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Introduction

International demographic research has taught us that internal as well as international migrations mostly take place when people are in the early years of their productive phase. In most of today's industrialized world, the probability of migration peaks somewhere between ages twenty and thirty. We also know that return migration is an important phenomenon, which mainly takes place within the first few years after immigration (Ghosh 2000, King 2000, Klinthäll 2003). This kind of return migration is what Cerase (1970) labels either *return of failure* or *return of innovation*. However, we do not know much about the kind of return that Cerase labels *return of retirement*, since it has generally been migration by the economically active that has been the subject of study. Dustmann and Kirchkamp (2000) show that 43 percent of the Turkish immigrants who returned from Germany in 1984, stated that they did so in order to retire from the workforce, implying that this is an important reason for return migration.

The few studies that explicitly study *return of retirement* largely deal with internal migration (e.g. Peil, Ekpenyong and Oyenye 1988, Serow and Charity 1988, Rogers 1990, Longino and Smith 1991, Longino and Serow 1992, Newton and Bell 1996, Greenwood 1997); to my knowledge, there are no examples of studies with an explicit focus on international return migration of retired immigrants. Bessy and Riche (1993) deal with "return migration" to France of overseas born French, and Bolzman, Fibbi and Vial (1993) study return intentions among immigrants in Switzerland who are close to retirement. When it comes to return migration from Sweden, there are, as far as I know, no studies that focus on return migration of immigrants who are in their retirement ages. Nor has the question of return migration connected to early retirement been addressed.

There are factors, economic as well as psychological, which suggest a high propensity to return after withdrawal from the labor

market. According to a study on Bosnian, Chilean and Somali refugees in Sweden, nostalgia and emotional ties to the country of origin seem to be more important among the elderly compared to those of working ages in their views of return migration, and the wish to return also appears to be stronger among the elderly. Still, most of these elderly refugees prefer to stay in Sweden, primarily as a consequence of welfare considerations, where medical care, social service and decent housing play important roles (Olsson 2001).

The transition from a wage income to a pension weakens the link between place of residence and income and increases the importance of costs of living for welfare considerations connected to the migratory decision. Several studies show that migration by the elderly is to a large extent directed from regions with high costs of living into regions with low costs of living (e.g. Serow et al 1986, Serow 1987, Fournier et al 1988 (a), Fournier et al 1988 (b)), and from northern states into the "Sunbelt" of the United States or from Northern Europe to Mediterranean countries, indicating the importance of climate for the quality of living (e.g. Meyer 1987, Bohland and Rowles 1988, López de Lera 1995, King et al 1998, King and Patterson 1998, Rodriguez et al 1998, Warnes and Patterson 1998, Williams and Patterson 1998).

In Sweden, the present pension system allows you to take pension rights abroad if there is an agreement with your country of origin, which is the case for most of the source countries of labor immigration (Lundh and Ohlsson 1999). This right has gradually been strengthened, first covering supplementary pensions (ATP) only, but since 1979 also covering state pensions if there is a bilateral agreement. The pension right increases with the number of years spent on the Swedish labor market and full pension rights are reached after 30 years.

The legal retirement age, 65 in Sweden, does not reflect the real retirement age, which today is closer to 60. The propensity to retire early may be even higher among immigrants who plan to retire in their home country. The intention of some migrants is to accumulate savings abroad, to be consumed in the home country after a *return of retirement*. In this way, the migrant is able to retire earlier than would have been possible without temporary migration. Moreover, when the retirement age is lower in the country of origin than in the country of destination, migrants are likely to view the retirement age at home as "normal", in particular those who plan to return and use the home society as a frame of reference (Piore 1979). Some migrants thus return to retire before they have reached the destination-country's legal retirement age. On the other hand, many migrants qualify for early retirement compensation due to sickness, occupational injury or redundancies ("golden handshake

agreements"). This kind of early retirement may, due to economic, administrative, health, or other reasons give rise to a dependence on the welfare state of the host country, which is an obstacle to return migration. Thus, there is reason to believe that the propensity to return differs between those who retire at the legal retirement age, those who intend to retire before retirement age, and those who qualify for early retirement compensation.

An immediate migratory response to retirement indicates a conscious plan to return after the end of the labor market career, whereas a gradually increasing propensity to return after retirement indicates a process where retirement involves a gradual disintegration away from the host society. The risk of return migration as a result of a weak social integration should be higher for those without family ties in the host country, or for those who immigrated at a relatively high age and therefore are more deeply rooted in their home society. However, many of those who immigrate at high ages do it for family reasons, frequently because they are dependent on younger family members who live in the host country. Klinthäll (2003) shows that return migration from Sweden among those who are in the ages 40-65 at immigration is lower than among those who are younger. Since return migration among those who are 65 years old or more has not been studied, we cannot say whether this result indicates a negative effect of age on the propensity to return. There are other possible factors, for instance, a negative effect of approaching retirement, i.e. individuals postpone return migration until retirement. Such a "retirement effect" can only be captured when migrants who are 65 or older are included.

Klinthäll (2003) shows that there is considerable selectivity among immigrants who return from Sweden in their working ages. Returnees tend to have a lower income immediately before return compared to other immigrants, but controlling for the last income, return migrants generally display a better income performance over their whole stay in Sweden compared to their compatriots who do not return. If retirement return migration is the result of a conscious strategy, which includes target saving, then we expect retired return migrants to be positively selected in terms of income, partly because target savers have a high labor supply and partly because target saving behavior gives rise to higher capital income (Stark 1991). If, on the other hand, retirement return migration is the result of social disintegration, then return migrants should be negatively selected, since a successful labor market career requires a certain degree of integration, see Bovenkerk (1974).

Several studies have shown that economic opportunities in the home country are very important for the probability of return migration

(although return migrants themselves in interviews generally mention family and friends as the number one reason to return[1]). When it comes to *return of retirement*, employment opportunities are basically irrelevant for the decision, but the purchasing power of pensions is not. Countries on a relatively low economic level, where prices are low, may actually have a greater attraction for retired migrants than richer countries. In addition, interview studies show that elderly north-to-south migrants generally point out climate as the main factor behind the choice of destination (e.g. King et al. 1998). Hence, when it comes to country of destination, there is reason to believe that retirement return migration differs from return migration by the economically active.

Finally, since there is such little knowledge about return migration at the end of working life, this paper will also serve as an explorative study. Certain patterns of return migration, such as gender differences and differences between nationalities will be mapped, and although data and theory used in this paper limit the possibility of explaining these patterns, they may serve as starting points for further reseach. We will move on to the empirical analysis after a brief review of return migration theory, with the focus on aspects that have relevance for the study of retirement migration.

Migration theory and retirement return migration

Labor migration has generally been treated as a strategy to increase the individual level of income (e.g. Sjaastad 1962). Persisting geographical differences in wage levels create permanent migration, but if there is a reversal of the wage gap between the areas, return migration will occur. Simple neoclassical models thus treat return migration as a mere response to changes in relative wage levels and cannot provide an explanation for the persisting flows of return migration from high-income to low-income countries. More elaborate models were therefore developed within the framework of "the new economics of labor migration" (e.g. Stark 1991).

According to these models, return migration is planned in the original migration decision. Migration is a strategy for individuals (or households) to maximize total utility over the whole life-cycle. However, utility of consumption is affected by the environment in

[1] However, as King (2000) argues, "Migrants' motives are undoubtedly more complex than can be expressed by declaring one main reason in a survey. Some returnees may not want to divulge the real reasons, or they may not be able to articulate them in the way demanded by the investigator. The return may have been an impulse not easily explained or rationalized, whilst for returns which took place several years earlier, the memory might have played tricks."

which consumption takes place (Hill 1987, Djajic and Milbourne 1988), and if these location-specific externalities make utility of consumption higher in the country of origin than in the country of destination, migration will be temporary. A high labor supply and a high rate of saving in the period spent abroad allow a high consumption level at home after return. Individuals with a preference for consumption in the country of origin will benefit from a temporary migration strategy, as long as the higher utility of consumption at home compensates for the lower utility of consumption abroad. The optimal duration of stay depends on the size of the wage gap, the expected time left in the different phases of the life cycle and the size and nature of the externalities associated with consumption at home and abroad (e.g. Dustmann 1997).

Thus, there are basically two kinds of immigrants in respect to their return intentions. First, there are those who, at immigration already, had an intention to return after some time spent on the labor market abroad. In this group we will find target-saving behavior and a high propensity to return migrate. Second, there are those who do not have an explicit plan to return; some may plan to stay permanently and some may just adapt their migratory behavior to changing circumstances ("the neoclassical migrant").

Concerning elderly migrants, the expectation is an increased propensity to return migrate when the labor market career is over and pension replaces wage, i.e. when wage differentials no longer matter for the decision on where to live. This is particularly true for the first category, who have higher utility of consumption at home, but, since income frequently has a higher purchasing power in source countries than in destination countries, increased propensity to return is in many cases also expected within a traditional neoclassical framework. Dustmann (1995, 1997, 2001) has shown in theoretical models that the purchasing power of savings in the country of origin relative to the host country is potentially important for the decision to return. He also shows in simulations that this motive for return migration, when the migrant is indifferent between consumption at home and abroad, gives rise to return migration relatively late in the labor market career.

Expected differences in utility of consumption at home and abroad may not turn out to be real. Because of problems integrating into the host society, utility abroad may be lower than expected, leading to revisions of the migratory plans. An individual who expected indifference between home and host country consumption, and had chosen to migrate in the presence of wage differentials, may realize that he would be better off at home and hence include return migration in the

revised plans. On the other hand, successful integration may lead to acclimatization in the host society, which increases the relative utility of consumption abroad, producing a revision in the opposite direction. This is the classical contradiction concerning temporary migration: Accomplishment of a savings target requires a certain degree of integration, which in turn may lead to permanent settlement, see Bovenkerk (1974). Hence, migration intentions alone, although important for the economic behavior of migrants (e.g. Dustmann 1996a, 1996b, Galor and Stark 1991) and therefore also indirectly for the migration outcome, cannot alone explain return migration patterns. There are other important factors determining the migration outcome, operating both on the individual and the macro level.

An important question in this study regards whether return migration is an outcome of successful integration, indicating a preference for consumption at home, or failed integration. One aspect of integration is the economic situation, which may be dealt with through an analysis of income performance. Another aspect is the social situation at large, where time patterns may give indications: if there is an immediate migratory response to retirement, it may be an indication of a conscious plan to return after the end of the labor market career, whereas a process where retirement involves a gradual disintegration away from the host society may lead to a slowly increasing propensity to return after retirement.

Another question regards the geographical link between income and consumption, since the transition from wage income to pension can make income independent of the place of residence. Firstly, are there any differences in return migration behavior between those who return before the legal retirement age compared to those who return after, or those who receive early retirement compensation? In addition to these more specific questions, and since there has been so little research on return migration among elderly immigrants, another aim of this study is to provide a basic view of the subject, where differences in return migration between immigrant categories, gender differences etc are mapped.

Data

The data used for this study stems from the Swedish Longitudinal Immigrant Database (SLI), which has been constructed in cooperation between Statistics Sweden (SCB), the Swedish Migration Board and the Department of Economic History at Lund University. The immigrants included in the database are sampled by citizenship on arrival in Sweden

and originate from sixteen major sources of immigration.[2] The sample begins in 1968, extends for every year up to 1996 and contains detailed information on 103,203 individuals. For a description of the structure of the SLI, see Scott (1999).

For the purpose of this study, a sample of immigrants in the age group 51-80 was selected; 18,084 unique individuals representing a total of 162,213 person years. The individuals included in the data immigrated to Sweden between 1926 and 1990, they were between 18 and 60 years old at immigration and had spent at least five consecutive years in Sweden between 1968 and 1996. Those who were above age 60 when the sample begins in 1968 are not included and, thus, all individuals in the data are observed for at least five years before the age of 65.

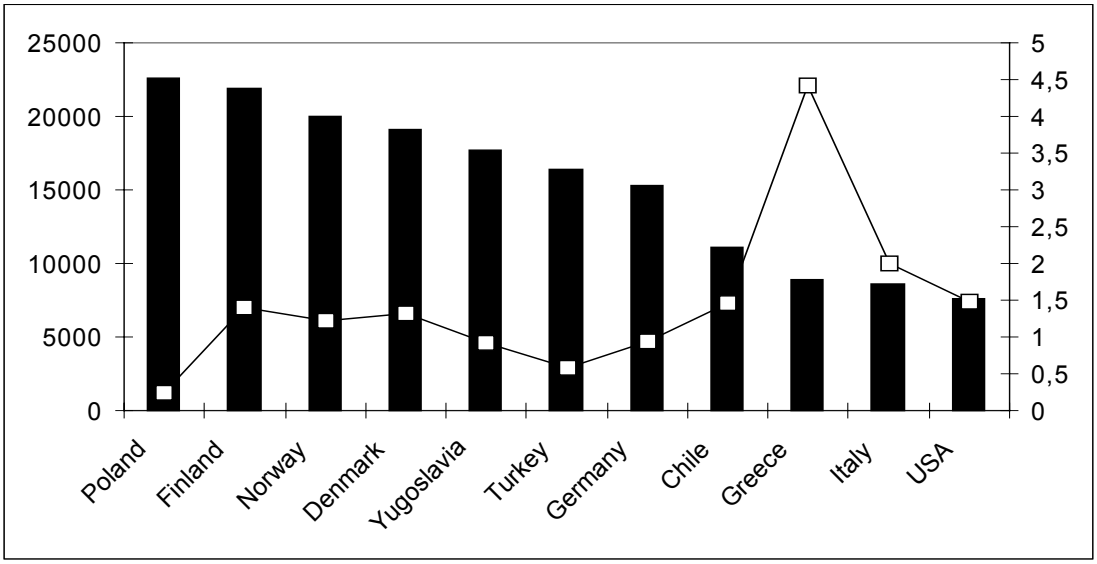
Certain background information, such as individual income history in Sweden, is accumulated from the year of immigration or, if immigration took place before 1968, from that year. Return migration is defined as emigration from Sweden to the country of citizenship at the time of immigration to Sweden. Since information on pensions is available from 1979 only, the period of investigation is 1979-1996, implying that those who left Sweden before 1979 are not included in the data sample. Those who left Sweden before the age of 50 are not considered at all in this study.

In sum, the individuals under study are between 51 and 80 years of age, were at least 18 years old when they immigrated, spent at least five years in Sweden before age 65 and were still in Sweden in 1979. Immigrants from five of the countries included in the SLI (Czechoslovakia, Ethiopia, Iran, Iraq and Vietnam) are not included in this study, due to very small numbers of critical events.

Figure 1 shows the number of person years as well as return migration rates by nationality. The total number of women in the data set is 9,539 and the total number of men is 8,545, but the database is stratified by sex, which means that these figures do not represent the actual gender distribution of these groups in Sweden. Figure 1 also shows that there are important differences across immigrant groups when it comes to the number of individuals above the age of 50, reflecting different timing in their history of immigration to Sweden, but also differing return migration propensity. Polish immigrants constitute the largest group in the sample, partly because of a long history of immigration from Poland to Sweden and partly because of generally low

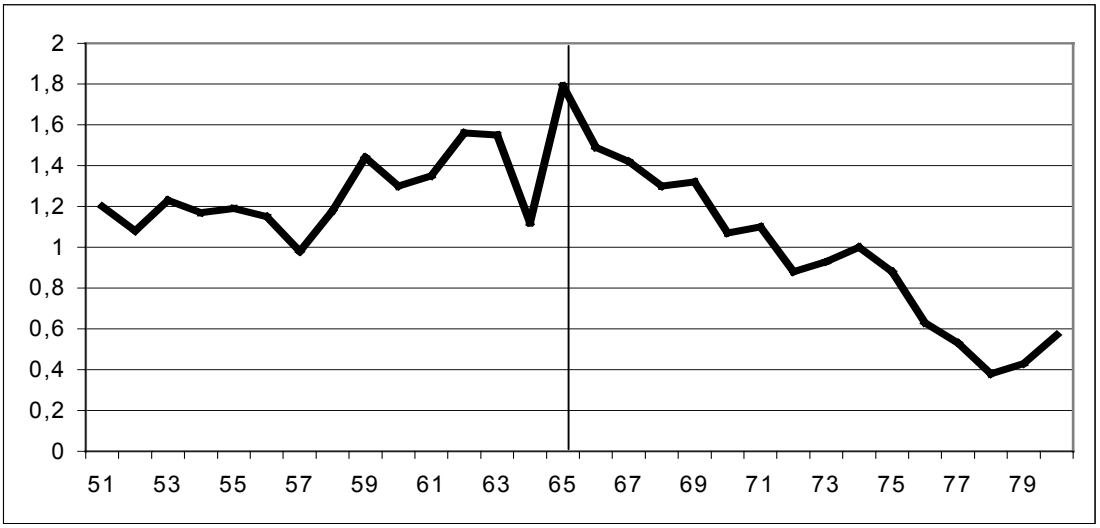
[2] Chile, Czechoslovakia, Denmark, Ethiopia, Finland, Germany, Greece, Italy, Iran, Iraq, Norway, Poland, Turkey, United States, Vietnam and Yugoslavia.

Figure 1: *Number of person years and return migration rate by country of origin.*



Source: Swedish Longitudinal Immigrant Database

Figure 2: *Return migration rate by age.*



Source: Swedish Longitudinal Immigrant Database

rates of return migration, whereas the relatively low number of Greeks, Italians and Americans is primarily a result of high return rates within younger age categories (see Klinthäll 2003). Figure 1 also shows that, among those who have stayed in Sweden beyond the age of 50, these three nationalities still display the highest return rates. Greeks in particular display a high rate of return migration; almost 4.5 percent of all person years contributed by Greeks includes an observation of return

migration. In total, 12 percent of the individuals included in this study returned from Sweden within the period of investigation (2,095 out of 18,084).

Figure 2 shows return migration rates by age for the whole sample. There is a tendency of increasing rates of return migration until the age of 65, the legal retirement age in Sweden, where there is a clear peak, and then return migration rates decrease with age. Thus, there seems to be a "retirement effect" on return migration propensity, which is in line with a hypothesis of temporary migration strategies. However, the graph is based on crude figures; before we draw any conclusions we have to take account of other factors that may affect the propensity to return, such as the age at immigration, income, etc. A statistical analysis is presented in the next section.

Analysis

Table 1 displays the odds ratios from a binomial logit estimation of return migration from Sweden by 51-80 year-old immigrants from Chile, Denmark, Finland, Germany (reference category), Greece, Italy Norway Poland, Turkey, United States and Yugoslavia in the period 1979-1996. The results show considerable differences in the return migration rates of the different nationalities; Italians and Greeks display the highest probability of return migration and at the other end we find Poles and Turks. The pattern with a low probability of return migration among Poles and Turks has also been found for younger age categories and is primarily a result of political circumstances in the countries of origin (Klinthäll 2003).

However, an interesting difference between the patterns found for younger age categories and the patterns found here is that Italy and Greece, stable Mediterranean democracies compared to Turkey and Yugoslavia, attract significantly more return migration from Sweden than the United States, Germany and the Scandinavian countries. This result is more in line with the findings of research on retirement emigration, a type of migration predominantly directed towards Mediterranean countries (regarding Europe) or the "Sunbelt" (regarding North America). In these studies, by far the most important reason for the choice of destination is the attraction of a warm sunny climate and healthy environment, according to respondents among the migrants themselves (e.g. King et al. 1998). While labor market circumstances are important reasons for return migration in younger ages (Klinthäll 2003), resulting in relatively high return migration rates to the United States,

Table 1: *Logistic estimation of return migration from Sweden by 51-80 year-old immigrants in the period 1979-1996. Model 1; age categories. Results displayed as odds ratios.*

	All		*Females*		*Males*	
Person years	162213		86387		75826	
Individuals	18084		9539		8545	
Events	2095		1120		975	
LR chi2	2135		1061		1124	
Prob > chi2	0.00		0.00		0.00	
Log likelihood	-10126		-5449		-4652	
Pseudo R2	0.10		0.09		0.11	
	OR	P	OR	P	OR	P
Female	0.96	0.41				
Immigration year > 1975	0.88	0.02	0.88	0.10	0.87	0.09
Years since immigration						
Linear	0.93	0.00	0.94	0.00	0.92	0.00
Squared	1.00	0.13	1.00	0.30	1.00	0.20
Age at immigration						
Linear	1.10	0.00	1.14	0.00	1.06	0.11
Squared	1.00	0.00	1.00	0.00	1.00	0.10
Country of origin						
Chile	0.94	0.66	0.88	0.44	1.05	0.79
Denmark	1.39	0.00	1.52	0.00	1.26	0.16
Finland	1.45	0.00	1.41	0.02	1.50	0.01
Greece	3.26	0.00	3.30	0.00	3.29	0.00
Italy	2.75	0.00	3.51	0.00	2.26	0.00
Norway	1.41	0.00	1.40	0.02	1.43	0.03
Poland	0.20	0.00	0.14	0.00	0.28	0.00
Turkey	0.35	0.00	0.33	0.00	0.37	0.00
USA	1.26	0.08	1.26	0.19	1.23	0.28
Yugoslavia	0.69	0.00	0.63	0.00	0.79	0.17
Income						
Medium current income	0.38	0.00	0.47	0.00	0.32	0.00
High current income	0.22	0.00	0.34	0.00	0.16	0.00
Medium average income	1.47	0.00	1.33	0.00	1.42	0.01
High average income	1.86	0.00	1.54	0.00	2.00	0.00
Age category						
Age 60-64	1.18	0.07	1.15	0.26	1.22	0.13
Age 65	1.46	0.01	1.32	0.14	1.70	0.01
Age 66-70	1.17	0.25	1.11	0.57	1.26	0.26
Age 71-80	1.06	0.77	1.09	0.75	0.98	0.95

Note: Reference categories: Male, immigrated -1975, low current and average income, German, age 51-59.

Germany and the Scandinavian countries, quality-of-life considerations dominate among older migrants, giving rise to relatively high return migration to Greece and Italy. In addition, the cost of living in these two countries was relatively low in the period of investigation, in particular in Greece, something which most likely has had a positive effect on retirement return migration.

Table 1 also shows that return migration to Chile is at about the same level as return migration to Germany, another result which differs from the findings regarding return migration in younger ages, where return migration to Chile is on a significantly lower level than return migration to Germany. This result reflects the high propensity of return migration, after democratization in 1990, among the first cohorts of refugees from Chile, i.e. those who came to Sweden in the 1970s (see Klinthäll 2003).

Controlling for the number of years since immigration, those who immigrated after the introduction of restrictive immigration practices have a lower probability of return migration compared to those who immigrated before immigration restrictions were implemented in the early to mid-1970s. This finding is in line with other analyses of return migration (Klinthäll 2003), suggesting that a more liberal immigration regime implies better options for strategies of temporary migration. The results in table 1 further show that the probability of return migration decreases with the number of years since immigration, but increases with the age at immigration. These results are in line with economic theories of temporary migration as well as with most empirical findings and indicate that there is an acclimatization effect: the longer an immigrant has been in the country, the smaller the likelihood of return migration, and the higher the age at immigration, i.e. the longer the experience of the home country, the higher the likelihood of return.

There is a clear negative selection regarding current income, i.e. those who returned had lower incomes in the last year before they left compared to the income in the same year of those who stayed. The reason for this may be that return migration is a response to a drop in annual income, but it may also be the result of changing behavior due to an approaching return, for instance, a lowered labor supply, or a result of return migrations being registered a while after they actually took place. Since the interpretation of the effect of current income is problematic, a variable called *average income* is also included, which is the accumulated income since immigration, divided by the number of years of registered income in Sweden (at least five). Controlling for the last income year (*current income*), return migrants had higher average incomes over time in Sweden than those who did not return. The fact

that return migrants are positively selected in terms of income does not support the hypothesis of return migration being an outcome of failed (economic) integration. Those who return are the relatively successful and, hence, the results indicate the prevalence of temporary migration strategies. The hypothesis of temporary migration strategies is also supported by the age patterns seen in table 1. There is a clear migratory response to retirement, indicating an explicit intention to return after the labor market career is over.

The probability of return migration at age 65 is significantly higher compared to the other age categories and the results confirm the pattern displayed in figure 2; the gradual increase in return migration probability from age 51 peaks at age 65 and then there is a gradual decrease, a pattern which turns out to be more pronounced among male immigrants. The fact that return migration peaks at the legal retirement age suggests that return migration after working life is often a planned strategy and, thus, that many immigrants prefer consumption in the country of origin. The fact that this result is only significant for men, indicates that return migration among couples tends to take place when the male spouse retires.

In addition to the differences in return migration propensity between nationalities, there are gender differences within nationalities. Whereas no significant difference between male and female immigrants is found in the first column, the gender decomposed model presented in the second and third columns indicates that some nationalities display substantial differences in return migration propensity between males and females. When the model displayed in table 1 is run for each nationality separately, return migration to Italy, Poland and Yugoslavia displays significant gender differences. In the case of Italy, females have a significantly higher probability of return migration, whereas the opposite is true in the cases of Poland and Yugoslavia.

A more detailed analysis reveals that these differences are explained by the migratory behavior of married men. A model corresponding to the first column in table 1, but where the indicator *female* was replaced by six civil status categories, was run for the whole sample as well as for separate nationalities. In table 2, the resulting odds ratios are displayed for the civil status categories only. Italian married men have a significantly lower probability of return migration than other civil status categories, whereas Polish and Yugoslavian married men (as well as widowed/divorced men, a rather small group) display a relatively high probability of return migration.

Table 2: *Differences in return migration probability by civil status (odds ratios)*

	All	Italy	Poland	Yugoslavia
Married female	1.00	1.00	1.00	1.00
Married male	1.03	**0.51**	**2.66**	**1.41**
Single female	0.80	1.04	1.62	0.80
Single male	**0.78**	0.96	0.65	0.97
Widowed/Divorced female	1.02	1.57	1.13	0.81
Widowed/Divorced male	**1.19**	1.18	2.13	**1.97**

Note: Statistical significance (P<0.05) in bold figures.

The explanation for these results may be differing marriage patterns. The SLI database does not contain any systematic information on spouses so we do not whether married couples come from the same country of origin. If the probability of being married to a Swedish person differs between men and women from the same country, the probability of return migration is also likely to differ. Hence, a possible explanation for the results displayed in table 2 is that relatively few Italian men in Sweden are married to Italian women, whereas the opposite is true in the cases of Polish and Yugoslavian men. However, other data sources are needed in order to test this hypothesis. Another interesting finding is that, whereas unmarried men have a relatively low probability of return migration, men who are divorced or widowed have a relatively high probability of return migration.

Another question regards the migratory behavior of those who receive early retirement compensation. The "retirement effect" on return migration probability should apply also to those who retire before the age of 65. The gradual increase in return migration between 51 and 65 as shown in figure 2 may actually be the result of a gradually increasing part of the population qualifying for early retirement compensation. However, early retirement may be due to medical reasons, giving rise to a certain dependence on the Swedish welfare system, which is an obstacle to return migration. Table 3 shows the estimation results of a model where retirement categories replace the age categories used in table 1. *Early retired* indicates whether an individual receives a pension above *SEK* 50,000 (1996 *kronor*) before the age of 65. The results show that there is a significantly higher probability of return migration among those who are defined as early retired compared to the reference category, i.e. those who are not retired.

Table 3. *Return migration from Sweden by 51-80 year-old immigrants in the period 1979-1996. Model 2; retirement categories. Results displayed as odds ratios.*

	Total		*Females*		*Males*	
Person years	162213		86387		75826	
Individuals	18084		9539		8545	
Events	2095		1120		975	
LR chi2	2156		1075		1127	
Prob > chi2	0.00		0.00		0.00	
Log likelihood	-10115		-5442		-4650	
Pseudo R2	0.10		0.09		0.11	
	OR	P	OR	P	OR	P
Female	0.95	0.29	---	---	---	---
Immigration year > 1975	0.87	0.01	0.87	0.08	0.86	0.07
Years since immigration						
Linear	0.92	0.00	0.93	0.00	0.91	0.00
Squared	1.00	0.02	1.00	0.09	1.00	0.10
Age at immigration						
Linear	1.10	0.00	1.15	0.00	1.05	0.14
Squared	1.00	0.00	1.00	0.00	1.00	0.11
Country of origin						
Chile	0.95	0.65	0.87	0.40	1.06	0.73
Denmark	1.38	0.00	1.51	0.00	1.26	0.16
Finland	1.40	0.00	1.36	0.04	1.45	0.02
Greece	3.04	0.00	3.04	0.00	3.11	0.00
Italy	2.71	0.00	3.38	0.00	2.26	0.00
Norway	1.41	0.00	1.38	0.04	1.44	0.02
Poland	0.19	0.00	0.14	0.00	0.28	0.00
Turkey	0.34	0.00	0.32	0.00	0.36	0.00
USA	1.25	0.08	1.25	0.20	1.24	0.26
Yugoslavia	0.65	0.00	0.59	0.00	0.74	0.09
Income						
Medium current income	0.34	0.00	0.42	0.00	0.28	0.00
High current income	0.22	0.00	0.33	0.00	0.16	0.00
Medium average income	1.46	0.00	1.33	0.00	1.40	0.01
High average income	1.84	0.00	1.51	0.00	2.00	0.00
Retirement category						
Early retired (age 51-64)	1.48	0.00	1.46	0.00	1.50	0.00
Retired (age 65+)	1.29	0.00	1.22	0.11	1.39	0.02

*Note:*Reference categories: Male, immigrated –1975, low current and average income, German, age 51-64, not retired.

The early-retired immigrants actually display higher rates of return migration than those who are above retirement age, although not statistically significant. Apparently, there is no evidence of early retirement being associated with obstacles to return migration. There is a clear positive effect of early retirement on the probability of return migration.

Conclusion

This study deals with return migration among immigrants in Sweden who are between 51 and 80 years old. An important question regards the impact of retirement on return migration. It is found that when reaching the age of 65, which is the legal retirement age in Sweden, the probability of return migration increases considerably. The effect of retirement is immediate; the probability of return migration declines again beyond the age of 65, indicating a conscious plan to return to the home country when the labor market career is over. However, this result is statistically significant for men only, indicating that couples return at the retirement age of the male spouse.

Furthermore, immigrants who qualify for early retirement compensation have a considerably higher probability of return migration compared to those who are not retired. These clear "retirement effects" show that return migration can be an important ingredient in the welfare optimization strategies of migrants. When it comes to income selectivity, the analysis shows that there is a positive selection, something which is expected when migrants are target savers with a temporary migration strategy.

Studies on return migration among younger immigrants have shown that large differences in return migration rates between different nationalities primarily depend on varying economic circumstances and political situations in the source countries. This analysis show patterns that deviate from these earlier results, and which indicate that quality-of-life considerations are more important for migratory decisions connected to the end of working life. There are also interesting gender differences that may depend on previous immigration patterns, differing marriage patterns, or other social and cultural factors. An analysis of these factors is outside the scope of this study, but results call for further investigation.

In sum, we find that there is a clear "retirement effect" on the probability of return migration from Sweden, indicating that there are migrants with a conscious plan to retire in the home country after the end of working life abroad.

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