

The impact of Covid-19 on self-employed people's saving outlook

Summary of learnings from UK survey research
conducted in September 2020

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Department
for Work &
Pensions

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01. Executive summary

Our approach

Online survey among individuals who consider themselves self-employed or employed

Survey conducted in September 2020 by  **quadrangle**

2,023 self-employed people and 1,001 employed people

Comparison with self-employed survey data collected in June 2019

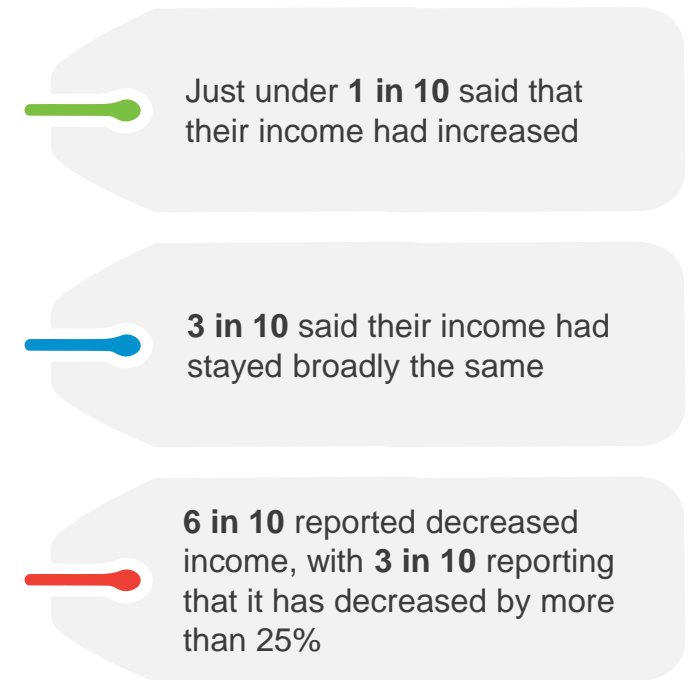
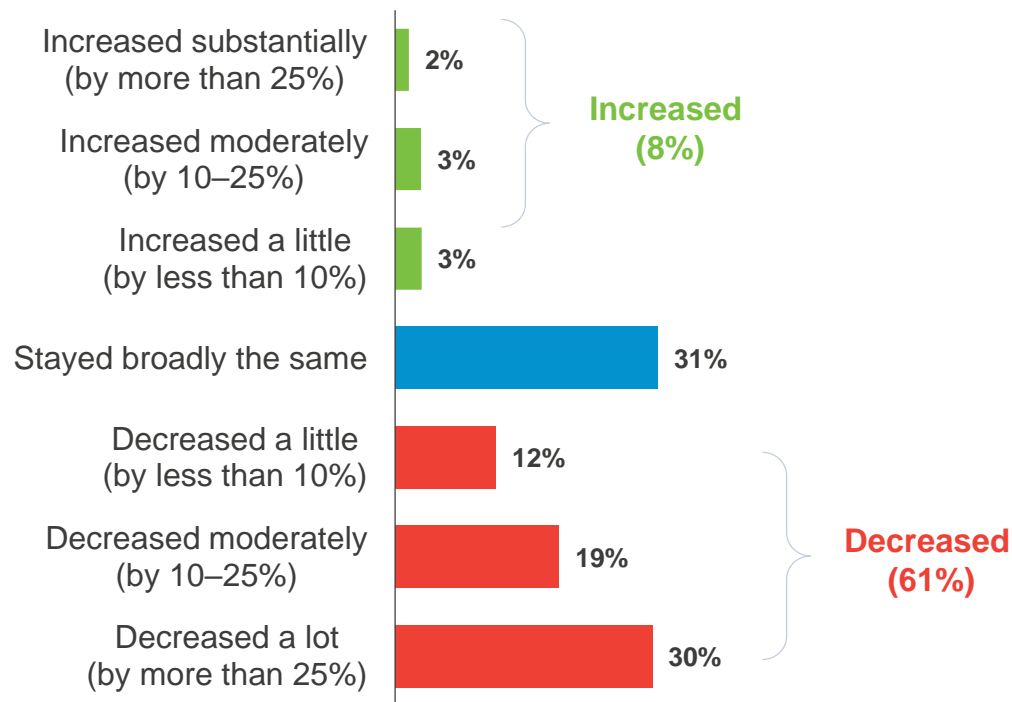




Saving since Covid-19

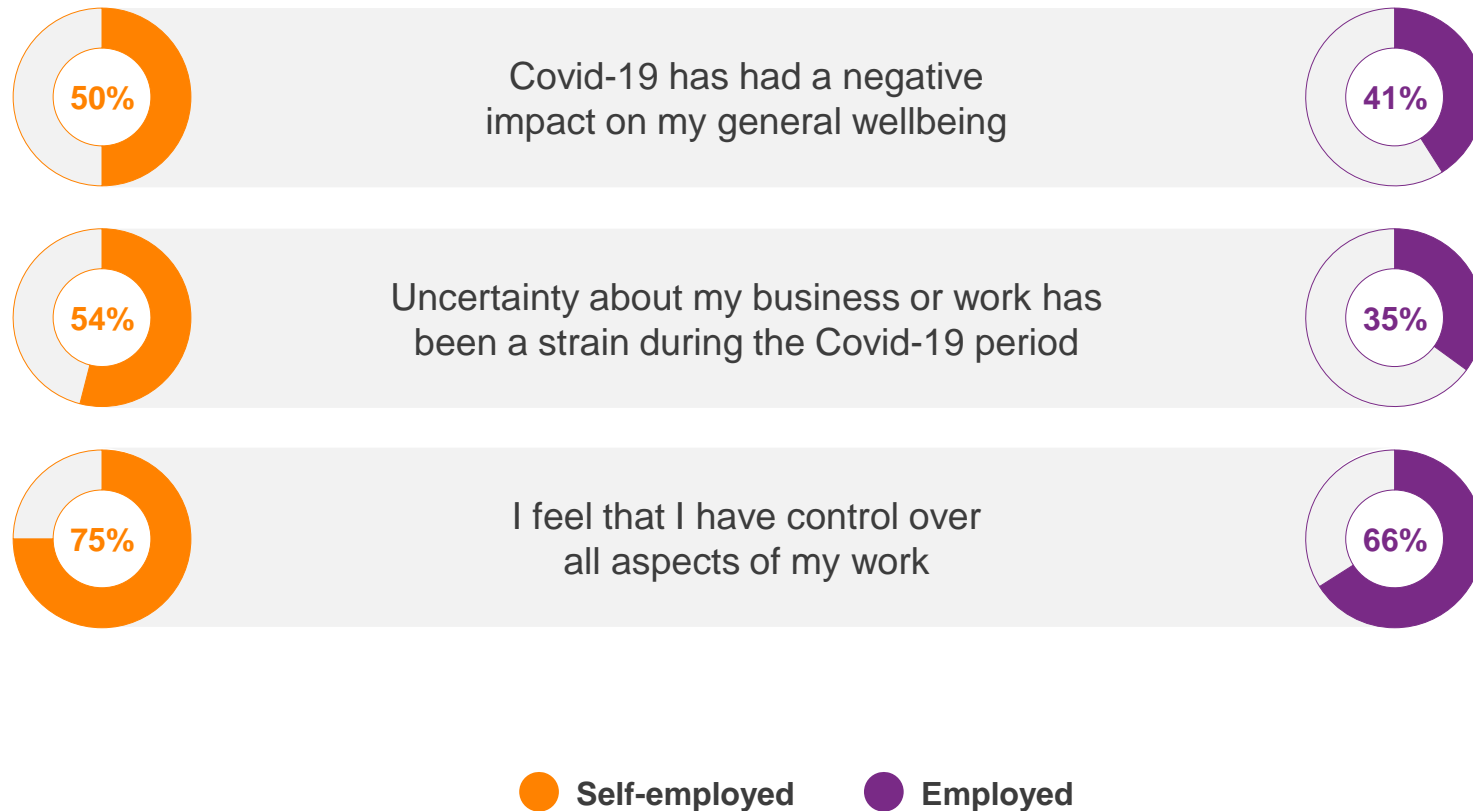
Most self-employed people say their income has been impacted by the pandemic

Change in personal income levels since Covid-19 (self-employed people)



QS3. And overall, how has your personal level of income changed, if at all, since the Covid-19 outbreak began in the UK?

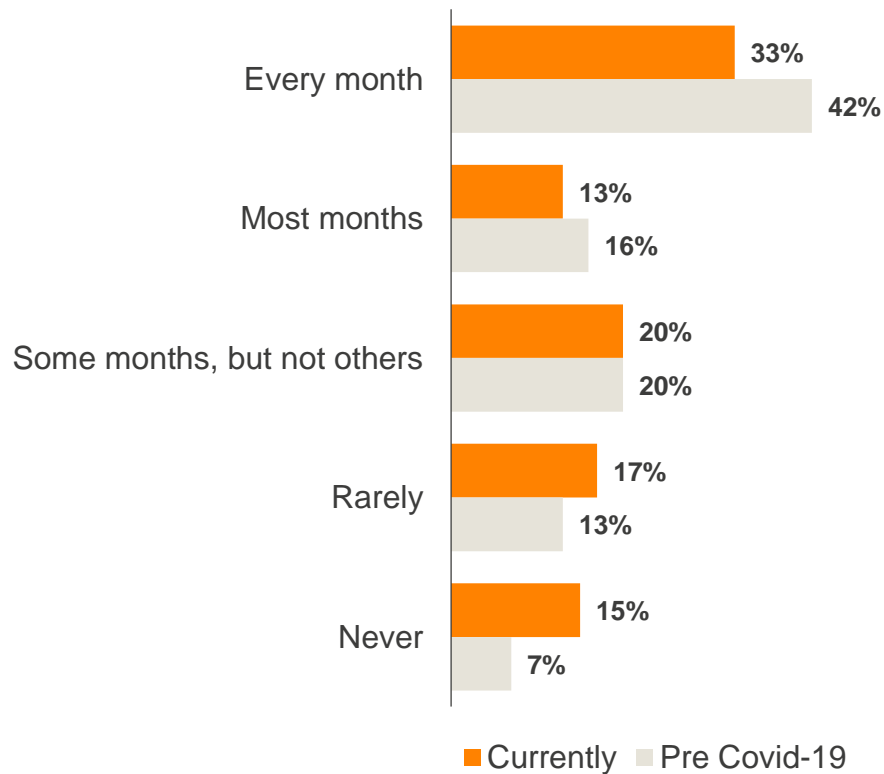
Self-employed people report feeling more strain, but are also more likely to feel in control than employed people



QC17_1. Thinking specifically about your general wellbeing, how, if at all, has the ongoing Covid-19 period impacted you as an individual?
QC27. To what extent do you agree or disagree with the following statements? Uncertainty about my job has been a strain during the Covid-19 period (employed only) / Uncertainty about my business / work as self-employed has been a strain during the Covid-19 period (self-employed only)
QS15_1. Thinking about the work that you currently do, to what extent do you agree with the following statements?: I feel that I have control over all aspects of my work

There have been some changes in savings frequency

Frequency of non-pension saving: pre-Covid-19 and currently (self-employed people)



QC1a. Which of these best describes how often you save money / put money into savings or investments? Please exclude any pension saving. Currently / What I was doing pre-Covid?

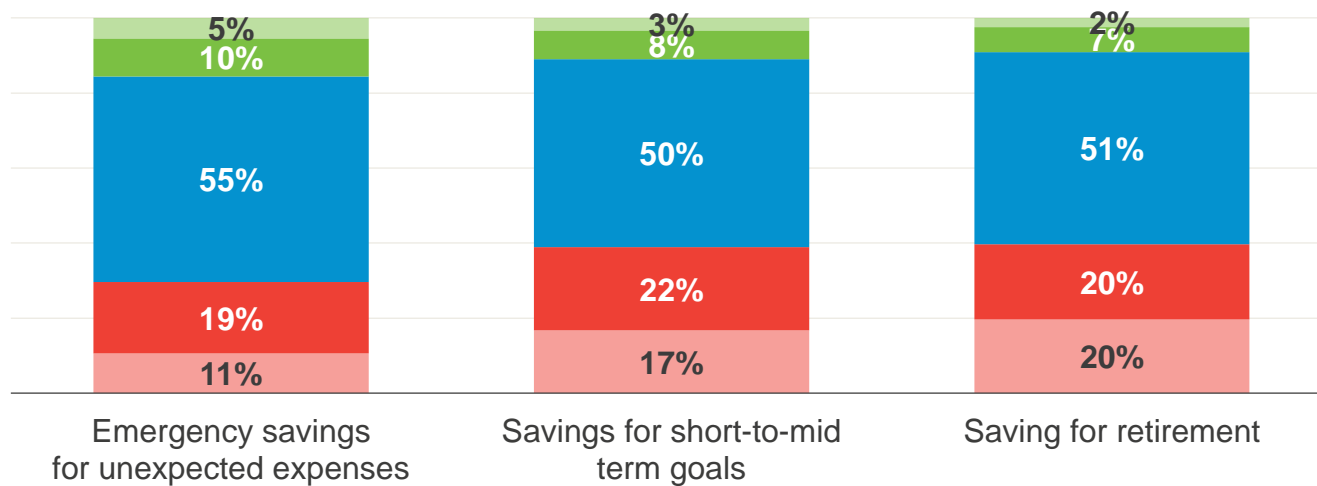


I have not had any income for 6 months now and have still had to fund myself through basic living costs so I simply do not have any spare money to save. As soon as I am back to a regular income I will be saving for the future.



Whilst some people say they are saving less, others are saving more or have started saving

Saving since the start of Covid-19: purpose and amount (self-employed people)



- I have started saving for this reason
- I have increased the amount I save for this
- The amount I am saving for this has not changed
- I have decreased the amount I save for this
- I was not saving for this reason before and am still not

Some self-employed people have started saving or have increased the amount they are saving: 15% say this for emergency saving and 9% say this for retirement saving

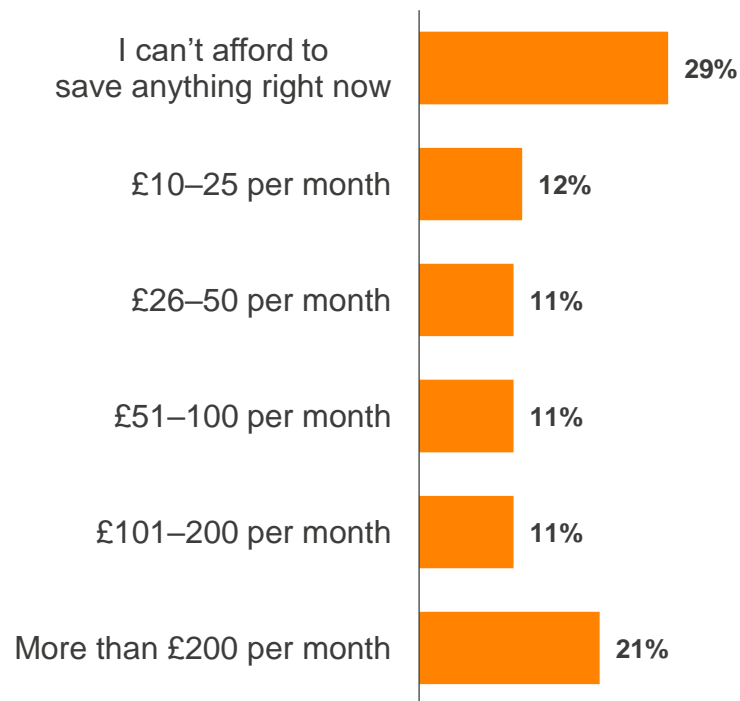
Around half say that the amount they are saving (for any reason) has not changed

Around 1 in 5 self-employed people say they have decreased the amount they are saving

QC20. Thinking about how what you are saving for might have changed since the start of the Covid-19 period, which of the following best applies to each type of saving?

Most self-employed people feel they could afford to save at the moment

Amount of income that could personally be saved (self-employed people)



QC21. At the moment, how much of your income do you think you could personally afford to put aside to save for any purpose, regardless of whether you are actually saving at the moment or not?

40%

of those earning under **£20k** feel they could save at least **£25 each month**

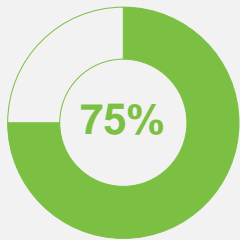
51%

of those earning **£20–30k** feel they could save at least **£50 each month**

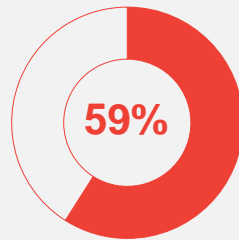
41%

of those earning **£30–40k** feel they could save at least **£100 each month**

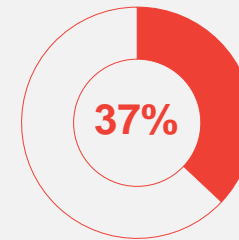
Self-employed people still value retirement saving, although confidence has taken a hit



...say that it is important to put aside money for retirement
(consistent with 74% in 2019)



...are not confident or unsure that they will be able to provide financially for their retirement
(an increase from 50% in 2019)



...say their confidence that they will be able to financially provide for retirement has decreased since Covid-19
(compared with 22% of employed people)

QC2. Thinking overall about your personal finances, how important, if at all, do you think it is to put aside money for your retirement?

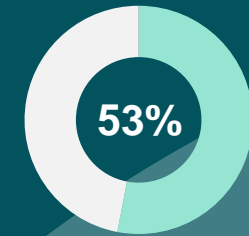
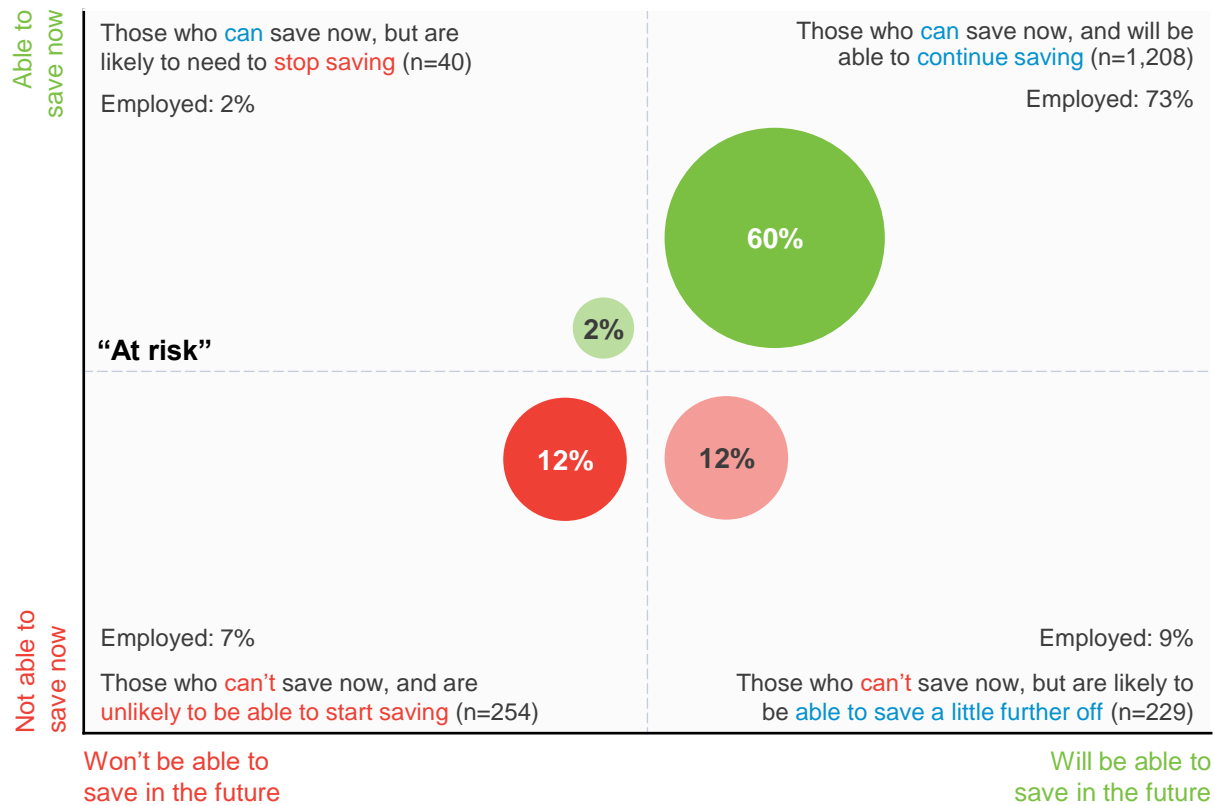
QC3. Considering what you have put in place so far, and plan to in the future, how confident are you that you will be able to financially provide for yourself / your family comfortably in retirement?

QC3a. And has your confidence that you will be able to financially provide for yourself / your family comfortably in retirement changed at all since the Covid-19 outbreak?



Supporting future saving

Over 7 in 10 self-employed people say they are able to save, either now or in the next year



are open to guidance about how best to save for their retirement

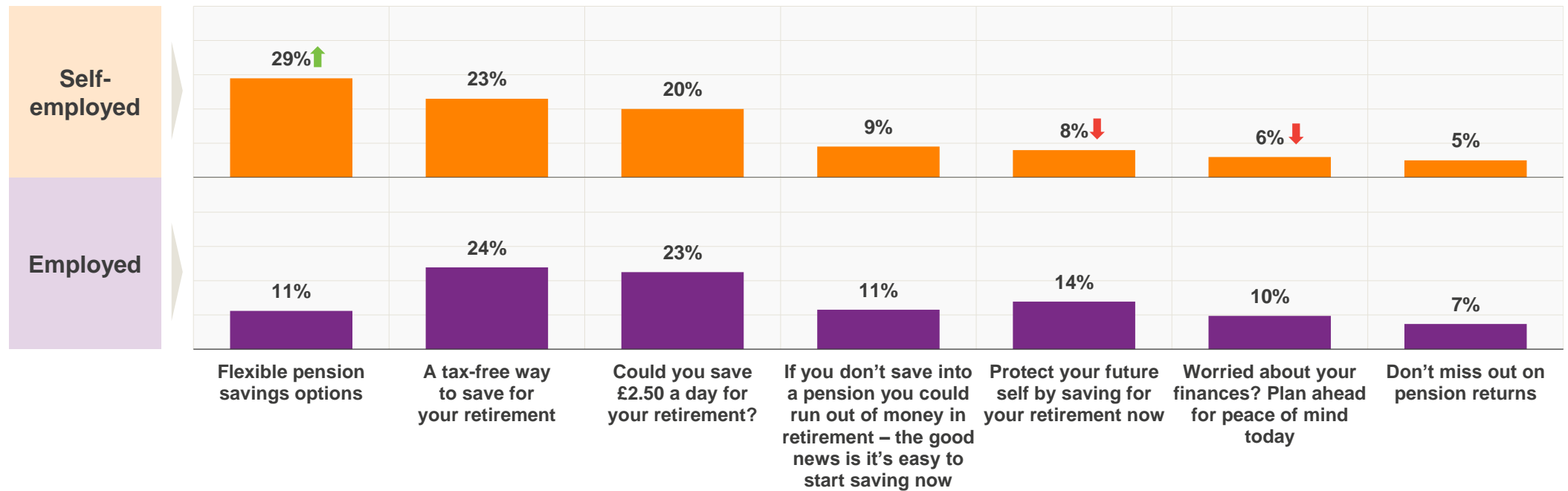
(consistent with 55% in 2019)

QC21. At the moment, how much of your income do you think you could personally afford to put aside to save for any purpose, regardless of whether you are actually saving at the moment or not?

QC22. And how do you think your ability to save is likely to change over the next 6 months to a year, compared to now?

Flexibility remains a key message

Email subject lines – most likely to read

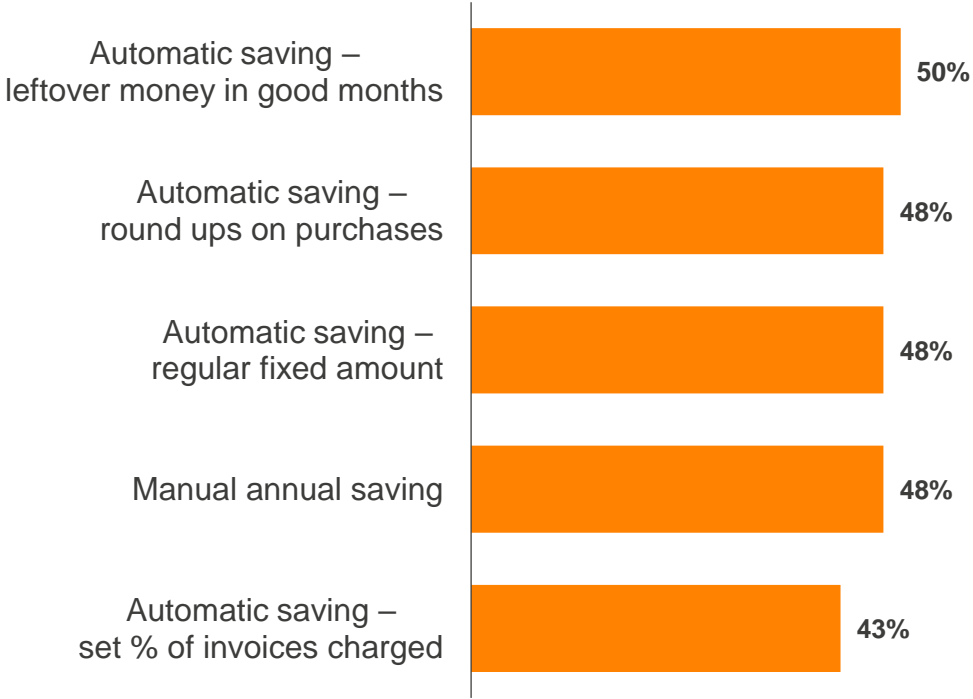


↑ ↓ Result significantly higher / lower vs. employed

QC25. We would now like you to imagine that you have just received an email. In the subject line is one of the following statements. Please rate each of them in terms of how likely they are to prompt you to open the email and read it.

Many self-employed people still like the idea of flexible auto-saving mechanisms

Appeal of mechanisms to facilitate saving for retirement (self-employed people)
(% interested)



QC26. Thinking again about saving for retirement, here are a few descriptions of how people who are in similar circumstances to yours, could automatically save funds for retirement. Please indicate the extent to which the following sound interesting to you, if at all, in principle?

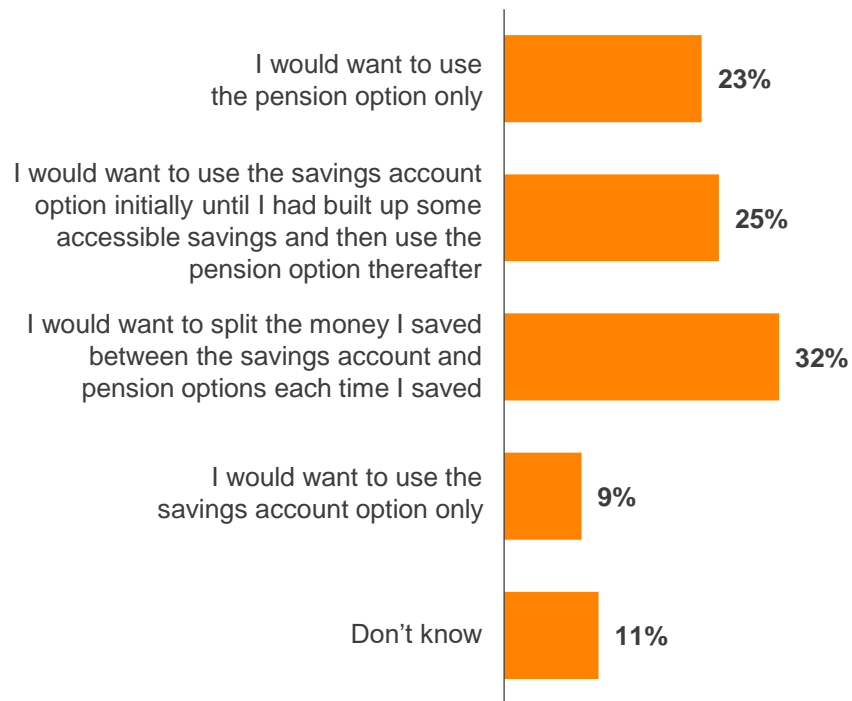
57%

like the idea of automatically diverting a proportion of their income into retirement saving
(56% in 2019)

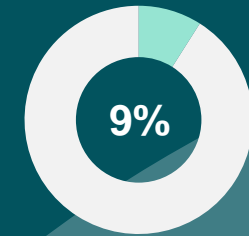
Combining a liquid account and a pension has broader appeal than a pension-only option

Preferred savings vehicle for automatic saving (self-employed people)

(% that would save into each option if they were to save automatically)



QVehicle. You just mentioned that you would be interested, in principle, in being able to set up automatic saving as a way of saving for retirement. Please imagine that you were going to set this up in future, in addition to anything you may already be saving. If you were saving automatically in this way for your retirement, which of the following best describes how you would prefer to save into these two options?



Only 9% of self-employed people who are interested in automatic saving wouldn't want to save into a pension at least in part

To sum up...

Some self-employed people's stated ability to save has decreased, and affordability is a significant barrier. But for a greater proportion, ability to save has stayed the same or increased

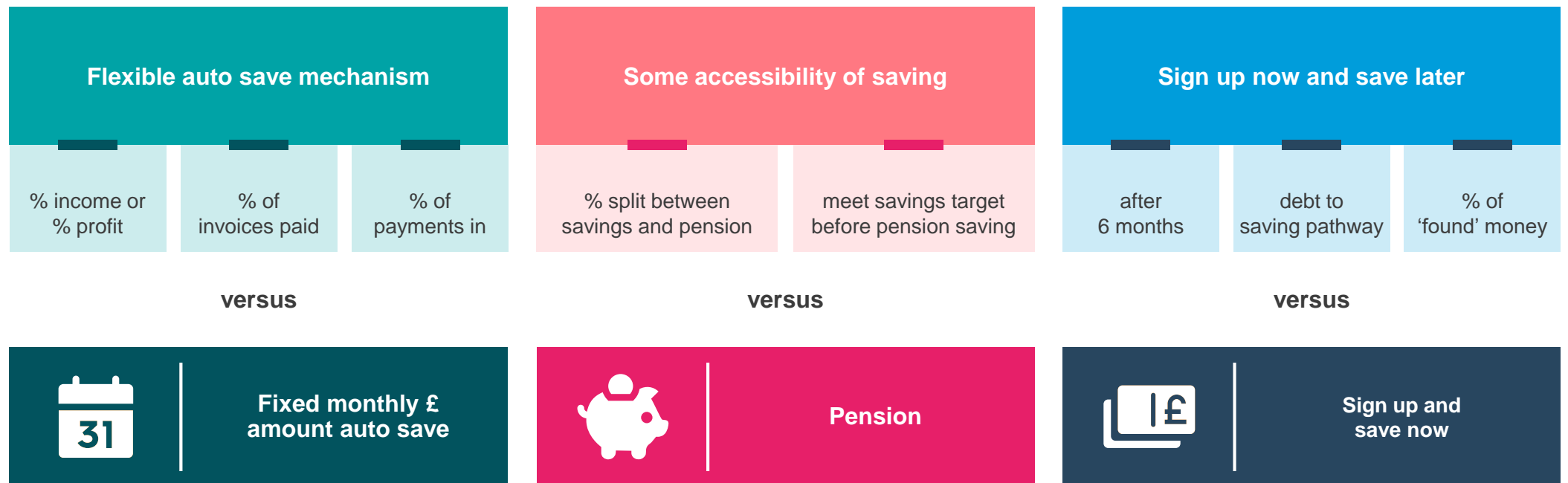
The underlying sentiment towards long-term saving hasn't been impacted by the pandemic – the majority of self-employed people still feel retirement saving is important

Accessible savings and flexibility in savings mechanisms remain important

Trialling solutions to better meet these needs and preferences as soon as possible will support those who are already able to save, and mean that at times when the more vulnerable are in a position to save there are mechanisms to support them

Next steps: pilot and evaluate technology based solutions

Possible areas of trialling could include:





02. Methodology

Definition of self-employment

This piece of work defines self-employed people in the same way as the previous survey conducted in 2019. This approach differed from other pieces of work, in that the definition of what it meant to be self-employed was broader, aiming to include rather than restrict. For more information please see the 2019 research report [here](#).

Definition of self-employment within this survey

According to this survey, the self-employed:

- › Consider themselves to be self-employed / run their own business / work for themselves
- › May be employed at the same time; however, their personal income from employment may not exceed £50,000 annually before deductions.
- › Must have an income from self-employment that accounts for at least 10% of their total personal annual income before deductions.

Survey fall-out (amongst the self-employed):

- › Most (84%, compared with 86% in 2019) said they were self-employed.
- › One in five (22%, compared with 18% in 2019) say they run their own business while 14% work for themselves (12% 2019), and 10% describe themselves as a contractor / freelancer (7% 2019).

Definition of employment within this survey

This survey was also expanded this year to include those working for an employer.








According to this survey, the employed:

- › Consider themselves to be working for an employer.
- › May be self-employed at the same time; however if this is the case their income from self-employment must account for less than 10% of their total personal annual income before deductions.

Methodological approach

The research was undertaken using an online quantitative survey among individuals who consider themselves to be self-employed or employed.

Methodology – key facts

	Method	Online self-completion (CAWI*)	
	When	September 2020	
	Interview length	15–20 minutes	
	Sample	Online panel (Dynata)	
	Who	2,023 self-employed	1,001 employed
	'Soft' quota targets set to aim for a representative spread of respondents	<ul style="list-style-type: none"> › Full- / part-time self-employment › Gender › Age › Solo / freelancer or employ others › Sector › GIG economy workers 	<ul style="list-style-type: none"> › Full- / part-time employment › Gender › Age › Zero hours contract › Sector › Region
	Weighting of final data	<ul style="list-style-type: none"> › Gender › Age › Solo / freelancer or employ others 	<ul style="list-style-type: none"> › Gender › Age › Zero hours

* Computer Assisted Web Interviewing

Online methodology rationale and challenges

- › The online methodology was a cost-efficient approach which provided value for money and reach across the self-employed and employed populations.
- › The core limitation of using online methods is that the sample may become skewed towards a more digitally-savvy population, potentially leaving out those who don't use online.
- › We found lower incidence of the self-employed from sectors such as Construction or Trades when compared to the Labour Force Survey – our hypothesis is that those sectors have a lower digital presence and are less likely to be picked up in online surveys (see later in this section for more detail).

Sampling

- › Due to the definition of self-employment being a little different from other surveys, the panel was not able to estimate exact incidence and were therefore not able to commit to achieving specific targets.
- › For this reason, the achieved sample profile fell out naturally based on qualifying criteria set for the survey (see previous page). Data was then weighted to a representative profile (see later in this section for more detail).






Data quality

- › Regular data quality checks were undertaken across the fieldwork period to ensure speeders (those completing the survey too quickly), flatliners (those completing the survey without reading the questions) and bogus respondents (those who give implausible or nonsensical answers to open questions) were removed from final data.

Questionnaire

It was developed in close collaboration with Nest Insight and DWP to ensure it covered the right ground and so that findings could be compared / applied to other existing work. This was developed from the 2019 questionnaire.

Questionnaire flow:

Screening & employment history 	Information sources 	Financial management 	Savings behaviour 	Further demographic information 
<ul style="list-style-type: none">› Employment situation› Income (+ change since Covid-19)› Sector› Other key demographics used for quota monitoring or weighting› Business profile (employees, type, etc.)› Employment history› Satisfaction with employment situation› Household questions – living situation, household income sources, and effect of Covid-19 on income	<ul style="list-style-type: none">› Sources of information for personal financial decisions (+ change since Covid-19)	<ul style="list-style-type: none">› Attitudes to money and financial management› Relationship between personal and business finances› Personal and business financial product holding› Saving product holding› Channel preferences when interacting with service providers› Usage of platforms used for business (e.g. to sell work, process payments, accounting, etc.)› Employment plans for future› Covid-19 questions – impact on general wellbeing, use of financial support / income supplementation	<ul style="list-style-type: none">› General behaviours and attitudes when it comes to saving money (+ change since Covid-19)› Prospective savings ability› Preparedness for retirement› Plans on how will fund retirement› Appeal of various platforms providing retirement saving tools› Appeal of a number of savings messages and mechanisms› Covid-19 questions – effect on business and finances	<ul style="list-style-type: none">› Education› Household make-up detail› Disability› Ethnicity› Effect of Covid-19 – personal and household

NB. Please note that any sector differences reported in this document are based on the multiple choice question (QS8) to maximise base sizes and include everyone working in that sector.

Self-employed sector fall out vs. Labour force survey

Below is a table summarising the sector fall out within this survey as well as the Labour Force Survey (LFS) for comparison. There is a substantially lower % of those working in SIC A–F within this survey than in LFS, and conversely, there is a substantially higher % working in SIC M. Other substantial differences are encircled below. These are consistent with in 2019. Due to the substantial differences between natural fall out of sector in the QTS (online) and a representative profile suggested by the LFS, we have not weighted the data based on sector.

SIC 2007	This survey proxy	This survey (work in – multiple choice QS8)		This survey (get most income from – single choice QS8a)		Labour Force Survey (single choice)	
		%	Net %	%	Net %		
Agriculture, construction, mining, manufacturing and utilities	A–F	Construction (including architecture / design)	5%	11%	5%	11%	27%
		Agricultural (e.g. farming, forestry, fishing)	1%		1%		
		Manufacturing	2%		2%		
		Trades (building; plumbing; electrician; etc.)	4%		4%		
Wholesale, retail, transport and accommodation	G–I	Retail	10%	18%	10%	17%	16%
		Accommodation	2%		1%		
		Automotive	1%		1%		
		Food / drink products	2%		2%		
		Transportation	3%		3%		
Information and communication	J	IT services / communications / telecoms	5%	5%	5%	5%	5%
Financial, insurance and real estate activities	K–L	Banking, insurance, investments (personal or commercial)	2%	6%	2%	6%	4%
		Property (including maintenance and cleaning)	4%		4%		
Professional, scientific and technical activities	M	Marketing services (e.g. advertising; marketing; PR; market)	2%	20%	2%	18%	13%
		Professional services (business services, consultancy, accountancy; legal; etc.)	16%		14%		
		Scientific activities	1%		0%		
		Photography, graphic design, other design (e.g. fashion)	2%		2%		
Administrative, public and support service activities	N–O	Administrative	5%	9%	4%	7%	9%
		Public / civil service	0%		0%		
		Tourism / leisure-related	3%		3%		
Education, health and social work	P–Q	Medical / health / fitness-related	4%	13%	4%	12%	13%
		Social work and care (including childcare, nursing home, etc)	2%		2%		
		Teaching / tutoring / education-related	7%		6%		
Other	R–T	Arts, creative and entertainment	13%	26%	12%	25%	13%
		Hair and beauty	2%		2%		
		Other	12%		12%		

NB. Please note that any sector differences reported in this document are based on the multiple choice question (QS8) to maximise base sizes and include everyone working in that sector.

Achieved sample – self employed

The approach to fieldwork was to aim for a nationally representative spread of self-employed and employed people. The profile achieved differs slightly from the assumed representative profile.

		Nat. Rep.	Count	Difference
FT / PT	Full-time self-employed (30+ hours / week)	1388	1134	-254
	Part-time self-employed (<29 hours / week)	612	889	277
Gender	Male	1313	1078	-235
	Female	687	931	244
	Other	Natural	14	Natural
Age	1–24	80	70	-10
	25–34	318	226	-92
	35–44	436	389	-47
	45–54	530	535	5
	55–64	444	542	98
	65+	192	261	69
Type	Solo / Freelancers	1646	1578	-68
	Employ others	354	445	91
Sector	Agriculture, construction, mining, manufacturing and utilities (SIC 2007 A–F)	536	223	-313
	Wholesale, retail, transport and accommodation (SIC 2007 G–I)	326	336	10
	Information and communication (SIC 2007 J)	104	97	-7
	Financial, insurance and real estate activities (SIC 2007 K–L)	74	112	38
	Professional, scientific and technical activities (SIC 2007 M)	267	362	95
	Administrative, public and support service activities (SIC 2007 N–O)	176	145	-31
	Education, health and social work (SIC 2007 P–Q)	260	247	-13
	Other (SIC 2007 R–T)	257	501	244
GIG	GIG economy workers	200	50	-150
Total	All	2,000	2,023	–

Please note:

- › The definition of self-employed people used in this survey differs slightly from others – it is more open and inclusive, which means that the profile achieved through this research may differ as a result.
- › Some sectors may have less presence on online panels (e.g. construction / trades) which will again impact fall out for this research vs. others.

Achieved sample – employed

		Nat. Rep.	Count	Difference
FT / PT	Full-time self-employed (30+ hours / week)	747	631	-116
	Part-time self-employed (<29 hours / week)	253	156	-97
Gender	Male	500	495	-5
	Female	500	499	-1
	Other	Natural	7	Natural
Age	18–24	128	128	0
	25–34	245	245	0
	35–44	219	220	1
	45–54	227	227	0
	55–64	154	154	0
	65+	27	27	0
0 hours	On zero-hours contract	50	52	2
	Not on zero-hours contract	950	942	-8
Sector	Agriculture, construction, mining, manufacturing and utilities (SIC 2007 A–F)	172	124	-48
	Wholesale, retail, transport and accommodation (SIC 2007 G–I)	233	201	-32
	Information and communication (SIC 2007 J)	46	68	22
	Financial, insurance and real estate activities (SIC 2007 K–L)	52	45	-7
	Professional, scientific and technical activities (SIC 2007 M)	71	84	13
	Administrative, public and support service activities (SIC 2007 N–O)	117	183	66
	Education, health and social work (SIC 2007 P–Q)	264	177	-87
	Other (SIC 2007 R–T)	45	119	74
Region	Scotland	85	83	-2
	Northern Ireland	27	15	-12
	North East	38	38	0
	North West	108	109	1
	Yorkshire and the Humber	81	82	1
	East Midlands	74	80	6
	West Midlands	87	83	-4
	Wales	45	43	-2
	East of England	95	93	-2
	London	138	151	13
	South East	140	145	5
	South West	84	79	-5
Total	All	1,000	1,001	-

Weighting

Data are weighted to a nationally representative profile of the UK self-employed and employed workforces. This profile was determined using the Labour Force Survey.

			Employed		Self-employed	
			Weight %	Sample %	Weight %	Sample %
Work pattern	1	Full-time self-employed (30+ hours per week)	63%	63%	59%	56%
	2	Part-time self-employed (up to 29 hours per week)	16%	16%	41%	44%
Gender	1	Male	50%	49%	66%	53%
	2	Female	50%	50%	34%	46%
Age	1	18–24	13%	13%	4%	3%
	2	25–34	25%	24%	16%	11%
	3	35–44	22%	22%	22%	19%
	4	45–54	23%	23%	26%	26%
	5	55–64	15%	15%	22%	27%
	6	65+	3%	3%	10%	13%
Have employees	1	Solo / Freelancers	–	–	82%	78%
	2	Employ others	–	–	18%	22%
Zero hours contract	1	On zero hours contract	5%	5%	–	–
	2	Not on zero hours contract	95%	94%	–	–
SIC 2007 – Sector	A–F	Agriculture, construction, mining, manufacturing and utilities	13%	12%	12%	11%
	G–I	Wholesale, retail, transport and accommodation	20%	20%	16%	17%
	J	Information and communication	7%	7%	6%	5%
	K–L	Financial, insurance and real estate activities	4%	4%	5%	6%
	M	Professional, scientific and technical activities	8%	8%	17%	18%
	N–O	Public administration and defence; compulsory social security	18%	18%	6%	7%
	P–Q	Education, health and social work	18%	18%	11%	12%
R–T	Other	12%	12%	25%	25%	

- › The nationally representative profile (which data are currently weighted to) has been based on Labour Force Survey data (Annual 2019 and Jun 2020 data).
- › Weighting is based on **Gender, Age, whether they have employees or not (self-employed), and whether they have a zero hours contract (employed)**.
- › RIM weighting efficiency is 90% (min. weight 0.44 / max 2.02).

Please note

- › Initially the assumption was that data would be weighted using the above mentioned variables as well as **sector** and **work pattern**. However, the differences in natural fall-out from the weighted target were too large and were negatively impacting the weighting efficiency (it was brought down to 71%). Therefore, sector and work pattern were excluded from the final weighting matrix. The data in 'Weight %' column for sector and work pattern (see adjacent) reflect the weighted sector figures following the wider weighting approach described above.

Reporting conventions within this document

Below is a summary of reporting conventions which apply to this document, including a note on statistical significance testing.

Rounding

- › Results may not sum to 100% due to rounding and / or due to participants being able to select more than one answer to a question.

Scales used and reported %s

- › For questions designed specifically for the purposes of this survey, agreement scales are consistent and are based on 7 point scales.
- › Reported %s will either focus on the top 3 points on the scale (positive end) or everyone else (people coding in the bottom 4 boxes on the scale).
- › There are a small number of questions adopted from other work where the scale differs (QH2 – HMRC segmentation golden questions). In this instance, the positive end of the scale is reported as top 2 box as the scale only has 5 points.

Data represented in the report is a sample

- › The results are based on a sample of the self-employed and employed rather than the total population. This means the results are subject to sampling error. Differences between sub-groups are commented on if they are statistically significant at the 95 per cent confidence level, unless specified as indicative. This means there is no more than a 5 per cent chance that any reported differences are not real but a consequence of chance / sampling error.
- › Strictly speaking, calculations of statistical significance apply only to samples that have been selected using a probability sampling design. However, in practice, it is reasonable to assume that these calculations provide a good indication of significant differences for quota sampling (as used for this research).

Significance testing

- › Statistically significant differences are indicated on each figure with arrows or coloured boxes, as detailed below, and commented on where appropriate.
 - ↑↓ Significantly **higher** / **lower** vs employed
 - ■ Result significantly **higher** / **lower** vs. total
- › Typically, the larger the base size (the number of respondents answering the question), the more likely it is that any differences observed are statistically significant. Results in each section of the report are presented at total level and any differences highlighted for sub-groups are tested for significance vs. the total result.

Key

- › Data relating to the **self-employed** sample is shown in **orange** or with an orange circle at the top of the slide
- › Data relating to the **employed** sample is shown in **purple** or with a purple circle at the top of the slide

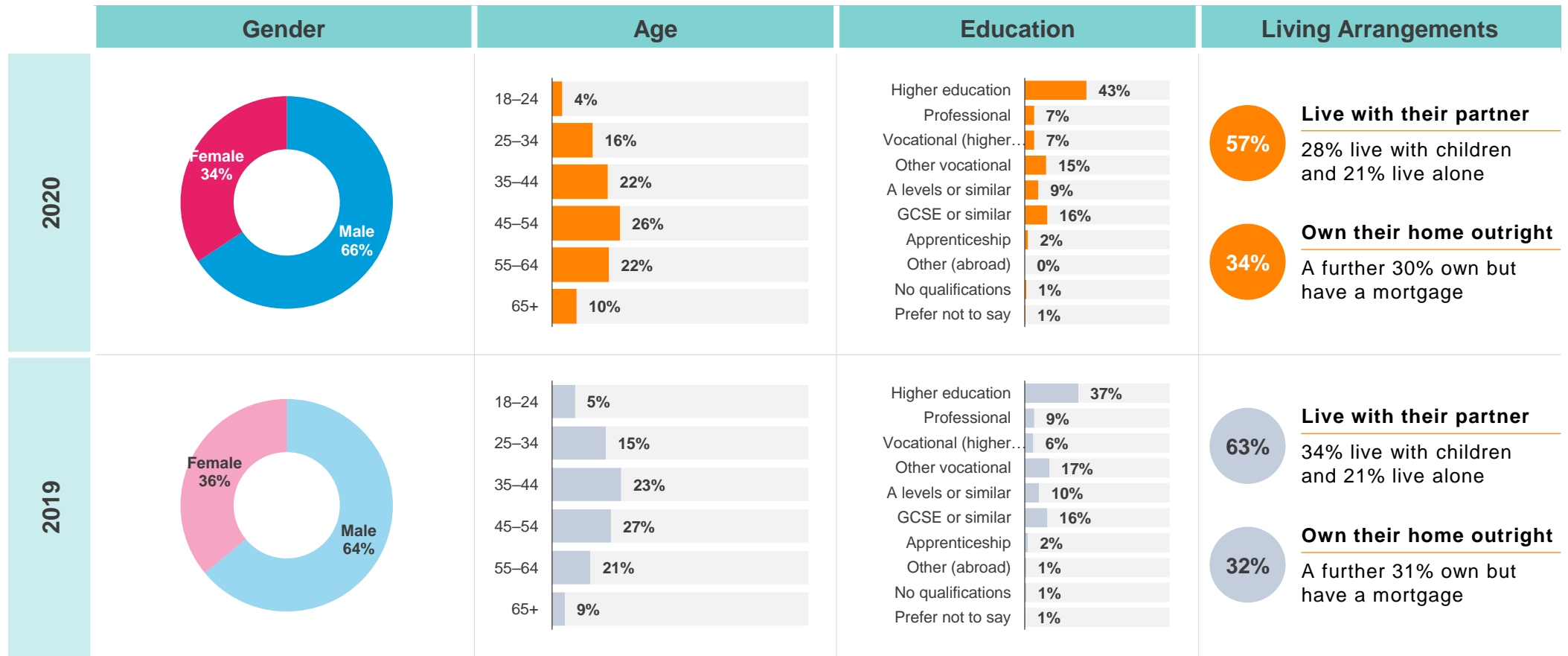




03. Population profile

Population profile – self-employed

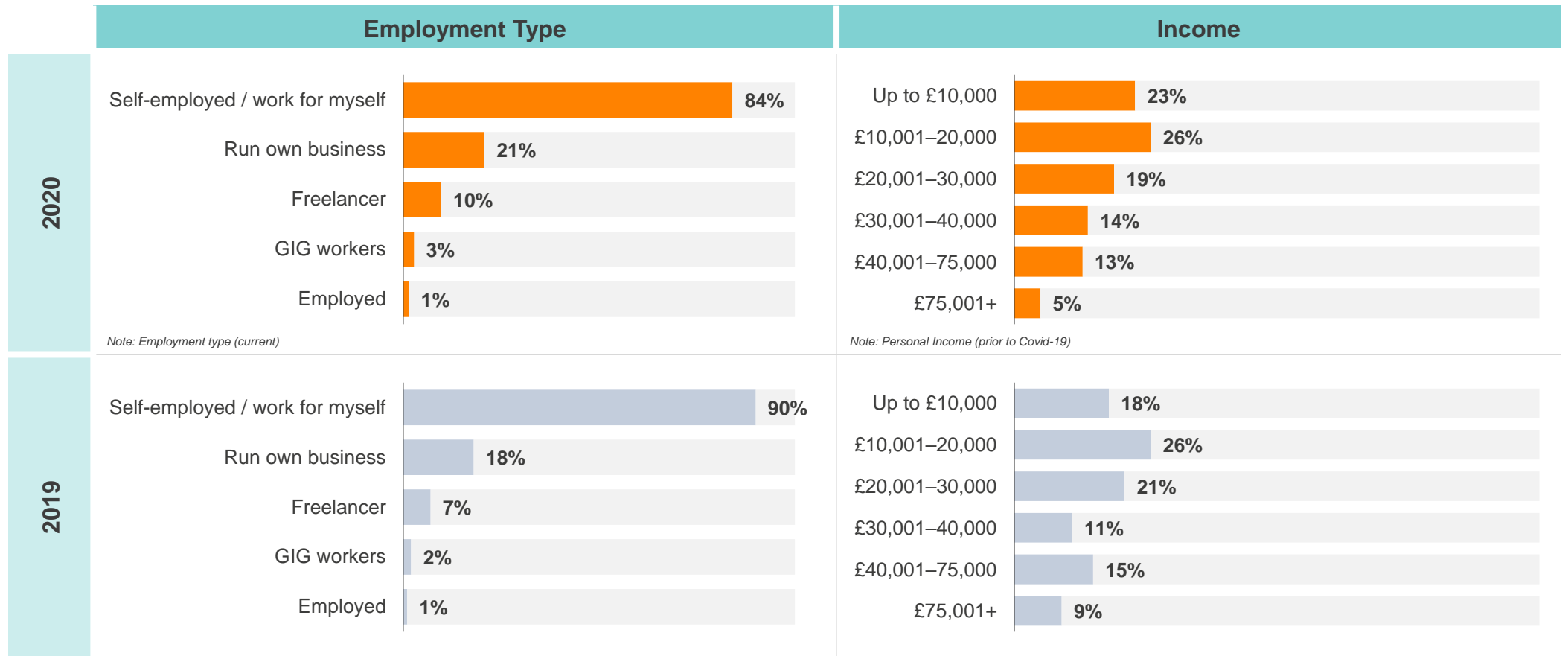
The basic demographic profile of respondents is comparable between the 2020 and 2019 surveys.



Employment type and income – self-employed



In the 2020 survey, employment type is similarly distributed to the 2019 work, although slightly more self-employed respondents say they run their own business or are freelancers. Income is also similarly distributed, although slightly more respondents fall into the mid income brackets rather than high.

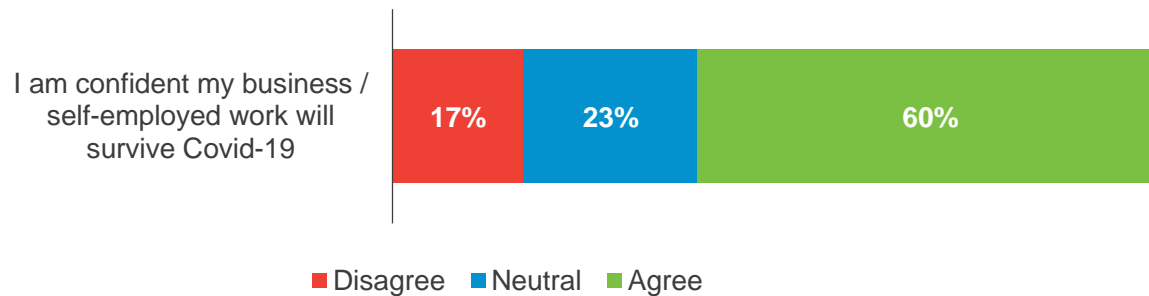




04. Impact of Covid-19 on work

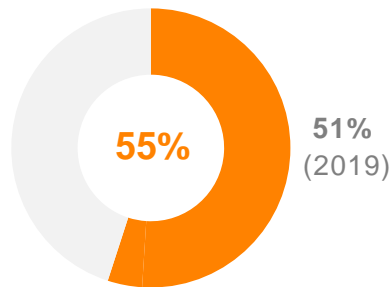
Most are confident in their business survival but there is uncertainty about the future

Confidence in business survival

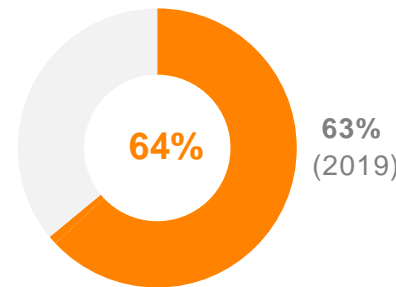


Future thinking metrics (% who agree)

Often worry about their future



Would like to grow their business further



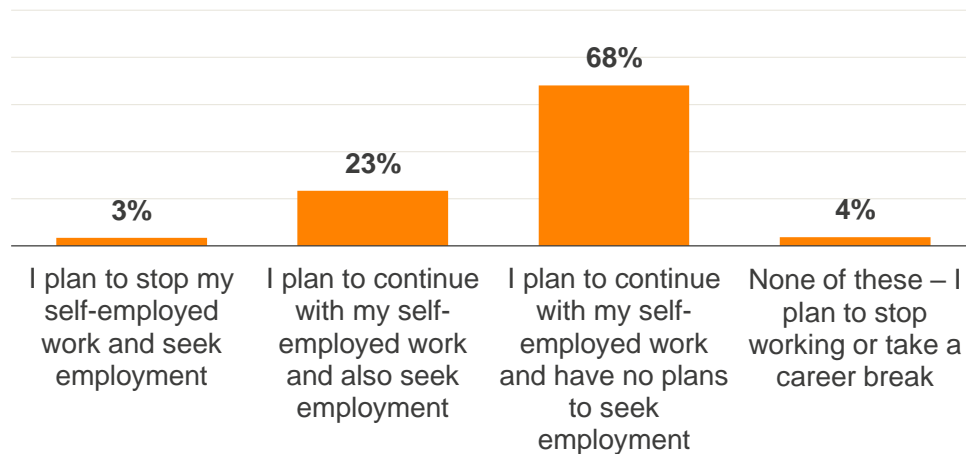
- > Most think their self-employed work will survive Covid-19, but the proportion that are not confident their business / self-employed work will survive the pandemic is higher for those:
 - Whose personal or household income has decreased due to Covid-19.
 - Working in the Arts or Tourism sectors.
 - Who are not confident and open.
- > Self-employed people working in the GIG economy are more likely to be confident that their work will survive Covid-19 (68%). However they are finding it more difficult to find work at the moment (57% agree vs 44% total) (indicative).
- > Although two-thirds would like to grow their business further, over half say they often worry about their future, an increase from 2019.

QC27. To what extent do you agree or disagree with the following statements?
 QB1. Thinking about how you approach making financial decisions, to what extent do you agree or disagree with the following statements?
 QB3. Now thinking about your work as self-employed, to what extent do you agree or disagree with the following statements?

Covid-19 is driving a significant minority to consider seeking some employment in the next 12 months

Covid-19 is the main driving force for most self-employed people are planning to seek employment in the next 12 months. In contrast, employed people who are planning to move into self-employment are more commonly also being driven by reasons outside of Covid-19.

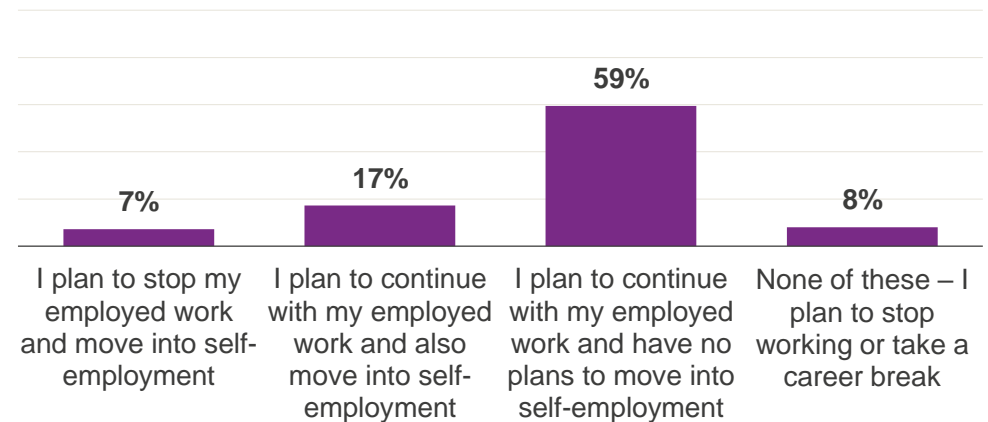
Employment plans for next 12 months: self-employed



Plan to seek employment (27%)

73% At least partially due to Covid-19

Employed – employment plans for the next 12 months



Plan to seek self-employment (24%)

53% At least partially due to Covid-19

QB14. As a self-employed person, which of the below do you feel most accurately describes your plans for the next 12 months?

QB15. Thinking about the next 12 months, which of the below do you feel most accurately describes you?

QB16. Is the answer you gave to the previous question a result of the impact of Covid-19 or due to other reasons?

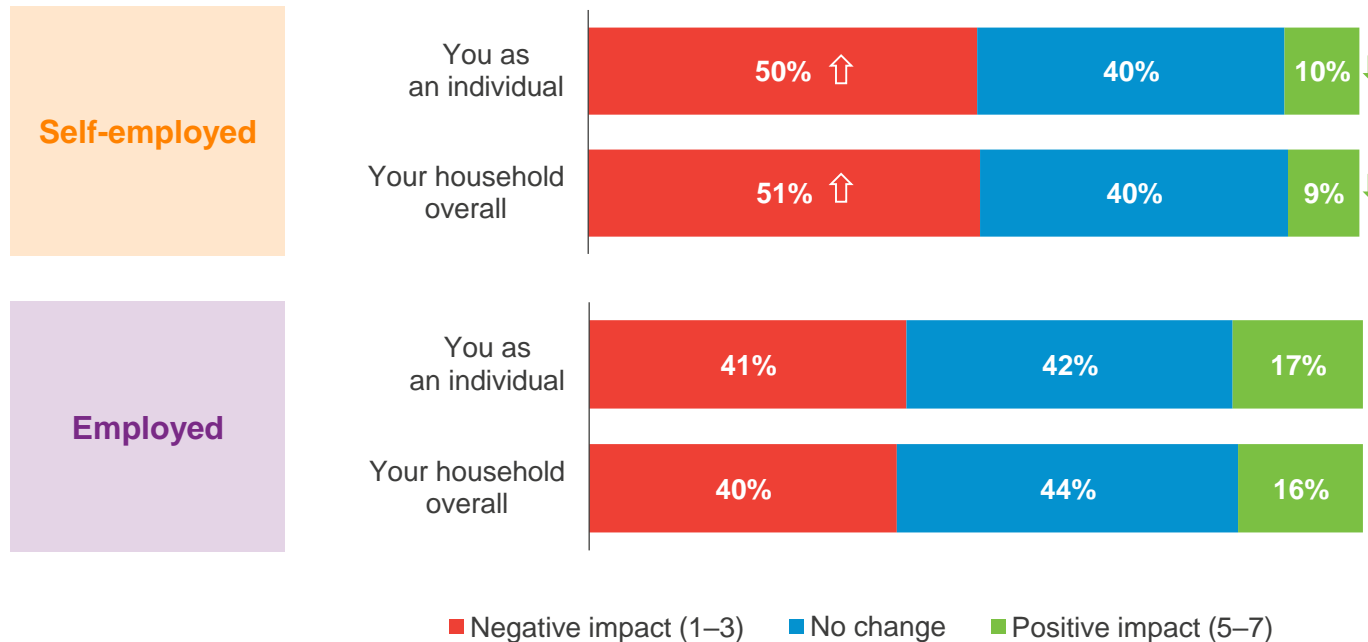


05. Impact of Covid-19 on wellbeing

For many, Covid-19 has had a negative impact on wellbeing

The impact of Covid-19 is less severe for those who are employed, but a significant proportion of both employed and self-employed people feel that Covid-19 has impacted their general wellbeing.

Impact of Covid-19 on general wellbeing



- › Those more likely to feel negatively impacted by Covid-19 as an individual include those:
 - Whose personal or household income decreased as a result of Covid-19.
 - Who work in the Arts or Tourism sectors.
 - Who are female.
 - Who are aged under 55.
 - Who have a disability.
 - Who are not confident and open.
 - Who have had to self-isolate.
- › In addition to the above, those who live with others were more likely to have been negatively impacted if a member of their household was put on furlough or had suspected Covid-19.

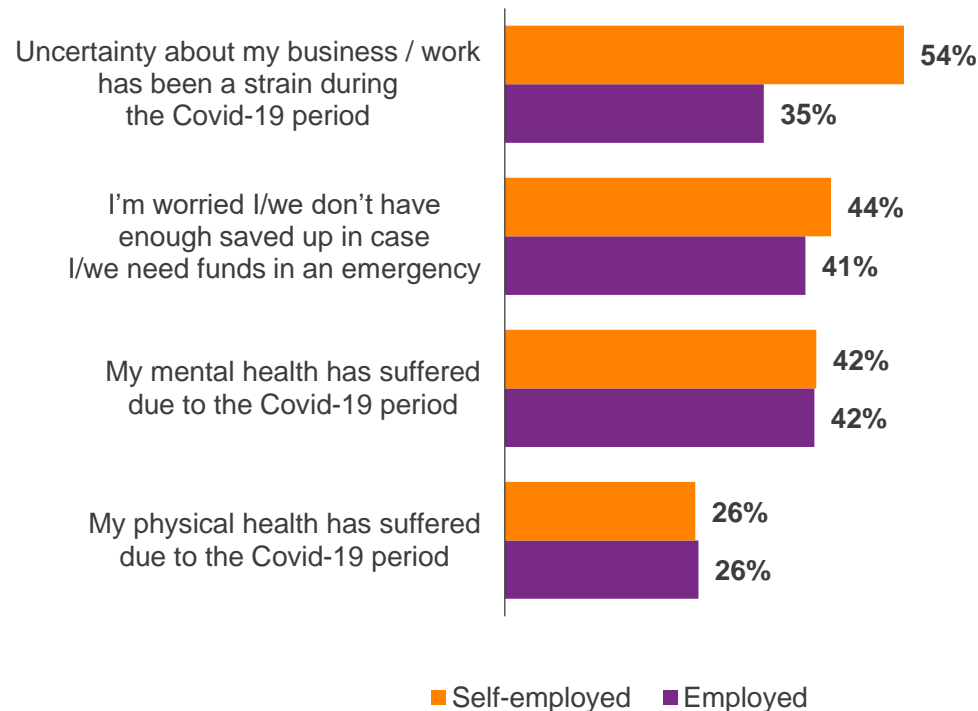
↑↓ Result significantly higher / lower vs. employed

QC17. Thinking specifically about your general wellbeing, how, if at all, has the ongoing Covid-19 period impacted ...

Worries around work and financial issues are more prevalent in self-employed

Self-employed people are more likely than employed people to have been impacted by the strain of uncertainty around their business but are similarly likely to report strain on their mental and physical health.

Impact of Covid-19 on personal wellbeing



↑↓ Result significantly higher / lower vs. employed

- › Those more likely to feel that uncertainty about their work as self-employed during Covid-19 was a strain include people:
 - Who's personal or household income decreased as a result of Covid-19.
 - Who work in the Arts or Tourism sectors.
 - Who are female.
 - Who are aged under 55.
 - Who have a disability.
 - Who are home schooling children during Covid-19.
 - Who are not confident and open.
 - In addition to the above, those who live with pre-school and school age children are also more likely to feel their mental health suffered due to Covid-19.

QC27. To what extent do you agree or disagree with the following statements?



06. Impact of Covid-19 on business and personal finances

Management of personal and business finances is largely stable



Half continue to manage their personal and business finances together, and hold similar financial products for their personal and business finances compared with 2019.

Business and personal finances

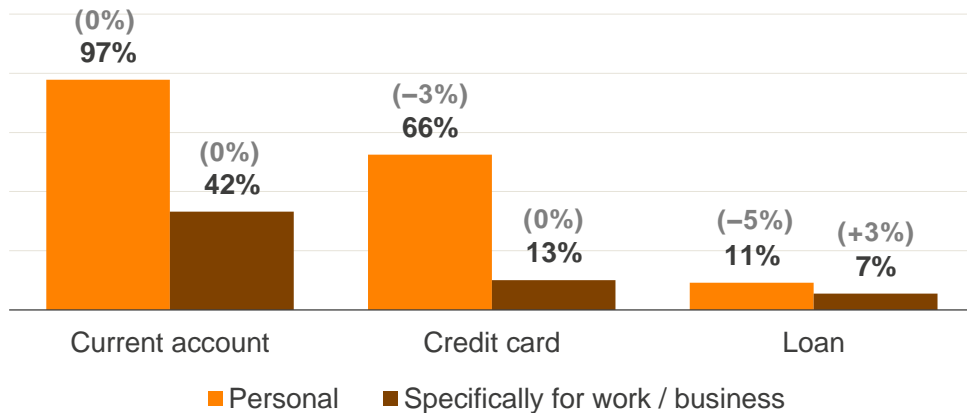
52%

Manage the finances related to their personal lives and self-employed work together (they don't separate them)
49% (2019)

- There has been a slight increase in those taking out loans for their business.

Financial products held

(% difference vs 2019)



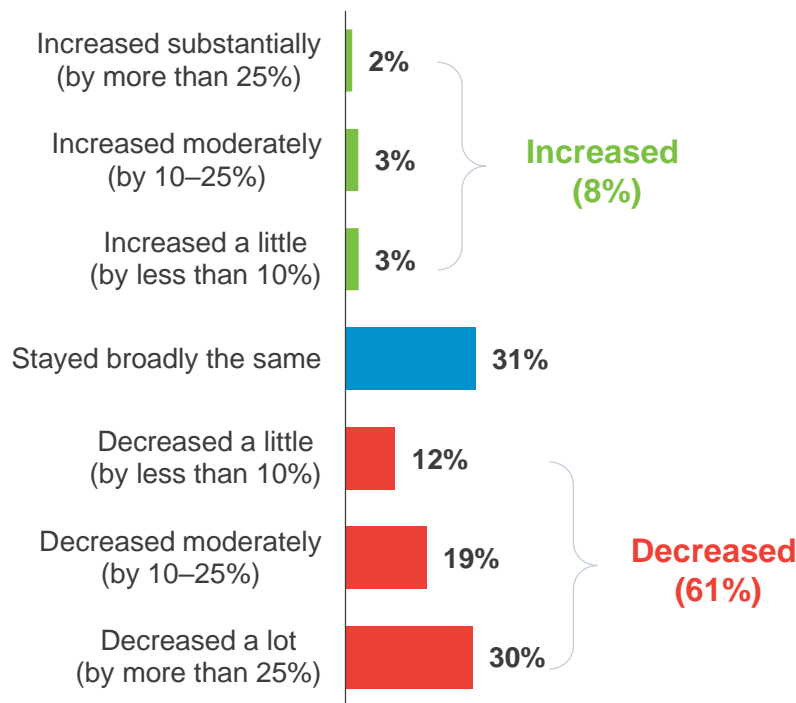
QB5. Which of the following financial products do you have?
QB3. Now thinking about your work as self-employed, to what extent do you agree or disagree with the following statements?

Most self-employed people say their income has been impacted by the pandemic



Reported income has decreased for 6 in 10 self-employed people since the Covid-19 outbreak began, with just under a third reporting that their income has reduced by over 25%. For 3 in 10 self-employed people income has stayed broadly the same. And nearly 1 in 10 (8%) say they have seen their income increase.

Change in personal income levels since Covid-19



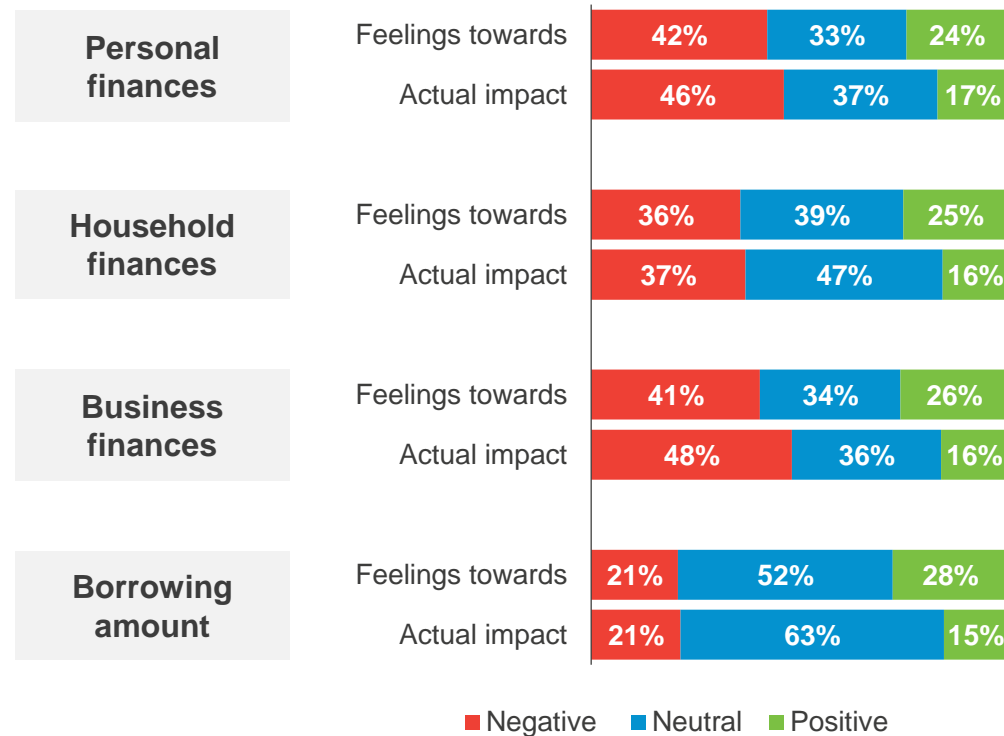
- › Those on lower personal incomes (between £10K–20K) are most likely to report their income has decreased by more than 25% (33%).
- › Women are significantly more likely to have seen their personal income decrease (67% vs 58% for men). Women are also more likely to have taken on home schooling for children and increased their caring responsibilities in the last six months which may be partially impacting this decline.
- › Those who have a disability are significantly more likely to report their personal income has decreased a lot (37% vs 28%).
- › Self employed people working in the GIG economy are similarly likely to report that their incomes have decreased (65%).
- › For employed people with a zero hours contract, the effect of Covid-19 has been more polarizing – half saw their incomes decrease (49%), but a third saw it increase (33%). This appears to be sector-driven.
- › The decline in income is also likely to be due to the availability of work, with 2 in 5 agreeing that it is really difficult to find work.

QS3. And overall, how has your personal level of income changed, if at all, since the Covid-19 outbreak began in the UK?

Many self-employed people feel they are worse-off due to Covid-19

Personal and business finances have been the worst affected – just under half have been negatively financially impacted in these areas.

Impact of Covid-19 on finances: sentiment and stated actual impact



It's not all negative, however:

- › A small subset have been positively affected by Covid-19 – with around a sixth saying there has been a positive financial impact across all finance types.
- › Interestingly, a small proportion self-employed people seem optimistic – for some the actual impact on their personal and business finances is reported to be worse than how they feel about it.
 - Those ‘feeling optimistic’ about their personal finances being negatively impacted are more likely to be financially insulated against this – they have higher incomes, receive income from other sources, and are still saving money.
 - Those ‘feeling optimistic’ about a negative impact of Covid-19 on their business finances are not necessarily the same people who have seen a negative impact on their personal finances (although some are). These people are more likely to have accessed SEISS, and are also less likely to say their overall household income has decreased by a lot – which to an extent may have mitigated the negative financial effects.
- › Employed people are less worried and report less financial impact.

QC28a. And how, if at all, has the ongoing Covid-19 period affected how you feel generally about....?
 QC28b. And how has Covid-19 actually impacted you financially in terms of the following?

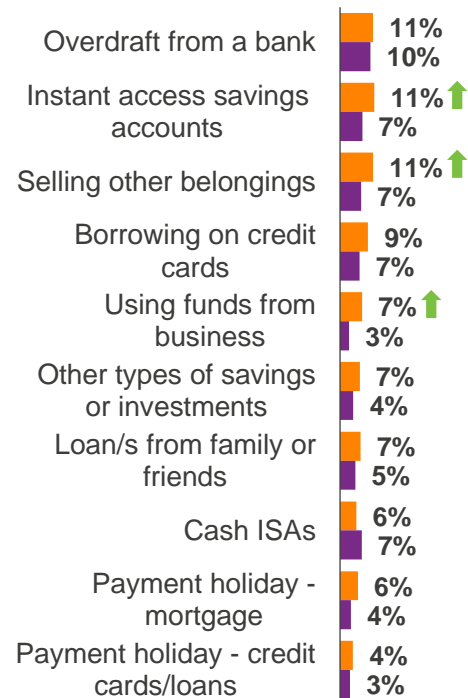
Some self-employed people have needed to adapt to supplement their income

Financial support accessed during Covid-19

48%

of self-employed people said that they had accessed some financial support during Covid, most commonly the Self-employed Income Support Scheme (SEISS)

Income sources drawn upon during Covid-19 (under 4% not shown)



- › Those working full-time were more likely to have accessed a range of support measures.
- › Employed people are less likely overall to have drawn on sources of financial support.
- › Self employed people working in the GIG economy were not more likely to have accessed financial support measures. They were instead more likely to have supplemented their incomes using borrowing, selling belongings, and drawing on savings (*indicative*).

QC18. Have you accessed or made use of any of these types of financial support – whether from Government or other sources during the Covid-19 period?

QC9c. Thinking generally, which, if any, of these income sources / other measures have you accessed or used in order to help you / your household through the Covid-19 period?

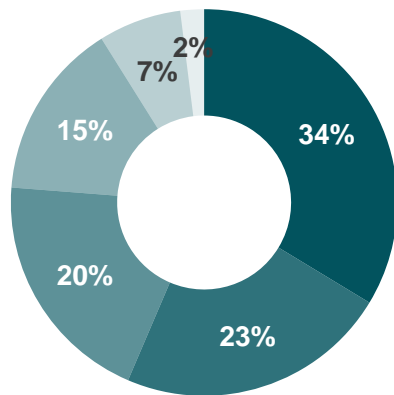


07. Segmenting the self-employed population

An introduction to priority groups

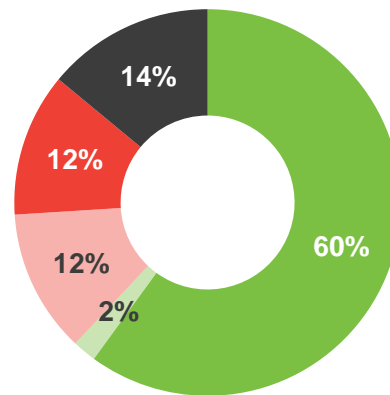
There are a lots of ways that we could look at the data to identify priority groups. Other than more standard demographic profiling, we have also looked at self-employed people in three other specific ways. Each of these is described in more detail later in this document. They are then used to identify differences in the self-employed population, and consequently potential opportunities to target specific groups

1. Number of platforms used for their business or work as self-employed



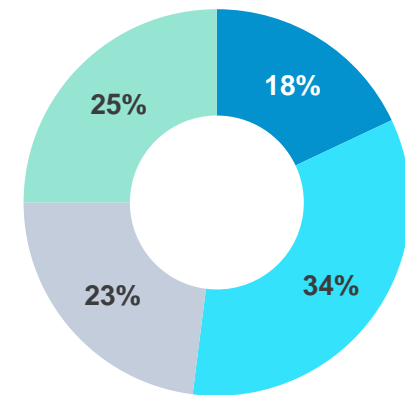
- 0 platforms
- 1 platform
- 2 platforms
- 3 platforms
- 4 platforms
- 5 platforms

2. Self-employed savings groups



- Can save and will continue
- Can save but will need to stop soon
- Can't save but will start soon
- Can't save now or in the future (those "at risk")
- Uncategorised - unsure about saving

3. Four typologies that illustrate financial confidence and openness to advice



- Confident, open
- Not confident, open
- Confident, not open
- Not confident, not open

Numbers do not add to 100% due to rounding

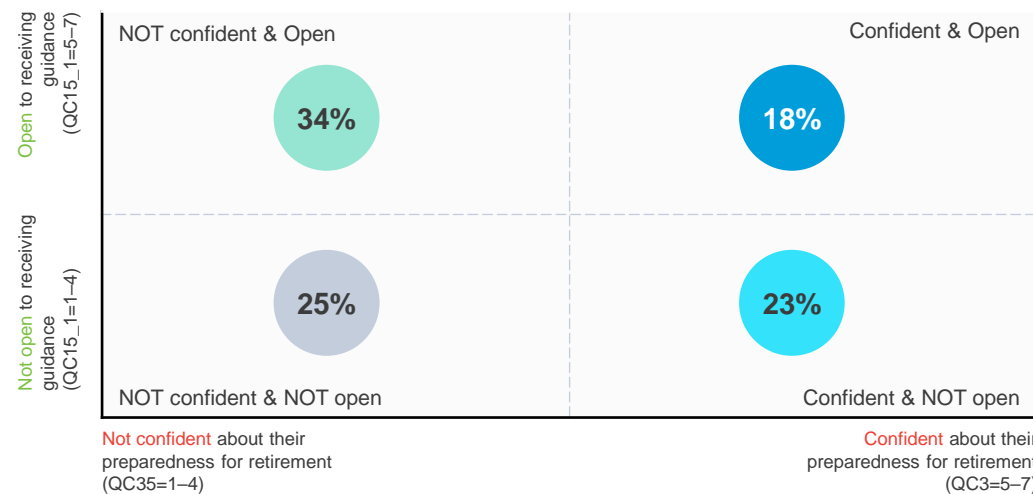
The four typologies

The four typologies were created in 2019 to provide a view of need and openness to being helped (in the context of saving for retirement) in a concise and manageable way.

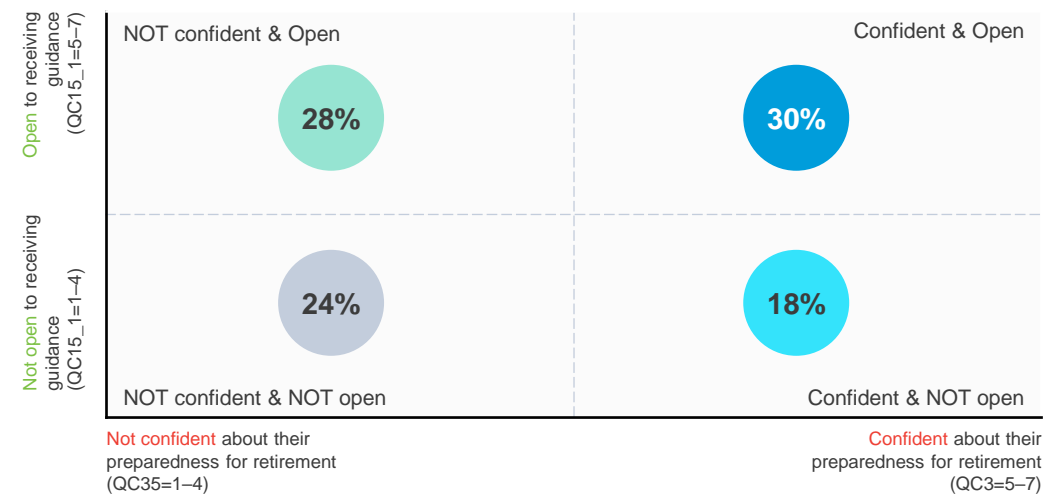
- › The following questions were used as two axes to create the typologies:
 - QC3. Considering what you have put in place so far, and plan to in the future, how confident are you that you will be able to financially provide for yourself / your family comfortably in retirement? – **used as proxy for NEED**
 - QC15. Agreement – I'd welcome more guidance on how to best save for my retirement – i.e. **OPENNESS TO BEING ASSISTED**

- › Cut-offs for creating the typologies:
 - Positive (codes 5–7 for each of the two statements)
 - Negative (codes 1–4 for each of the two statements)

Self-employed



Employed



QC3. Considering what you have put in place so far, and plan to in the future, how confident are you that you will be able to financially provide for yourself / your family comfortably in retirement?
 QC15. To what extent do you agree or disagree with the following statements about saving for retirement? Base: All respondents (2013).

The savings groups

Further priority groups, based on savings ability, were identified to identify differences in the self-employed population. The methodology used is described here. Details on profiling information and other characteristics can be found in section 9.

- › The following questions were used as two axes to create the typologies:
- › QC21. At the moment, how much of your income do you think you could personally afford to put aside to save for any purpose, regardless of whether you are actually saving at the moment or not? – **used to understand whether they are CURRENTLY SAVING**
- › QC22. And how do you think your ability to save is likely to change over the next 6 months to a year, compared to now?– **used to understand whether they will be able to SAVE IN THE FUTURE**
- › Cut-offs for creating the typologies:
 - Currently saving
 - Codes 2–6 – Saving £10+ per month
 - Code 1 – Can't afford to save anything right now
 - Will be able to save in the future
 - Codes 1–2 – Think they will be able to save more or about the same amount of money
 - Codes 3–4 – Think they will be able to save less money or no money

Self-employed savings groups



QC3. Considering what you have put in place so far, and plan to in the future, how confident are you that you will be able to financially provide for yourself / your family comfortably in retirement?
 QC15. To what extent do you agree or disagree with the following statements about saving for retirement? Base: All respondents (2013).

Priority groups and sectors



Although Professional Services represents the largest sector for self-employed people, these people are less likely to be in the 'not confident' groups. Conversely, almost half of those working in the Arts sector are not confident and open.

% of each sector that are in each priority group

	Total	Professional services	Arts and entertainment	Retail	Education	IT services / comms	Construction	Administrative	Trades	Property	Health and fitness	Transportation	Tourism	Food and drink	Design	Marketing services	Financial	Social work	Manufacturing	Hair and beauty	Accommodation
% of self-employed		15%	14%	10%	7%	7%	6%	5%	5%	4%	4%	3%	3%	2%	2%	2%	2%	2%	2%	2%	1%
Can't save now but will start soon	12%	12%	18%	9%	10%	10%	15%	19%	14%	10%	9%	5%	14%	19%	3%	13%	5%	8%	5%	17%	8%
At risk – can't save now or in the future	12%	8%	14%	14%	12%	6%	9%	18%	13%	11%	8%	13%	26%	13%	14%	10%	13%	11%	16%	18%	3%
Not confident and open	34%	25%	48%	37%	46%	29%	32%	50%	32%	20%	30%	30%	33%	42%	55%	34%	27%	31%	42%	43%	13%
Not confident and not open	25%	18%	26%	27%	19%	30%	27%	25%	23%	36%	15%	27%	23%	14%	16%	28%	23%	17%	15%	35%	8%
Hard to reach – users of only 1 platform type	23%	24%	24%	14%	23%	33%	24%	23%	17%	32%	21%	31%	25%	6%	14%	13%	17%	29%	30%	13%	25%

Result significantly higher / lower vs. total

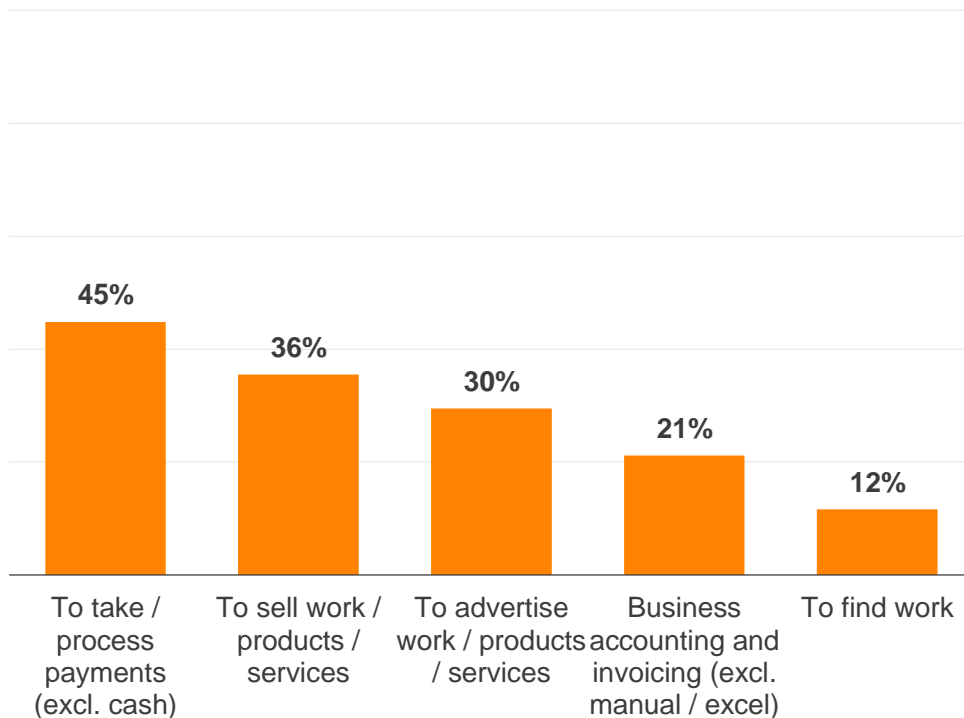


08. Touchpoint usage and preference

More tend to use payment processing tools and platforms to sell their work



Platform types – current usage



- › Those most likely to use these tools and services include:
 - Under 35s (process payments, sell work and find work)
 - Those earning under £20K (process payments, advertise)
 - Retail, Arts & Creative, Tourism & Leisure – Professional services generally use them less than average (aside from for business accounting)
- › Those who experienced disruptive effects of Covid-19 such as loss of childcare or a personal reduction in hours worked showed increased usage of platforms to advertise their work.
- › Current usage of all platforms has declined since 2019, but shows the same pattern of usage (*note: we would expect the scores to have declined as the way in which these questions were asked was altered*).

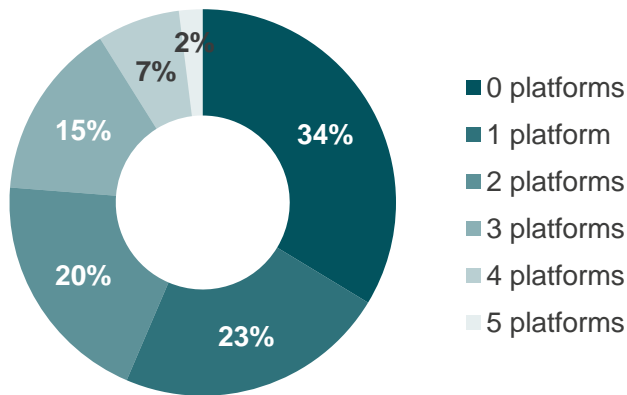
QB14a. Thinking about the following tools and services you may use for your business / being self-employed, which statement is most applicable?

Non-platform users are harder to reach, but need less help



Although a third say they don't use any platform / tool types, these people are less likely to have been impacted by Covid-19, and are more likely to be confident that they will be able to fund their retirement.

Number of platform / tool types* used (currently)



*Platform/tool types:

- Platforms used to find work
- Platforms used to sell work
- Platforms used to advertise work online
- Payment processing tools
- Business Accounting / Invoicing tools

Don't use any platforms (34%)

Similarly to last year, these are...

	More likely to be working part-time (46%)		Less likely to be working in the Arts (8%), Retail (5%), or Tourism (1%)
	More likely to be male (74%)		Are more likely to say that they themselves and their household have not been affected by Covid-19 (including financially)
	More likely to be older (43% are aged 55+)		Are less likely to say it's difficult to find work (38% find it difficult)
	Are more likely to have been self-employed for over 10 years (44%)		Are less likely to say they find it hard to keep up with the cost of living (28% agree)
	More likely to be working in Professional Services (19%), or trades (7%).		Are more likely to be confident and not open (28%) (and are less likely to be not confident and open – 29%)

Numbers do not add to 100% due to rounding

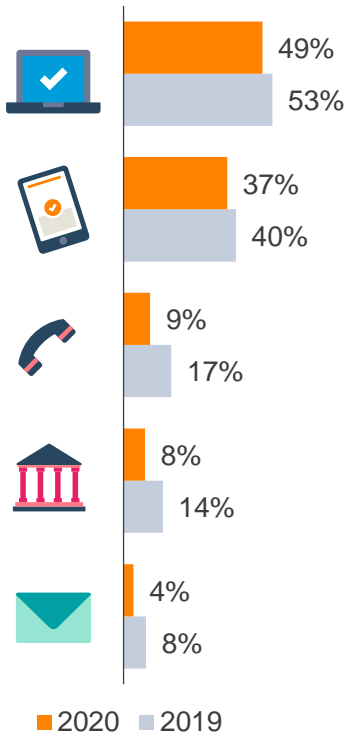
QB14a. Thinking about the following tools and services you may use for your business / being self-employed, which statement is most applicable?

A slight dip in regular* use of different channels to interact with financial service providers vs. 2019

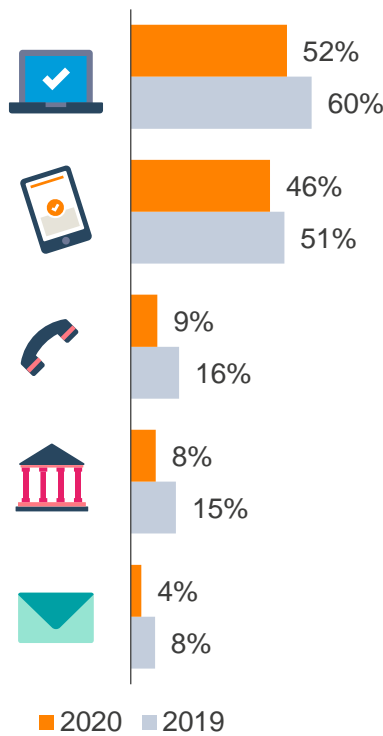
Most continue to manage both their business and personal finances using digital channels.

Channels used* to interact with services providers

Business financial services providers



Personal financial services providers



- > Channel usage remains more varied for interacting with personal FS providers; for business the way in which financial services are managed remains more rigid.
- > Sub-group analysis shows a similar pattern within channels, with greatest variation in mobile app use. Those most likely to use mobile apps include:
 - Females (this increases when they have pre school or school age children).
 - Those in Hair & Beauty, Social work.
 - Under 35s.
 - Those homeschooling children.
 - Confident & not confident / Open.
 - Those who are Mixed Race (n=35).

* Used all of the time or most of the time.

QB12. How frequently do you use the following channels to interact with your personal financial services providers (e.g. personal current accounts, credit card providers)?
 QB13. And how frequently do you use the following channels to interact with your business / work as self-employed financial services providers (e.g. business current accounts, credit card providers)?

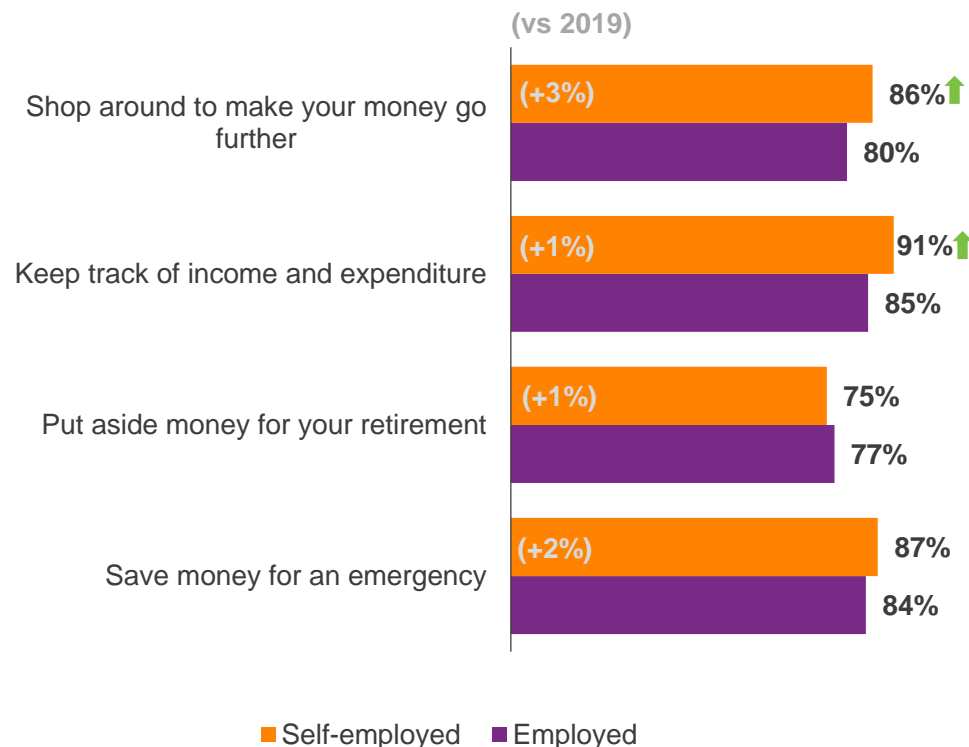


09. Savings attitudes and behaviours

Self-employed people continue to place value in saving with a slight increase in importance during this Covid-19 period

Self-employed people continue to value saving – most agree that saving for emergencies and retirement is important. Employed people also value saving but are perhaps slightly less cautious with their money (e.g. when it comes to shopping around or keeping track of expenditure).

Attitudes to saving (% who think the following are important)



↑↓ Result significantly higher / lower vs. employed

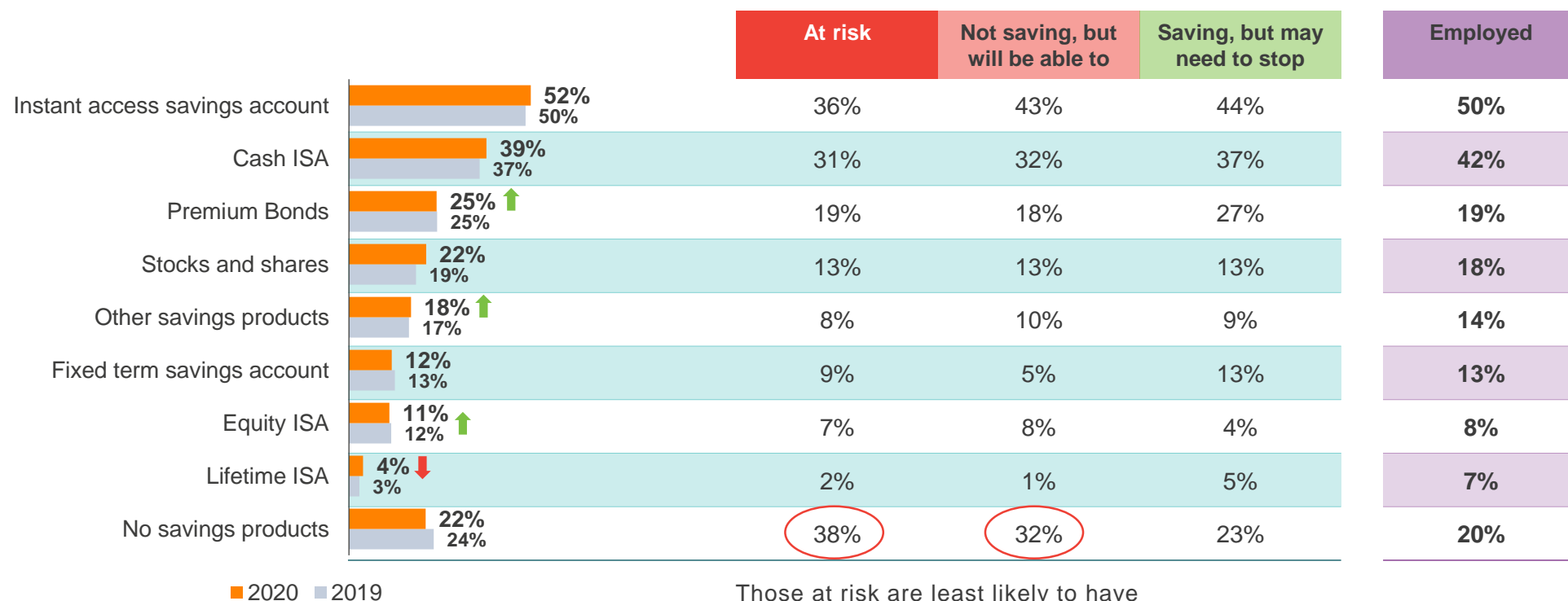
- › The vast majority also believe that keeping track of income is important, and slightly more think that shopping around is important (vs 2019).
- › There are very few differences in opinion across different sub-groups aside from for putting money aside for retirement:
 - Less important to the young (under 35s, 67%; 55+, 81%) and those on lower incomes (<£20K, 70% – decreasing to 65% for those who earn under £5K).
 - Although also lower for those without a pension the proportion who think it is important is still 65%.
 - But given potentially more pressing financial concerns, the importance of putting money aside for retirement among those who have taken a permanent pay-cut from work is lower at 63% (indicative).

QC2. Thinking overall about your personal finances, how important, if at all, do you think it is to

There has been no change in reported savings and investment product holdings

The savings or investment products held by self-employed people are relatively stable vs 2019. We know from last year's research that about three-quarters are likely to be using these to save money for the long-term.

Savings and investments products held



↑↓ Result significantly higher / lower vs. employed

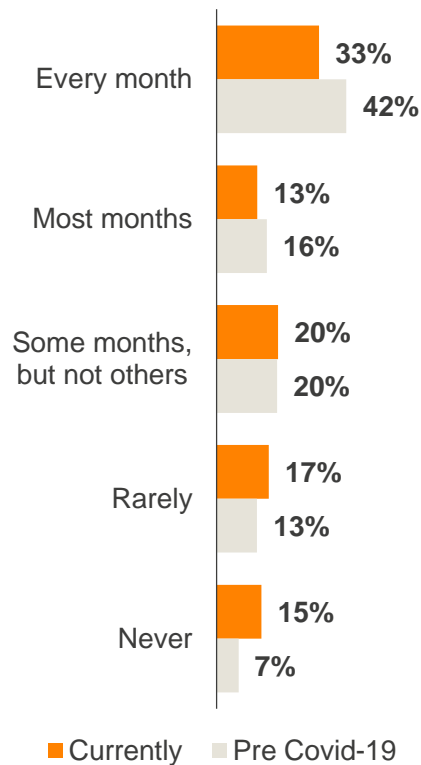
Those at risk are least likely to have almost all of the different types of savings and investments.

QB6. And which, if any, of the following types of savings or investments do you have?

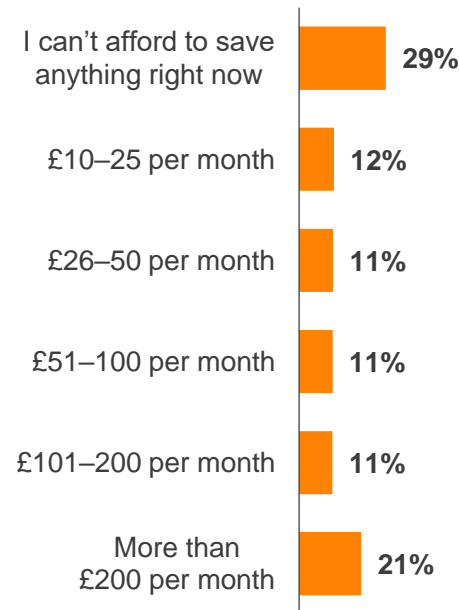
There have been some changes in savings frequency

Fewer self-employed people say they are saving every month, and more that they are never saving

Frequency of non-pension saving: pre-Covid-19 and currently



Amount of income that could personally be saved



- › This is due to a perception that they can't afford to – 29% say they can't afford to save anything right now (with 49% also saying they cannot currently afford to save for retirement).
- › Those most likely to be saving every month also report being confident they will be able to provide for their retirement.
- › Within the sub-groups, those on **lower incomes** are less likely to be saving every month – both before Covid-19 (<£20K 35% vs £60K+ 60%) and currently (<£20K 25% vs £60K+ 50%).
- › Self-employed people working in the GIG economy are similarly likely to be saving in every or most months (49% vs 47% total).
- › Others who are less likely to be saving every month are people who have been directly impacted by the socio-economic restrictions, i.e. their income has decreased (30% saving every month), reduced number of working hours (28%) or they have had a permanent pay-cut (13%).

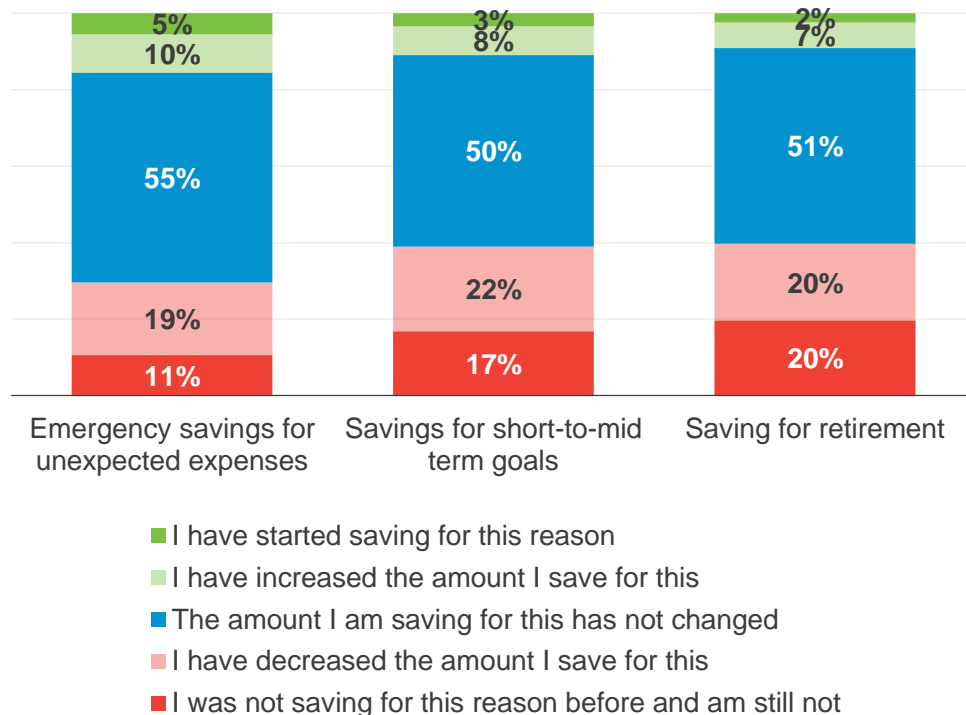
QC1a. Which of these best describes how often you save money / put money into savings or investments? Please exclude any pension saving.

QC21. At the moment, how much of your income do you think you could personally afford to put aside to save for any purpose, regardless of whether you are actually saving at the moment or not?

Whilst some people say they are saving less, others are saving more or have started saving

This prioritisation is likely to be sustained – 41% think they will be able to save for emergencies over the next 12 months (compared to 34% for retirement).

Saving since the start of Covid-19: purpose and amount



- › However, for those who can't save, retirement saving isn't being disproportionately deprioritised – **about a fifth have reduced saving across each of the 3 purposes.**
- › The sub-groups highlight the impact of Covid-19 on savings: those put on furlough, who have had their hours reduced, had a pay or who took on increased caring responsibilities were all more likely to have reduced their savings across all three types.
- › From a sector perspective, those in tourism and leisure were most likely to have reduced their payments.
- › Those who tend to **save manually** are more likely to have decreased or increased the amount they are saving (their incomes are more volatile and they are less likely to be sure about when they'll have money), whereas those who save automatically are more likely to have kept their saving consistent.
- › Interestingly, **those who increased their contributions** and / or started for the first time; a higher than average proportion were aged under 35 or Asian British.
- › The majority of those who decreased their contributions to one type of saving decreased it for the other two types as well. A small proportion of those who have decreased saving for the mid or long term have redistributed this saving to the other 2 types (with more of an emphasis on emergency saving).

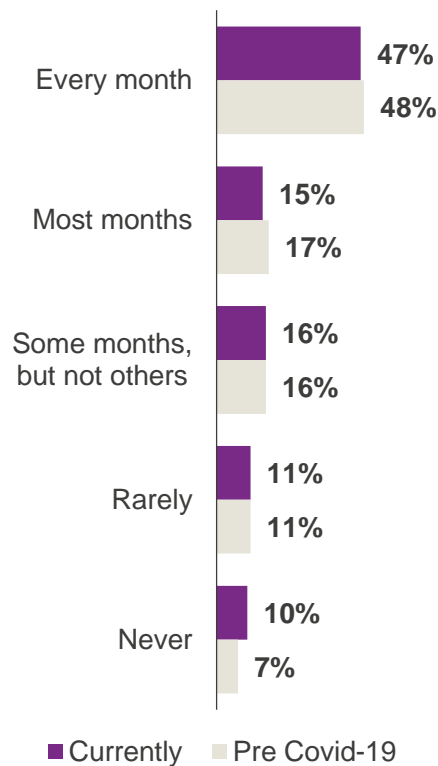
QC20. Thinking about how what you are saving for might have changed since the start of the Covid-19 period, which of the following best applies to each type of saving?
 QC24. Also looking ahead, over the next 6 months to a year, how would you rate your financial ability to?
 QB3. Now thinking about your work as self-employed, to what extent do you agree or disagree with the following statements?
 QC1b. Do you manually move money into savings, or is this something that happens automatically (e.g. direct debits) in the background?

By contrast, the frequency of employed people's saving has been less affected

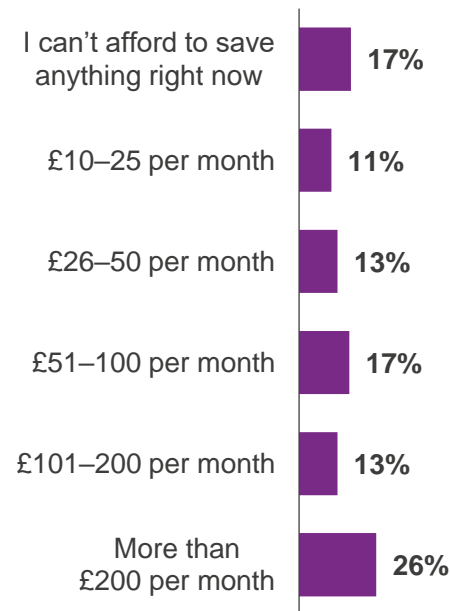


The majority of employed people are saving as frequently as they were pre Covid-19. Compared to self-employed people, fewer have decreased their short, mid, and long term saving, and more have increased it.

Frequency of non-pension saving: pre-Covid-19 and currently

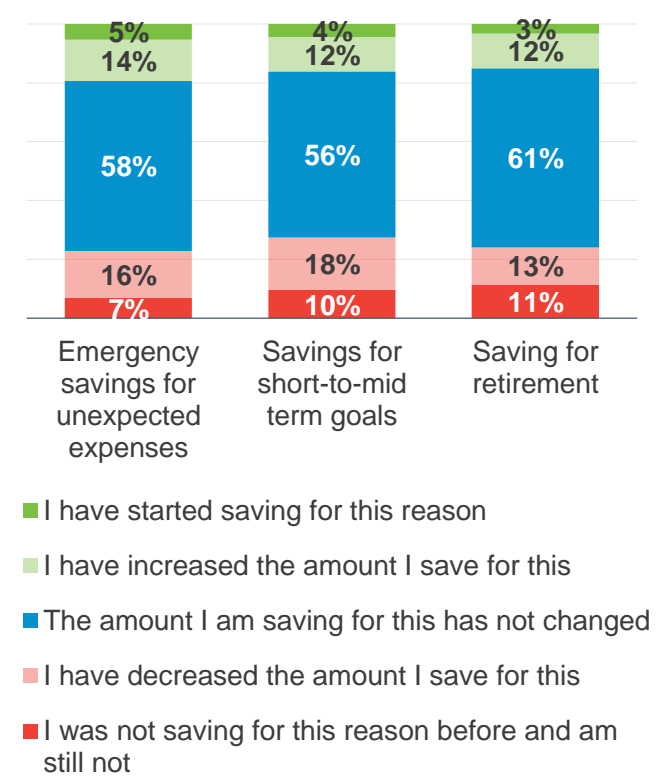


Amount of income that could personally be saved



Those with zero hours contracts are less likely to be saving every or most months (55% vs 63% total), although 75% say they are able to save (indicative).

Saving since the start of Covid-19: purpose and amount



QC1a. Which of these best describes how often you save money / put money into savings or investments? Please exclude any pension saving.
 QC21. At the moment, how much of your income do you think you could personally afford to put aside to save for any purpose, regardless of whether you are actually saving at the moment or not?
 QC20. Thinking about how what you are saving for might have changed since the start of the Covid-19 period, which of the following best applies to each type of saving?

Saving groups

Ability to save can be categorised into 4 key groups, based upon ability to save now and in the future.

Self-employed savings groups



Those who can save

The majority of self-employed people are able to save – either now or in the next 12 months (74%).

- › Those who can save now, and will be able to continue saving
- › Those who can't save now, but are likely to be able to save a little further off
- › Those who can save now, but are likely to need to stop saving

Most also think they will be able to save in the future (72%) meaning that most self-employed people will – in theory – be able to save once the trials are launched (there will be additional attitudinal barriers that will also influence uptake).

Those who are (most) at risk

There is a smaller proportion of self-employed people who are deemed most "at risk" (12%).

- › Those who can't save now, and are unlikely to be able to start saving

Even if they can be accessed via the trials, they are unlikely to be able to feel they can save.

QC21. At the moment, how much of your income do you think you could personally afford to put aside to save for any purpose, regardless of whether you are actually saving at the moment or not?
 QC22. And how do you think your ability to save is likely to change over the next 6 months to a year, compared to now?

Profile: Those who can save now, and will be able to continue saving

SE

60%



Encompasses most self-employed people, but represents those with a financial buffer

- › Are more likely to have high personal incomes (24% earn £40k+, 59% earn £20K+).
- › Just under half have incomes that have increased or an income that has stayed the same since Covid-19 (9% increased, 36% stayed the same).
- › They are more likely to receive income from additional sources (not benefits) (51%), and are less likely to have used financial support during Covid-19 (55% used no support).



Demographically they are aligned slightly differently to the self-employed population

- › They are more likely to be working full time (61% vs 59% total, indicative).
- › More likely to be male (68% vs 66% total).
- › More likely to employ others (21% vs 18% total).
- › Less likely to be working in the Arts (11%), Administrative (3%) or Tourism sectors (2%), but otherwise work across a broad range of sectors.



They are more confident, but have diverse attitudes and plans when it comes to saving

- › Are more likely to be in the 'confident' groups – confident and open (24%) and confident and not open (28%).
 - However it is worth noting that this group is more representative of the total self-employed population, thus just under half are in the not confident groups and do need support.
- › Most think it is important to save – for emergencies (90%) and retirement (81%).
- › Hold a broad range of savings and investment products (only 14% hold none, vs 22% total).
- › Almost all of them are saving (only 3% never save), with 3 in 5 saving manually alone.
- › A third don't hold a pension (two-thirds have either a workplace or personal pension).
- › Plan to use a diverse range of sources for their retirement (pension is no.1, followed by continuing to work, and state pension).

Profile: Those who can't save now, but are likely to be able to save a little further off



They have taken at least a short-term financial hit, and struggle to make ends meet

- › They are more likely to have taken a reduction in their hours (52% vs 41% total) or have been furloughed (10% vs 5% total) – their confidence that they may be able to save further off may be because these effects are seen as shorter-term in nature.
- › For most, their income has decreased since Covid-19 (72% vs 61% total), and for just under half by more than 25% (46% vs 30% total).
- › They are more likely to have drawn on other sources of income as a result of Covid-19 (70% vs 51% total) – selling belongings, borrowing, taking payment holidays, and using business funds.
- › Over half are finding it difficult to keep up with the cost of living (54%, vs 34% total).



More are younger and earning less, and working in worse-affected sectors

- › They are a range of ages, but are more likely to be younger (26% are 18–34, indicative).
- › Less likely to have higher incomes (35% earn under £10K, 63% earn under £20K), but to an extent their household income acts as a buffer to this (57% have household incomes above £20K).
- › More likely to be working in the Arts (21%), Construction (8%), and Administrative (8%) sectors. But also work in Professional services (15%). They are more likely to be working in the GIG economy (indicative).
- › Most are male, but this group are more likely to be female (42%).
- › More likely to be freelancers (89%).



They aren't currently well placed to save, but want to and would welcome guidance

- › Almost half are not confident and open (47%).
- › They think it's important to save money – for emergencies (83%) and retirement (71%).
- › Most already hold savings and investment products, although a third (32%) do not. Half don't hold a pension (48%).
- › 65% are worried they don't have enough saved in case they need funds in an emergency, and 74% aren't confident they can provide for their retirement.
- › A quarter aren't sure about which source they will be most reliant on in retirement. 29% plan to continue working at least part time.
- › They are more likely to put off thinking about pensions because it makes them feel nervous (42%).
- › They are more likely to say they need encouragement to plan for retirement (53%).

Profile: Those who can't save now, and are unlikely to be able to start saving – at risk



Some have taken a severe financial hit, and are the most likely to be struggling

- › They are more likely to have taken a reduction in their hours (53% vs 41% total) or a permanent pay cut (10% vs 4% total) due to Covid-19.
- › For most, their income has decreased since Covid-19 (76% vs 61% total), with 53% decreasing by more than 25% (vs 30% total).
- › They are also less likely to receive income from alternative sources (34% receive income from savings, rent, or family, vs 44% total).
- › They are more likely to have drawn on other sources of income as a result of Covid-19 (71%) – savings accounts, selling belongings, borrowing, and using food banks.
- › Two-thirds find it difficult to keep up with the cost of living (64%, vs 34% total).



They have low household incomes, and are working in the worst-affected sectors

- › They most commonly work in the Arts (15%) and Retail (11%) sectors. They are also more likely to be working in Tourism (6%).
- › Are more likely to have low personal incomes (34% earn less than £10K, 66% earn less than £20K). Their household incomes are also low – 46% have a household income of less than £20K (vs 30% total).
- › More likely to be middle-aged (54% are 35–54), and less like to be younger (13% are under 34) (indicative).
- › Similar gender split to the total population, and similar amounts are working full and part time (vs the total).



Saving was not a priority pre-Covid-19, but some would still welcome guidance

- › They are more likely to be in the 'not confident' groups – not confident and open (45%) and not confident and not open (42%).
- › Are less likely to think it's important to save for emergencies and for retirement (65% vs 75% total) – although most still do think it is important.
- › Are more likely to think that nothing they do will make a difference to their financial situation (33% agree, vs 15% total).
- › Most worry about their future (76%).
- › Are less likely to hold savings or investment products (38% have none, vs 22% total), and half don't hold a pension (49%).
- › They are more likely to be unsure which source they will rely on most in retirement (28%) and are also more likely to plan to continue to work (26%, indicative) and use the state pension (19%). Only 9% plan to use a pension (vs 15% total).

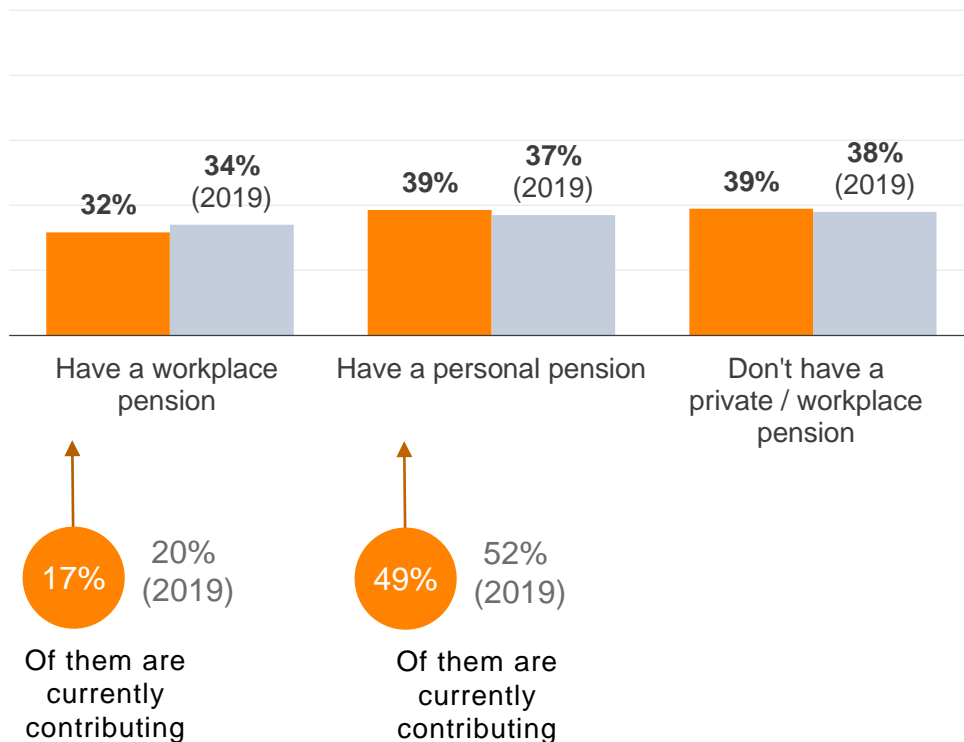


10. Retirement saving attitudes and behaviours

Those that were already saving into pensions are continuing to do so...

A similar proportion of self-employed people hold pensions as in 2019, and a similar (smaller) proportion are still contributing.

Pensions currently held



- > Many value saving for retirement and think it should be protected, particularly in light of Covid-19:
 - Around half think it's a good thing they don't have access to their retirement funds in times of crisis (47%) – these people are less likely to hold savings products (indicative), and are more likely to have accessed financial support / drawn on other income sources during Covid-19.
 - Only 39% are put off pension schemes because they couldn't easily access money if they needed it (vs 48% in 2019).
- > However, 18% would want access to their pension in times of crisis. These people are:
 - Generally anti-pension – they are less likely to have a pension, and are more likely to be put off by pensions because they couldn't easily access their money if they needed to.
 - More financially confident (e.g. more confident they will be able to fund their retirement) (indicative).
 - Interestingly, they are less likely to have been financially impacted by Covid-19 – less say that their income has decreased and that there was a negative effect on their finances (indicative), and they are more likely to be able to save large amounts (£200+ a month).

QC5. Do you currently hold either of the following types of pension, regardless of whether you are paying into them or not?
 QC6. And are you currently contributing / paying into...?

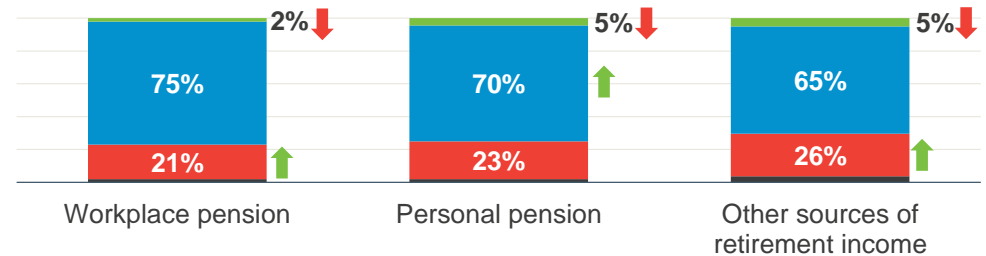
...but for some the amount saved is of a lower value.

Between a fifth and a quarter of self-employed people are paying less into retirement saving sources, and very few are paying in more. This is also true for employed people, although a greater proportion have increased their retirement saving compared to self-employed people.

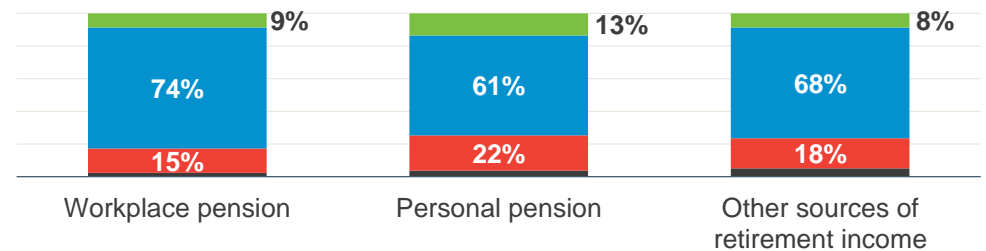
- > However, most say Covid-19 hasn't impacted their saving into retirement income sources (this includes those who were not saving for their retirement).
- > Around a fifth of self-employed people were not saving for retirement before Covid-19 and are still not. They are more likely to be:
 - Younger.
 - Lower income (the proportion of those not saving increases as income decreases).
 - Not hold a pension.
 - Not confident that they will be able to provide during retirement.
 - Asian or Asian British (n=41).
 - Working part time.
 - Women with pre-school or school aged children.

Impact of Covid-19 on retirement saving

Self-employed



Employed



- Not sure
- I am paying less into this now
- The situation hasn't changed
- I am paying more into this now

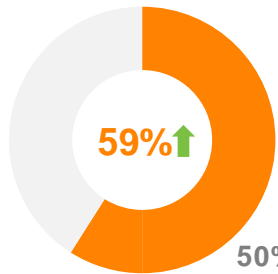
↑↓ Result significantly higher / lower vs. employed

QC6b. Has Covid-19 had any impact on how much you are contributing into your pension(s) or other potential sources of retirement income?

Confidence in providing for retirement has taken a hit

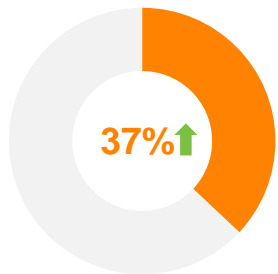
Self-employed people feel less confident than last year that they will be able to provide financially in retirement – and they know it.

Confidence to financially provide in retirement



Are **not confident** or **unsure** that they will be able to financially provide for retirement (vs 52% employed)

Confidence to financially provide in retirement: change since Covid-19



Say their confidence that they will be able to financially provide for retirement has **decreased** since Covid-19 (those scoring 1–3 out of 7) (vs 22% employed)

↑↓ Result significantly higher / lower vs. employed

- › Those that feel less confident are more likely to:
 - Have low personal or household incomes or have an income that has reduced as a result of Covid-19 (up to £20K, but confidence decreases as income decreases).
 - Be working in the Arts and Administrative sectors.
 - Be younger – although in 2020 the age band has increased from under 35s to under 54s.
 - Be freelancers.
 - Be living alone or be living with dependents (those who live with their partner only seem to be more insulated).
 - Have been affected directly by Covid-19 (particularly if a permanent pay cut has been taken, or a reduction in hours worked).
 - Be working in the GIG economy (indicative).
- › Those deemed at risk are not at all confident – 87% are not confident / unsure – while around three-quarters of those who can't save at the moment, or are likely to need to stop saving, also lack confidence in being able to provide for retirement (76% and 72% respectively).
- › Although confidence in employed people seems to be higher (and less impacted by Covid-19), half are still not confident or unsure that they will be able to financially provide for their retirement.

QC3. Considering what you have put in place so far, and plan to in the future, how confident are you that you will be able to financially provide for yourself / your family comfortably in retirement?
QC3a. And has your confidence that you will be able to financially provide for yourself / your family comfortably in retirement changed at all since the Covid-19 outbreak?

The typologies fall similarly to 2019, although there are relatively fewer in the 'confident' categories in 2020

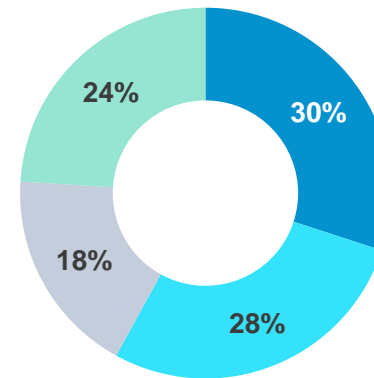
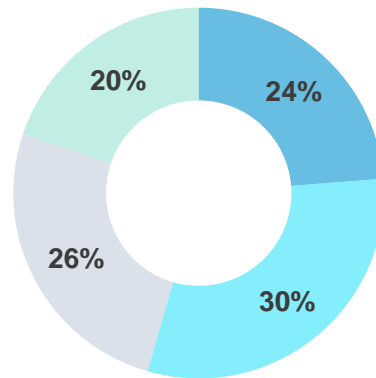
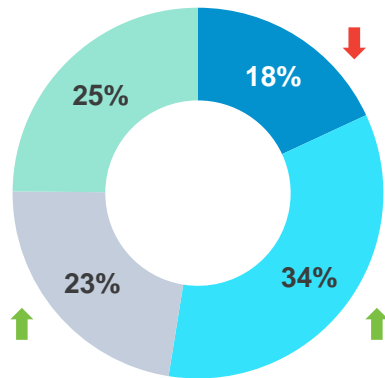
Typologies

Typologies

Self-employed
(2020)

(2019)

Employed



■ Confident, open ■ Not confident, open ■ Confident, not open ■ Not confident, not open

↑↓ Result significantly higher / lower vs. employed

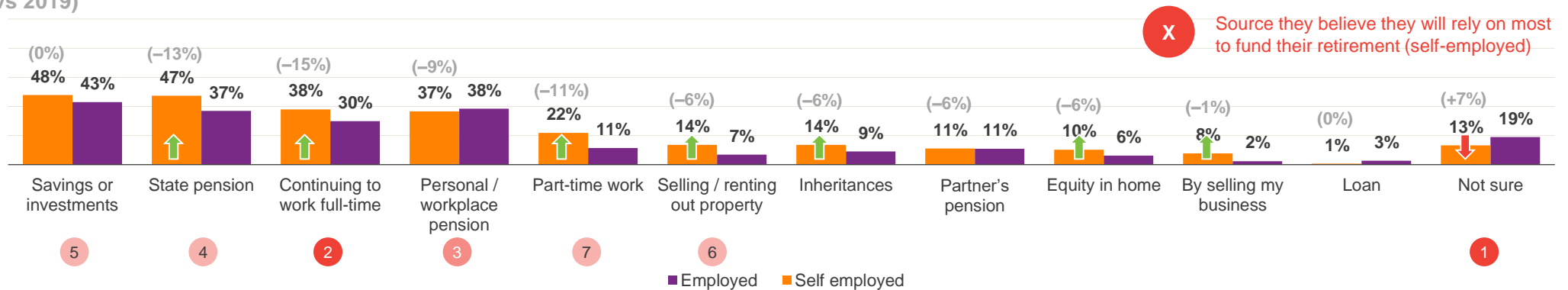
- › Confidence that self-employed people will be able to financially provide in their retirement has declined – hence there are less in the 'confident' categories.
- › Although confidence has declined, self-employed people are similarly open to guidance about how best to save for their retirement (53% in 2020, 55% in 2019)
- › A greater proportion of employed people are confident and open, so may require less help. However, just under a third are not confident and open – potentially a priority group for support.

Planned retirement income sources remain similar

Most continue to think they will use savings / investments, state pension, full time work, and pensions to fund their retirement.

Sources that people plan to use to help fund their retirement

(vs 2019)



Those at risk score lower for most of the sources of income – apart from continuing to work into retirement (47%)

Reliance on a personal pension is lowest for:

- under 35s (12%),
- females (20%)
- low incomes (<£20K) (19%)
- Asian / British Asian (9%, indicative)

Those most likely to be unsure include:

- under 35s (24%),
- without a pension (21%)
- low incomes (<£20K) (18%)

- Uncertainty about retirement plans has increased – self-employed people are most commonly ‘not sure’ what source they will rely on most in retirement.
- Self-employed people are less confident in 2020 that their own pensions will be able to provide for them as a main source during retirement – this was the most common ‘top source’ in 2019, but now ranks as no. 3.

↑↓ Result significantly higher / lower vs. employed

QC8. Looking ahead, which, if any of these, do you plan to use to help fund your retirement?
 QC9b. And which one will you be most reliant on / which one will contribute most of your retirement income?



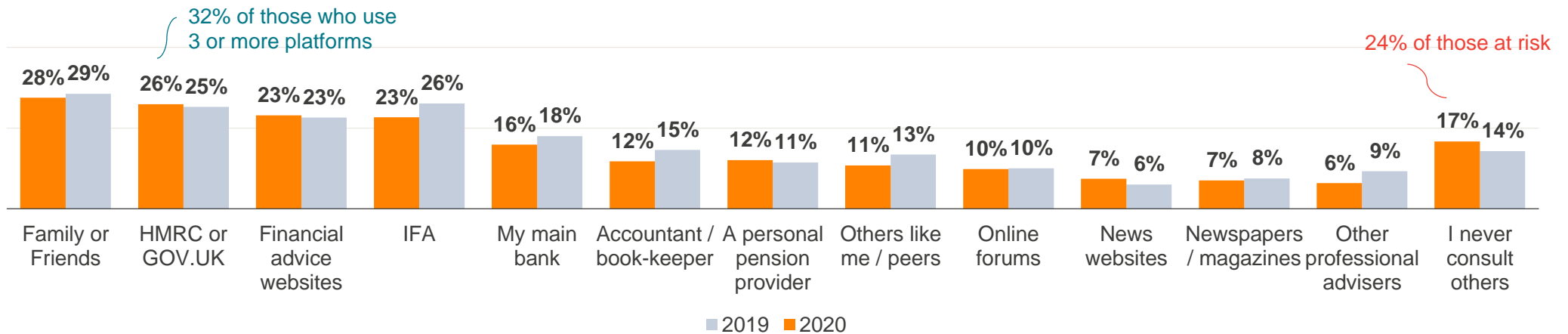
11. Supporting self-employed saving

Sources used for information on retirement saving are stable compared with 2019



Touchpoints most likely to be accessed for retirement saving info

Touchpoints most likely to be accessed for retirement saving info

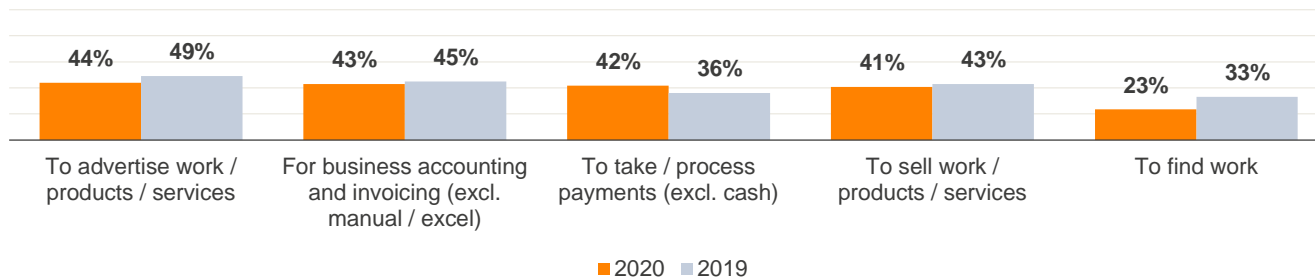


QC10. Which, if any, of the following would you be most likely to go to in order to obtain information on how to best save for your retirement?

A range of touchpoints could be used to support retirement saving

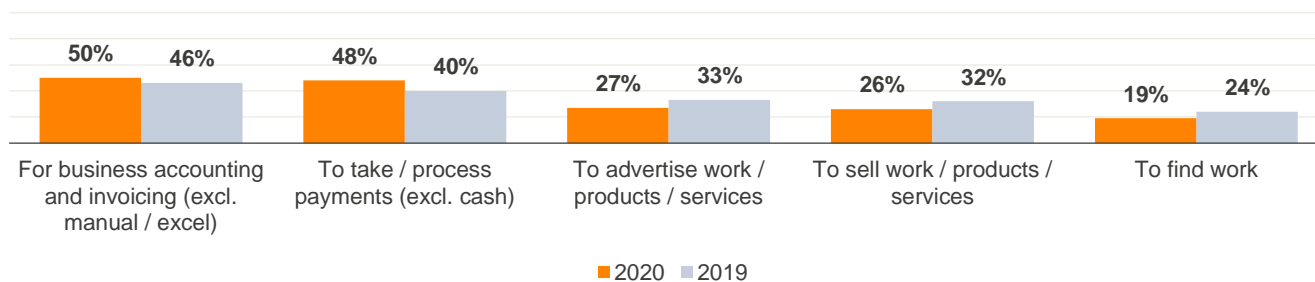
Most platforms are considered similarly suitable for providing information. Payment platforms are considered the most suitable for saving tools.

Touchpoint types – suitability for providing guidance about retirement



- › A similar proportion (2 / 5) of self-employed people continue to think that most platforms would be a suitable way to provide guidance.
- › Except for platforms used to find work – this has declined since 2019.
- › Platforms used to take or process payments, and for business accounting, also continue to be considered the most suitable for providing tools to help save for retirement.
- › Invariably, across both questions, and all tools, those at risk are more likely to say that the tools would be a very poor or very unsuitable ways of engaging with them. Not surprisingly, the same applies to those who don't use any platforms.

Touchpoint types – suitability for tools for retirement saving



QC11a. How well do you think each of these would work as a way of reaching you or other self-employed people with this information?
 QC11b. How suitable would the following types of organisations be for providing this type of retirement savings tool?

Usage of platforms across each of the different priority groups differs – with some groups showing clear preferences



Usage of platform types (% of each priority group that use each platform type)

	Total	Can't save now but will start soon (12% of S-E)	At risk – can't save now or in the future (12% of S-E)	Not confident and open (34% of S-E)	Non confident and not open (25% of S-E)	Hard to reach – users of only 1 platform type (23% of S-E)
To take / process payments	45%	47%	43%	52%	43%	48%
To sell work / products / services	36%	38%	35%	43%	34%	9%
To advertise work / products / services	29%	38%	29%	35%	28%	11%
For business accounting and invoicing	22%	12%	19%	19%	17%	25%
To find work	11%	16%	9%	14%	13%	7%
% who use 2+ platforms	43%	47%	39%	50%	41%	0%

■ Result significantly higher / lower vs. total

Platform usage varies by sector



Some sectors, such as those working in Retail or in the Arts, are more likely to be accessed using a variety of channels. However other sectors are more specific with their platform usage, and a more targeted approach may be best.

Usage of platform types (% of each sector that use each platform type)

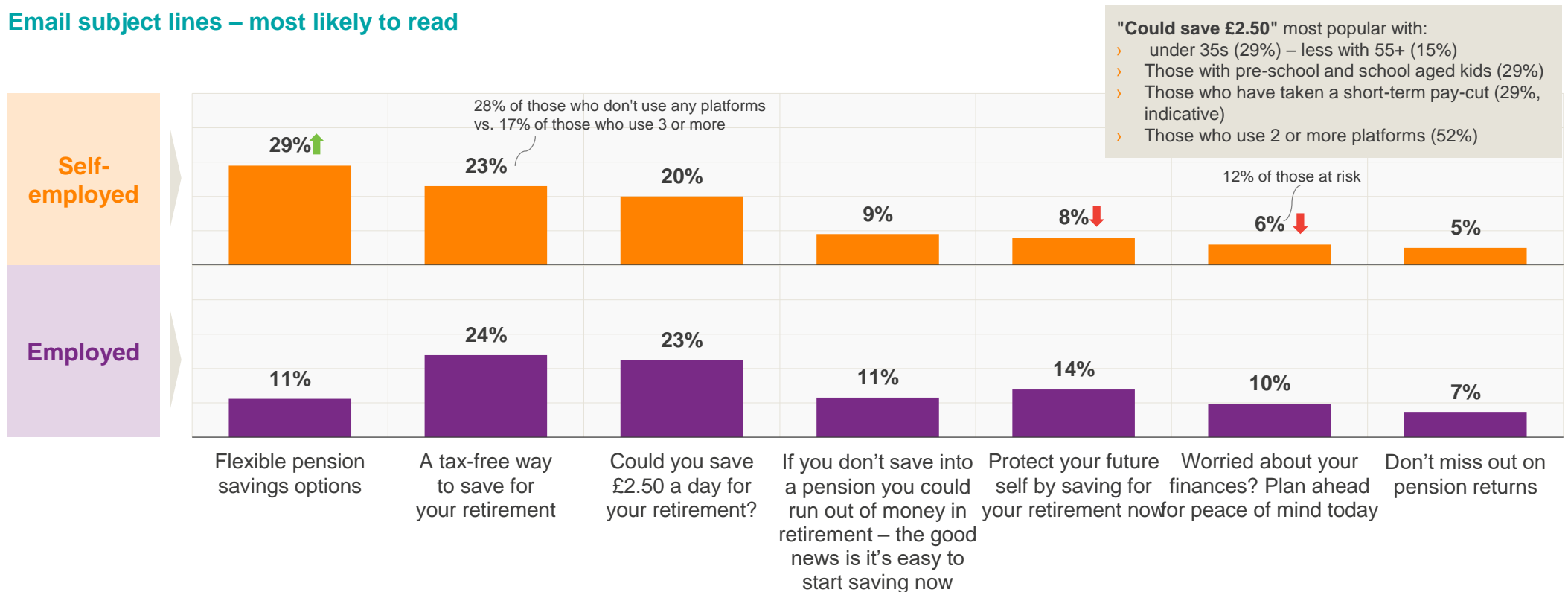
	Total	Professional services	Arts and entertainment	Retail	Education	IT services / comms	Construction	Administrative	Trades	Property	Health and fitness	Transportation	Tourism	Food and drink	Design	Marketing services	Financial	Social work	Manufacturing	Hair and beauty	Accommodation
% of self-employed		15%	14%	10%	7%	7%	6%	5%	5%	4%	4%	3%	3%	2%	2%	2%	2%	2%	2%	2%	1%
To take / process payments	45%	33%	58%	69%	39%	57%	35%	58%	28%	30%	34%	43%	55%	39%	69%	46%	24%	36%	51%	54%	50%
To sell work / products / services	36%	16%	52%	63%	36%	32%	23%	31%	23%	21%	31%	23%	57%	43%	65%	45%	10%	36%	40%	65%	44%
To advertise work / products / services	29%	20%	39%	42%	31%	32%	21%	30%	24%	27%	33%	14%	52%	33%	38%	39%	15%	27%	17%	60%	46%
For business accounting / invoicing	22%	28%	17%	24%	14%	25%	19%	13%	21%	20%	17%	18%	29%	25%	20%	20%	20%	19%	26%	25%	12%
To find work	11%	12%	21%	9%	12%	13%	5%	27%	6%	10%	7%	20%	9%	7%	20%	15%	7%	13%	13%	15%	7%

Result significantly higher / lower vs. total

Email subjects that don't evoke worry will be better received

Email messages that stress ease and potential savings are preferred by self-employed people, compared with those that emphasise stress and worry (this likely exacerbates the stress they are already feeling). The tailoring of the message specifically to self-employed people is also well received.

Email subject lines – most likely to read



↑↓ Result significantly higher / lower vs. employed

QC25. We would now like you to imagine that you have just received an email. In the subject line is one of the following statements. Please rate each of them in terms of how likely they are to prompt you to open the email and read it.

Talking to the priority groups



Preference across all priority groups is for the ‘flexible pensions options’ subject line. Those in the not confident and open group show an even stronger preference for ‘flexible pension options’ (compared to the total).

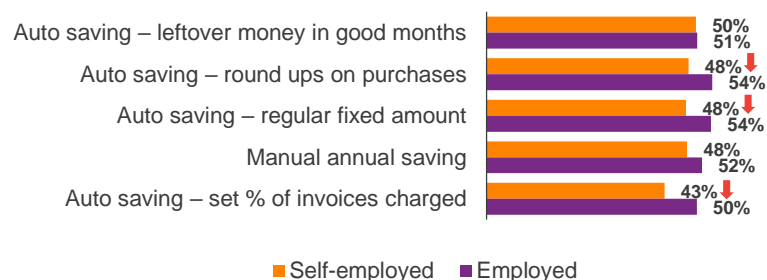
Email subject lines – most likely to read (% of each priority group that would read each subject line)

	Total	Can't save now but will start soon (12% of S-E)	At risk – can't save now or in the future (12% of S-E)	Not confident and open (34% of S-E)	Non confident and not open (25% of S-E)	Hard to reach – users of only 1 platform type (23% of S-E)
Flexible pension options for self-employed people	29%	34%	26%	33%	27%	32%
A tax-free way to save for your retirement	23%	18%	23%	19%	22%	23%
Could you save £2.50 a day for your retirement?	20%	22%	21%	23%	21%	16%
If you don't save into a pension you could run out of money in retirement – the good news is it's easy to start saving now	9%	10%	10%	8%	10%	11%
Protect your future self by saving for your retirement now	8%	6%	7%	8%	7%	8%
Worried about your finances? Plan ahead for peace of mind today	6%	7%	12%	6%	9%	6%
Don't miss out on pension returns	5%	3%	2%	3%	5%	4%

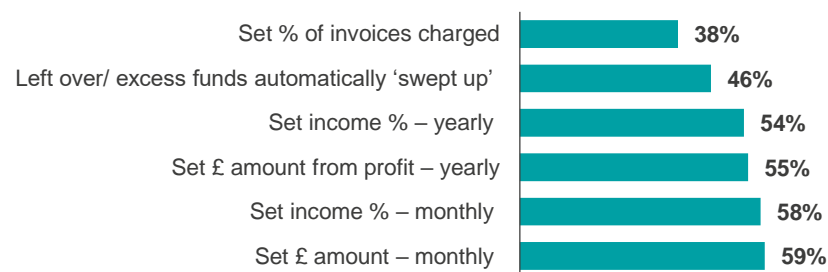
Result significantly higher / lower vs. total

Automatic saving is generally well received, but flexibility and predictability are key

2020 – Appeal of mechanisms to facilitate saving for retirement (% interested)



2019 – Appeal of mechanisms to facilitate saving for retirement (% interested)



↑↓ Result significantly higher / lower vs. employed

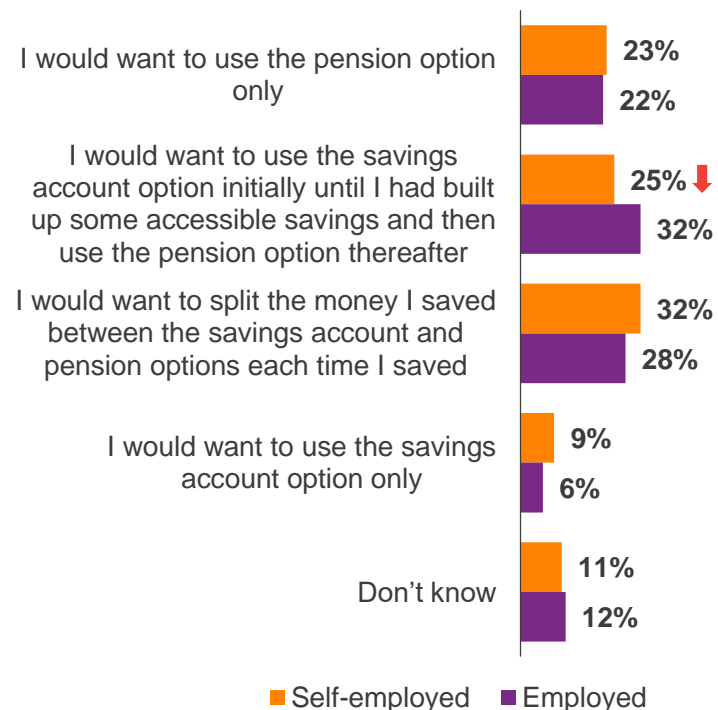
QC26. Thinking again about saving for retirement, here are a few descriptions of how people who are in similar circumstances to yours, could automatically save funds for retirement. Please indicate the extent to which the following sound interesting to you, if at all, in principle?

- › A majority of self-employed people are open to automatic saving – 57% like the idea of automatically diverting a proportion of their income into retirement saving (56% in 2019).
- › Automatic saving of a set % of invoices charged is less well received by self-employed people (in 2020 and in 2019) – this is likely to be because it is neither flexible nor predictable.
 - Conversely the employed don't show the same pattern – this is likely to be because their income is more predictable.
- › The automatic savings options tend to be most popular with
 - Females
 - Younger people (less popular with 55+)
 - Those who use 3 or more platforms
 - Those with pre-school / school aged kids – including those home-schooling
 - Those who have reduced income or reduced hours recently
- › The saving mechanisms tend to be less popular with those at risk – aside from the options to automatically save by rounding-up on purchases and automatically save in the good months.

There is perceived value in automatic saving into a pension

Only 9% of self-employed people, and 6% of employed people, who are interested in automatic saving wouldn't want to save into a pension at least in part.

Preferred savings vehicle for automatic saving (% that would save into each option if they were to save automatically)



- Options that rely more heavily on saving into a savings account are preferred by self-employed people, compared to employed people.
- Self-employed and employed people who would want to use the savings account option only are more likely to not hold a pension (no other interesting sub-group differences).
- Self-employed people who would want to use the pension option only are more likely to be older (aged 35+) and hold a personal pension.
- Self-employed people who earn less than £20K are more likely to be unsure.

↑↓ Result significantly higher / lower vs. employed

QVehicle. You just mentioned that you would be interested, in principle, in being able to set up automatic saving as a way of saving for retirement. Please imagine that you were going to set this up in future, in addition to anything you may already be saving. If you were saving automatically in this way for your retirement, which of the following best describes how you would prefer to save into these two options?



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