

KvK Aruba insights

THE PERFECT STORM

Five interconnected drivers hitting Aruba at the same time

Demographics • Housing market • Labor & migration •

Housing construction • Elderly care

Martijn Balkestein, June 2026

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EN NIJVERHEID ARUBA

Disclaimer

This report, entitled “The Perfect Storm,” is intended solely to provide an overview of economic, social, and demographic developments in Aruba, with particular emphasis on the interconnections between these developments.

The information contained in this report reflects the socio-demographic and economic conditions and the data available as of July 2026. While the report aims to identify relevant trends and emerging challenges, it is not intended to serve as a policy paper, advisory document, or strategic recommendation.

The contents of this report should not be construed as formal policy advice, nor do they necessarily reflect the official position of the Aruba Chamber of Commerce and Industry. Any projections, interpretations, or views expressed are those of the author at the time of writing and may change as new data become available or new developments emerge.

Readers are encouraged to consult additional sources and relevant subject-matter experts before making decisions based on the issues discussed in this report.

Martijn Balkestein

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Introduction: why this is one story

Aruba stands on the eve of a confluence of challenges, each of which is heavy on its own, but which moreover reinforce one another. This document brings together six themes that are normally treated separately, but in reality form one story: a “perfect storm” in which demographics, the labor shortage, hotel and Airbnb expansion, migration, housing construction, and elderly care are linked together in a vicious circle.

The common thread is arithmetic in nature. Aruba’s natural population growth turned negative for the first time in 2025: more people are dying than are being born. At the same time, the demand for labor is growing — driven by hotel expansion, vacation rentals, and the outflow of baby boomers. The gap between a shrinking working population and growing labor demand can only be closed through migration. But those migrants need homes, in a market that is already unaffordable and where construction cannot keep pace — while the construction sector itself struggles with a shortage of skilled workers. And at the end of the chain stands the most vulnerable group: the rapidly growing population of elderly people, for whom the care system is not equipped.

The chapters follow this chain. Chapter 1 lays the demographic foundation. Chapter 2 shows how vacation rentals put pressure on the housing market. Chapter 3 maps the hotel expansion: the expansion that drives labor demand further up. Chapter 4 is the link: the labor shortage and the inescapable dependence on migration. Chapter 5 shows how housing construction lags behind. Chapter 6 closes the circle with elderly care. Each chapter is supported by graphs and tables and the accompanying analysis.

Executive Summary

For decades, Aruba's economic success has been underpinned by continuous growth in tourism, population, and employment. Today, however, the island has reached a historic demographic turning point. In 2025, for the first time in its modern history, the number of deaths exceeded the number of births. While this milestone may appear modest in isolation, it fundamentally alters the arithmetic that has long supported Aruba's economic and social development.

The implications extend far beyond demography alone. A shrinking domestic labor force is emerging at precisely the moment when demand for workers is accelerating. Major hotel expansion projects, continued growth in short-term vacation rentals, and an ageing population are simultaneously increasing the need for labor, housing and long-term care. Because these developments reinforce one another, they cannot be understood—or addressed—in isolation.

This report demonstrates that Aruba is not facing five separate challenges, but one integrated system of mutually reinforcing pressures. Together they form what this report describes as
Aruba's Perfect Storm. The five interconnected forces are:

1. **Demographic transition**
Declining fertility, rapid population ageing and the end of natural population growth are fundamentally changing Aruba's demographic structure. The working-age population is shrinking while the number of older persons continue to grow rapidly.

2. **Expanding labor demand**
Large-scale hotel developments and continued growth in tourism are expected to create thousands of additional jobs during the coming decade, significantly increasing labor demand.

3. **Structural dependence on labor migration**
With a shrinking domestic labor force and relatively low unemployment, labor migration is no longer simply a policy option; it has become an economic necessity. However, migration simultaneously increases demand for housing, infrastructure and public services.

4. **Increasing pressure on the housing market**
The continued expansion of short-term vacation rentals removes a growing share of the housing stock from the long-term residential market, further reducing affordability for local households.

5. **Growing pressure on long-term care**
Rapid population-aging, particularly among the oldest age groups, is expected to substantially increase demand for healthcare services, long-term care facilities and specialized personnel, while the available workforce is simultaneously declining.

These developments are interconnected through a series of reinforcing feedback loops. Labor shortages stimulate migration. Migration increases housing demand. Housing shortages constrain labor supply. Construction itself faces labor shortages, while an ageing population further reduces the available workforce and increases demand for care. Each challenge amplifies the next. The central conclusion of this report is therefore straightforward: sector-specific policies will no longer be sufficient. Housing, labor market policy, migration, spatial planning, tourism development, healthcare and demographic policy must be approached as components of one integrated system.

Aruba's future prosperity will increasingly depend on its ability to anticipate these structural changes rather than respond to them after they have materialized. The demographic transition is already underway. The remaining question is whether policy will evolve quickly enough to manage its consequences.

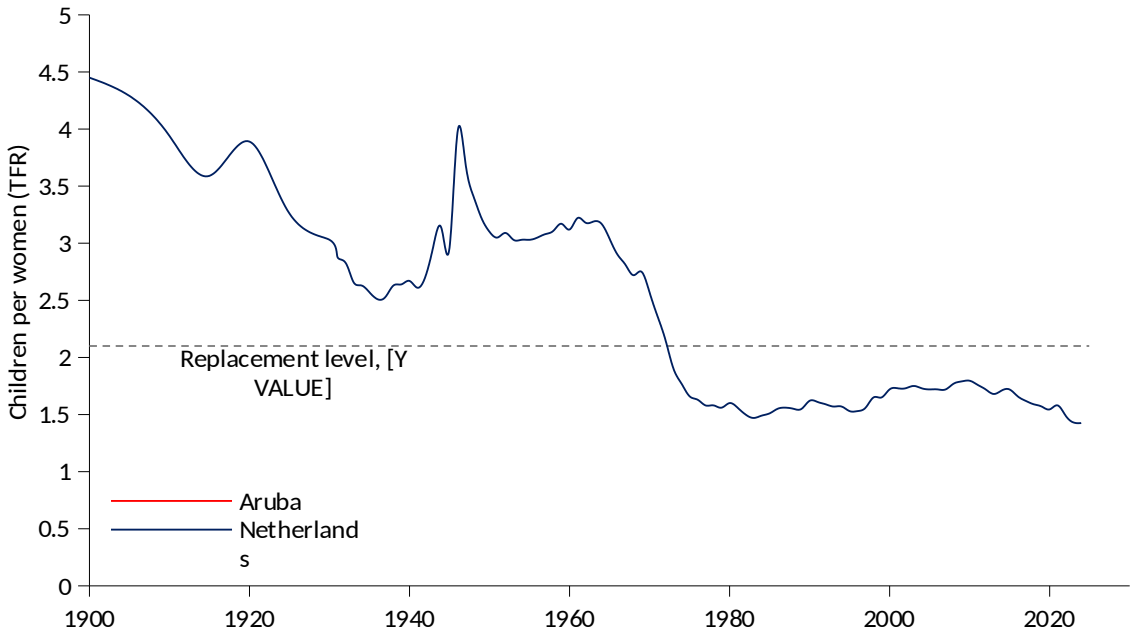
1. The demographic turning point: the end of natural growth

Aruba crossed a historic demographic threshold in 2025. For the first time, the number of deaths exceeds the number of births. While this may appear to be a single statistical milestone, it marks a profound structural shift with far-reaching implications for the island's economy and society. This development represents far more than the natural ageing of the population. It signifies the end of natural population growth and the beginning of a new demographic era in which Aruba can no longer rely on its own population to sustain the growth of its labour force. From this point forward, demographic change increasingly becomes the underlying driver of many of the island's most pressing policy challenges.

This single fact is the foundation beneath all the shortages addressed in the following chapters — from the labor market and care for the elderly to the housing market. The shrinking number of young people and the aging of the population are not separate trends but two sides of the same coin, and both are accelerating.

1.1 Fertility has plummeted

The total fertility rate (TFR) indicates how many children a woman has on average. To keep a population stable, a TFR of about 2.1 is needed — the replacement level. In 1991, Aruba was still just above that at 2.28, but it has since fallen sharply to 1.31 in 2025. That is not only well below replacement level, but by now even lower than the Netherlands.



Graph 1-1: Aruba's fertility rate since 1960, compared with the Netherlands and the replacement level of 2.1.

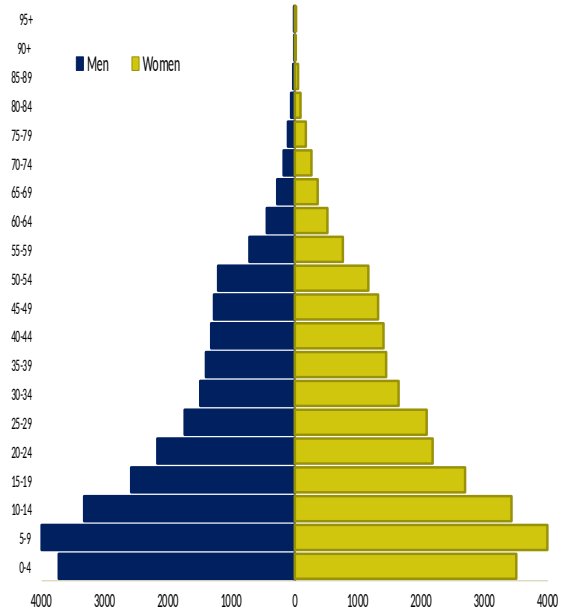
A TFR of 1.31 means that each generation is roughly one third smaller than the previous one. This is the core of the problem: a shortage of young people cannot be repaired quickly, because even if fertility were to rise tomorrow, it takes at least twenty years before a baby joins the working population. The consequences of today's low fertility are therefore already locked in for the decades ahead.

1.2 Fewer and fewer young people

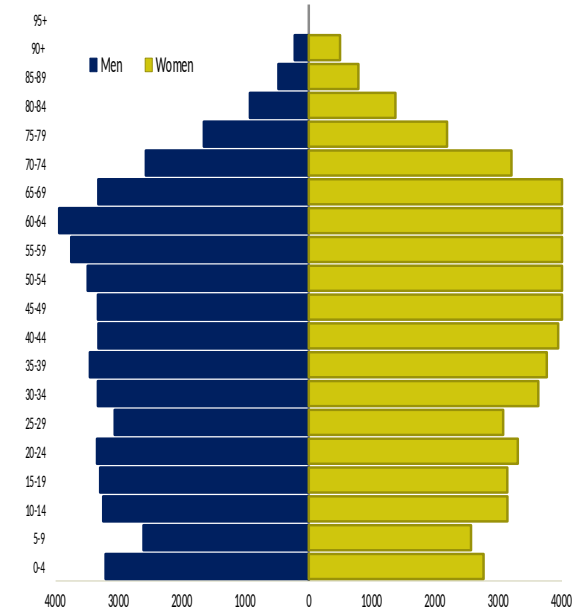
Low fertility translates directly into a shrinking young population. The share of young children (ages 0–4) has more than halved, from 8.7% in 1991 to 4.2% in 2025. The group of children aged 5–14 also shrank sharply, from 16% to just over 10%. Quite simply, fewer and fewer young people are flowing through to school, training, and ultimately the labor market.

1.3 Aging: more and more — and ever older — elderly

At the other end of the age pyramid, the opposite is happening. The share of people aged 65 and over has nearly tripled, from 6.9% in 1991 to 19.6% in 2025. The average age of the population rose in the same period from 32 to 43 years. The turnaround is most sharply visible when we place the population structure of 1960 next to that of 2025.



Graph 1-2: Population pyramid 1960: a broad base of young people

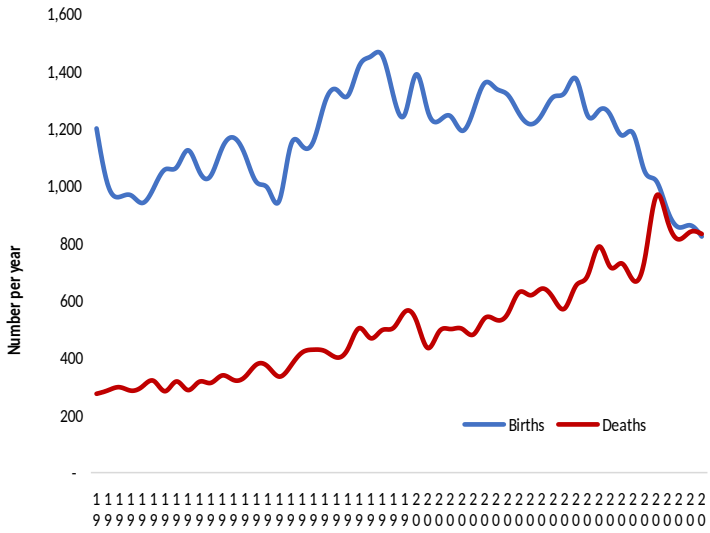


Graph 1-3: Population pyramid 2025: the base has narrowed, the middle and the top have grown heavier

In 1991 there were 41 elderly people for every 100 young people; in 2025 there are 188. In other words: where a generation ago Aruba had nearly two and a half times as many young people as elderly, there are now almost twice as many elderly as young people. Moreover, within the elderly population the oldest category — the "oldest old" — is growing the fastest, which proves highly significant for care demand in chapter 6.

1.4 Natural growth has reversed

When declining births and rising deaths cross, the natural growth of the population stops. That is exactly what happened in 2025. The number of births fell from around 1,200 per year in the 1970s to 824 in 2025, while the number of deaths rose to 833. For the first time, natural growth is negative: −9.

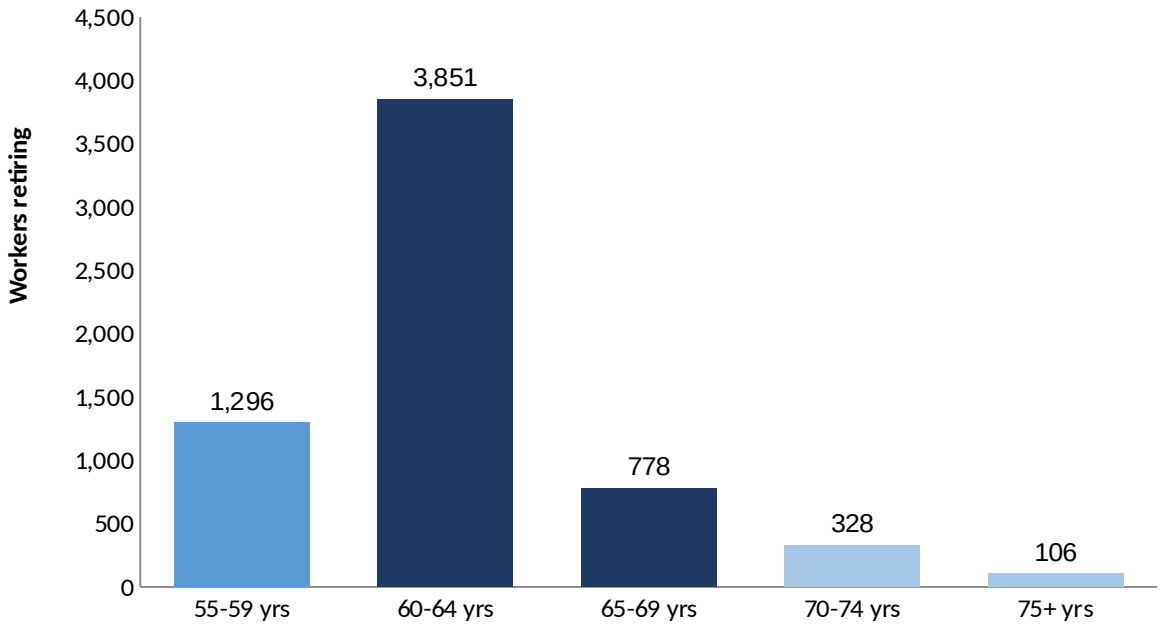


This is the tipping point. A population that no longer grows on its own can only supply a growing economy — with expanding hotels and rising labor demand — with workers through migration. The recourse to migration is therefore no longer a policy choice, but an arithmetic necessity. Its consequences for the housing market and public services form the core of the following chapters.

Graph 1-4: Births versus deaths in Aruba, 1972–2025. In 2025 the lines crossed.

1.5 The retirement wave makes it urgent

On top of this structural turnaround comes an acute shock. Based on the current age structure, an estimated 6,359 people will reach retirement age and leave the labor market over the next five years — 3,058 men and 3,301 women. This outflow is concentrated in the current 55-to-64 age groups.



Graph 1-5: Expected retirement outflow from the labor market

The problem is that the shrinking youth population means there are not enough young Arubans ready to take these places. The gap between those leaving and those available to enter is the direct trigger for the labor shortages that take center stage in chapter 4.

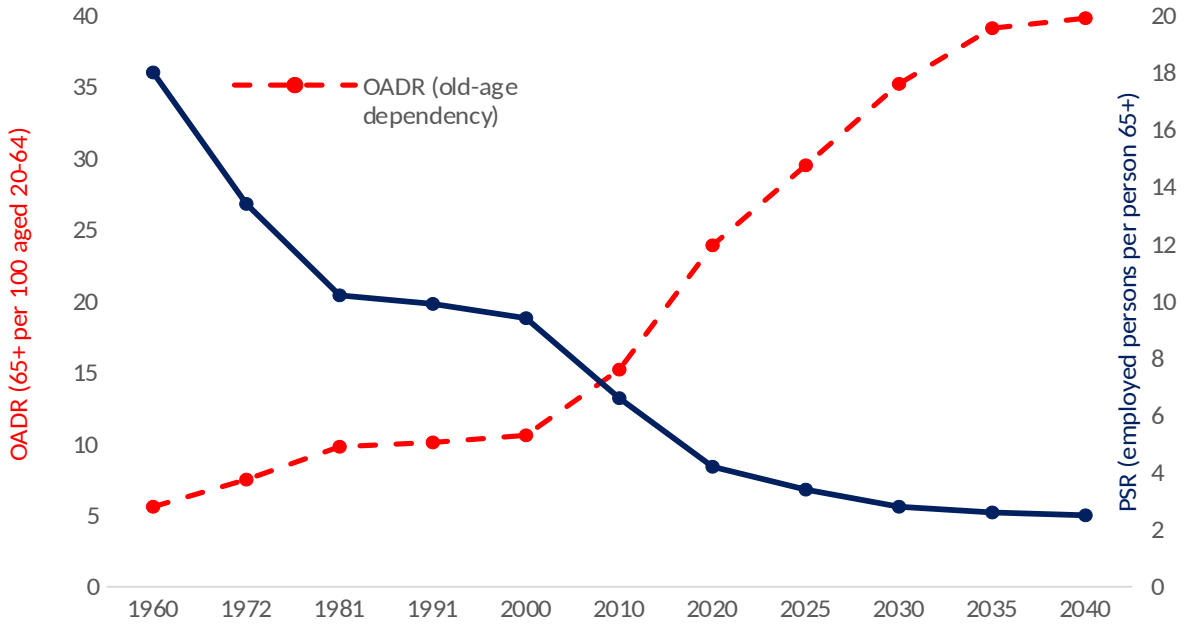
1.6 Support capacity in international perspective

Aging is measured most sharply through old-age dependency. Three related measures capture this. The Potential Support Ratio (PSR) counts how many people of working age there are per person aged 65+. The Old-Age Dependency Ratio (OADR) reverses this: the number of people 65+ per 100 people of working age. The Economic Old-Age Dependency Ratio (EOADR) is the sharpest measure, because it divides the number of elderly by the people who actually have a job.

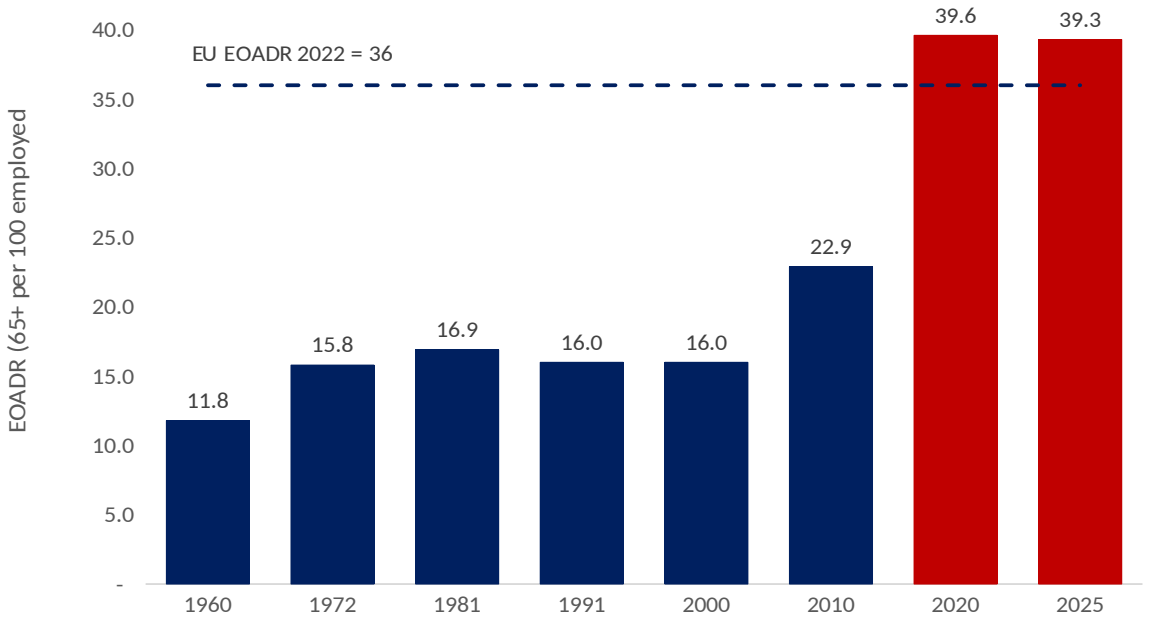
Year	Population	PSR	OADR
1960	53,199	17.95	5.6
1972	57,908	13.41	7.5
1981	60,312	10.19	9.8
1991	67,382	9.88	10.1
2000	91,040	9.40	10.6
2010	101,874	6.59	15.2
2020	108,166	4.18	23.9
2025	111,628	3.39	29.5
2030	114,239	2.84	35.2
2035	115,978	2.56	39.1
2040	116,918	2.51	39.8

Table 1- 1: PSR = employed persons (20–64) per person 65+. OADR = persons 65+ per 100 persons 20–64. EOADR = persons 65+ per 100 employed persons

The picture is unambiguous: Aruba is aging rapidly. In 1991 there were still relatively few elderly people relative to the working population. The demographic old-age dependency ratio (OADR) helps make this visible. It rose from 10.1 in 1991 to 29.5 at the start of 2025. That means there are now almost three times as many elderly people per 100 workers.



At the same time, far fewer people of working age are available to carry the costs of pensions, healthcare, and other public services. This is measured through the Old-Age Dependency Ratio (OADR). With an old-age dependency ratio of 39.3 at the start of 2025, Aruba is already above the 2022 EU average of 36 and at a level the EU as a whole will only reach around 2028; demographically younger member states such as Ireland and Luxembourg will not get there until the 2030s and 2040s. Since 2010 this rise has accelerated.



Measure	Aruba (2025 Q1)	
EOADR (economic old-age dependency)	37.4	
OADR (demographic old-age dependency)	32.2	
Employed persons per person 65+	≈ 2.7	

Table 1-1: Source: EU Ageing Report 2024 and Eurostat. Definitions differ slightly between sources; the comparison is indicative.

Herein also lies the most hopeful message: the EOADR moves with the labor market. Because the ratio is divided by the number of employed, enlarging the working labor force — through higher participation, working longer, and labor migration — is the most direct way to ease the pressure. Aging is thus partly a policy choice, not an inescapable fate.

1.7 Summary figures

Indicator	1991	2010
Total fertility rate (TFR)	2.28	1
Birth rate (per 1,000)	16.8	1
Share aged 0–4	8.7%	6
Share aged 5–14	16.0%	14
Share aged 65+	6.9%	10
Average age	32.4	3
Aging index (60+ per 100 young)	41	
Natural growth (births – deaths)	728	

Table 1-3: All figures derived from data of the CBS (Aruba) and the Bureau Burgerlijke Stand en Bevolkingsregister (Civil Registry and Population Register).

The trend points unmistakably to accelerated aging. The OADR has nearly doubled in just fifteen years and continues to rise; the Potential Support Ratio (PSR) is approaching the threshold of only three workers per elderly person. By way of illustration: in 1960 there were still 18 workers per elderly person. Without policy

change, economic old-age dependency will rise further as the post-war generations retire and life expectancy continues to increase. Concretely, this means several points of attention.

- Sustainability of pensions and care. Rising old-age dependency places a structurally larger claim on public finances through pensions, healthcare, and long-term care. In Europe it has been calculated that aging pushes pension expenditure up by several percentage points of GDP; the same mechanics apply to Aruba.

- Labor participation as the main lever. Because the EOADR is divided by the number of employed, enlarging the working labor force is the most direct way to ease the pressure. Higher labor participation, working longer, and reducing unemployment lower the ratio directly.

- The role of migration. Aruba's population growth has historically been strongly driven by migration. Labor migration can replenish the working labor force and thus strengthen the denominator of the EOADR, but it does not structurally solve the underlying aging if migrants themselves age over time.

- The growth of the oldest old. Not only is the number of people aged 65+ growing, but above all the group aged 80 and over. This group requires disproportionately intensive long-term care, putting additional pressure on care capacity and informal caregivers, apart from pension costs.

- Timely rather than delayed measures. The European experience shows that most of the rise in old-age dependency occurs relatively early. Measures taken now — on retirement age, labor participation, and care financing — have more effect than measures introduced only when the pressure is already at its peak.

Because the EOADR moves with the labor market, Aruba can absorb part of the aging pressure by getting and keeping more people in work. Aging is thus partly a policy choice, not an inescapable fate.

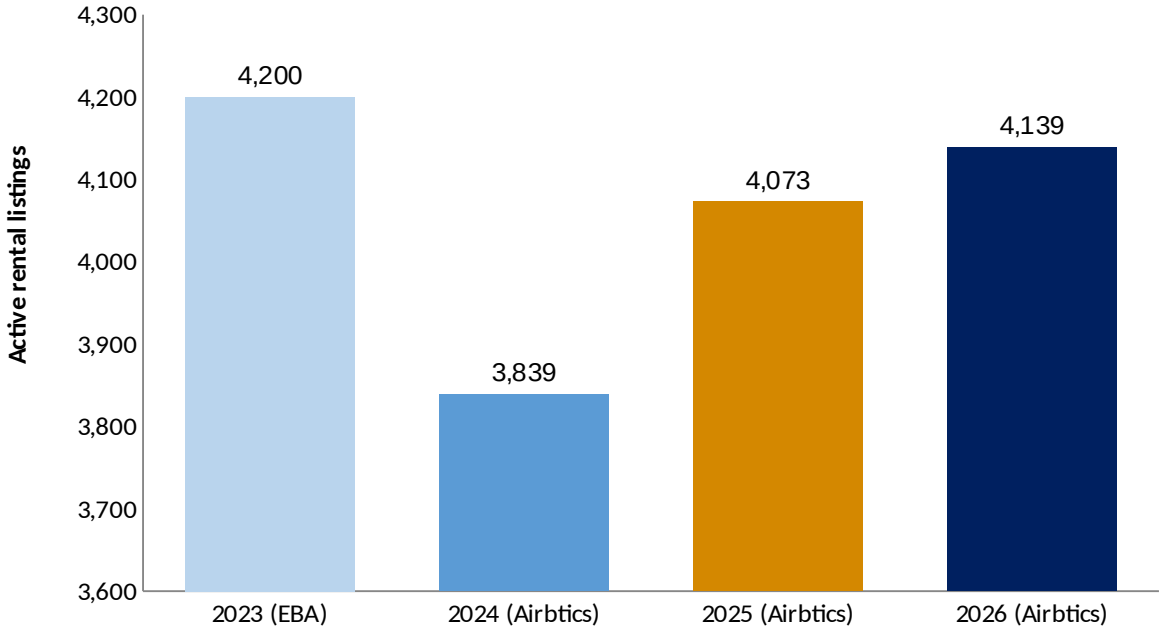
2. Vacation rentals and the housing market under pressure

Vacation rentals through platforms such as Airbnb deal a double blow to Aruba's housing market. They withdraw entire homes from permanent occupancy, and they contribute to rising house prices — prices that are already out of reach for most Arubans. At the same time, the sector — like the hotel expansion — increases the demand for labor that Aruba can no longer supply itself. And the sector keeps growing: the number of rental listings rose by more than 16 percent over the past year. This theme therefore does not stand apart from the aging discussed in chapter 1, but directly interacts with it.

What makes this theme special is that even the rental operators' own industry association implicitly agrees that there are now too many: it itself advocates a cap that is lower than the current number of units.

2.1 A sector that keeps growing

The most recent figures (Airbtics, early 2026) count roughly 4,139 active short-term rentals in Aruba. The number itself is telling, but the direction is what tells the story: the market grew strongly in recent years and continues to rise, despite the ongoing debate about regulation. This is not a sector that stabilizes on its own; without intervention, the growth continues.



Graph 2-1: Active short-term rentals in Aruba according to various sources. The trend points unmistakably upward.

2.2 The scale: how many homes are disappearing from the market?

The most authoritative figure comes from the study that Economisch Bureau Amsterdam carried out in 2023 on behalf of the Government of Aruba. It shows there were roughly 4,200 vacation rental units out of a total housing stock of 38,830, nearly 11 percent of all homes on the island. Crucially: the vast majority of these are entire homes, not individual rooms. An entire home rented to tourists is fully withdrawn from the market for permanent occupancy.

In Noord, the area where most rentals are concentrated, the picture is even sharper: there, entire homes on rental platforms make up roughly 25 percent of the housing stock. The Economisch Bureau accordingly concludes that the housing market is particularly adversely affected, and that the negative effects occur in amplified form in Aruba.

2.3 A commercialized sector, not a side income

A frequently heard defense is that vacation rentals allow ordinary homeowners to earn a little extra by renting out a room. For Aruba, that picture does not hold. The Economisch Bureau finds that the sector is commercialized: most providers are not small homeowners but professional operators who own multiple properties. Some managers have dozens to more than a hundred listings, and at least 11 percent of the properties are owned by non-residents. This is therefore not a matter of shared living space, but of homes structurally exploited as a tourism product.

2.4 The counterargument: what does the industry say?

An honest argument also presents the other side. The Vacation Rentals Professionals Aruba (VRPA), the industry association, disputes that vacation rentals harm the housing market. Their main arguments are that vacation homes mostly fall in the luxury segment and would therefore never have been “affordable” homes, and that restrictions elsewhere (Barcelona, Paris, Amsterdam) have barely led to lower prices. The table below places both opinions side by side.

Punt	Economisch Bureau Amsterdam (regering, 2023)	
Aandeel woningvoorraad	~11% van de woningen is vakantieverhuur	
Type woning	Merendeel hele woningen, onttrokken aan de markt	
Effect op woningmarkt	Draagt sterk bij aan het woningtekort	
Karakter sector	Gecommercialiseerd; deels buitenlandse eigenaren	

Point	Economic Bureau Amsterdam (Government, 2023)	

Table 2-1: Sources: Economisch Bureau Amsterdam (2023) and VRPA Directive for responsible and sustainable vacation rentals in Aruba.

The VRPA argument

The VRPA defense is right on one point that we cannot refute: many vacation homes are indeed luxury properties that were never affordable family homes in themselves. But that does not touch the real concern. It comes down to two things the industry does not refute:

- **The scale and direction.** The vast majority are entire homes disappearing from the residential market, in a commercial sector with partly foreign owners. At 11 percent of the total stock, and 25 percent in Noord, that is not a marginal phenomenon but a structural withdrawal of supply — and in a tight market, every withdrawal drives prices up further.

- **The industry itself advocates fewer VHR.** This is the strongest point. The VRPA itself proposes limiting the number of permits to 7.5 percent of the housing stock, or roughly 3,000 permits — while around 3,500 are already listed. Even the rental operators thus implicitly acknowledge that the current number is too high. When both sides agree there are too many, the debate over whether to intervene has effectively already been settled.

2.5 The human side: housing has become unaffordable

The pressure on the housing market ultimately lands on ordinary households. The median asking price for a home was already around Afl. 575,000 in 2019 according to a CBA study, while the estimated median household income is roughly Afl. 4,360 per month, or about Afl. 52,000 per year. That means a median home costs roughly eleven times the annual income of a median household. For comparison: internationally, a home is considered affordable at roughly three to five times annual income. Aruba is far above that — for the average household, housing has effectively become out of reach.

The problem is made worse by the fact that wages have barely kept pace. According to the SVb, the median monthly wage rose by only 10.3 percent between 2015 and 2025, from Afl. 2,473 to Afl. 2,727. Over the same period, inflation rose by 16.5 percent. And precisely the sectors that must carry tourism growth —

construction and hospitality — are among the lowest-paid sectors. The workers Aruba needs earn the least, while their housing costs are rising the fastest.



Graph 2-2: Median monthly wage per economic activity, SVb

3. Hotel expansion as the engine of labor demand

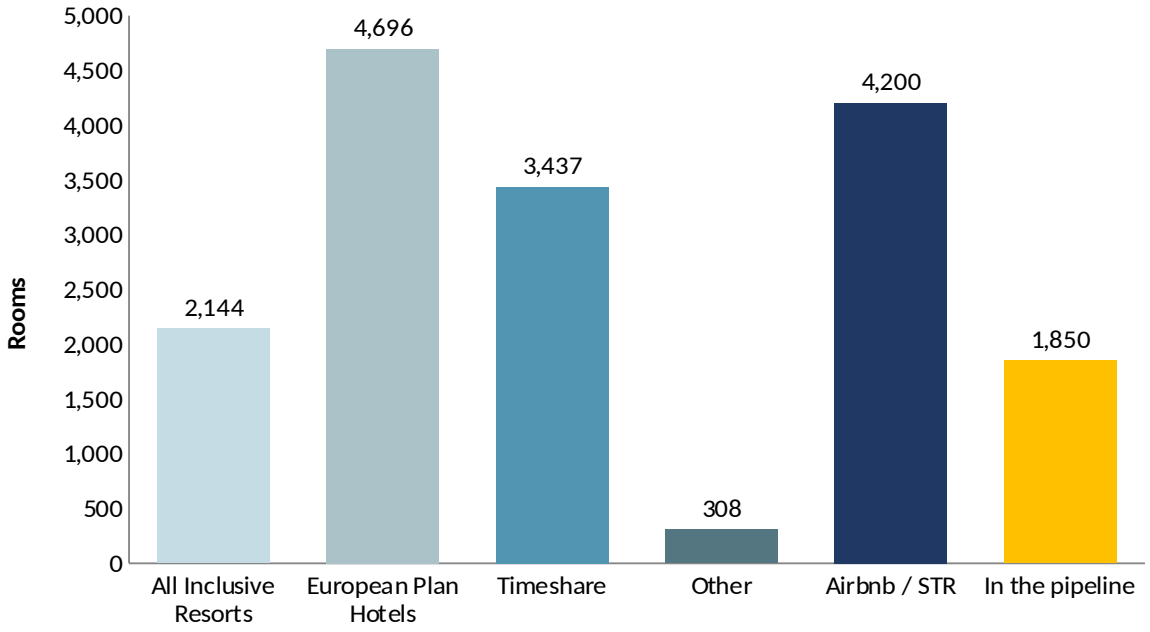
The previous chapters sketched a population that no longer grows on its own and a housing market already under pressure. Against that backdrop comes a driver that raises the tension further: the planned expansion of hotel capacity. This chapter first considers the stock of rooms built up over more than eighty years, then looks at the planned addition of 1,850 rooms, and finally translates that through multiplier ratios into the labor demand that flows from it. This chapter thus forms the bridge to the labor shortage and migration that take center stage in the next chapter.

3.1 The stock: half a century of room construction

Aruba's hotel sector was built from nothing. In 1942 the island had one hotel — the Strand Hotel — with seven rooms. Two decades later, in 1962, there were still only about 150 rooms. Only with the decline of the refinery and the deliberate choice of tourism as an economic pillar did growth take off: the opening of the Aruba Caribbean (1959), followed by Holiday Inn and Divi in the late 1960s, brought the stock to nearly 1,000 rooms around 1972.

The real acceleration came in the 1980s and 1990s, when Palm Beach and Eagle Beach were rapidly built up with resorts and timeshare complexes. By 1995 the stock had grown to more than 6,000 hotel rooms. Since then, timeshare and all-inclusive capacity has been added on top.

Today, Aruba has roughly 6,840 hotel rooms and 3,437 timeshare units, together more than 10,277 tourist bedrooms — on an island of 180 km² with more than 111,000 inhabitants. It is this stock, and not just the expansion, that determines the scale of the tourism economy: one tourist bed per roughly ten inhabitants.



Graph 3-1: Total number of rooms for tourists on Aruba, including "pipeline expansion"

3.2 The planned expansion: 1,850 rooms in seven projects

On top of the existing stock comes a wave of expansion. After the completion of the Hilton expansion in early 2026, a pipeline of seven hotel projects is planned for 2027–2028, together adding 1,850 new rooms. That is a growth in hotel capacity of roughly 20 percent — an addition that takes place within a few years, on top of a labor market that is already tight.

The projects are concentrated in the existing tourist zones — Palm Beach, Eagle Beach, and Arashi — with additional development in Oranjestad. The breakdown below shows the seven projects that together make up the 1,850 rooms.

Project	Location
St. Regis	Palm Beach
Iberostar (1)	Eagle Beach
Iberostar (2)	Eagle Beach
Iberostar (3)	Arashi
Manchebo	Eagle Beach
Divi Phoenix	Eagle Beach
Port City	Oranjestad
Hilton (completed 2026)	**Palm Beach**
Pipeline subtotal	

Table 3-1: The individual project sizes reflect the most recent figures; numbers may still shift during the construction and permitting phase. The indicative total of ± 1,850 new hotel rooms is robust.

3.3 The multiplier: how much labor does a room require?

A hotel room is not a passive investment: it demands labor continuously. The international rule of thumb is roughly one employee per hotel room on the payroll — the UNWTO benchmark, confirmed for Aruba by AHATA at 1.057 employees per room across 22 member hotels. But that direct figure understates the true labor input, because much of the work — security, maintenance of gardens, pools, air conditioning, external laundries, and part of housekeeping — is not on the hotel payroll but outsourced. To avoid double counting, it is cleaner to organize labor demand into three clear, non-overlapping layers than to add up the UNWTO multipliers (1.5× and 3×) — those largely measure the same thing and are not additive. Applied to 1,850 new rooms, this yields the following picture.

Layer	Ratio per room
1. Direct on hotel payroll	1.0
2. Outsourced, hotel-specific	0.4 – 0.7
Subtotal layers 1+2	**1.4 – 1.7**
3. Broader indirect employment	0.7 – 1.0
Total all layers	**2.1 – 2.7**

Table 3-2: Multiplier factors for hotel rooms

The interpretation is as follows. Layer 1 concerns staff who go directly onto the hotels' payroll: front desk, in-house housekeeping, food & beverage, and management. Layer 2 covers work that exists solely because the hotel is there but is outsourced: security, maintenance of gardens, pools, air conditioning, external laundries, etc. Together, these two layers make up the shortage the hotel sector itself must solve: roughly 2,600 to 3,100 jobs. Layer 3 is the broader indirect employment — suppliers, taxis, restaurants outside the hotels, water sports companies, tour operators, retail, the airport, etc. — which is partly driven by the hotels but also serves other customers.

Total additional labor demand thus comes to roughly 3,900 to 5,000 jobs. Set against a working population of 55,826 people (in 2024), this is a structural additional demand of seven to nine percent — just to staff the expansion of 1,850 rooms.

3.4 From rooms to people

The arithmetic core of this chapter is simple: every room added requires two to nearly three times as many working people as there are rooms. In a country where natural population growth turned negative in 2025 and the labor force is shrinking, that labor demand cannot be met from the domestic population. Hotel expansion thus leads inevitably to the next chapter: the labor shortage and the dependence on migration — and the homes all those new workers will need.

4. The labor shortage and the dependence on migration

This is the chapter that connects all the others. The aging and shrinking youth population from chapter 1 deliver too few new workers; the growth of hotels and vacation rentals demands precisely more labor. Between those two, a gap emerges that Aruba cannot possibly fill from within. The result is a labor shortage that already exists, that is structural, and that can only be absorbed through migration.

The strength of this theme is that the shortage becomes visible in three independent ways: businesses experience it today (KvK's survey), demographics explain why it is structural (hard counts), and projections show how large the need will become (estimates). All three point in the same direction.

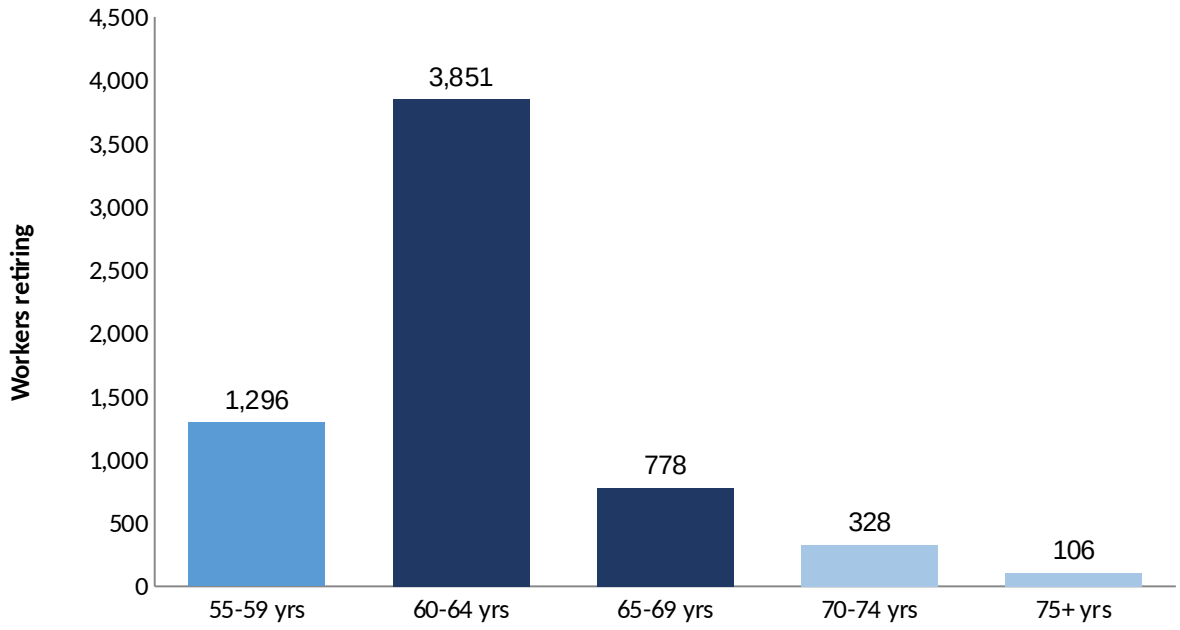
4.1 The shortage is already here — the voice of the business community

In February 2024, the Chamber of Commerce (KvK) surveyed 409 Aruban businesses across all sectors. Nearly eight in ten businesses (76%) already had difficulty finding suitable candidates in 2024. Nearly two thirds (62%) call the shortage "high", and 48% describe the availability of skilled staff as "scarce" or even "not available". Tellingly, 41% of businesses indicate that the growth of the hotel sector has "strongly" affected their own labor demand.

Perhaps the most important figure for the urgency: 57% of businesses expect the shortage to worsen further over the next one to two years; only 8% expect improvement. As the main cause, businesses cite "limited availability of local talent" (56%) — which brings us straight back to demographics.

4.2 Why it is structural — the demographic pipeline

The shortage is not a temporary issue, because the underlying cause is locked into the age structure. A large group of baby boomers is about to leave the labor market, and too few young people stand ready to take their place.

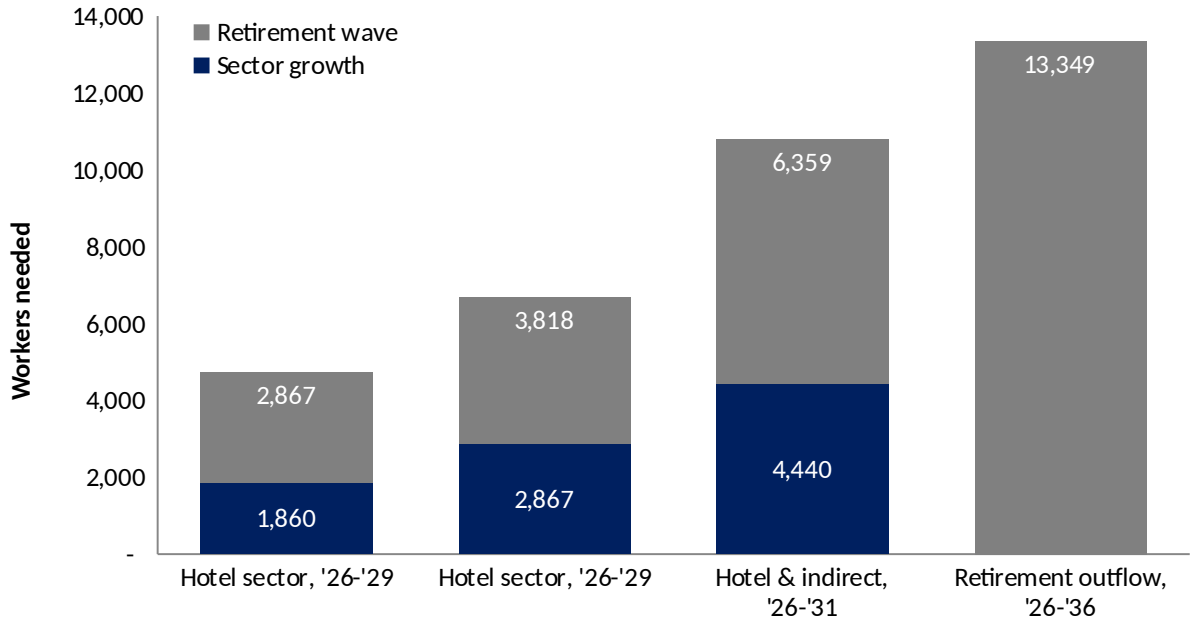


Graph 4-1: Workers exiting over the next five years, by age cohort. The outflow is concentrated around ages 60–64.

At present, 6,575 people aged 60 and over are still working, of whom 1,956 are already 65 or older and nearly 700 even 70-plus. Within ten years, an estimated 13,349 people will reach retirement age, and a large share of them will leave the labor market. At the same time, the extremely low birth rate makes it impossible to fill those vacated positions with local young people.

4.3 How large will the need become — the projections

On top of the retirement outflow comes the additional demand from the construction and expansion wave of hotels, condos, and apartments. The assumptions used for the hotel sector are based on data from AHATA, the SVb, and UNWTO. The retirement outflow is based on CBS labor market data combined with labor-participation ratios.



Graph 4-2: Estimated labor need across different horizons, broken down into sector growth and the retirement wave. These are projections based on ratio assumptions, not counted vacancies.

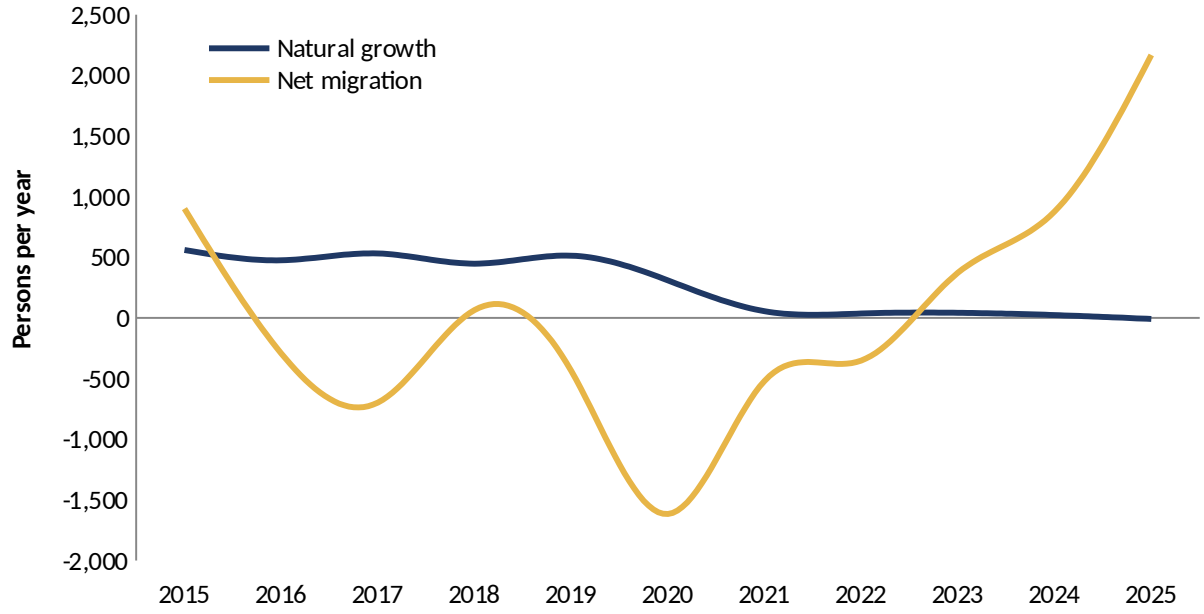
Sector growth	Estimated need
Hotel sector, '26–'29	~1,680 – 2,039 persons
Hotel sector, '26–'29	~2,590 – 3,144 persons
Hotel & indirect, '26–'31	~3,885 – 4,995 persons
Retirement outflow, '26–'36	

Table 4-1: All figures are estimates based on ratio assumptions (AHATA, SVb, CBA) and the retirement pipeline, not counted vacancies.

The size of the labor shortages and the horizon over which they continue to manifest determine Aruba's opportunities for economic growth. In 2024, AHATA indicated it needed roughly 1,500 additional employees for that year alone. Because of the 7 new projects in the hotel sector for 2027 and the years after, nearly 4,000 more workers will be added to that over a period of 3 years. Within five years, the need across all sectors combined rises to more than 6,000. On top of that comes an outflow of more than 13,000 workers retiring between 2026 and 2036.

4.4 The inescapable conclusion: migration

When the outflow is large, the inflow of young people too small, and unemployment already low, arithmetically only one way remains to keep the economy running: labor migration. This is not an ideological choice but a calculation. The data confirm that this shift is already underway.



Graph 4-3: Natural growth versus net migration, 2015–2025. Precisely when natural growth turns negative, net migration shoots up.

Net migration turned in 2025 into an inflow of more than 2,000 people, with more than 4,000 immigrants in that single year — precisely at the moment natural growth turned negative. Aruba is thus already resorting to migration; the question is not whether, but how well it is managed. And here the vicious circle emerges: the migrants who must absorb the labor shortage need homes in a market that is already overstretched.

4.5 The cascade effect: a self-reinforcing migration loop

Solving the primary labor demand triggers secondary and tertiary demand. Migrants must live somewhere; those homes must be built; construction itself demands labor; those construction workers also need housing; and a larger population demands more services — care, education, retail, utilities. In the literature this is known as the "population-employment feedback loop". The following table makes the cascade visible.

Wave	What	Jobs	
1	Direct hotel	1.85	
2	Outsourced hotel work	740–1,295	
3	Broader indirect employment	1,295–1,850	
4	Primary housing for migrants	—	
5	Construction sector (temporary, peak)	2,250–3,750	
6	Permanent construction + services	500–900	
7	Services for the grown population	~1,000–1,500	
Total	Structural	~5,400–7,400	

Table 4-2: The cascade of the hotel expansion: each solution feeds the next problem.

5. Housing construction cannot keep pace

Housing construction in Aruba can no longer keep up with demand. Two forces press on the market at once: on the one hand, the construction sector simply delivers too few new homes to absorb population growth — which now comes entirely from migration. On the other hand, the scarce existing supply is being eroded by tourist rentals. It is a double blow: too little new, too much withdrawn.

And the construction sector cannot simply work its way out of this squeeze, because as chapter 4 showed, construction itself faces its own shortage of skilled workers. The human face beneath these figures is meanwhile unmistakable: thousands of people on the waiting list at DIP, three thousand Aruban families on the waiting list for a social rental home at FCCA, and the government has itself acknowledged that capacity is insufficient.

5.1 What is being built?

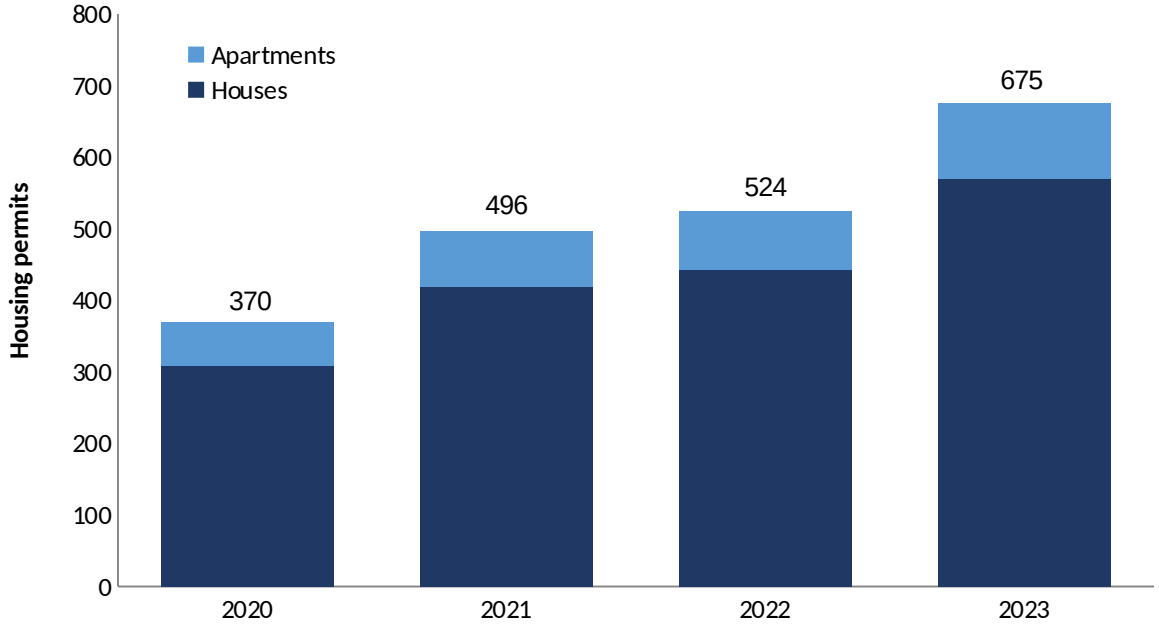
The Central Bank of Aruba registers the number of building permits issued. For homes — houses and apartments together — production in recent years looks as follows:

Total 3-year growth			

Source: CBS, Departement Openbare Werken, Directie Technische Inspectie (Building permits 2020–2023)

Note: A permit is not a completed home. Actual deliveries lag behind.

Table 5-1: Source: CBA, Department of Public Works, and Directorate of Technical Inspection. Building permits 2020–2023.



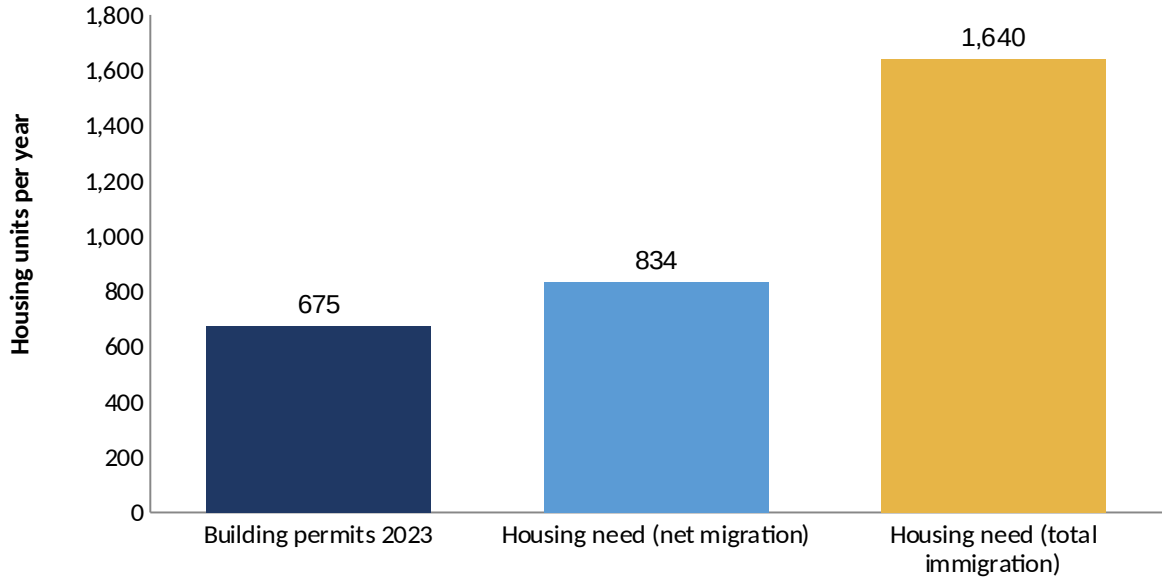
Graph 5-1: Building permits for homes in Aruba, 2020–2023.

At first glance, good news: housing production is rising, from 370 permits in 2020 to 675 in 2023 — nearly doubling in three years. But this increase means nothing until we set it against the growth of the population looking for those homes. That is where the story turns.

5.2 The gap between construction and migration inflow

In 2025, natural growth turned negative for the first time, and the population now grows exclusively through migration. In that same year, 4,260 immigrants came to Aruba; after deducting those who left, a net inflow of 2,168 people remains. Those people need homes.

At Aruba's average household size of 2.6 people, the 2025 net inflow translates roughly into 834 additional housing units needed — for that single year alone. If you calculate with total immigration (4,260 new residents), the need rises to roughly 1,640 units. Construction output in 2023 came to 675 housing permits.

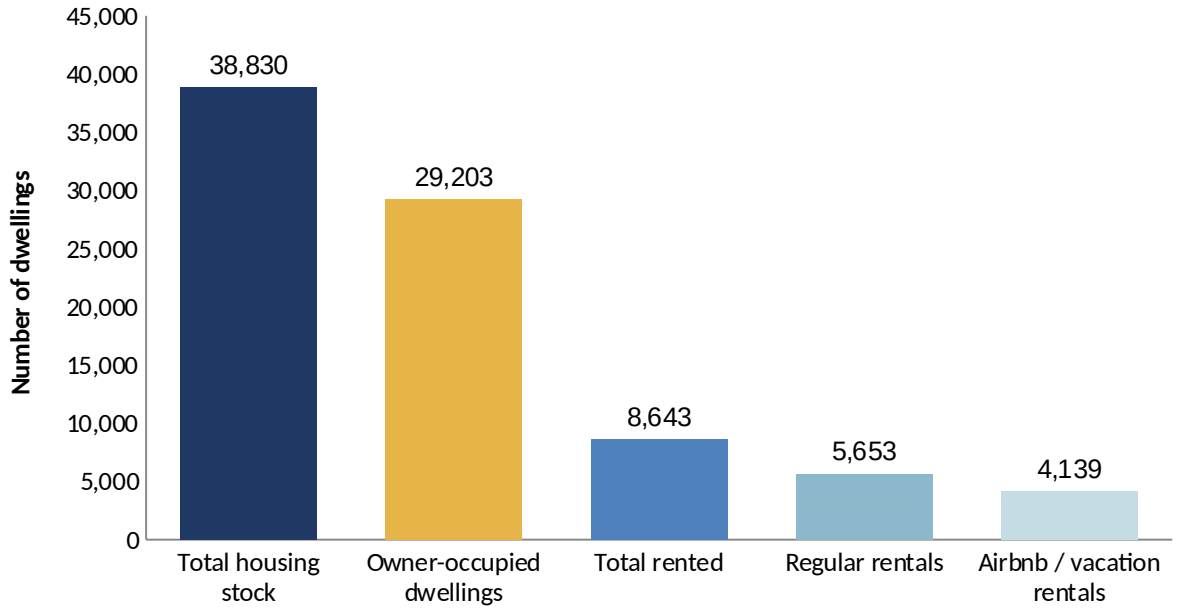


Graph 5-2: Construction lags behind what a single year of migration inflow already requires.

The gap is therefore substantial: even the most favorable calculation shows a shortfall of several hundred units per year; the more realistic calculation points to a shortfall of nearly a thousand units per year. And this is only the shortfall arising in a single year. Every year this continues, the deficit piles up further. Moreover, labor migrants typically live with far fewer family members per home, so the actual number of units needed is even higher.

5.3 The second blow: withdrawal through Airbnb

As if the slow pace of new construction were not bad enough, the scarce existing supply is also being eroded. The 2020 Census gave the last complete picture: 38,830 homes in total, of which 29,203 owner-occupied (75%) and 8,643 rented (22%). More important still: of those rented homes, only 5,653 are regular unfurnished rentals — the market in which ordinary Aruban families and labor migrants compete with each other.



Graph 5-3: Aruba's housing stock (2020 Census) set against the current Airbnb supply (Airbtics 2026).

Place those 5,653 regular rental homes next to the roughly 4,139 Airbnb-type units from chapter 2, and the picture is alarming. For every hundred long-term rental homes in Aruba, there are roughly 73 tourist rental listings. That is not a marginal phenomenon — it is a parallel market nearly equal in size to the regular long-term rental market, and one that directly withdraws homes from it. And that market keeps growing every year.

5.4 The vicious circle: builders are lacking

If the solution were simply "build more", Aruba would already be doing it. But as chapter 4 showed, the construction sector itself faces a labor shortage. The shortage of construction workers means that even if more is commissioned, building cannot go faster without — once again — relying on labor migration. And those migrants, once again, need homes themselves.

Here the circle closes. Migration is needed to absorb the retirement wave and the tourism expansion. The migrants need homes. Homes must be built. But the builders are lacking — which also requires migration. And at the same time, the existing supply is disappearing into the tourist market. None of these problems can be solved in isolation; they sustain one another.

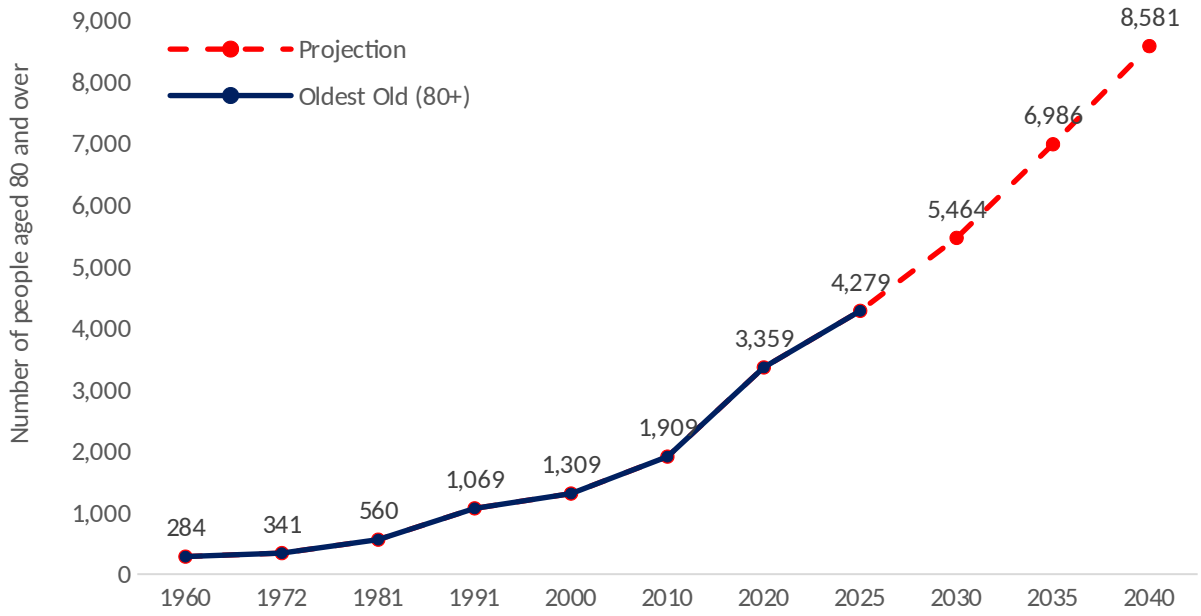
5.5 The human face: the FCCA waiting list

Behind the aggregates are families. Exactly how many was confirmed on July 25, 2024, in an official statement of the Government of Aruba, following a meeting between Prime Minister Wever-Croes, Minister Maduro, and the FCCA leadership: more than 3,000 people are waiting for a home and the FCCA does not have the capacity to meet this demand. The figures tell the whole story in two numbers. Three thousand families are on the waiting list for a social rental home. At the same time, an agreement is in the making to have the FCCA build a minimum of 200 homes per year. The arithmetic is simple and confronting: at 200 homes per year, it takes fifteen years just to clear the current waiting list — and that is under the impossible assumption that not a single new family is added in that time. The government statement itself is remarkable in its honesty: the government acknowledges in black and white that the FCCA does not have the capacity to meet this demand.

6. Elderly care in a triple squeeze

6.1 Demand is growing: the “oldest old” explosion

The aging described in theme 1 was already substantial, but within that aging lies an even faster development: the growth of the so-called “oldest old”, people aged 80 and over. The international literature is unambiguous: this is the group that needs the most intensive care — more often multiple chronic conditions, more often dementia, more often help with daily activities, and more often a place in a residential or nursing home. In Aruba, this group is growing at a pace the care system cannot keep up with.



Graph 6-1: The number of people aged 80 and over in Aruba, with the projection to 2040 (source: CBS censuses and population forecast).

Aruban-born and foreign-born population by age category and sex, 1960-2040

	1960	1972
Age	1960	1972

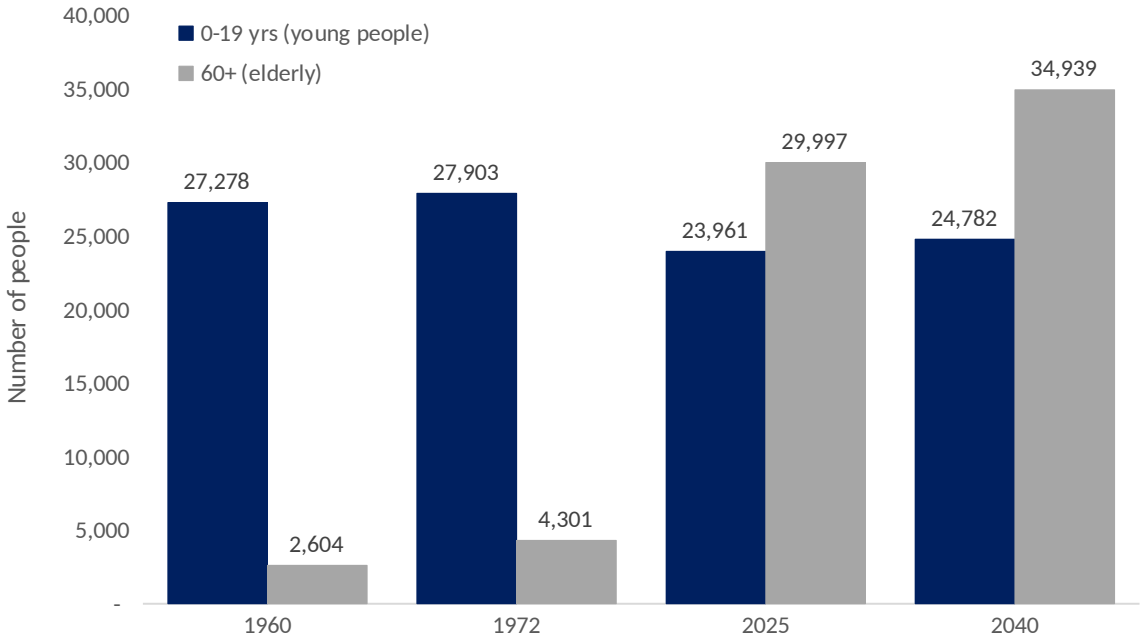
Table 6-1: Source: CBS Aruba — Censuses 1960, 1991, and population forecast 2025–2040.

The figures are unprecedented. In 1960, Aruba had 284 people aged 80 or over; in 2025 there are 4,015 — a fourteenfold increase in a population that “only” doubled over the same period. But the most worrying part is the projection: between 2025 and 2040, this group of elderly doubles again, to roughly 8,581 people. For the most vulnerable subgroup, those aged 90 and over, it is even more than a tripling in fifteen years (from 531 to 1,643).

The DOZ report (2024) confirms the picture from another angle: of the 28,361 people aged 60+, 22,487 already receive an AOV basic pension. And between 2020 and 2040, another 9,680 elderly will be added, a growth of 30% — of whom, tellingly for the migration theme, an estimated 52% were born abroad. Aging itself has thus become half an import phenomenon.

6.2 The demographic reversal

To grasp the scale of what is happening, it helps to compare the older population directly with the younger generation that would one day have to care for them — their own children, informal caregivers, and the future care workforce.



Graph 6-2: The 60+ versus 0–19 ratio: in 1960 every older person was matched by ten young people; in 2025 there are more elderly than young people.

In 1960, for every 100 young people (ages 0–19) there were only 10 elderly (60+). In 1991 there were 33. Since 2020, the balance has definitively tipped: there are now 127 elderly for every 100 young people — for the first time in Aruban history. And by 2040 that ratio becomes 141 to 100. The graph shows a reversal no one can undo, because as theme 1 showed: the fertility rate has fallen to 1.31, far below replacement level.

The practical consequences for elderly care are profound. The traditional Aruban model — elderly people cared for by their own children or by adult informal caregivers — is becoming mathematically untenable. The DOZ report also names this explicitly as one of the 18 identified bottlenecks: “insufficient support for informal caregivers” and “dependence on informal caregivers” — two sides of the same coin.

6.3 Supply is shrinking: too few staff

At the same time as this explosively growing demand, the flow of staff is drying up. The elderly care working group states literally in its 2024 report: “the absence of a uniform HR policy, together with a shortage of well-trained staff”, and “limited availability of specialized geriatric care”. These are findings, not warnings.

Here the circle closes with theme 3. We saw there that 74% of Aruban businesses have difficulty finding suitable staff, and that businesses active in the care sector share emphatically in this — “Human health and social work activities” was one of the sectors in the KvK survey. Worst of all, the care sector itself is also aging: a substantial share of current nurses, doctors, and care workers is in the cohort exiting over the next ten years. Of the roughly 13,000 to 14,000 workers we estimated as retirement outflow in theme 3, a substantial share falls within the care sector — precisely at the moment demand doubles.
Here the painful logic of the perfect storm becomes visible: the shortage of care staff can, in the short term, only be absorbed through migration, as theme 3 concluded. But care migrants, like all other labor migrants, need homes — in the market we described in theme 4 as lagging behind the inflow, with three thousand families already on the FCCA waiting list. And Aruban care salaries are among the highest in the country (see theme 2), but globally they are not high enough to easily attract staff in an internationally tight nursing

market. Aruba competes with the Netherlands, the United States, and the region for the same scarce workers.

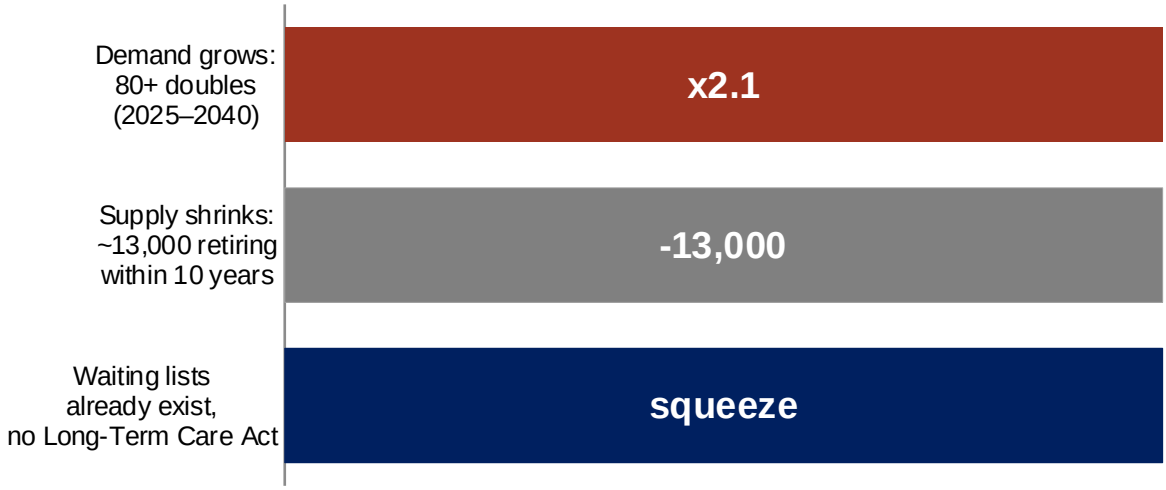
6.4 The waiting lists and the legal vacuum

Between growing demand and shrinking supply, elderly people become stuck on waiting lists. Exact figures unfortunately cannot be given, because a central, publicly available register of waiting times for admission to care institutions in Aruba is currently lacking. What the DOZ report does explicitly establish is that the problems exist — with 18 identified bottlenecks spread across Staff, Stuff, Space, Systems, and Social support, almost all pointing to situations of insufficient capacity.

The weightiest systemic problem the report names is institutional: “the absence of enforcement and a Long-Term Care Act hampers quality assurance in elderly care.” This is no detail. A Long-Term Care Act (such as exists in the Netherlands) regulates which care a citizen with a valid needs assessment is legally entitled to, how long waiting times may be at most, which quality standards apply, and how financing is structurally guaranteed. The absence of such a law means that elderly people in Aruba have no legally enforceable claim to timely care — they depend on what is available through subsidies, private institutions, and informal care.

The consequences run through the entire care chain. The DOZ report mentions, among other things: “uncertain financing of elderly care due to dependence on subsidies”, “overdue maintenance and inadequate housing in care institutions”, “fragmented cooperation between care institutions”, and “social isolation of elderly people in nursing homes”. These are the symptoms of a system operating at its limits without the legal and financial foundation to absorb the pressure still to come.

6.5 The triple squeeze — and why it cannot be solved piecemeal



Graph 6-3: The three forces pressing on elderly care at the same time.

Each of the three forces is heavy on its own, but the real force lies in their combination. More care demand could be absorbed by more staff, but that staff does not exist. More staff can be attracted through migration, but those migrants need homes that do not exist. Long waiting lists could be reduced by expanding care institutions, but the construction sector faces the same staff shortage, and a Long-Term Care Act is lacking to finance the expansion structurally. And between these links, time and again, falls the elderly person who needs care now, today.

This is exactly why “perfect storm” is more than a rhetorical term. None of these problems can be solved in isolation. An ad-hoc expansion of one nursing home does not solve the shortage of geriatric staff. Recruiting foreign nurses does not solve the housing shortage. A Long-Term Care Act on paper does not solve the demographic doubling of people aged 80+. Only integrated policy — working simultaneously on staffing, housing, financing, and legal anchoring — can break open the squeeze.

Conclusion of theme 6: Aruban elderly care stands on the eve of a doubling of its most care-intensive group, at a moment when both staffing and housing fall short and a Long-Term Care Act is lacking. This is the link where the consequences of all the other themes visibly converge — and where the price of inaction is paid most directly by real people. What happens to the oldest Arubans of today predicts what awaits the entire country in 2040 if the “perfect storm” is not addressed.

Conclusion: one storm, one answer

The six chapters do not tell six stories, but one. The foundation is demographic: natural growth has stopped and aging is accelerating (chapter 1). That makes labor migration an arithmetic necessity (chapter 4), especially now that hotel expansion (chapter 3) and growing vacation rentals drive labor demand further up. But the migrants and the Arubans compete for the same, too-small housing stock — which is eroded on one side by vacation rentals (chapter 2) and replenished too slowly on the other by a construction sector that itself faces staff shortages (chapter 5). And at the end of the chain stands elderly care, where all those shortages converge on the most vulnerable group (chapter 6).

The recurring message of every individual analysis is the same: no single problem can be solved in isolation. An extra nursing home does not solve the staff shortage. Recruiting foreign nurses does not solve the housing shortage. Issuing more building permits does not solve the shortage of construction workers. Every measure that addresses only one link runs aground on the next.

At the same time, the message is not fatalistic. The demographics are largely fixed, but the economic consequences are not: economic old-age dependency moves with labor participation, and the entire cascade is in principle steerable — provided it is treated as one coherent issue. That calls for an integrated national capacity policy that addresses labor migration, housing construction, construction capacity, infrastructure, public services, spatial planning, and care financing simultaneously and in mutual coherence.

Elderly care in Aruba is caught between three forces working at once. On the demand side, the need for intensive care is growing explosively: the number of people aged 80 and over — internationally the group needing the most intensive care — doubles between now and 2040. On the supply side, the flow of staff is drying up: the elderly care working group already observes shortages of well-trained staff and geriatric specialists, and the care sector itself faces the retirement outflow from theme 3. In between, elderly people sit on waiting lists without a Long-Term Care Act to protect their entitlement.

This theme closes the circle of the “perfect storm”. It is not a separate problem, but the direct consequence of everything discussed in theme 1 (aging), theme 3 (labor shortage), and theme 4 (housing) — and it shows that if the other problems remain unsolved, the price is ultimately paid by Aruba’s most vulnerable group.

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