

“Underpensioned groups continue to have lower rates of employment and pension savings” says Pensions Policy Institute

On 30 April 2025, **The Pensions Policy Institute (PPI)** published the 5th edition of The Underpensioned series. The Underpensioned project is an ongoing series of reports which provides data and commentary on how certain identifiable groups of people are under served by the current pension system. The key findings from the research were:

Many people in under pensioned groups experience lower standards of living in retirement as a result of labour market inequalities during working life.

- Employment rates overall have decreased. Underpensioned groups continue to have lower rates of employment and higher rates of part-time employment, compared to the population average. The employment rate of people with a disability is at 54%, around 28% points lower than people without a disability at 82%.
- In addition to lower levels of labour market participation, under pensioned groups have lower than average incomes. The gap between women’s average incomes and the population average is 18%.
- Inequalities in housing also contribute to the under pensioned gap. Levels of homeownership are lower among under pensioned groups, and many will still be renting throughout later life. This will result in higher housing costs, which will further erode their already low retirement incomes.
- As well as labour market inequalities, people in under pensioned groups face inequalities specifically related to pension provision and entitlement.
 - Although eligibility for automatic enrolment is at the same level as the population average when ethnic minority groups are considered in combination, there is significant variation in eligibility across different groups. For example, 96% of employees from an Indian background are eligible for automatic enrolment, whereas only 65% of Bangladeshi employees are eligible.
 - When in employment, people with a disability are 5% less likely to be eligible for automatic enrolment than the population average, and, given significantly lower employment rates, pension participation is much lower overall.



John Adams, Senior Policy Analyst at the PPI said “This year’s Underpensioned report builds upon the foundation of previous years, allowing us to start to view ongoing trends as well as monitoring recent the levels of access to pension savings for different groups.

In the current report People with disabilities continue to be some of the people most likely to be under pensioned. People from ethnic minority backgrounds have very diverse outcomes, some ethnic minorities are significantly under pensioned compared to the

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general population, whereas others are much less likely to be employees or have income levels that enable them to be automatically enrolled into pension savings.”

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Notes for editors:

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