

Self-employment is continuing to prove to be a popular option for people entering the workforce. Statistics released by the ONS today show that self-employment has increased by 50,000. Self-employment is expected to outnumber the public sector workforce in the next decade, so it is important that we look at how we can help them.

IPSE and Community released a report that addressed the issue of those that have opted to go self-employed and find themselves in a vulnerable position. The report identified that between nine and 13 per cent of self-employed people find themselves at risk of vulnerability. The report can be found [here](#).

The report identified some of the issues that self-employed people face who may find themselves towards the bottom end. Everyday savings and saving for later life are problems that self-employed people may face.

According to Cicero's research, just one in three SME owners currently have a business bank account. Nearly one in four, hold no cash savings in their business. This is problematic because if businesses can't save, it means that they can't invest, and they can't protect themselves if their financial results aren't good. It is important that we promote saving if we are to protect businesses around the UK.

Another reason why self-employed people may face vulnerability is lower earnings. As inflation hit 3.1 per cent, earnings have once again failed to keep pace. Earnings are increasing at a rate of 2.5 per cent. What we know is that one in three small businesses in the UK failed to take in more than £10,000 in revenue last year. How can we expect people to save if they are not making any money? Without dealing with the issue of earnings, business resilience will be weak and living standards may continue to decline.

IPSE is currently in the process of producing a paper on promoting pensions and saving for later life, however, what is imperative is that we produce an environment that allows people to grow their earnings. Without growing earnings, the declining savings rate may continue to decline further.

Within the report on vulnerable self-employment, IPSE talks about the need to upskill. Promoting upskilling will go some way to helping earnings increase. The forecasts at the Budget made for some pretty grim reading, especially on productivity, so it is important that we continue to push people to improve their skills if we are to help increase business resilience.

Not only this, but as a PWC report pointed out, automation and artificial intelligence will change the face of the UK labour market. If we do not do something to promote upskilling now, we will be caught out. At a time when the UK is deeply divided on political affairs, it is important that we address this issue in advance to avoid further divisions.

What we know is that self-employment and setting up your own business is becoming increasingly popular. This could be due to the added flexibility it brings, or it could be because of the increasing opportunities that have presented themselves in recent years. However, one thing is for sure. We need to produce an environment where people can earn enough to save, and we then have the correct products in place that will allow them to save for now, and for later life. If we can get this right now, it will save a lot of money for future generations.