Pensions Policy Institute
PPI

Roundtable - Event Write Up

From Payslip to Pension: Life Course Impacts on Retirement Saving Among Low Earners
Part One: Persistent Low Earning

Overview

On Wednesday 23 July 2025, The Pensions Policy Institute (PPI) launched the first report in the From Payslip to Pension: Life Course Impacts on Retirement Saving Among Low Earners series. Part one is the first of five outputs in the series and investigates persistent low earning. A PPI Roundtable was held on that date to mark release of the publication. The **From Payslip to Pension: Life Course Impacts on Retirement Saving Among Low Earners** series has been funded by a grant from The Nuffield Foundation. The project is an evidence-based deep dive into the long-term challenges faced by low earners in building retirement savings. It will run until summer 2026 and consist of five individual outputs.

The first report in this series explores the hidden patterns, revealing how factors such as gender, motherhood, self-employment, and qualifications shape lifetime earnings and how this carries implications for pension outcomes. Low earning, in this research, means earning less than a full time living wage, and persistent means being a low earner for an extended period of time. Based on longitudinal data, this research lays the foundation for a new approach to more inclusive pensions policy.

The event was held as a virtual session and was chaired by **Zoe Alexander - Director of Policy and Advocacy, Pensions UK**. Zoe is Chair of the Project Advisory group. It was attended by around 30 people representing organisations identified as having an interest in the research area, the PPI Supporters group, and PPI Governors . Zoe welcomed attendees on behalf of the PPI.

John Upton, Policy Analyst at the PPI, presented the **key findings** from the report:

- Women are particularly likely to be persistent low earners: A 22 year old male low earner has a projected 8 years of low earning in their future career, while a 22 year old female low earner has a projected 16 years of low earning.
- Low earning is a predictor for future low earning. The definition of low earning affects the degree to which this is true, but this suggests that low earning is a result of underlying factors, rather than a random event that the whole population is equally susceptible to.
- Key risk factors for low earning, and persistent low earning, among women are motherhood and low qualifications.
- A key risk factor of low earning for men is self-employment. This is distinct from other risk factors because the self-employed are not automatically enrolled in Defined Contribution workplace savings schemes.

- Other factors are explored, namely living with a partner and youth. These are shown to have less bearing on persistent low earning. This does not necessarily mean that these risk factors are not important for determining whether different groups can afford to save.

The following discussion areas were raised during the panel discussion under the Chatham house rule.

1. Methodological, analytical and data considerations

- The discussion explored how different life trajectories affect long-term financial outcomes such as pension savings and housing security. The need to understand diversity within age groups, and to go beyond homogeneous treatment was highlighted.
- The modelling team undertook segmentation to explore sub-group variation, and participants were keen to discuss how this was done and how it could be further strengthened. Participants highlighted the importance of segmenting individuals by factors such as marital status, earnings level, and housing tenure as well as age. Understanding how people transition between categories (e.g. from married to divorced, from full-time to part-time, or into periods of zero earnings) was seen as crucial to building realistic, policy-relevant models.
- An aspect with potential for further exploration includes the relationship between income and housing with housing being a key indicator of wider outcomes. Attendees were keen to explore the potential of overlaying housing tenure onto earnings data, as it could reveal deeper insights and help identify points where policy intervention could be most effective.
- The group highlighted the importance of including cultural, lifestyle, and ethnic dimensions which may influence financial behaviour across different communities. However, data limitations remain a challenge in fully incorporating these factors.

2. Outcomes and Inequalities

- The longitudinal approach was acknowledged as a strength, with acceptance that many of the challenges around low earnings, caregiving, or employment disruption are not short-term but persist over time. Attendees then explored whether the current focus on workplace-based pensions fully accounts for the real employment experiences of many, especially women and self-employed workers, that also have periods of time outside the workplace.
- While the project will continue focusing on workplace dynamics, there was recognition that self-employment—which has grown significantly since 2008—presents both challenges and opportunities. Targeted product design (e.g. nudges at self-assessment) could be a vehicle for support this group.

- The discussion covered income versus earnings. Treating earnings as distinct from wider household income has significant implications for pension policy, particularly around eligibility and adequacy. For example, someone might have low personal earnings but live in a higher-income household—or vice versa.
- Participants also raised concerns about placing too much responsibility on individuals with low income to contribute to their pensions. There were suggestions to consider what role employers and the tax system could play in ensuring contributions continue, even if the individual is unable to afford it.
- Divorced women were highlighted as a group at particular risk. Wider qualitative research shows many planned their finances assuming retirement in a couple, only to find themselves financially vulnerable in later life. These risks often go unaccounted for if models exclude years with zero earnings.
- In terms of sectoral dynamics, these are important but current data may not fully support analysis at that level. Social care was mentioned as an especially important sector—characterised by low wages, an older and mostly female workforce, and high proportions of migrant workers. Loyalty to the sector does not necessarily translate into pension security.

3. Research Gaps and Next Steps

- Further research to address ongoing gaps could explore:
  - Understanding of multigenerational finance sharing.
  - Tracking of non-linear careers, especially for women and carers.
  - Development of synthetic earnings trajectories that reflect career breaks and shifts.
  - Ways in which health, housing, and self-employment shape savings capability and behaviour.
- **Next steps** – the team will continue to examine provision and patterns of saving across the life-course, with further publications expected later this year.
- A key research and policy challenge remains: identifying when people can and should contribute to pensions, and how to support them through life events that disrupt their earning capacity.