

The growing number of financially vulnerable immigrant retirees

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Across Western countries, the number of older immigrants (foreign-born people aged 65+) has increased rapidly and is projected to keep increasing. Considering that many ‘fall through the cracks’ in pension systems designed for native-born citizens, more research on this cohort is imperative.

Across Western Europe, immigrants generally receive lower pension incomes than native-born citizens. In the Netherlands, immigrants from former colonies (Indonesia, Dutch Caribbean, Suriname) and Western Europe have on average higher retirement incomes than labour immigrants from Eastern Europe, Morocco or Türkiye, who in turn receive more than immigrants from other regions, particularly ‘refugee countries’. The figure below illustrates this pattern, showing immigrants’ retirement incomes relative to those of the native-born, ranking from comparable (green) to less than half (red). These retirement incomes combine public pensions (first pillar), occupational pensions (second pillar), individual saving provisions (third pillar) and pensions from abroad. Importantly, the fastest growth in numbers is expected among the groups with currently the lowest retirement incomes, whereas the number of the groups with comparable incomes, Indonesian and Western European immigrants, remains relatively stable. This means that the share of potentially vulnerable groups of immigrants increases.

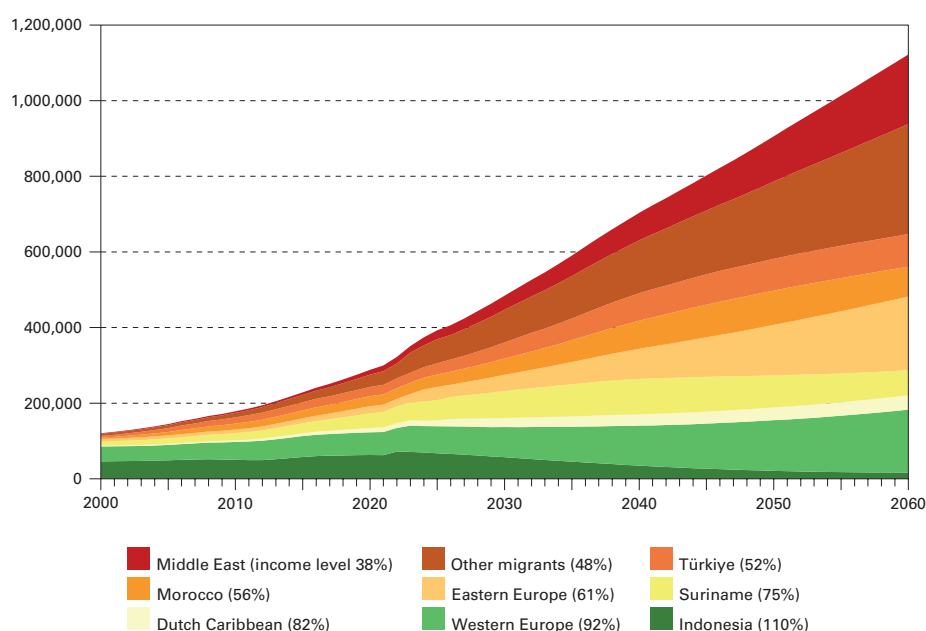
What explains this ‘immigrant pension gap’? First, institutional policies determine access

to public pensions, a main income source for many retirees. Given immigrants’ irregular work trajectories, public pension systems based on residence (like in the Netherlands) are more favourable than systems based on years worked or pre-retirement income. Compared to other residence-based systems, the pension income in the Netherlands is comparatively high, but it requires an exceptionally high 50 years of residence for a full public pension. Among immigrants, refugees often arrive at older ages and thus receive the lowest public pensions.

Second, socioeconomic factors often result in lower occupational pensions for immigrants: their shorter contribution period is exacerbated by labour market obstacles such as language barriers, a lack of educational credentials, discrimination, and concentration in sectors with weaker pension coverage. These vulnerabilities also limit opportunities to save privately for retirement. Western European immigrants can often partially compensate lower public and occupational pensions with retirement income from their country of origin, but this is uncommon among other immigrant groups.

Third, sociocultural factors affect immigrants’ private retirement savings. Many immigrants send remittances to family abroad, which reduces their savings capacity. Additionally, immigrants are often less aware of their accumulated pension income rights and options to improve them, and corrective action is therefore lacking. Lower levels of trust in financial institutions and traditions of informal saving further reduce voluntary participation in pension institutions. Retirees living below the social minimum could in many countries apply for means-tested welfare benefits, yet non-use of these facilities is a persistent issue, especially among immigrants, due to sociocultural factors. On the other hand, sociocultural factors can also form an informal safety net, as many retired immigrants receive financial and non-financial help from their family and social network.

Actual (2000-2025) and projected (2026-2060) number of immigrants aged 65 and older in the Netherlands by region of origin and current retirement income level



Notes: Colours indicate immigrant groups and current retirement income levels among immigrants relative to those of Dutch natives (income level of Dutch natives is 100%). These retirement incomes are a combination of public pension (first pillar), occupational pensions (second pillar), individual contractual savings (third pillar) and income from abroad. The colours are based on the income levels of these groups in 2020 relative to the income of those born in the Netherlands and whose parents were also born there. For clusters of countries, the weighted average was used for the countries available in the data.

Source: Statistics Netherlands Statline, Lössbroek et al. (2025).

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