

PRESS RELEASE

Embargoed until 00:01 BST, 23 April 2026

Lifetime inequalities are driving poor retirement outcomes in a pension system that falls short for many ordinary workers

Current pensions are failing to deliver sufficient retirement incomes for many people in disadvantaged groups, new research has found. A lack of stable employment, steady earnings and the capacity to engage with saving, has left some adrift of the saving levels required to deliver an adequate retirement income. Many people do not experience working life in a manner friendly to pension saving. In 2021, 11.7% of people from Bangladeshi backgrounds over age 16, and 9.8% of people from Pakistani backgrounds over age 16 were unemployed, compared to 4.9% of white British people aged over age 16 (House of Commons). Policy, regulation and industry practice need to respond to how people actually live and work.

- For government this means testing policy against disruption and ensuring eligibility and contribution rules work for people with variable earnings and who spend time out of work.
- For industry, this means making pension saving work for people with changing jobs, hours and income by handling fluctuating earnings and making it simple for people to stay in, re join and take action.

New research from Daniela Silcock Pensions Research (DSPR), and Ignition House, explores how disadvantage builds across the life course to shape retirement outcomes. The research is supported by the Standard Life Centre for the Future of Retirement, Pensions UK, NEST, the Centre for Ageing Better, and Age UK. The research draws on 52 studies, including national surveys, government and administrative data, and interview and case study research. For each source, the team recorded evidence on life stages such as education, work, caring, health and later life, along with characteristics including ethnicity, gender, disability, socio economic background and region, and outcomes such as pension saving, other savings, housing and retirement income. The analysis looked at what happens when multiple characteristics and experiences overlap and reinforce each other, and how this affects and compounds outcomes. This analysis was supported by new interviews and focus groups carried out as part of the research.

Ethnicity, gender, disability and socio economic background shape how people are treated by and within labour markets, institutions and government policy systems. Some groups are more likely to experience low pay, insecure work, caring responsibilities and ill health. People with multiple characteristics linked to higher risk are more vulnerable to poor outcomes. However the system is designed around stable, full-time employment with steady earnings and time to engage. When lives do not follow this pattern, gaps can open early and repeat. By the time people reach later life, these gaps can be reflected in smaller pensions, leading to weaker resilience and greater reliance on means tested support. Data from the Standard Life Centre for the Future of Retirement shows that at ages 60 to 65, 58% of people from minority ethnic backgrounds, 50% of disabled people, and 47% of unpaid carers have no private pension savings compared to 35% of the population average.¹

¹ Standard Life Centre for the Future of Retirement, [Changing Journeys: How we save, work and retire](#) (November 2024)

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These gaps show up in real decisions and constraints. People opt out of pensions because they need the money now. They miss out on saving because they earn just under the threshold or work multiple jobs. Caring responsibilities often mean cutting hours or leaving work altogether. Ill health can end a working life early. By the time people are in their 50s and 60s, they are often trying to navigate complex systems with limited time, low engagement and little room for error.

"I didn't join any of the pension schemes in my retail jobs. I knew those jobs were not going to be lifelong, so it didn't feel worth paying into a pension at that time."

2nd generation Bangladeshi Muslim woman, low income, aged 40–44, carer

"We've got no savings. I'm not in a position to ask my children for help. My partner's children are just about managing themselves, so we're at the mercy of the government."

White man, aged 60–64, disability, low opportunity area

Levers to improve outcomes

These outcomes are not inevitable but without change more people will reach retirement with limited resources because the system does not reflect how many people live and work. Extending pension coverage to low earners and insecure workers, protecting saving during periods of caring and ill health, and making systems easier to use can all improve outcomes.

Daniela Silcock, Director, DSPR said *"stress testing profiles with higher exposure to structural barriers can help identify where systems exclude those most in need. Embedding this approach in policy design would help ensure the system works for a wider range of lives, not just those with stable work patterns."*

Catherine Foot, Director at the Standard Life Centre for the Future of Retirement, said: *"Saving into a pension is crucial for building security later in life, but this research shows clearly that it's far from an equal journey. Life doesn't follow a straight path, and how people work, earn and care over a lifetime looks very different from the assumptions baked into our pension system. As jobs, earnings and caring responsibilities change, our pension system needs to catch up with the realities people face, or more will reach retirement without enough to live on."*

Matthew Blakstad, Deputy Director for Strategic Policy and Research at Pensions UK, said: *"If pension policy and systems are designed solely around uninterrupted, full-time employment, too many people will continue to fall through the gaps. This study shows why it's important the Pensions Commission takes into account a pensions framework that reflects the diversity and reality of modern working lives and better protects people when their earnings are disrupted, so that time spent out of the workforce or in insecure work does not translate into permanently poorer retirement outcomes."*

Elaine Smith, Head of Age-friendly Employment at the Centre for Ageing Better, said: *"This detailed report makes clear how disadvantage and inequality compound throughout people's lives, culminating with people left in extremely perilous financial positions upon retirement and feeling worried about their futures. Our working lives and patterns are changing, we need pension and savings systems that reflect this and which provide a better safety net for when we're hit by unforeseeable shocks in mid-life. We cannot continue to tolerate what are currently unacceptable levels of pensioner poverty, particularly among certain groups."*

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“We hope the government will explore the implications of the content of this report and see what is feasible to help support those least able to save for a pension. Improving access to pensions guidance, paid carer’s leave and exploring greater flexibility around claiming the state pension could all lead to meaningful change to people’s quality of life in retirement.”

Camilla Egginton, Chief Strategy and Transformation Officer, Nest, said: *“This research is an important contribution to the pensions debate, highlighting how the current system can overlook everyday workers whose lives and working patterns don’t fit a ‘standard’ model. As policymakers look at the next phase of pension reform, these insights can help shape the practical changes to support those most at risk of under saving to build financial security for retirement.”*

Chris Brooks, Head of Policy at Age UK, said *“Inequality reaches deep into our society, and where it affects pension saving it can contribute to a very difficult later life. This new research shows clearly how some groups fare worse than others and as pension saving is often related to labour market outcomes, where someone has multiple disadvantages these can really add up, costing money not just in working life but also in retirement. If we are to deliver a pension system that can ensure everyone has a good standard of living in their retirement, the Government and Pensions Commission need to address the root causes of low saving levels so that everyone, no matter what disadvantages they may experience, can save enough to have a good retirement.”*

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Notes to editors

- *Stacked disadvantage and retirement outcomes* is published on 23rd April 2026 and is available at: <https://pensionsresearch.co.uk/overlapping-disadvantage/>
- The research combines a structured review of 52 evidence sources with qualitative interviews and focus groups with people experiencing multiple disadvantages
- Daniela Silcock Pensions Research is an independent research and consultancy firm specialising in pensions and retirement policy
- Ignition House is a research agency specialising in qualitative research, financial services and consumer insight
- The research was supported by NEST, the Centre for Ageing Better, Age UK, the Standard Life Centre for the Future of Retirement and Pensions UK
- Participant quotes are drawn from qualitative interviews conducted as part of the research