inequality, as women lose out more than men.

Figure 1 shows that, on average, women lose £1,790 per year as a result of the changes in benefits (7% of their baseline income), whereas men lose £1,023 (3% of their baseline income). The average results include people who receive benefits and those who don't. Therefore, people who do not receive any benefits will not be affected by these changes, while those who do receive benefits are likely to experience above-average cuts.

Although men and women in the poorest decile face substantial reductions, women lose out the most (Figure 1). Women in the poorest decile (1st), on average, experience a cut of £3,348 per year, representing over a quarter (26%) of their income baseline income. Men in the same poorest decile face a reduction of £2,442 (22% of baseline income). Across all income decile groups, women experience larger reductions as a percentage of their income than men because, in general, women rely more on social security to supplement their income and, therefore, are more affected by reductions in benefits.

Figure 1: impact of social security changes between 2010/11 and 2027/28 by decile of net household income

Women in the bottom income decile suffer the most from social security cuts



The impact of social security cuts on Black and minority ethnic women is especially stark (Figure 2). Women experience more significant losses than men in every ethnic group, with those in the White ethnic group losing the least. The most affected are women in Black ethnic groups (Black African, Black Caribbean, and Black British), who lose an average of £2,498 per year, equivalent to 10% of their baseline income. This trend contrasts with the impact on white men, who lose £990 per year on average (3% of their baseline income). Women in Asian ethnic groups, including those who identify as British Asian, lose slightly less at £2,212 per year, although it represents a slightly higher proportion of their baseline income (11% loss). Overall, women lose more than men in every ethnic group.

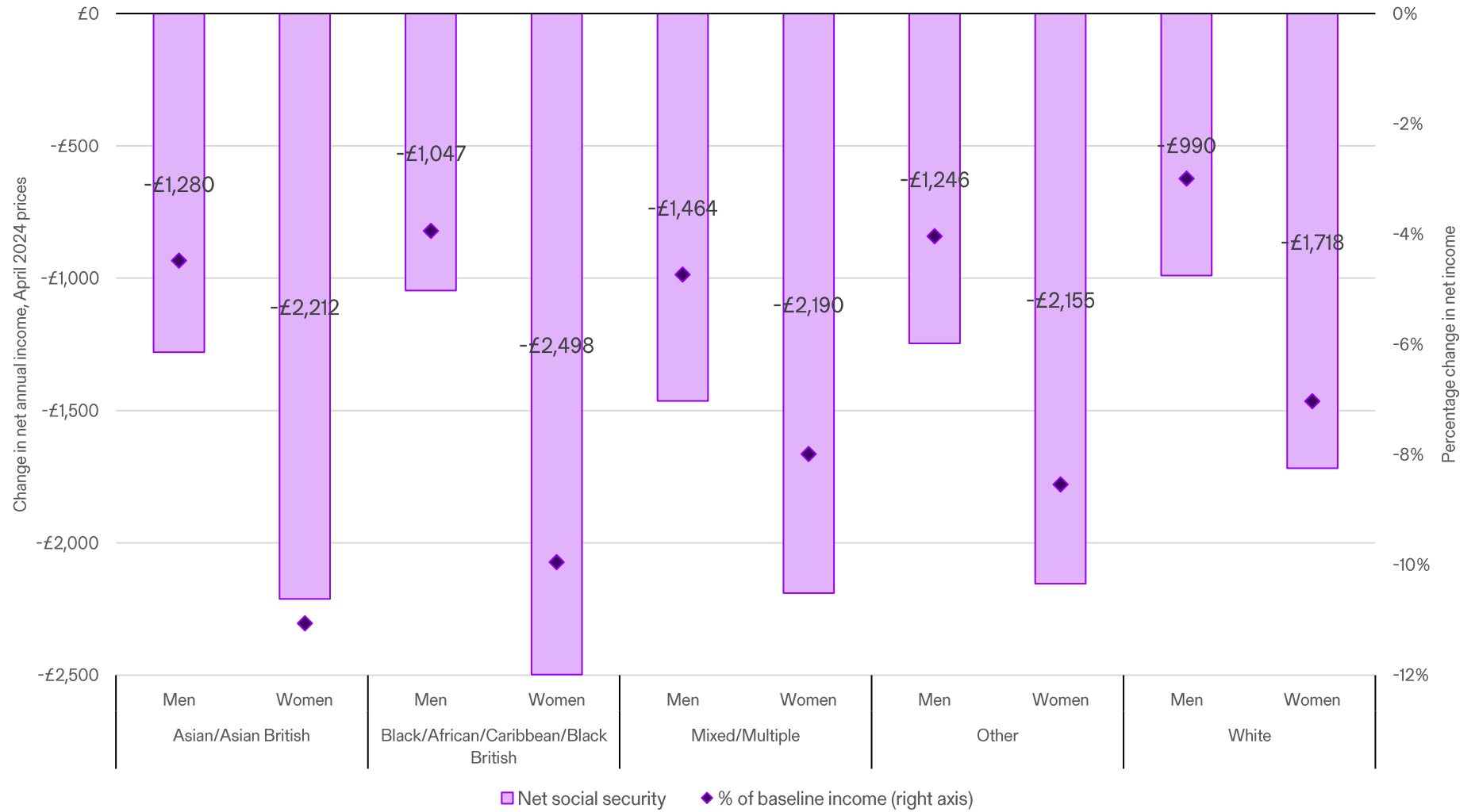
The benefit cap, introduced in 2013, disproportionately affects Black and minority ethnic families.⁹ It limits benefits for certain households that are not deemed to be earning enough from paid work. The cap does not take into account family size or housing costs. Larger families who rent their home, disproportionately represented by Bangladeshi and Black families, are more severely affected.¹⁰ The benefit cap also fails to recognise structural barriers (e.g. childcare, racial discrimination) to labour market participation.

⁹ JRF (2021) [New research highlights 'shameful' racial disparities in housing system](#)

¹⁰ CPAG, Runnymede Trust and WBG (2023) [Inequalities amplified: The alarming rise of child poverty in the UK](#)

Figure 2: impact of social security changes by sex and ethnic background. Change in annual net income in cash and percentage.

Women from black ethnic minority backgrounds are the most affected by social security cuts.



The increased requirements to receive benefits and overall cuts to benefit schemes have reduced the income of disabled people more than those without disabilities. Our intersectional analysis (Figure 3) once again shows that women experience the most severe cuts. Disabled women lose on average £2,553 per year (11% of their annual net income) compared to £1,952 for disabled men. The impact of social security cuts on annual net income is much greater for disabled women and men than for non-disabled women (£1,315 loss) and non-disabled men (£562 loss).

Disabled people and their families have additional needs for social security as income replacement and protection from poverty. Hence, cuts to benefits have particularly negative impacts. Families where someone is disabled have a higher poverty rate than families where no one is disabled, 24.34% and 19.67%, correspondingly.¹¹

Figure 3: impact of social security changes by sex and disability. Change in annual net income in cash and percentage.

Disabled women lose on average £2,553 per year



Notes: the definition of Disability is the one used in the Family Resources Survey: "The definition of disability used in the FRS is consistent with the core definition of disability under the Equality Act 2010. A person is considered to have a disability if they have a long-standing illness, disability or impairment which causes substantial difficulty with day-to-day activities. Some people classified as disabled and having rights under the Equality Act 2010 are not captured by this definition, such as people with a long-standing illness or disability which is not currently affecting their day-to-day activities." Disability data tables, Definitions, [Family Resources Survey: financial year 2021 to 2022](#).

¹¹ DWP (2024) [Households Below Average Income](#), 60 per cent of median net household income (AHC) in latest prices.

The most severe impact of social security cuts and changes is on lone parent households compared to all other types of households (Figure 4). Lone parent households experience a staggering decrease of £6,992 in benefits per year, nearly a fifth (18%) of their baseline income and three times more than couples with children.

Notably, 88% of households with a lone parent and dependent children are lone mother households.¹² This may be one of the reasons why black women have been hit particularly hard by social security cuts. Black Caribbean households have the highest percentage of lone parents, 51%,¹³ compared to some of the other ethnic groups; hence lone mothers from this ethnic group and their families are more severely affected by cuts to benefits.

Figure 4: impact of social security changes by household type

Lone parent households are the ones hit hardest by cuts to social security

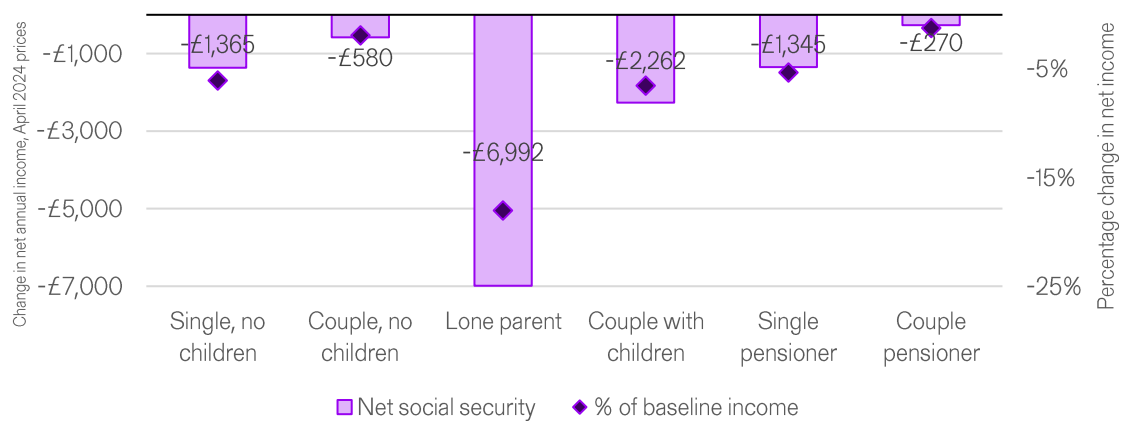


Figure 5 shows the impact of the two-child limit and other social security changes by the number of children in the household. Because of the two-child limit, parents with a third and subsequent child born after the 6th of April of 2017 do not qualify for additional social security benefits, with some limited exceptions.¹⁴

Households with three or more children experience, on average, a loss of £5,962, of which £1,838 corresponds to the loss due to the "two-child" limit on benefits. The net change in social security payments represents a cut of almost a quarter (23%) of the baseline income for these households. The results include families who receive benefits and those who don't. Families who don't claim benefits won't be impacted, and those on benefits will probably face cuts above the average.

¹² Office for National Statistics, 'Families and Households Dataset'.

¹³ ONS (2023) [Families in England and Wales: Census 2021](#). 10 May 2023 dataset.

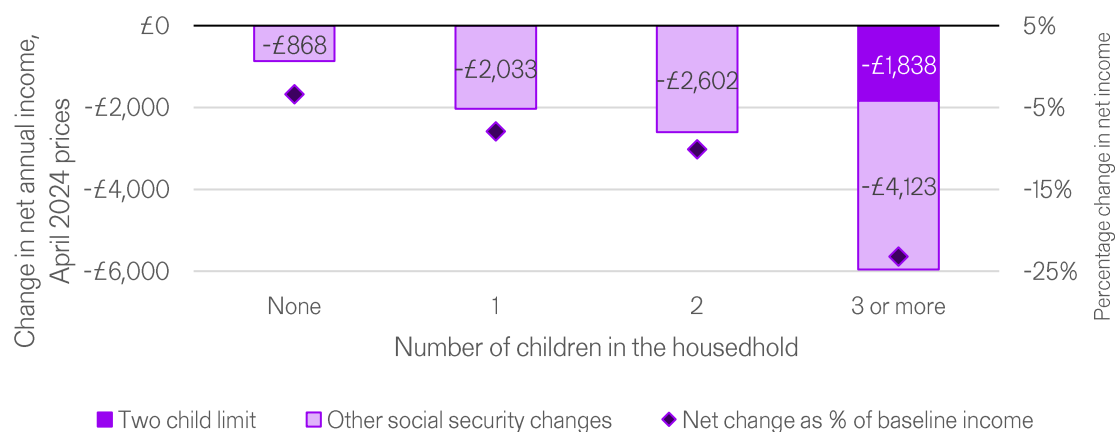
¹⁴ DWP (2021) [Universal Credit: support for a maximum of 2 children: information for claimants](#)

As the two-child limit policy exclusively affects families with three or more children, it will disproportionately affect Black and minority ethnic groups, who are more likely to have larger family households.¹⁵ Bangladeshi, Pakistani and Black ethnic groups have the highest percentage of families with three or more children and, therefore, are more likely to see their benefits limited for third and subsequent children born after the 6th of April 2017.¹⁶

The Child Poverty Action Group (CPAG) estimated that by 2023/24 more than 1.5 million children would be living in households impacted by the policy.¹⁷ Once the policy is rolled out in 2035, it is expected to impact 3 million children.¹⁸

Figure 5: impact of two-child limit and other social security changes by number of children in the household

Larger families lose nearly £2,000 per year because of the two-child limit



A broken safety net

Some of the functions of social security are to prevent poverty and contribute to reducing inequalities. However, our social security system is currently far from achieving this goal.

In its 2023 report, *Hunger in the UK*, the Trussell Trust found that insufficient income is the main driver for most people needing to use a food bank.¹⁹ 70% of people referred to food banks in the UK were in receipt of Universal Credit benefit. The report also found that 58% of people receiving Universal Credit experienced food insecurity last year.²⁰ 39.4% of people from

¹⁵ CPAG, Runnymede Trust and WBG (2023) [Inequalities amplified: The alarming rise of child poverty in the UK](#)

¹⁶ JRF (2006) [Child poverty in large families](#); CPAG, Runnymede Trust and WBG (2023) [Inequalities amplified: The alarming rise of child poverty in the UK](#)

¹⁷ Child Poverty Action Group (2023) [CPAG's Spring Budget Submission](#)

¹⁸ Resolution Foundation (2022) [Social insecurity](#)

¹⁹ Trussell Trust (2023) [Hunger in the UK](#)

²⁰ Trussell Trust (2023) [Hunger in the UK](#)

families that receive state support are in poverty. This is a stark increase from 31% in 2010/11. Child poverty in families that receive state support increased from 33.6% in 2010/11 to 49.7% in 2022/23.²¹

Another analysis by the Trussell Trust and Joseph Rowntree Foundation in 2023 found that the £85 weekly Universal Credit standard allowance was wholly insufficient to make ends meet, with 90% of low-income households reporting that they had to go without everyday essentials.²² Universal Credit allowance was £35 less than the weekly cost of essential items for a low-income single person, and £66 less for a low-income couple.²³

Among others in the End Child Poverty Coalition, CPAG has identified the "two-child limit" on benefits as a key driver of child poverty.²⁴ Overall, child poverty for larger families has been rising steadily over the last decade. In 2011/12, 36% of children living in families with three or more children were in poverty. This figure had climbed to 46% of children in families with three or more children in poverty in the year to April 2023.²⁵

A 2023 joint report on intersectional child poverty by Women's Budget Group (WBG), CPAG and The Runnymede Trust²⁶ shows the uneven distribution of children growing up in poverty across ethnic groups - with significantly higher proportions of children in poverty (over 40%) among Bangladeshi, Pakistani and Black households. Notably, these households have also been among the hardest hit by cuts and changes to social security since 2010.

Levels of homelessness and no-fault evictions have also increased dramatically since the pandemic. Homelessness is at a record high, with official government figures²⁷ showing 112,660 households living in temporary accommodation (which involves moving frequently and at short notice) at the end of 2023. This includes tens of thousands of additional children in temporary accommodation in the last 12 months. Black and minority ethnic households are disproportionately represented (over 30%) among homelessness statistics in England and Wales.²⁸

²¹ DWP (2024) Stat-Xplore. Table: [HBAI 2 - 60 per cent of median net household income AHC by Type of Individual for All Years](#). Type of Individual by Age Category by Financial Year and State Support received by the Family for All Individuals by 60 per cent of median net household income (AHC) in latest prices

²² JRF (27 Feb 2023) [Call for a landmark change to Universal Credit so people can afford the essentials - research shows overwhelming public support for new 'Essentials Guarantee'](#)

²³ Trussell Trust (4 April 2023) [Giant interactive till roll highlights imbalance between essential living costs and Universal Credit](#)

²⁴ CPAG (2024) [Child poverty reaches record high - failure to tackle it will be 'a betrayal of Britain's children'](#)

²⁵ <https://cpag.org.uk/news/child-poverty-reaches-record-high-failure-tackle-it-will-be-betrayal-britains-children>

²⁶ CPAG, Runnymede Trust and WBG (2023) [Inequalities amplified: The alarming rise of child poverty in the UK](#)

²⁷ Department for Levelling Up, Housing and Communities (2024) [Statutory homelessness in England: October to December 2023](#)

²⁸ GOV.UK (2018) [Statutory homelessness 2018 archived](#)

It is also worth noting that in the fiscal year 2022/23, living standards fell to a record low since ONS records began in 1956/57. This has been followed by the second largest drop in 2023/24.²⁹ Financial resilience among low-income households has been severely affected by the cumulative impact of austerity and social security cuts, the pandemic and the cost of living crisis.

Conclusion

Cuts to social security spending have disproportionately impacted women from black and minority ethnic backgrounds, women on low incomes, disabled women, lone mothers and families with more than two children. More people than ever are struggling to afford basic essentials, with record levels of food bank use and a staggering number of children living in poverty.

There is strong reason to believe that unless the two-child limit and the benefit cap are removed, child poverty, especially within some black and minority ethnic groups and disabled households, will worsen over time. The design of the two-child limit policy means that more and more children will be affected every year until it is fully implemented in 2035 when every child will be born under that policy.

The Government has recently announced further changes to disability benefits and assessment processes.³⁰ It is not certain what the impact of these policies will be on disabled households. Current evidence suggests that sanctions on disabled people claiming benefits are not wholly effective and push people into precarious employment and insecure income.³¹ If anything, there is strong reason to believe that stricter eligibility conditions for disabled people to claim benefits will exacerbate their financial vulnerability.

A future government should restore the link between financial need and a social security safety net. While inflation is coming down, the number of people turning to food banks for help is still increasing, at an all-time record.

Households are not just struggling due to the cost of living crisis; it is also because of over a decade of permanent cuts to social security.

²⁹ OBR (2022) [Economic and Fiscal Outlook](#), November 2022

³⁰ WBG (2023) [Response to the Autumn Statement 2023](#), WBG (2023) [Social Security and Gender \(2023\)](#)

³¹ OBR (2023) [Fiscal risks and sustainability](#)

Recommendations:³²

- **Increase the real value of benefits** to restore their pre-2010 values. Also, regular updates should be maintained on social security benefits for working-age benefits.
- **Abolish the Benefit Cap and two-child limit** to prevent child poverty and make other changes to Universal Credit (UC), such as ending the UC five-week wait and introducing a second-earner work allowance.
- **Increase Child Benefit to £50 per child.** Child Benefit fell significantly in real terms during austerity. We recommend an above inflation increase to counter this and also close the inequality gaps that widened during the COVID-19 pandemic and the cost of living crisis.
- **Restore the link between Local Housing Allowance (LHA) and actual rental prices and raise LHA to the 50th percentile to ensure the most vulnerable are protected.** Ensure that tenant rights are strengthened to protect low-income households, particularly those with children, from soaring rents and the threat of no-fault evictions.
- **In the long term,** a better social security system should take a life-course approach, be robustly assessed through Equality Impact Assessments, based on individual entitlements as far as possible, not means-tested, uprated in line with inflation and encourage the sharing of care.

Women's Budget Group

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³² See our Pre-budget Briefing [Social Security and Gender \(2023\)](#) for more detailed recommendations.

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