



Self-employed struggle to save

Self-employment is the dream of many, especially as the goal of retirement seems to creep further out of reach. Being your own boss sounds great. But there are drawbacks. Around two million of the country's self-employed workers are unable to save any money each month, leaving them vulnerable to financial shocks.

The same body of workers spend more on bills than the UK average and only 4% enjoy the benefit of income protection insurance cover which would kick in if they were unable to work.

These worrying findings about the self-employed sector were revealed in insurer LV='s second instalment of its *Income Roulette* report, a study of debt, savings and protection among 9,000 people.

The results show that four-in-ten (41%) self-employed people can't afford to save any money each month and a further one-in-ten (11%) saves less than £50. A third of respondents said they could not survive for more than three months if they lost their income. This means they fall short of the Money Advice Service's recommended amount of savings that should to be kept in reserve to maintain a level of financial resilience if an emergency strikes.

Looking at the barriers to saving, LV='s figures show that monthly bills eat up the wages of nearly two-thirds (62%) of self-employed people; this compares with a national average of 56% taking employed workers into account.

Aware of the risks

Despite the lack of savings and insurance, the research confirmed that the self-employed were aware of the financial risks attached to this method of working with nearly three-in-ten (28%) respondents citing worries about having an accident and not being able to work as a result. A similar proportion (29%) said they were concerned about falling sick and being put out of commission.

There are around five million self-employed workers in the UK who made a contribution of about £250 billion to the economy last year. If you're one of them, we may be able to help.