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The self-employed pension gap

Are you sleepwalking into a crisis?

Some freelancers are neglecting their financial future, according to new research: nearly two-thirds of self-employed and freelancers are failing to save enough for retirement[1]. The findings reveal that a significant proportion of this workforce are not prioritising their financial future, leaving them vulnerable in later life.

While the freedom of being your own boss is attractive, it often comes at the cost of the safety net provided by traditional employment.

Without a workplace pension scheme to automatically enrol in, many independent workers push retirement planning to the bottom of their to-do list. The immediate pressures of cash flow, tax returns and finding the next client often take precedence over retirement, which feels decades away.

A GROWING DISCONNECT BETWEEN INTENTION AND ACTION

The data paints a worrying picture for this part of the UK's economy. Nearly 60% of self-employed individuals are not saving for their later years, instead relying on the State Pension or hoping their business will be sold to fund their retirement. More than 45% report having no private pension savings. Only about 17% of self-employed people currently contribute to a private pension.

Additionally, the research found that almost 49% of self-employed people do not know how much they need to save for later life, and almost 30% plan to rely solely on the State Pension. Worryingly, 38% feel anxious or concerned about their financial future once they stop working.

A CHALLENGE OF CONFIDENCE AND CLARITY

The reality is that relying solely on the State Pension is unlikely to provide a comfortable lifestyle. As the cost of living rises, the gap between what the state provides and what is needed for a basic standard of living is widening, making personal provision essential.

The findings also highlight confidence issues: 27% of freelancers say they do not know how to set up a pension, and more than a quarter are unsure where to seek professional advice. These barriers can cause hesitation and mean many miss out on the benefits of regular, long-term saving.

WHY ACTION IS NEEDED NOW

One of the biggest barriers cited is the lack of consistent income, which makes committing to regular monthly contributions feel daunting. However, modern pension providers are increasingly flexible, allowing ad hoc contributions that suit the feast-and-famine nature of freelance work.

Compound interest means that even small, irregular amounts saved early can grow significantly over time. Ignoring the issue does not make it go away; it simply compounds the problem, requiring much larger contributions later in life to achieve the same outcome. ■

UNSURE WHERE TO START WITH YOUR PENSION?

If you are self-employed and unsure where to start with your pension, it is never too late to take control. Professional financial advice can help you structure a plan that fits your unique income patterns. Contact us today to discuss your retirement options and secure your future.

Source data:

[1] Censuswide conducted the research for Aviva among a sample of 500 freelancers and self-employed individuals aged 16+ in the UK between 24 and 29 October 2025. The sample includes 64 digital nomads.