# Underutilised assets: a study of non-investors

**In short** Around 800,000 Dutch households currently hold sufficient liquid assets to invest but do not do so, even though they may face financial shortfalls in the future. For this group, it may therefore be appropriate to allow their available assets to generate higher returns. This aligns with the European Union's ambition to channel household savings towards the capital markets in order to support investment in the European economy. The AFM is committed to reducing potential barriers to starting to invest, within the framework of adequate investor protection.

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# Summary

**The European Union aims for a greater share of household savings to be used for investments - to support investments in the European economy.** Money that is currently held in current and savings accounts can, through investment, be used to finance businesses and innovation. For households, diversified investments may also generate higher long term returns than savings, although this comes with greater risks (AFM, 2022). As long as inflation exceeds the interest rate on savings, households are actually seeing the real value of their assets decline.

**An additional return on assets can be a welcome supplement for some households, while for others it may be a much-needed addition if they are at risk of facing financial shortfalls in the long term.** Previous research conducted before the coronavirus crisis showed that there was a group of households that did not invest, even though they in principle had sufficient liquid assets available to do so (AFM, 2022). In this study, using recent data, we again assess how many households do have sufficient assets to invest but do not do so. We also assess for how many households it may be appropriate to start investing because they could face financial shortfalls in the future. Finally, we examine the reasons why households choose not to invest.

**This study shows that around one in three Dutch households did not invest in 2024, despite having sufficient financial resources to do so.** They hold more liquid assets than the Nibud reference buffer prescribes.[1] The share of non-investors with sufficient assets to invest is comparable to 2019. This is due to a (slight) increase in both the share of households that invest and the share of households that meet the Nibud reference buffer. A striking feature of this group of non-investors with sufficient assets to invest is that a large proportion are already retired. As a result, they have a more limited investment horizon. Both the retired group and those who have not yet retired have substantial amounts available above the Nibud buffer that could be invested.

**One in ten Dutch households (over 800,000) do not invest even though they currently have the possibility to do so and may face financial shortfalls later in life.** These households are currently accruing insufficient pension entitlements in the first and second pillars to maintain their current standard of living during retirement (the third and fourth pillars are outside the scope of this study). For this group, investing is therefore not only possible but may also be appropriate, as it could allow their available assets to generate higher returns. For half of this group, the amount involved exceeds €30,000. Additional returns could improve their future financial position without requiring them to increase their buffer or adjust their current consumption pattern. The additional return will not be sufficient to fully cover the future shortfall in all cases, but it could improve their financial position. This study does not provide insight into the expected return on current assets or into what share of these assets would need to be invested to ensure sufficient income to maintain the current standard of living in the future. Nor does the study give insight into the adequacy of Dutch household pension entitlements (see DNB, 2024). Pension accumulation is used in this analysis solely as a proxy for households' long-term financial position.

**A lack of knowledge is the most frequently cited reason for not investing.** Many non-investors also consider the risks of investing to be too great or they simply have no interest in investing. In addition, some households report that they do not have enough money to invest, even when they hold more assets than the Nibud reference buffer prescribes. Perceptions regarding the level of knowledge required, the amount of money needed and the risks involved may therefore create barriers for consumers considering whether to start investing. Individual preferences also play a role; not everyone wishes to invest, even when the financial capacity to do so is available.

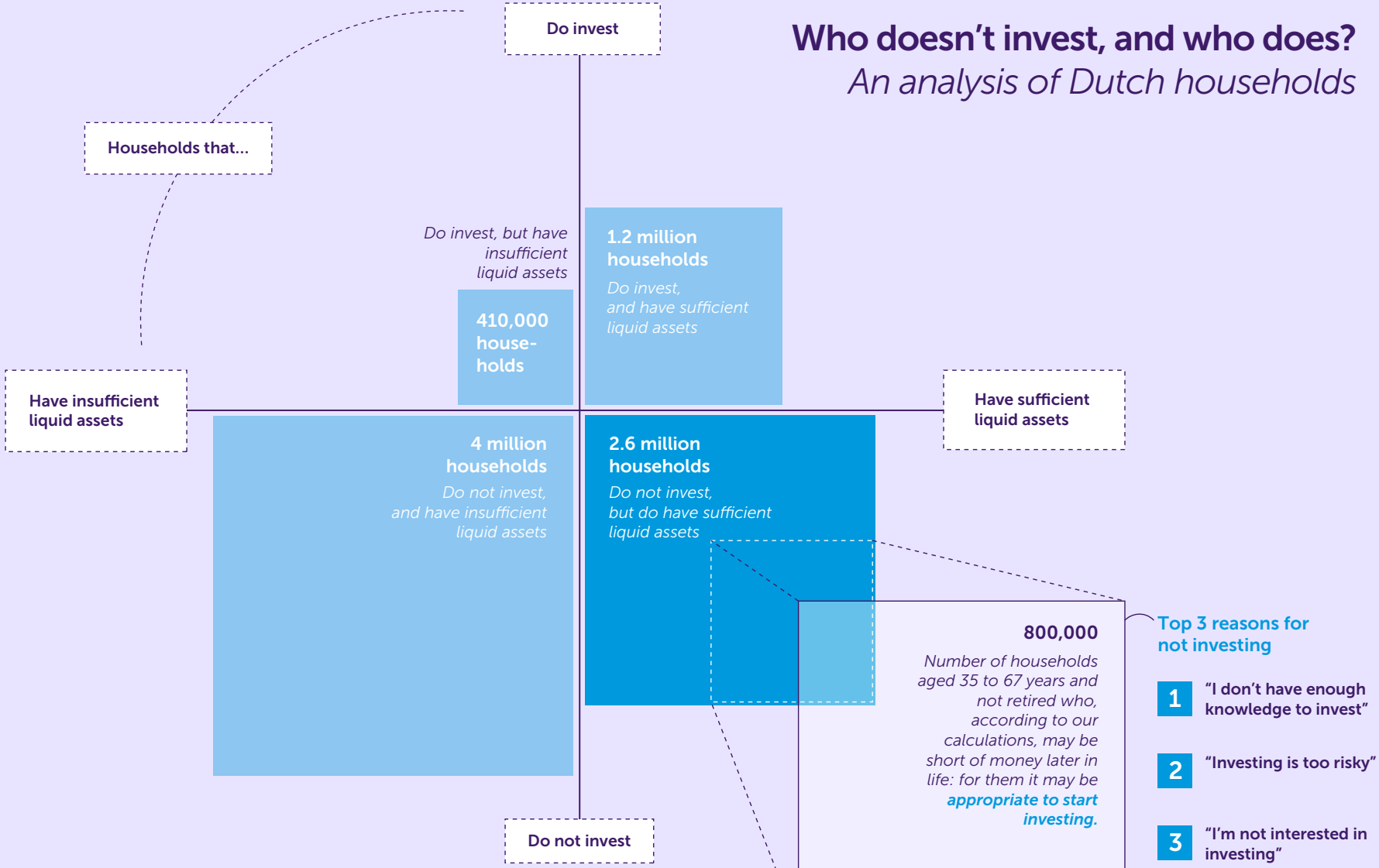
1 The Nibud reference buffer can be calculated using the BufferBerekenaar

**Investing money held in savings (taxed in box 3) can, at the micro level, provide households with higher returns and, at the macro level, contribute to increased investments in European economic activity.** Investments can be made in various ways: independently, with advice or through portfolio management. It is important that investing is approached responsibly: by investing only money that can be spared for a longer period, by diversifying, by not investing the full amount at once and by taking costs into account. Households can also allow their assets to generate higher returns by making additional pension contributions in the second pillar (through the employer) or the third pillar (annuity products).

**The AFM is committed to reducing potential barriers to starting to invest, within the framework of adequate investor protection.** To this end, it proactively makes proposals at both national and European level. The aim is to promote consumers' long-term financial well-being, of which wealth accumulation is an important component.

# Who doesn't invest, and who does?

*An analysis of Dutch households*

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# 1. Introduction

**The European Union aims for a greater share of household savings to be used for investments, in order to support investment in the European economy.** Money that is currently held in current and savings accounts can be used, through investment, to finance businesses and innovation. For households, diversified long-term investing may also generate higher returns than savings, although this comes with greater risks (AFM, 2022).

**Recent research shows that Dutch households are less likely to make direct investments than the average European household (Carlier, 2025).** This refers to investments that households make themselves. At the same time, compared with households in other European countries, Dutch households invest relatively more through their pension schemes (Carlier, 2025). Moreover, investing is not appropriate or possible for all households; this depends on the financial means available and on individual preferences. Not everyone wishes to invest, even when they would have the financial capacity to do so.

**In a previous study, the AFM concluded that prior to the coronavirus crisis there was a group of households that did not invest, even though they had sufficient liquid assets to do so (AFM, 2022).** Since more households have started investing following the coronavirus period (CBS Statline, 2026), we have updated our study, focusing on the period from 2019 to 2024 and examining four groups: 1) non-investors with insufficient liquid assets; 2) non-investors with sufficient liquid assets; 3) investors with insufficient liquid assets; and 4) investors with sufficient liquid assets. This concerns investments that fall under box 3 of the Dutch income tax system. In the remainder of this document, we refer to this simply as "investing".

**For households with sufficient assets, it may be not only possible but also appropriate to allow their assets to generate higher returns than the interest they receive on savings.** Previous AFM research (AFM, 2022) shows that passive investments in an equity index fund yield higher returns than savings in most cases over a nine-year period. If households currently hold assets but risk facing financial shortfalls later in life, it may be appropriate for them to allow their current assets to generate higher returns in order to reduce long-term financial vulnerability.

**To determine the extent to which it may be not only possible but also appropriate for households to allow their available assets to generate higher returns, we examine whether they may face financial shortfalls in the long term.** For this, we look at pension accumulation in the first and second pillars. When households accrue insufficient pension entitlements to maintain their current standard of living, it becomes desirable for them to allow their current assets to generate higher returns. In such cases, it is beneficial both for the European economy and for households themselves to start investing or to obtain higher returns in another way. Achieving a higher return on the assets currently available may improve their long-term financial position without requiring them to adjust their current consumption pattern.

**Finally, we identify the reasons for not investing.** In doing so, we distinguish between all non-investors on the one hand and, on the other, those non-investors who have both sufficient assets to invest and insufficient pension accumulation to maintain their standard of living.

# 2. Dutch households' financial buffers and investments

**To determine whether a household has the capacity to invest, we compare its liquid assets with the Nibud reference buffer.** The Nibud reference buffer indicates how much money a household should have set aside to cover unexpected, large and necessary expenses (Nibud, n.d.). Examples include the cost of replacing a refrigerator or expenses related to home or car maintenance.

**The size of the reference buffer differs between households and depends on several factors.** These include household composition, income, type of housing, the property value in the case of owner-occupied homes, and car ownership. We linked the Nibud buffer at the household level to CBS Microdata, enabling us to determine for each household what the prescribed Nibud buffer was in the years 2019 to 2024.

**When a household holds more money than the reference buffer prescribes, there is - leaving aside individual preferences - room to invest.** We define liquid household assets as the sum of current and savings account balances plus investments, minus consumer credit.

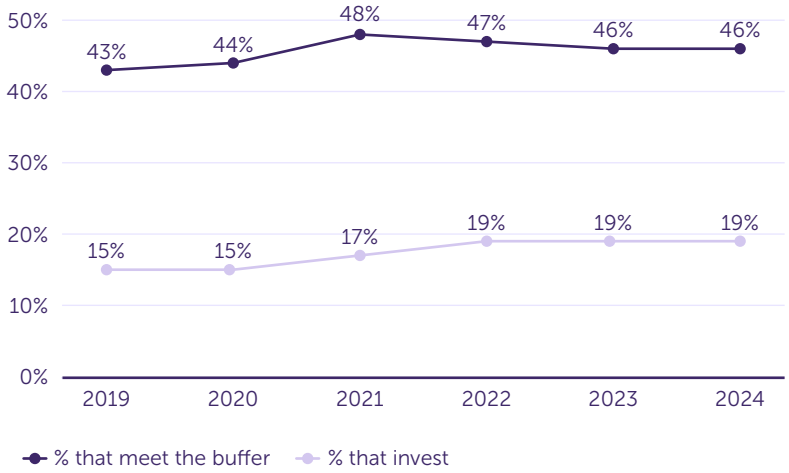
**To determine whether a household invests, we look at investments that are taxed in box 3 of the Dutch income tax system.** When the total value of investments is greater than zero, we consider the household to be 'investing'. We look only at whether a household invests, not at the size of the investments. Third pillar pension investments are excluded.

**By combining whether a household meets the reference buffer with whether the household invests, we distinguish four groups:** 1) non-investors with insufficient liquid assets; 2) non-investors with sufficient liquid assets; 3) investors with insufficient liquid assets; and 4) investors with sufficient liquid assets.

## 2.1 Four groups of investors and non-investors

**The share of households that meet the reference buffer increased from 43% in 2019 to 46% in 2024 (see Figure 1).** In 2024, the median Nibud reference buffer amounted to €26,650.

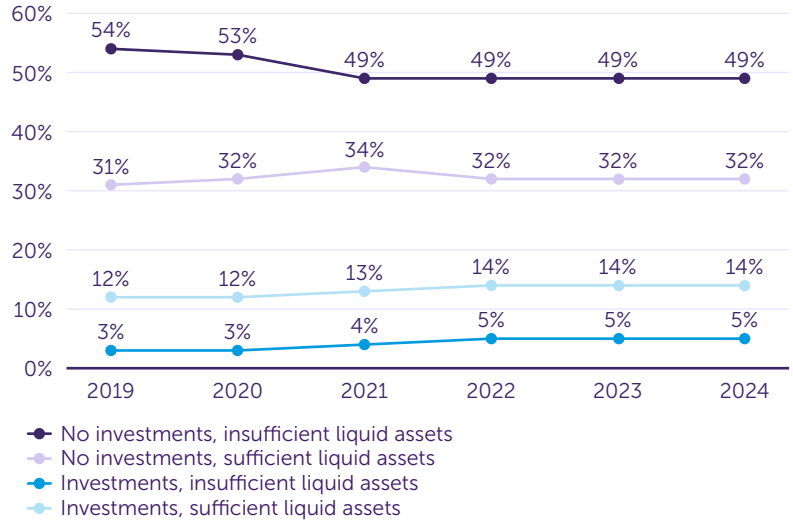
Figure 1 Development of the share of households that meet the reference buffer and the share of households that invest over the years 2019-2024




Source: CBS Microdata and Nibud reference buffers

**In addition, we see that the share of households that invest increased from 15% in 2019 to 19% in 2024 (see Figure 1).** This is consistent with previous reports indicating that more households began investing during the coronavirus pandemic (CBS Statline, 2026; Vervliet and Van Oldeniel, 2025).

Figure 2 Development of the groups 1) no investments, insufficient liquid assets, 2) no investments, sufficient liquid assets, 3) investments, insufficient liquid assets and 4) investments, sufficient liquid assets over the years 2019-2024

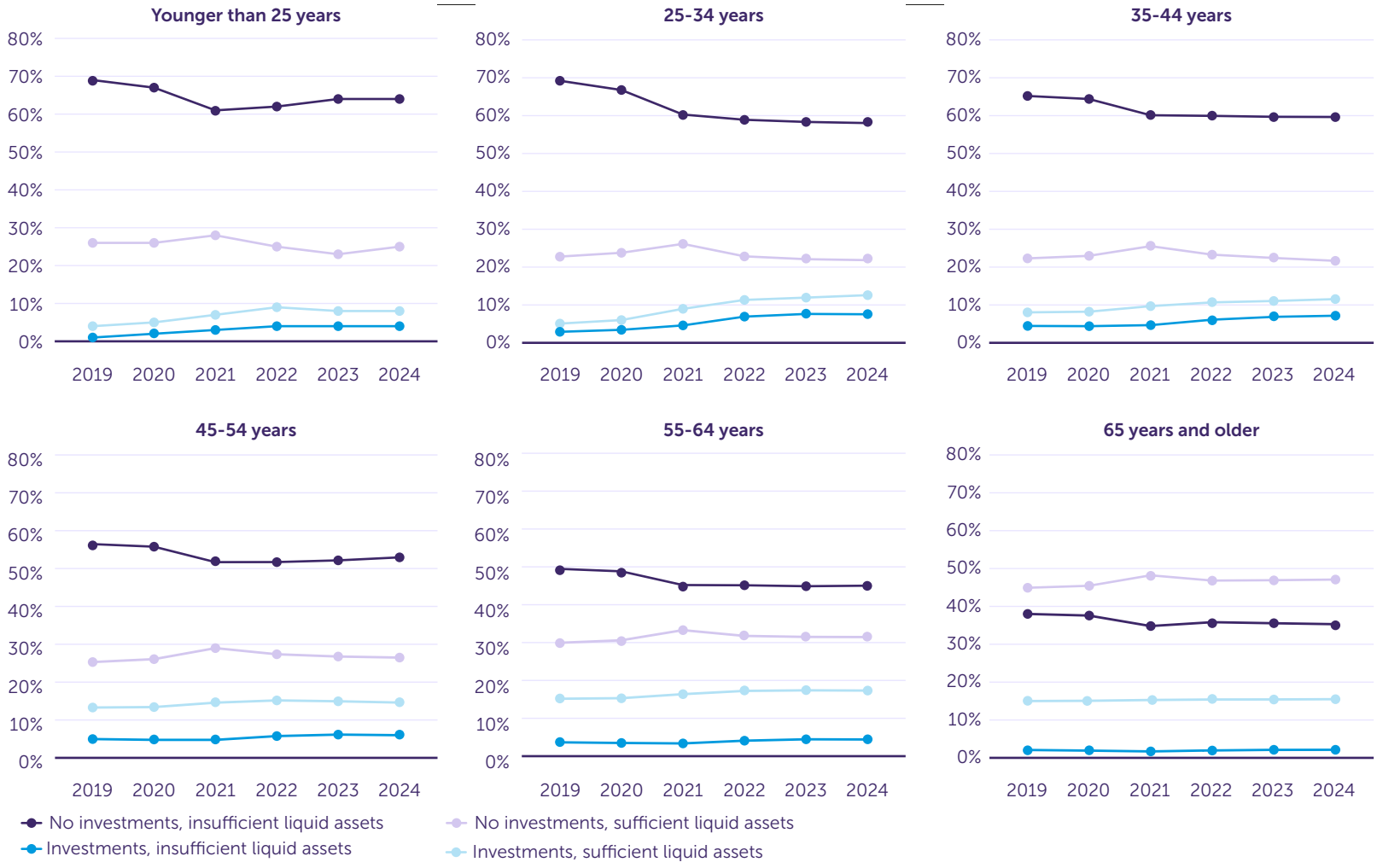



Source: CBS Microdata and Nibud reference buffers

**In 2024, around one-third of households did not invest, despite having sufficient liquid assets to do so (see Figure 2).** Although the number of households that invest has increased in recent years, there remains a group of approximately 2.6 million households that do not invest even though they would be financially able to do so. In addition, there is a large group of households that do not invest and do not have sufficient financial assets to do so. Although the share of this group has declined slightly between 2019 and 2024, it still represents roughly half of all households (around 4 million). Furthermore, we observe that around one in six households in 2024 belonged to the group of investors with sufficient assets (1.2 million households), while around one in twenty households invested despite having assets below the level prescribed by the reference buffer (410,000 households).

**In almost all age groups, the largest group comprises households that do not invest and also do not have sufficient assets to do so (see Figure 3).** The exception is the oldest age group: there, the largest group comprises households that do not invest but do have a sufficient buffer. The share of households that do not invest and have insufficient assets is highest among the youngest age groups. At the same time, the share of investors with a sufficient buffer is lowest among the youngest age groups, although this share has increased most strongly in recent years: for young people under 25 from 4% in 2019 to 8% in 2024, and for those aged 25-34 from 5% to 13%.

Figure 3 Development of the groups 1) no investments, insufficient liquid assets, 2) no investments, sufficient liquid assets, 3) investments, insufficient liquid assets and 4) investments, sufficient liquid assets over the years 2019- 2024, by age group




Source: CBS Microdata and Nibud reference buffers

## 2.2 Additional analyses: alternative definitions of investing and buffers

**In addition to investing in assets that are taxed in box 3 of the Dutch income tax system, households can also make contributions to third-pillar products.** In that case, they save or invest for their pension in a tax-advantaged way. In an additional analysis, we therefore also include contributions to third-pillar products as investments. As we cannot distinguish between savings and investment products within the third pillar, this leads to an overestimation of the share of investors. However, since only a small share of households made contributions to the third pillar in 2024 (5%), the overestimation is limited and the results of the analysis in the previous section change only marginally. When third-pillar products are included, 22% of households invest, compared with 19% when these contributions are not included. The share of households that do not invest but do have sufficient assets declines from 32% (excluding third-pillar contributions) to 30% (including third-pillar contributions).

**To determine whether households meet the reference buffer, we calculated liquid assets as the sum of current and savings account balances plus investments, minus consumer credit.** In practice, investments may not always be liquid, for example when households invest in closed-end funds. In additional analyses, we therefore excluded the value of investments either partially (75%) or fully. As expected, this only affects the distribution of households that invest: the share of the group that invests and has a sufficient buffer ranges between 11.5% and 14.3% (see Table 1).

Table 1 Shares of the groups investing/not investing and with/without sufficient assets to invest under different definitions of liquid assets

| 2024 | No investments, insufficient assets | No investments, sufficient assets | Investments, insufficient assets | Investments, sufficient assets |
|---|---|---|---|---|
| Current and savings account balances + 100% of investments – consumer credit | 48.8% | 31.9% | 5.0% | 14.3% |
| Current and savings account balances + 75% of investments – consumer credit | 48.8% | 31.9% | 5.4% | 13.9% |
| Current and savings account balances – consumer credit | 48.8% | 31.9% | 7.8% | 11.5% |

Source: CBS Microdata and Nibud reference buffers

## 2.3 Characteristics of the four groups

**The four groups of households differ in both demographic and socioeconomic characteristics (see Table 2).** Several observations stand out. For example, the main breadwinner in investing households more often has a partner than in non-investing households (around 70% compared with around 50%). Households that do not invest but do have sufficient financial resources to do so are, on average, older than households in the other groups (59 versus 46-55 years). Of the more than 2.6 million households that do not invest despite having sufficient assets, over 1 million have already retired. As a result, they have a shorter investment horizon. Furthermore, households that do invest but do not meet the reference buffer are relatively often self-employed (20% compared with around 10% in the other groups).

**The groups also differ in financial terms.** Households that invest have a higher median disposable income than households that do not invest (over €70,000 compared with over €40,000). In addition, the median balance of current and savings accounts is substantially higher for households that meet the reference buffer than for households that do not meet it (more than €50,000 versus less than €15,000). Finally, it is notable that the Nibud reference buffer is higher for the groups that invest than for the groups that do not invest (almost €40,000 versus almost €25,000). This is related to the earlier observation that these households more often consist of a main breadwinner with a partner.

Table 2 Characteristics of the groups investing/not investing and with/without sufficient assets to invest

| 2024 | No investments Insufficient assets (N = 4,030,639) | No investments Sufficient assets (N = 2,634,029) | Investments Insufficient assets (N = 409,965) | Investments Sufficient assets (N = 1,184,308) |
|---|---|---|---|---|
| Age of main breadwinner | 49 | 59 | 46 | 55 |
| Partner present | 48% | 50% | 70% | 67% |
| Main breadwinner is employed | 52% | 42% | 64% | 52% |
| Main breadwinner receives benefits | 14% | 6% | 3% | 2% |
| Main breadwinner is retired | 19% | 41% | 11% | 30% |
| Main breadwinner is self-employed | 11% | 8% | 20% | 13% |
| Owner-occupied home | 46% | 57% | 80% | 81% |
| Median disposable income | €42,009 | €44,279 | €72,882 | €71,363 |
| Median current and savings account balances | €4,984 | €55,112 | €14,166 | €80,064 |
| Median Nibud reference buffer | €21,950 | €24,150 | €39,500 | €37,350 |

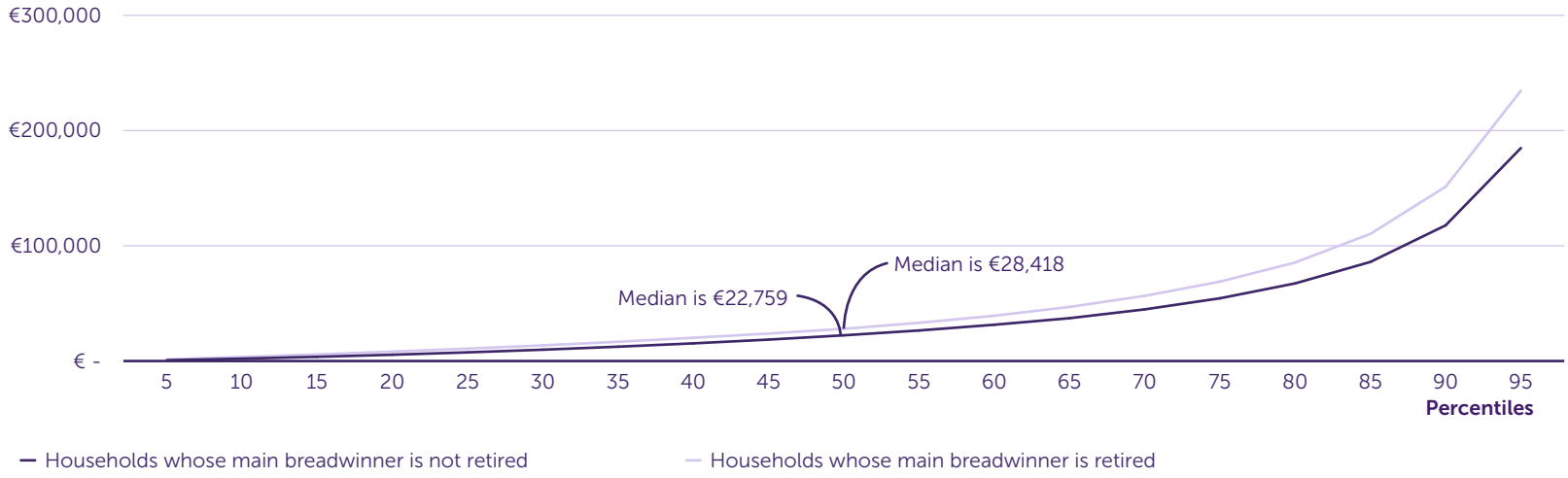
Source: CBS Microdata and Nibud reference buffers

## 2.4 Available assets of non-investors with sufficient assets to invest

**We assess how much money households have available to invest.** This concerns liquid assets in excess of the reference buffer. Households that just meet the reference buffer may not consider it worthwhile to explore investing. Since we saw in the previous section that a large share of non-investors with sufficient assets are already retired (and therefore have a more limited investment horizon), we distinguish here between households whose main breadwinner is already retired and households whose main breadwinner has not yet retired.

**In both groups, half of households have more than €20,000 available to invest (see Figure 4).** For retired households, the median amount is over €28,000, while for non-retired households it is over €22,000. Although retirees have more assets available to invest, they have a more limited investment horizon. For this reason, we focus here primarily on non-retired households. Of the non-retired households that do not invest but do have sufficient assets to do so, 15% have less than €4,200 available to invest. However, half of this group have more than €22,000 available, and one in ten households even have more than €115,000. In many cases, therefore, there is sufficient scope in principle to start investing.

Figure 4 Liquid assets in excess of the reference buffer for non-investing households with sufficient assets to invest, broken down into households whose main breadwinner is retired versus not retired




Source: CBS Microdata and Nibud reference buffers

# 3. Appropriateness of allowing assets to generate higher returns

**Previous AFM research shows that passive investment in an equity index fund yields higher returns than savings in most cases (AFM, 2022).** The analyses in the previous chapter show that more than 2.6 million households do not invest, despite having sufficient assets to do so. However, this does not mean that missing out on investment returns is a problem for all of these households. For some households, additional returns are mainly a welcome supplement, while for others it may be appropriate to generate higher returns because they may face financial shortfalls in the long term.

**In this chapter, we estimate the size of the group for whom achieving additional returns may be not only possible but also appropriate.** We do so by looking at long-term asset accumulation through pensions. We assume that households that are accruing insufficient pension entitlements to maintain their current standard of living are likely to benefit from additional returns. For this group, it may therefore be appropriate to allow their available assets to generate higher returns. This study, however, explicitly does not provide insight into the expected return on current assets, the amount of return households forgo by not investing or the share of assets that households would need to invest in order to achieve an adequate pension. Nor does the study provide insight into the adequacy of Dutch household pension entitlements (see DNB, 2024). Pension accumulation is used in this analysis solely as a proxy for households' long-term financial position.

## 3.1 Sufficient money in the long term?

**To determine whether it may be appropriate for non-investors with sufficient liquid assets to invest and thereby allow their assets to generate higher returns, we examine whether they will be able to maintain their current standard of living after retirement.** To this end, we calculate replacement ratios: the ratio between the expected pension benefit and current income. For current income, we calculate the average gross income of the main breadwinner and, if applicable, a partner over the past three years.

**For expected gross pension income, we include the first pillar (state pension income) and the second pillar (pension accrued through the employer).**[2] We exclude the third and fourth pillars, as assumptions are required both to determine the amount accrued by the retirement date and to convert pension assets into pension income. These assumptions relate to return developments and asset accumulation until retirement, the duration of benefit payments and therefore, indirectly, life expectancy. For the first pillar, by contrast, we only need to make assumptions about the number of years over which state pension entitlements will still be accrued and about marital status (single or married/cohabiting) at retirement. For the second pillar, we use the gross projected old-age pension benefit, which means that we do not need to make additional assumptions ourselves. Pension providers supply data on pension entitlements to the Pension Register. These data are also based on assumptions, such as continued employment until retirement and assumptions regarding life expectancy, but no additional assumptions are required on our part. In addition, benefits from the third pillar are often temporary. Previous research by DNB (2024) also showed that the effect of the third pillar and of financial assets in the fourth pillar (forms of assets

2 We thank De Nederlandsche Bank for sharing the code used to calculate replacement ratios from DNB (2024).

that are relatively easy to spend) is limited. The researchers report a median replacement ratio for all Dutch households aged 35 to 67 of 58.7% based on the first and second pillars, and a replacement ratio of 63% when the first, second and third pillars and financial assets from the fourth pillar are included. When total private assets from the fourth pillar are taken into account, the median replacement ratio increases to 76.1%, largely due to home equity. Excluding the third and fourth pillars leads to an underestimation of the replacement ratio in our analysis, except for the lowest income groups (see Appendix 1). More details on the four pillars and the assumptions required can be found in Appendix 1. The new pension system is outside the scope of this study. Due to differences in calculation methodology, replacement ratios under the new pension system will differ.

**In the literature, a replacement ratio of 70% is often used as a rule of thumb for being able to maintain the current standard of living after retirement.** See, for example, Haveman et al. (2007), Knoef et al. (2016) and DNB (2024). Given that less tax is often payable on pension benefits, and because pension contributions are no longer paid and consumption after retirement is generally lower than before, the replacement ratio does not need to be 100%. This takes into account, among other things, lower housing costs and lower expenditures because retirees have more time to carry out tasks themselves that they may previously have outsourced, such as household work. In addition, they typically no longer need to support children. At the same time, a replacement ratio of 70% may be insufficient for low-income households, while households with higher incomes may be able to manage with less than 70%. In this study, we assume that the current standard of living can be maintained when the replacement ratio is 70% or higher.

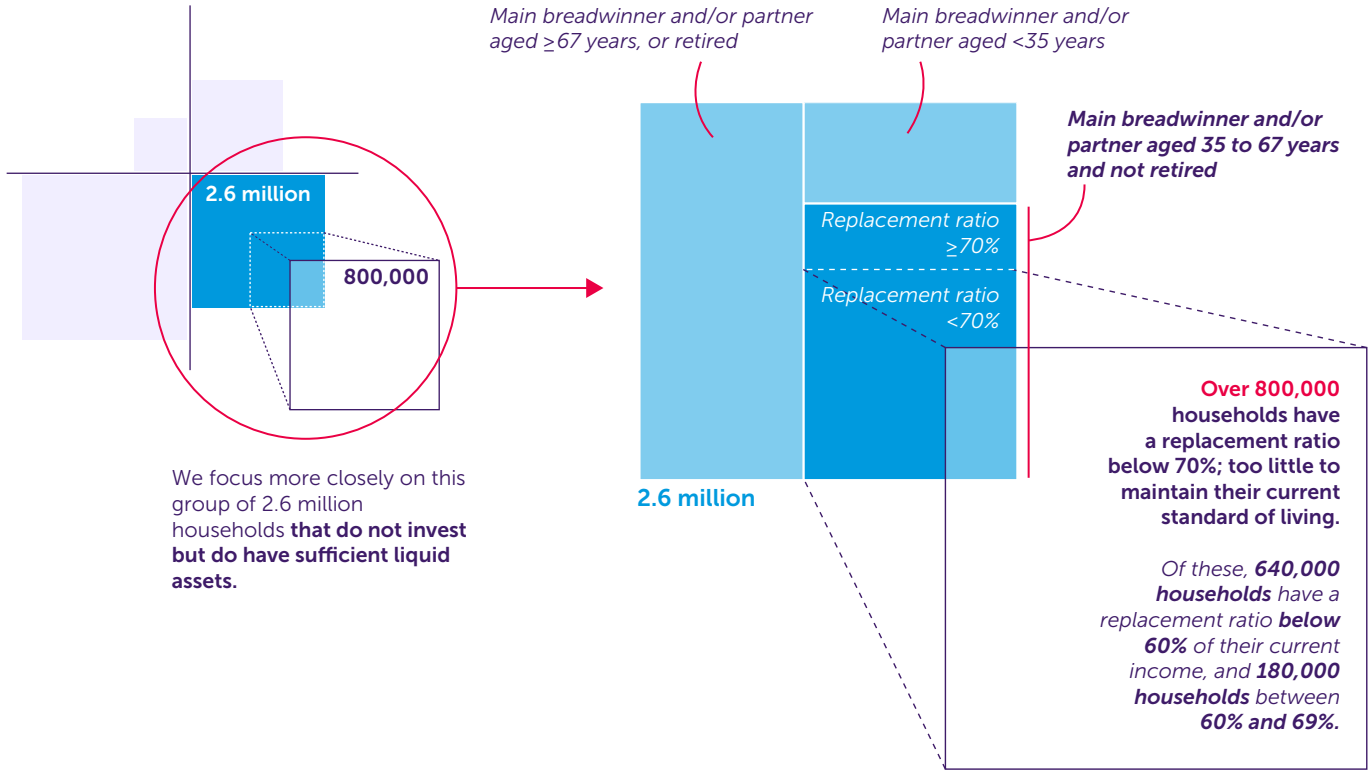
**In calculating the replacement ratio, we exclude two groups: younger households and older households.** For younger households (main breadwinner and/or partner under 35), we cannot reliably estimate second-pillar income, because the assumption that they will remain in the same employment until retirement is unrealistic; in the early stages of a career, circumstances typically change frequently. We also exclude older households (main breadwinner and/or partner aged 67 or older or already retired), as they have a more limited investment horizon and are already retired, making the calculation of replacement ratios less relevant. Of the non-investors with sufficient financial resources to invest, 41% belong to households whose main breadwinner and partner, if applicable, are aged between 35 and 67 and are not yet retired.

## 3.2 Results

**Among the households for which we assessed replacement ratios, six out of ten have an expected pension income - based on the first and second pillars - that is lower than 60% of their current income (see Figure 5).** For almost two out of ten households, the expected pension income lies between 60% and 70% of current income. This means that just over two out of ten households are accruing sufficient pension in the first and second pillars to be able to maintain their current standard of living.

**More than 800,000 households (around 10% of all Dutch households) currently have sufficient resources to invest but do not do so, even though they may face financial shortfalls in the long term.** These households are accruing insufficient pension entitlements in the first and second pillars to maintain their standard of living after retirement (see Figure 5). For this group, investing is therefore not only possible but may also be appropriate. Additional returns could improve their future financial position without requiring them to build up additional buffers or adjust their current consumption pattern.

Figure 5 The group of non-investors with a sufficient buffer broken down by replacement ratio, relative to the total number of Dutch households




Source: CBS Microdata and Nibud reference buffers

**These results are in line with earlier findings by DNB (2024).** DNB assessed replacement ratios for all Dutch households whose main breadwinner is between 35 and 67 years old and concluded that just over a quarter of these households have a replacement ratio of 70% or higher based on the first and second pillars. Pension accumulation in the first and second pillars of the group of non-investors with sufficient assets to invest is therefore comparable to pension accumulation in the first and second pillars of all Dutch households. In Appendix 1, we compare our results with the DNB study in more detail.

## 3.3 Other forms of asset accumulation

**Households can also accumulate pension assets in the third and fourth pillars in addition to the first and second pillars.** If some of the 800,000 households with insufficient pension accumulation do so, we may incorrectly conclude that they are accruing insufficient pension to maintain their standard of living. For this reason, this section examines asset accumulation in the third and fourth pillars. As explained before, we do not calculate pension *income* from these pillars, as this would require a large number of assumptions (see Section 3.1). Instead, we assess whether households made contributions to third-pillar products between 2011 and 2024 and examine the amount of liquid assets they hold.

**In the third pillar, households can voluntarily accrue additional pension entitlements if their annual allowance permits.** Contributions to the third pillar often provide a tax advantage, as contributions are currently deductible for income tax purposes and the accrued value is not taxed in box 3. On the other hand, the contributed amount is locked in until retirement and benefits are taxed when they are paid out.

**Although we cannot observe the total amount contributed to third-pillar products, we do know how many households made such contributions each year in the period from 2011 to 2024.** These contributions consist of premiums for private pension insurance, i.e. annuity premiums paid to insurers, investment firms, investment institutions and banks. Of the more than 800,000 households that do not invest but do have sufficient financial resources and for whom it may be appropriate to allow their assets to generate higher returns, almost one-quarter made contributions to a third-pillar product in at least one of the years between 2011 and 2024. For three-quarters of this group, this was therefore not the case.

**It is plausible that contributions to third-pillar products will be insufficient for many households to increase their replacement ratio to 70%.** Annual contribution amounts are often relatively modest. When we look at households whose main breadwinner and/or partner made contributions to a third-pillar product at any point between 2011 and 2024, we find that the median total amount contributed over this period was €8,300. The limited size of these contributions is consistent with earlier findings by the AFM (2023). That study showed that almost two out of three workers who contributed to a third-pillar product in 2020 contributed less than €1,000, while half of the self-employed contributed less than €2,500.

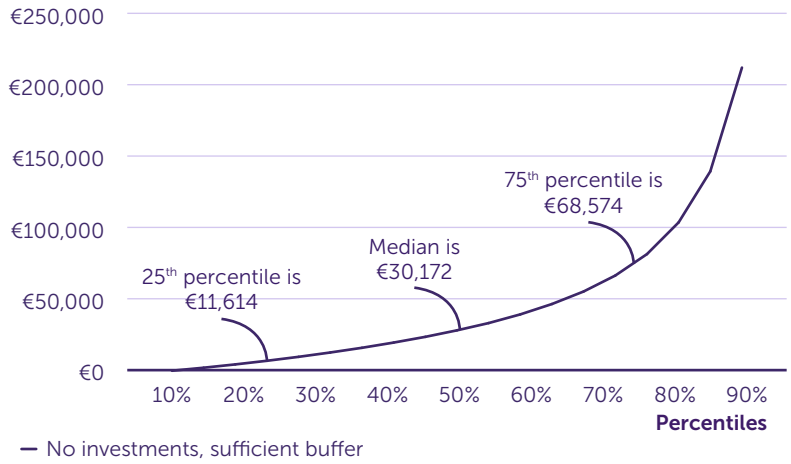
**In this section, we focus solely on liquid assets within the fourth pillar.** The fourth pillar includes all other forms of assets held by an individual, such as balances on current and savings accounts, home equity and business assets.

**Of these more than 800,000 households, three-quarters have less than €68,574 in liquid assets available in excess of the reference buffer (see Figure 6).** Here, we define liquid assets as the sum of current and savings account balances minus consumer credit. Figure 6 shows the distribution of assets above the reference buffer for the group of non-investing households that do have sufficient assets to invest and have a replacement ratio below 70%. The median amount is €30,172 and the average is €60,522.

**In a large proportion of households, current liquid assets are likely to be insufficient to fill the pension gap.** A back-of-the-envelope calculation indicates that if households were to use a portion of these assets each year to supplement the pension shortfall, the assets would be depleted after approximately 1.5 years in the case of half of households and after around 4.5 years in the case of 75% of households.[3] These calculations, however, do not take potential asset growth into account.

3 This is calculated as liquid assets/(0.7*average gross income – expected pension income)

Figure 6 Liquid assets in excess of the reference buffer




Source: CBS Microdata and Nibud reference buffers

## 3.4 Characteristics of the group that may be financially vulnerable in the long term

**In the case of just over half of the non-investors with sufficient assets to invest and insufficient pension accumulation in the first and second pillars, the main breadwinner is aged between 35 and 54 (see Table 3).** Almost 40% of this group are aged between 55 and 64. In addition, it is notable that the majority (78%) are employed, while in around one in six households the main breadwinner works as a self-employed person. Three-quarters of these households are homeowners. When we compare these results with all households whose main breadwinner and partner, if applicable, are aged between 35 and 67 and are not yet retired, several differences stand out. First, among non-investing households with sufficient assets and insufficient pension accumulation, a partner is more often present in the household. In addition, the main breadwinner is more often employed and less often receives benefits. Finally, these households more often own their home.

Table 3 Characteristics of non-investors with sufficient assets to invest and insufficient pension accumulation in the first and second pillars

| 2024 | No investments, sufficient liquid assets, insufficient pension accumulation, aged 35-67 and not retired (N = 821,896) | All households aged 35-67 and not retired (N = 3,971,232) |
|---|---|---|
| Main breadwinner is female | 31% | 34% |
| Main breadwinner aged 35-44 | 23% | 28% |
| Main breadwinner aged 45-54 | 35% | 34% |
| Main breadwinner aged 55-64 | 38% | 34% |
| Main breadwinner aged 65 or older | 4% | 4% |
| Partner present | 66% | 57% |
| Main breadwinner is employed | 78% | 68% |
| Main breadwinner receives benefits | 5% | 15% |
| Main breadwinner is self-employed | 16% | 16% |
| Owner-occupied home | 75% | 63% |

Source: CBS Microdata and Nibud reference buffers

# 4. Reasons for not investing

**Whether it is appropriate for a household to invest depends not only on its financial situation and investment horizon but also on individual preferences.** Not everyone wishes to invest, even when the financial capacity to do so is available. Investing involves risks, and not everyone is willing to accept these risks. In addition, only money that can be spared in the long term is suitable for investing. In this chapter, we assess the reasons for not investing based on the AFM Consumer Monitor Representative Netherlands (2024).

**In April 2024, a representative group of non-investors was asked about the reasons why they do not invest.** Respondents were presented with various reasons and could indicate for each reason whether it applied to them. In addition, they were able to provide another reason themselves. By linking these responses at the household level to CBS Microdata, we are able to assess the main reasons for not investing in the case of all non-investors and in the case of non-investors with sufficient assets to invest and insufficient pension accumulation. In total, we were able to link responses from 605 non-investors, including 101 non-investors with sufficient assets to invest and insufficient pension accumulation.

**A lack of knowledge is the most frequently cited reason for not investing (see Figure 7).** Within the group of non-investors with sufficient financial resources to invest and insufficient pension accumulation, this is even cited as a reason by more than half.

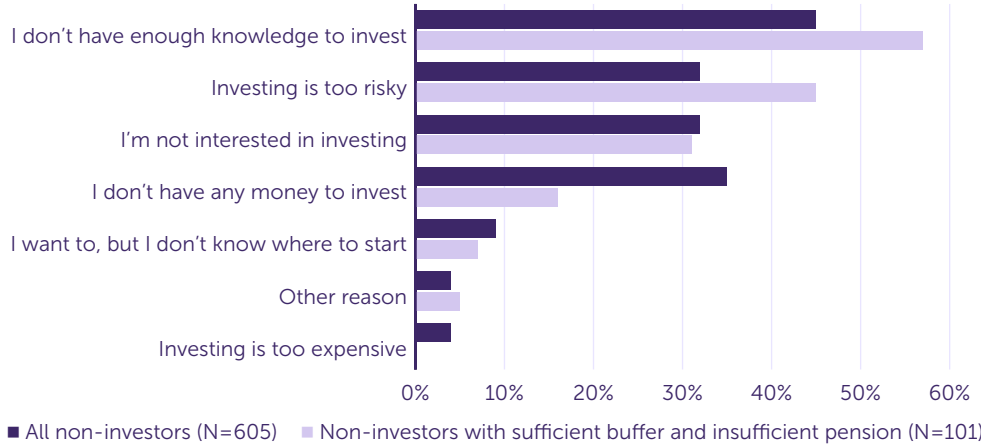
**In addition, more than four out of ten non-investors with sufficient financial resources to invest and insufficient pension accumulation consider the risks of investing to be too great.** Among all non-investors, this applies to around one-third of the group. Although there is always a chance that part of the invested amount may be lost, previous AFM research shows that passive investment in an equity index fund yields higher returns than savings in most cases. This raises the question of whether respondents assess the risks of investing accurately.

**Some households also report that they have no interest in investing; in both groups this applies to around one in three households.** In addition, there are households that would like to invest but do not know where to start. In both groups, between one in ten and one in twenty households report this.

**Finally, it is notable that one in six non-investors with sufficient assets to invest and insufficient pension accumulation indicate that they do not have money to invest, even though this group holds more liquid assets than the Nibud reference buffer prescribes.** As the group of non-investors also includes households with insufficient assets to invest, it is not surprising that a larger share of these respondents indicate that they do not have money available to invest (around one-third).

**These results raise questions about how consumers assess the level of knowledge and the amount of money required to invest.** For example, it is unclear whether households genuinely lack the necessary knowledge or whether they have a distorted perception of what knowledge is required in order to start investing. Recent research among German non-investors shows, for instance, that they believe one must be able to distinguish between good and bad companies and know when to buy and sell before starting to invest (Duraj et al., 2025). In addition, they believe that after making investments, one must continuously monitor the market and trade regularly in order to avoid losses and improve returns.

Figure 7 Reasons for not investing among all non-investors and among non-investors with sufficient assets to invest but insufficient pension accumulation to maintain their standard of living




Source: AFM Consumer Monitor Representative Netherlands 2024 combined with CBS Microdata

**With regard to assessing risks, the question is whether non-investors consider investing to be too risky because of their personal risk preferences or because they have a distorted view of the risks involved.** Although there is always a risk of losing at least part of the investment, not all investment products are equally risky. Examples of relatively low-risk investment products include well-diversified passive ETFs and government bonds. It is possible that not all households are aware of this.

**In addition, further insight is needed into how households determine how much money they believe is required to start investing.** Around one in five households that do not invest and hold more assets than the reference buffer indicate themselves that they do not have money available to invest. This raises the question of whether they intend to spend this money in the short term and therefore do not regard it as available for investing, or whether their perception of what constitutes "sufficient money to invest" differs from what is actually required.

**Other ways of allowing assets to generate higher returns also involve barriers.** For example, in 2023 the AFM identified several obstacles encountered when taking out a third-pillar product. First, a large proportion of workers are not aware that they can accrue additional pension entitlements in the third pillar. In addition, accessibility is limited because consumers first have to determine whether they have a pension shortfall, then decide how much they wish to contribute, while also ensuring that they comply with tax rules. Finally, it is difficult for consumers to compare different options due to the large number of providers, products and varying cost structures.

**Removing barriers can contribute to an increase in the number of households investing.** In 2012, Sweden introduced the *Investeringssparkonto*, ISK. This form of investing is simple, tax-advantaged, and entails only limited administrative burdens. As a result, investing became more accessible to a broad group of households. The introduction of the ISK led to a strong increase in the number of retail investors (OECD, 2025).

# 5. Conclusion

**This study shows that in 2024 around one in three Dutch households did not invest, despite having sufficient financial resources to do so.** This share is comparable to 2019, as both the share of investing households and the share of households that meet the Nibud reference buffer have increased slightly in the meantime.

**In the case of around one in ten Dutch households (approximately 800,000), the situation is that they do not invest at present, even though they have sufficient liquid assets to do so and may face financial shortfalls later in life.** These households are currently accruing insufficient pension entitlements in the first and second pillars to maintain their current standard of living after retirement. For this group, it is therefore not only possible but maybe also appropriate to allow their available assets to generate higher returns. For half of this group, the amount involved exceeds €30,000, and for all households together the total is €50 billion. Additional returns could strengthen their future financial position without requiring them to adjust their current consumption pattern. Moreover, as long as inflation exceeds the interest rate on savings, these households are currently seeing the real value of their assets decline.

**It is desirable both for the European economy and for households themselves that households start investing or allow their assets to generate higher returns in another way.** Investing can take various forms: independently, with advice or through portfolio management. In doing so, it is important that households invest only money that they can spare in the long term, diversify sufficiently, do not invest the full amount at once and take costs into account.[4]

**In addition to investing (taxed in box 3), households can also allow their assets to generate higher returns by making contributions in the second or third pillar.** Although additional returns will not be sufficient to fully make up a potential pension shortfall in all cases, they can help to reduce it.

**A lack of knowledge is the most frequently cited reason for not investing.** Many non-investors also consider the risks of investing to be too great or they simply have no interest in investing. In addition, some households indicate that they do not have sufficient money to invest, even when they hold more assets than the Nibud reference buffer prescribes. Perceptions regarding the knowledge required, the money available and the risks involved may therefore create barriers for consumers to start investing. In addition, it is possible that households do not know whether they will have sufficient resources in the long term to maintain their standard of living.

**Moreover, individual preferences play a role.** Not everyone wishes to invest, even when the financial capacity to do so is available. The tax system may also have an influence, as fiscal incentives or uncertainty about future regulation may make the step towards investing less attractive. This combination of perceptions and external factors may result in consumers not starting to accrue assets, even when this might in principle be appropriate.

**The AFM strives to promote sustainable financial well-being for all consumers, of which wealth accumulation is an important component.** For this reason, within the framework of adequate investor protection, the AFM is committed to reducing barriers for consumers to start investing and to simplifying processes. To this end, the AFM makes proactive proposals at both national and European level.

4 For more tips on how to approach investing responsibly and avoid unpleasant surprises, the AFM checklist is available.

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# Appendix: Data and methodology

***Nibud reference buffer***

We use the Nibud buffer calculator to calculate the reference buffer for each household. This buffer is the amount that a household should have set aside in order to be able to pay immediately for unexpected, larger, necessary expenses in the short and medium term (Nibud). Examples include the cost of replacing a refrigerator or expenses related to home or car maintenance.

The level of the reference buffer differs depending on the household. In determining the buffer, Nibud takes into account household composition, household income, whether a household lives in an owner-occupied or rented home, the value of the owner-occupied home, whether the home is covered by a homeowners' association (VvE) and whether a household owns cars and, if so, how many and what type. We use the 2024 Nibud buffer and convert this amount into 2024 euros for the prior years.

We use household-level CBS microdata to calculate the required buffer for each household for the years 2019 to 2024. As CBS microdata on homeowners' associations are not yet available for 2024, we assume that all homes that were covered by a homeowners' association in 2023 remained so in 2024. The median reference buffer amounted to €26,650 in 2024.

***Assets***

We compare the reference buffer with a household's liquid assets to determine whether a household has sufficient financial resources to invest. Liquid assets are defined as current and savings account balances plus investments, minus consumer credit. We deduct consumer credit because this represents debt rather than assets. As the value of consumer credit is not directly available in CBS data, we use the variable "other debts". This includes, among other things, debts for consumption purposes and for financing a second home. We cap the value at €50,000, as amounts above this threshold are unlikely to involve consumer credit.

***Investing/non-investing***

We determine whether a household invests on the basis of investments taxed in box 3 of the Dutch income tax system. When the total value of securities is greater than zero, we conclude that a household invests. Contributions to third-pillar products are not included as investments in the main analyses.

***Household characteristics***

Based on administrative data from Statistics Netherlands (CBS), we assess various household characteristics. Where possible, variables are measured at household level (such as disposable income). When this is not possible, the value relates to the main breadwinner (for example, in the case of gender). The main breadwinner is defined as the person in the household with the most important socioeconomic position.

***Pension income***

We calculate the expected gross pension income for the main breadwinner and, where applicable, the partner on the basis of the first and second pillars of the pension system. The new pension system is outside the scope of this analysis.

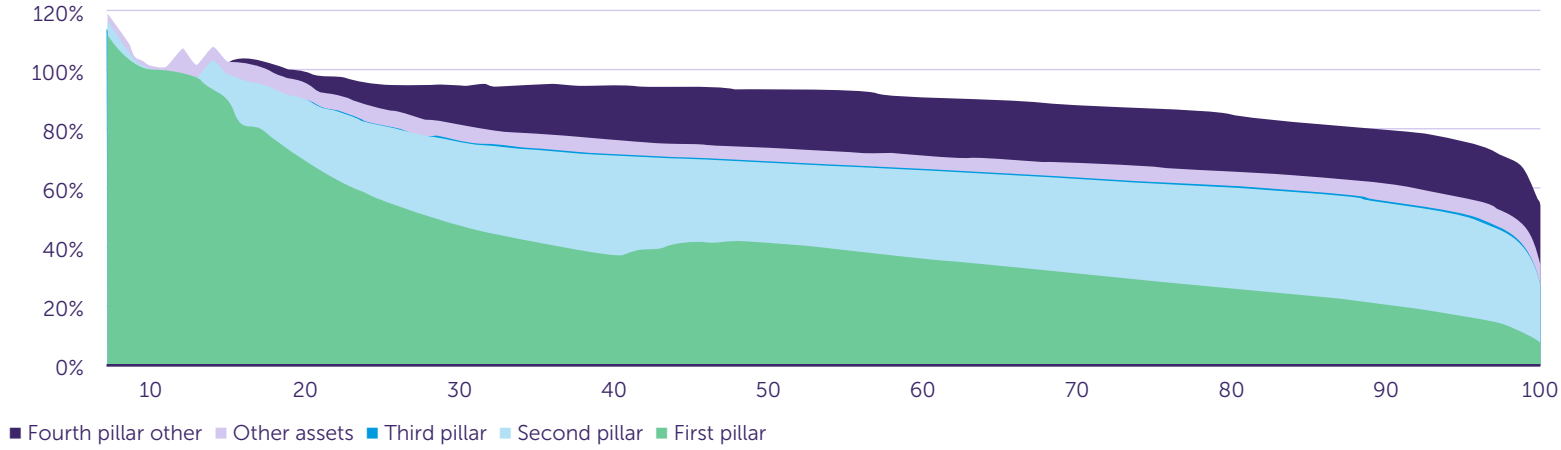
In the case of the first pillar, we know the total period over which a person has accrued state pension entitlements up to and including 2024. We assume that individuals who were resident in the Netherlands in 2024 remain resident in the Netherlands until retirement, and that their marital status (single or cohabiting/married) does not change up to the retirement date.

For pension accumulation in the second pillar, we use the gross projected old-age pension benefit. This assumes continued employment under unchanged conditions until the retirement date. In cases where multiple pension entitlements exist, we aggregate these amounts. We include only lifelong benefit payments, as temporary benefits occur infrequently and often last for a short period. Including them would lead to an overestimation of pension income for a large number of years.

In calculating the expected gross pension income, we exclude contributions to the third pillar and accumulated assets in the fourth pillar. In the third pillar, individuals can voluntarily accrue additional pension entitlements if their annual allowance permits. Contributions to the third pillar often provide a tax advantage, as contributions are deductible from income tax in box 1 – while benefits are taxed only at a later stage – and because the accrued value and/or returns are not subject to annual taxation. However, the funds are in principle locked in until retirement. To calculate pension income from the third pillar, we would first need to estimate the total amount accumulated by the retirement date. This would require assumptions about how much a household contributes until retirement and about the returns earned on those contributions. Subsequently, the accumulated assets at retirement would need to be converted into income, which in turn requires assumptions about the duration of benefit payments and therefore about life expectancy. As this would require a large number of assumptions, and at the same time research by DNB shows that the third pillar has a limited impact on the level of replacement ratios, we exclude the third pillar when calculating expected pension income (see Figure 8). Moreover, most benefits are temporary rather than lifelong.

The fourth pillar comprises all other forms of assets held by an individual, such as balances on current and savings accounts, home equity or business assets. To calculate pension income from the fourth pillar, assumptions would need to be made about the amount of assets accumulated by the retirement date. In addition, these assets would need to be converted into income, which requires assumptions about the life expectancy of the main breadwinner and any partner. Previous research by DNB (2024) distinguishes between financial assets (forms of assets that are relatively easy to spend, such as current and savings account balances) and total assets. That research shows that including only financial assets has a limited effect on replacement ratios, while including total assets has a larger effect, as owner-occupied housing plays a more significant role in pension income (see Figure 8). In this study, we exclude illiquid forms of assets from the analysis.

Figure 8 Composition of replacement ratios for different income groups




Source: Figure 2 on page 17 from DNB (2024)

Figure 8 (from DNB, 2024) shows the composition of replacement ratios across different income groups. It highlights that for lower-income groups, the replacement ratio (and thus pension income) consists almost entirely of the first and second pillars. In the case of all income groups, the contribution of the third pillar is minimal. For higher-income groups, other forms of assets (such as home equity) play a larger role. In addition, the figure shows that replacement ratios are higher for lower-income groups.

To nevertheless gain an indication of assets accumulated in the third and fourth pillars, we examine how many households in the group of non-investors with sufficient assets to invest and insufficient pension accumulation have ever made contributions to the third pillar in the period from 2011 to 2024. However, we do not know whether this is sufficient to supplement pension income. We also examine the balances on current and savings accounts in excess of the reference buffer for this group.

Table 4 Replacement ratios based on the first and second pillars for households aged between 35 and 67, broken down into different groups

| | Bron | Jaar | P25 | P50 | P75 |
|---|---|---|---|---|---|
| All Dutch households with a main breadwinner aged between 35 and 67 | DNB | 2022 | 0.464 | 0.591 | 0.729 |
| All Dutch households with a main breadwinner and partner aged between 35 and 67 | AFM | 2024 | 0.425 | 0.551 | 0.688 |
| Non-investors with insufficient liquid assets, with a main breadwinner and partner aged between 35 and 67 | AFM | 2024 | 0.450 | 0.575 | 0.736 |
| Non-investors with sufficient liquid assets, with a main breadwinner and partner aged between 35 and 67 | AFM | 2024 | 0.438 | 0.557 | 0.686 |
| Investors with insufficient liquid assets, with a main breadwinner and partner aged between 35 and 67 | AFM | 2024 | 0.364 | 0.489 | 0.591 |
| Investors with sufficient liquid assets, with a main breadwinner and partner aged between 35 and 67 | AFM | 2024 | 0.356 | 0.483 | 0.592 |

Source: DNB (2024, p. 17) and AFM calculations based on CBS Microdata and Nibud reference buffers

***Replacement ratios***

A replacement ratio shows the ratio between the expected pension benefit and current income. Table 4 presents the replacement ratios for households aged between 35 and 67 that are not yet retired, for different groups. The results of the DNB study for all households aged 35-67 in 2022 are comparable to our results for 2024 (see rows 1 and 2). In addition, it is notable that the group of non-investors with sufficient liquid assets to invest is comparable to all Dutch households (row 4 versus row 2). For these groups, the median replacement ratio is around 55%, whereas for investing households it is just under 50%.

In this study, we assume that pension adequacy is achieved when the current standard of living can be maintained. In line with the literature, we assume that this is the case when the replacement ratio is 70% (see, for example, Haveman et al., 2007; Knoef et al., 2016; DNB, 2024). The replacement ratio does not need to be 100%, as less tax is often payable on pension benefits, pension contributions are no longer paid and consumption after retirement is generally lower than before retirement, for example due to lower housing costs. At the same time, a replacement ratio of 70% may be insufficient for low-income households, who may then fall below the poverty threshold. Conversely, households with higher incomes may be able to maintain their standard of living with a replacement ratio below 70%.

Pension adequacy can also be defined in other ways. For example, Nibud takes account of an individual's preferences and plans to assess whether expected income after retirement will be sufficient to cover expected expenditures.[5] An adequate pension can also be defined as one that is sufficient to prevent poverty (IBO Pensioenopbouw, 2024). The SCP, CPB and Nibud have jointly developed a benchmark for this purpose. For 35 different types of households, they have calculated the income level required to be able to participate fully in society.

***Reasons for not investing***

In April 2024, a representative group of Dutch residents aged 18 and over were asked whether they held investments (AFM Consumer

5 Adequacy can be assessed using Nibud's Pensioenschijf-van-vijf tool on Pensioenschijf-van-vijf

Monitor Representative Netherlands). Respondents who indicated that they did not invest were subsequently presented with a list of reasons for not investing. For each reason, they indicated whether it applied to them, and they were also able to report other reasons. We linked these responses at the individual level to CBS microdata at the household level. This provides insight into the reasons for not investing among all non-investors (n = 605) and among non-investors with sufficient assets to invest and insufficient pension accumulation in the first and second pillars (n = 101). As it was not possible to link all respondents, we conducted an additional analysis in which responses were weighted by gender, age and the presence of a partner to make the sample comparable to the population of non-investors. This yielded similar results.

***Sample selection***

We exclude households whose income or assets are unknown, since for these households we cannot calculate liquid assets and/or determine whether they invest. In addition, we exclude institutional households (for example, households in residential or nursing care facilities) and unknown households.

***Differences compared with the previous AFM study (2022)***

There are several differences compared with the previous AFM publication on the opportunity costs of not investing (AFM, 2022). First, Nibud now calculates reference buffers in a different way than at that time, and we have followed suit. As a result, the reference buffers are now higher. In addition, we calculate the number of cars in a household differently in this study. Furthermore, we now include households whose income and/or assets are less than or equal to zero and we also include student households this time. Finally, we calculate households' actual assets differently. The consequence of these adjustments is that fewer households meet the buffer requirement, resulting in a lower share of non-investors with sufficient assets to invest.