



2026

The resilience gap: **Self-employed** finances in focus



Executive Summary



Undersaving for retirement

Nearly half (44%) of the self-employed are not saving for later life in any way



Financial vulnerability

A third have less than three months' worth of savings, and 11% have no savings at all



Battling economic headwinds

High living costs (50%), insufficient earnings (48%), and inconsistent income (46%) are the top barriers to saving



Self-employed women worse off

Self-employed women disproportionately cite earnings as a barrier to saving (62% compared to 39% of men)

About this report

This report illustrates the overall financial resilience of the UK's 4.4 million self-employed individuals.¹

Using nationally representative survey data, the aim of this paper is to provide policymakers, business leaders and self-employed professionals with informative, up-to-date information about the state of this critical sector of the economy.

Overall, the results depict a sector that is increasingly polarised in its financial outlook. While many are maintaining stable financial positions in self-employment, others are struggling to build short-term safety nets and security for later life. This is being exacerbated by higher costs, weaker business confidence and sluggish growth.

The findings in this report build on IPSE's 2025 data brief on pension products used by the self-employed, which revealed that only 38% were contributing to a pension at that time.² This research expands the focus beyond pensions to examine overall saving behaviour, demographic differences and the barriers that prevent many from securing their financial future.

About IPSE

IPSE is the UK's only not-for-profit membership association dedicated exclusively to the self-employed. From sole traders and freelancers to contractors and fractional workers, we speak up for everyone in the self-employed sector.

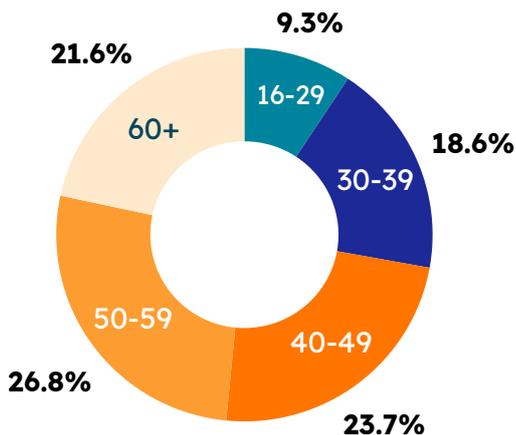
We support our members with expert advice and events, provide essential protection for their businesses and campaign for better treatment in policymaking.

Who are the self-employed?

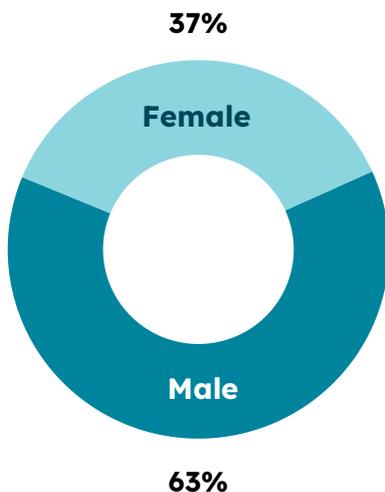


4.4 million

the overall solo self-employed sector



48 years old
average age of the solo self-employed



2 in 3 are male

and there are **55% more women** than in 2008

Saving for later life when self-employed

The proportion of self-employed individuals saving for later life remains worryingly low. Just over half (56%) are actively putting money aside for their future, meaning that as many as 44% are not currently saving for later life in any way.

A closer look at demographic breakdowns reveals significant disparities. Younger workers are least likely to save, with only 45% of those under 35 doing so. This figure rises to 60% among those aged 35-54, and 70% among those aged 55 and over.

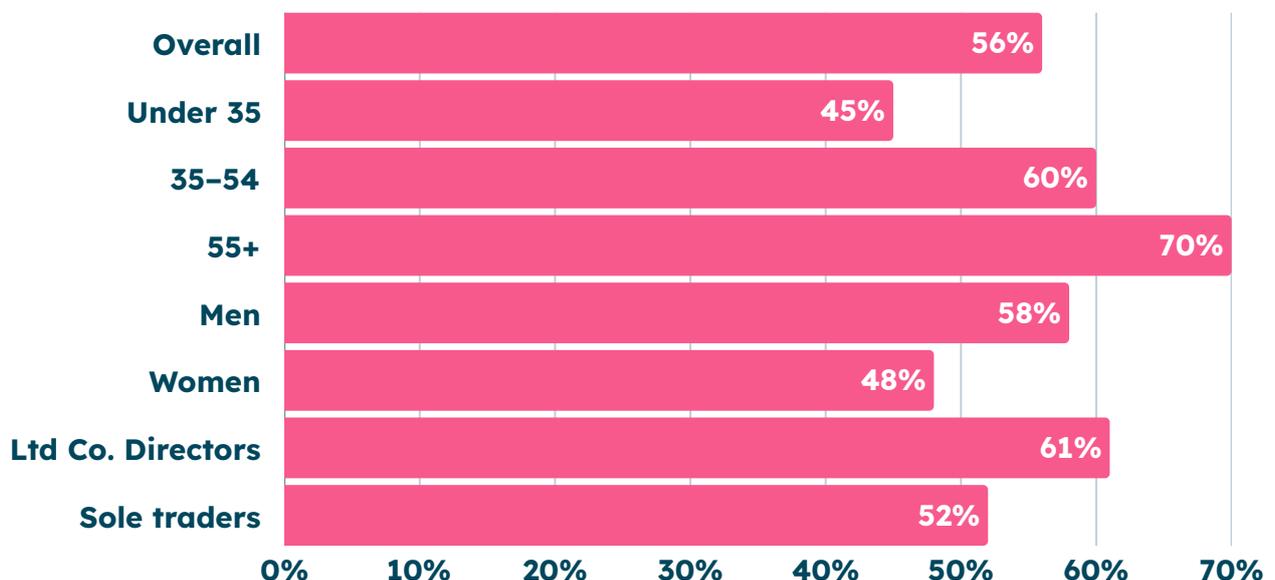
44%

of the self-employed are not saving for later life in any way

Gender differences are also evident, with 58% of self-employed men reporting that they are currently saving for later life compared to just 48% of women.

When analysed by working model, limited company directors are the most likely to save, with 61% contributing, compared to 52% of those operating as sole traders.

Table 1: Currently saving for later life, by age, gender and operating type

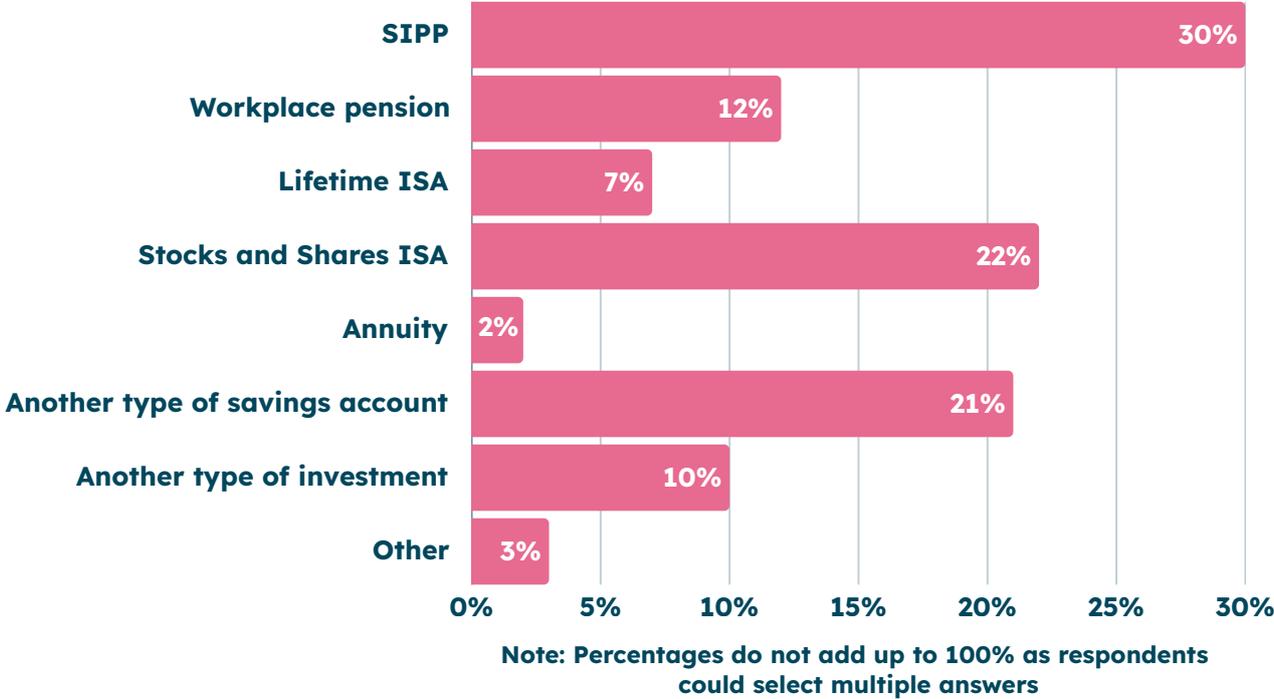


How the self-employed save for later life

We also asked those who were saving for later life to identify which financial products they use to do this. Self-Invested Personal Pensions (SIPPs) were the most commonly used product (30%).

Together with workplace pensions from former employers, pensions were the most common option. However, a diverse range of other products also featured prominently.

Table 2: Savings product used, of those currently saving for later life



More information about how the self-employed save for later life, including the proportion of income saved and how these findings build on previous research, can be found in our full data brief, which was published in January 2026.



Data brief: How the self-employed save for retirement

[Read more](#)

Do the self-employed have enough cash reserves?

To assess whether the self-employed have sufficient savings to withstand income shocks, we asked our nationally representative sample of 1,043 self-employed individuals how many months of savings they hold to cover essential living costs such as rent, mortgages, and bills.

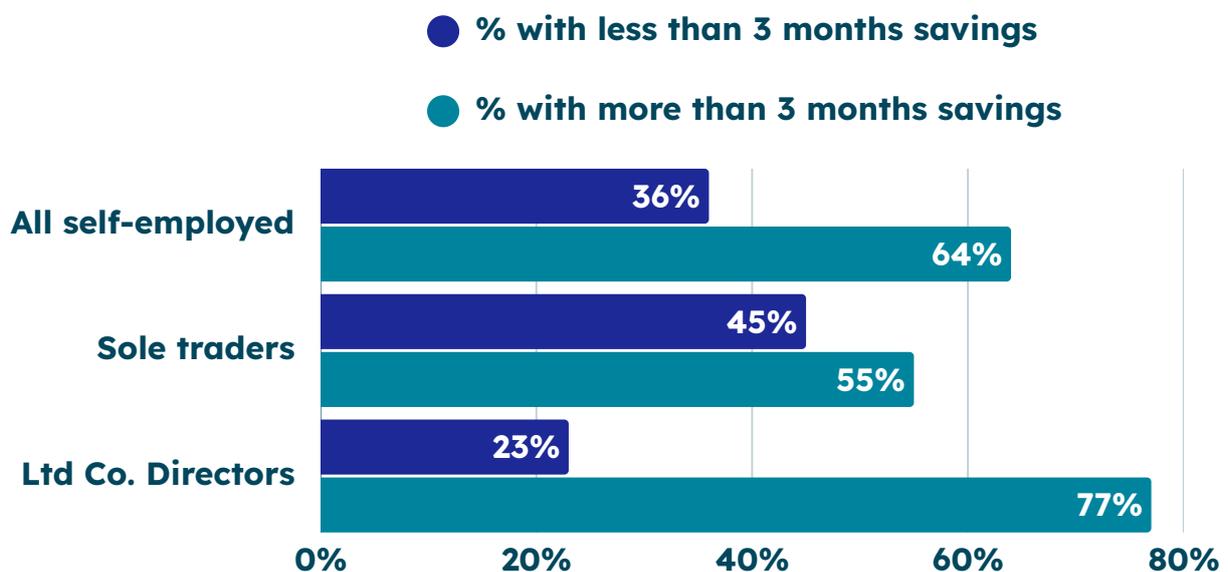
The 'right' amount of cash a self-employed person should have in reserve will depend on individual circumstances. A typical recommendation is to aim for a buffer of three to six months' worth of income or living costs.³ Concerningly, a third (33%) did not have this.

Differences by operating type

Interestingly, the research revealed stark differences between self-employed operating models. Sole traders were significantly more likely to report having no savings or less than three months in reserve.

This corresponds with data suggesting that the self-employed are more likely to incorporate their businesses when turnover is higher, reflecting broader financial security within this group.

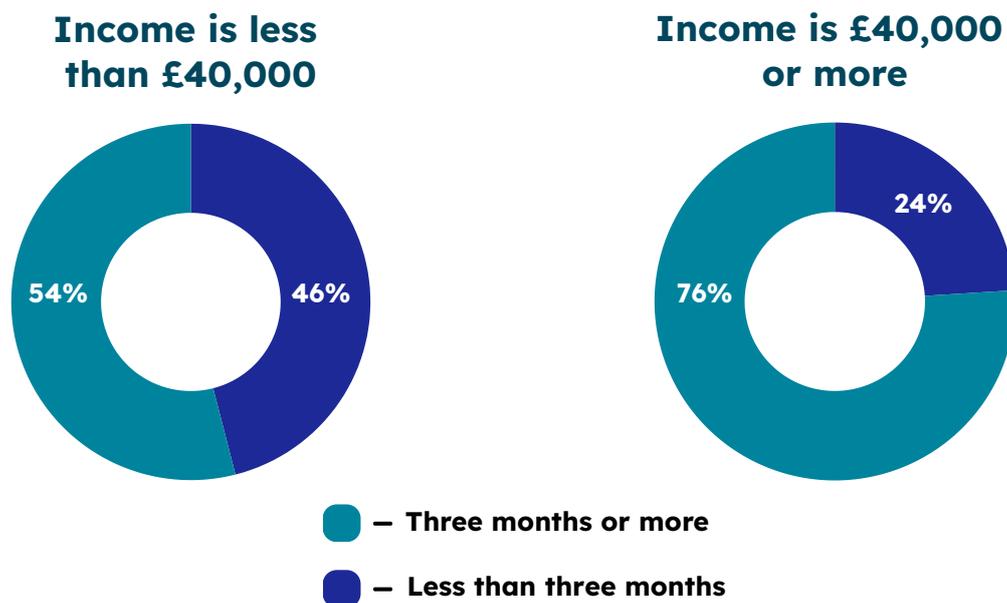
Table 3: Size of savings buffer, in months, by operating type



Differences across income levels

As expected, income is a key factor. The data showed a positive correlation between annual incomes and savings buffers. Interestingly, an income of at least £40,000 was a key indicator of a respondent's likelihood to have a savings buffer of at least three months:

Table 4: Do the self-employed have a savings buffer of at least three months?



More than two in five (46%) of those earning under £40,000 said they lack a savings buffer of at least three months, whereas only a quarter (24%) of those earning above that level were in the same position.

Most concerning of all, we found that over one in ten (11%) of all self-employed people have no savings buffer whatsoever to cover essential living costs.

11%

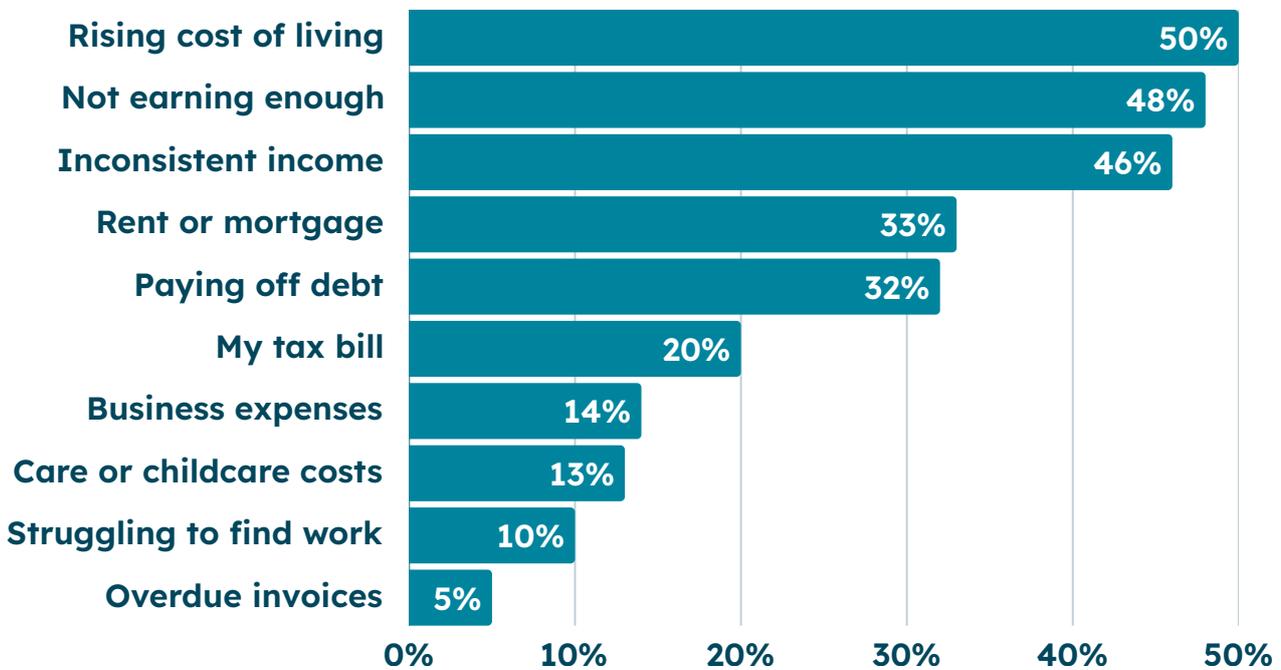
of the self-employed do not have a savings buffer

Barriers to saving for the self-employed

Consistent with previous IPSE research, the main obstacles to building a larger savings buffer are cost and income related.⁴ However, recent bouts of inflation and demand shrinkage appear to have intensified those barriers across the self-employed sector.

Rising living costs are now the most frequently cited obstacle to saving, affecting half (50%) of respondents. This is closely followed by insufficient earnings (48%) and inconsistent income (46%). Debt repayment is also a significant factor, impacting nearly one-third of respondents (32%).

Table 5: Top barriers to saving



Note: Percentages do not add up to 100% as respondents could select multiple answers

One in ten (10%) respondents pointed to difficulty finding work as a barrier to saving. It should be noted that this does not mean that just 10% were struggling to find work - but it's telling that this group cited this as having a direct impact on their ability to save.

Women were disproportionately affected by affordability challenges, with 62% of women citing low earnings as a barrier to saving compared to just 39% of men.

Overall, when asked to pick their biggest financial concern, inflation and the cost of living were highlighted by 29% of all respondents - by far the most common concern.

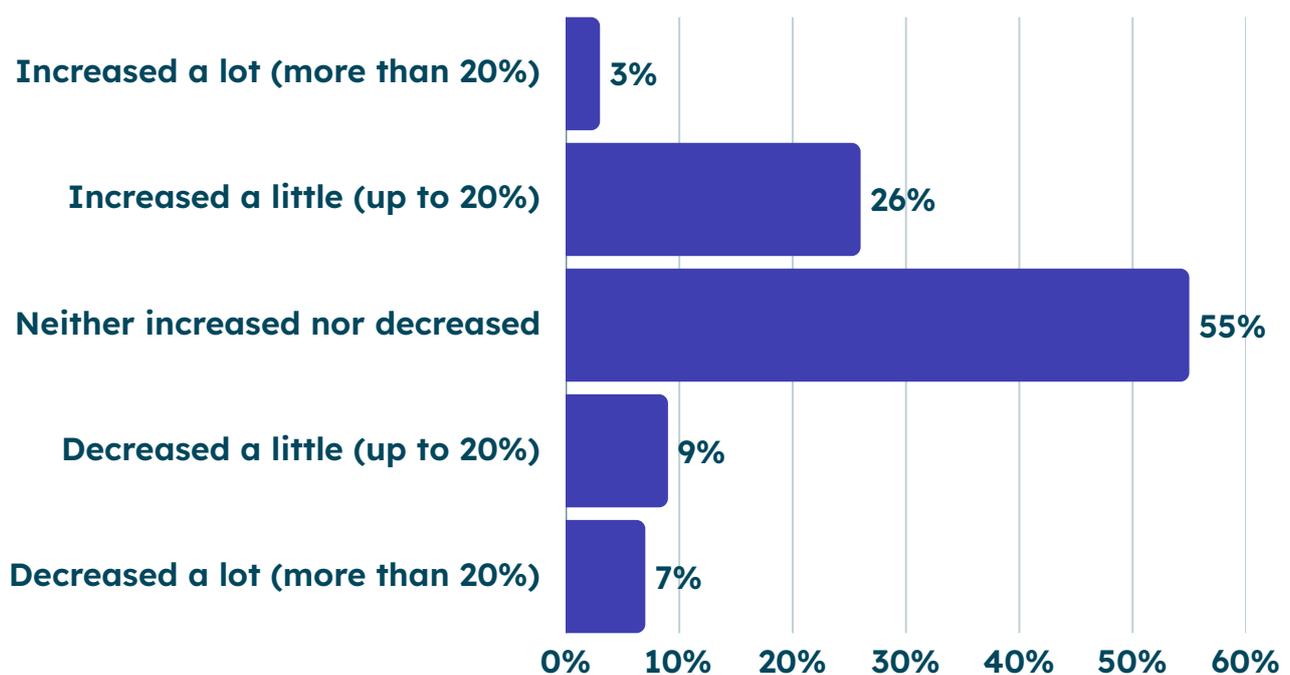
How have day rates changed over the past 12 months?

Next, we looked at how day rates have changed over the past year to understand the stability of their income and pricing.

For most self-employed people, earnings have stood still. Over the past year, 55% say their day rate has stayed the same. Three in ten (30%) have increased their rates, while 14% have seen them fall.

Large changes are uncommon. Only 3% increased their rate by more than 20%, compared to 7% who experienced a drop of more than 20%.

Table 6: Change in average day rates charged (past 12 months)



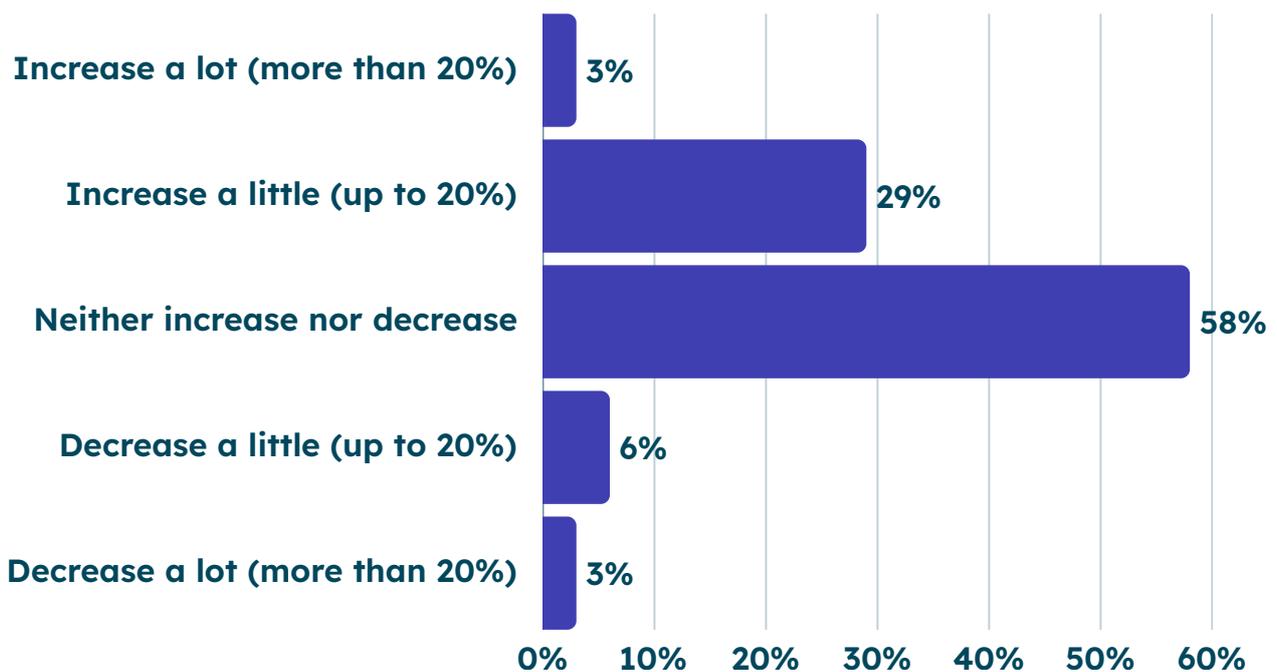
More than half of the sector has not been able to raise their rates. At a time of rising living costs, that makes it harder to put money aside for emergencies or retirement.

Will the self-employed charge more in 2026?

Finally, to gauge how the self-employed intend to react to their current financial situation, we asked whether they expect to increase the day rate or fees they charge clients and customers within the next 12 months.

The results indicate that whilst nearly a third (32%) plan to increase their rates, most are cautious about doing so. More than half (58%) said they plan to freeze their day rate - a real terms pay cut - whilst 9% plan to lower rates, including a minority considering significant cuts of 20% or more.

Table 7: Expected change in day rate (next 12 months)



Given that the cost of living and earnings were frequently cited as a barrier to saving, it is concerning to see widespread caution about the prospect of increasing day rates.

A reluctance to increase rates is an indicator that clients' hiring confidence is in a more fragile position, likely driven by increases to their own cost base.

Policy recommendations



1. Cut the cost of being self-employed

From Making Tax Digital and Companies House fees, to dividend hikes and personal tax threshold freezes, the cost of running a solo business is outstripping earnings and exacerbating the impact of general living cost increases.

Government should commit to a freeze on admin cost increases for the self-employed for the remainder of this Parliament. The Trading Allowance should also rise to match the planned 'simple reporting' threshold of £3,000.



2. Make hiring simpler and cheaper

Higher costs and weaker business confidence are placing significant downward pressure on day rates. The increase to Employer National Insurance in particular has cooled hiring generally, forcing clients to postpone or abandon projects that drive temporary hiring activity.

Government should consider reversing the Employer National Insurance increase, updating employment status rules to promote confidence in engaging non-employees, and replacing the IR35/off-payroll working rules with a fairer, more workable alternative.



3. Roll out autosave options for self-employed bank users

The self-employed are not saving enough for retirement; but they are also struggling to save for the here and now. Yet promising trials of 'autosave' mechanisms by Nest Insight and Lloyds Banking Group show that tailored products can help the self-employed to save.

Building on these trials, government should galvanise and coordinate industry to develop autosave options for self-employed customers, to support short-term resilience and long-term stability.

References

1. Office for National Statistics, 2026, Labour market statistics time series February 2026
2. IPSE, 2026, Data brief: How the self-employed save for retirement
3. Nest Insight, 2025, Simplifying retirement savings for the self-employed
4. IPSE, 2018, How to solve the self-employed pensions crisis

Methodology

The research was conducted by YouGov on behalf of IPSE. A total of 1,043 self-employed individuals participated in the study. Fieldwork was carried out online between 19 September and 13 October 2025.

The results have been weighted by age, location, gender, operating status and industry to ensure they are nationally representative of the UK's self-employed population aged 16 and over. Don't know responses have also been excluded from the results.

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Where **self-employment**
works for you

