

Investing in Families: Housing as Pro-Natalist Fiscal Policy in Low-Fertility Economies

Adam Damian Krzymowski¹

¹ University of Exeter, Business School, United Kingdom
ORCID: 0009-0009-4728-5705
e-mail: ak1022@exeter.ac.uk

Abstract

Fertility rates in many high- and upper-middle-income economies have fallen to historically low levels, especially in East Asia, Central and Eastern Europe, and the Gulf. Countries such as Poland, the United Arab Emirates, Hong Kong, and Singapore now record birth rates far below the replacement level of 2.1 children per woman, with demographic ageing, shrinking workforces, and pressure on pay-as-you-go pension and health systems becoming central macroeconomic challenges. This study primarily seeks to address a specific research question: whether, and under what conditions, such housing support can be justified as pro-natalist fiscal policy rather than a purely redistributive transfer. Adopting a human-capital and public-finance perspective, the article treats each additional child as a future taxpayer whose lifetime net fiscal contribution creates a positive “fiscal externality” of fertility. The methodology employs stylised lifecycle fiscal calculations calibrated to Poland, using publicly available data from the World Bank, OECD, Eurostat, and the National Bank of Poland to compare the present value of lifetime tax contributions with the upfront cost of family housing. This research proposes a fiscally grounded response: near-free or free housing for families that raise three or more children, delivered through a phased scheme. The results suggest that, under conservative assumptions and a 3% real discount rate, the present value of an average future adult's lifetime taxes can exceed the cost of providing a modest family apartment, supporting the investment framing of the policy. The theoretical contribution lies in reframing pro-natalist housing support as a long-horizon public investment with measurable fiscal returns, bridging the literatures on low fertility, housing affordability and generational accounting. For policymakers, the research paper identifies practical design principles, including eligibility targeting, phased vesting, and place-based pilots, which can help translate the fiscal logic into implementable programmes in low-fertility economies.

Key words

low fertility, family policy, housing policy, fiscal externality, pro-natalist policy, human capital investment.

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Introduction

Low fertility has become a structural challenge for many high-income and upper-middle-income economies. In East Asia, Central and Eastern Europe, and the Gulf, birth rates have fallen well below the replacement level of approximately 2.1 children per woman (United Nations, 2023; Eurostat, 2024b). The consequences include demographic ageing, a reduction in cohorts entering the labour market, increasing old-age dependency ratios, and escalating pressure on pay-as-you-go pension and healthcare systems. At the same time, the political feasibility of large-scale immigration as a demographic “solution” is increasingly contested. The question of how to support childbearing among citizens and residents who would like to have more children has therefore become a central issue in public policy. The primary objective of this study is to answer the research question of

whether, and under what conditions, such housing support can be justified as pro-natalist fiscal policy rather than a purely redistributive transfer.

The material conditions under which young adults form households have also changed markedly. In many low-fertility settings, especially in dense metropolitan areas, housing affordability and security have emerged as major constraints on family formation (Dettling & Kearney, 2014). High purchase prices, rising rents, and the need for large down payments delay entry into owner-occupation and make it harder for couples to plan for more than one child. Surveys and empirical studies in European, East Asian, and Gulf contexts increasingly identify housing as one of the most important barriers to earlier marriage and higher fertility (Dettling & Kearney, 2014; Yi & Zhang, 2010; Mulder & Billari, 2010; Vignoli et al., 2013), alongside labour-market insecurity and the cost of childcare. For many young couples, the issue is not a lack of preference for children, but a lack of confidence that they can provide stable housing for a larger family.

From the perspective of public finance, however, children are not only a private good whose costs fall primarily on parents. In ageing welfare states, each additional child is also a future taxpayer whose labour-market participation and consumption will help to finance pensions, healthcare and other public services. This creates what the literature describes as a fiscal externality of fertility (Sinn, 1997): parents bear most of the direct and indirect costs of raising children, while the state and older generations capture a large part of the long-run fiscal benefits. When this externality is ignored, the public sector may underinvest in measures that support childbearing, even when such measures would be fiscally attractive when evaluated over the life cycle of future taxpayers.

This article brings these strands together and explores whether housing policy can be deliberately designed to internalise part of this fiscal externality. It examines the idea that free or heavily subsidised housing for families that raise three or more children might be treated not as a purely redistributive social transfer, but as a form of pro-natalist fiscal investment. In particular, it asks under what demographic and budgetary conditions such a policy could be justified as generating a positive expected long-run fiscal return for the state once the lifetime net tax contributions of additional children are taken into account. The analysis draws on the existing literature on low fertility, housing affordability, and the fiscal impact of childbearing, and combines this with a simple investment-style framework. Using stylised calculations calibrated to a European case (Poland) and informed by conditions in high-cost metropolitan housing markets in East Asia and the Gulf, the article sketches how the expected lifetime net tax contributions of additional children can be compared with the upfront cost of providing family housing. It then outlines a possible design for a phased housing-for-fertility scheme, in which support is linked to the birth and successful upbringing of third and subsequent children rather than provided unconditionally.

The contribution is threefold. First, the research paper proposes an explicit public-finance framing of pro-natalist housing policy, treating support for larger families as a potential investment with measurable long-run fiscal returns. Secondly, it links debates on demographic decline to concrete design questions in housing and urban policy, highlighting the importance of location, eligibility, phasing, and conditionality. Thirdly, it identifies a set of research questions for economists and policy scholars, including the estimation of lifetime net fiscal contributions in different institutional settings, the measurement of fertility responses to housing interventions, and the general-equilibrium effects of large-scale schemes on housing markets and public budgets. Recent contributions confirm that these issues have intensified. Doepke et al. (2022) document a “new era” in fertility economics shaped by structural economic change, while Maestas et al. (2023) provide updated evidence on the macroeconomic costs of population ageing, and Fila and Pytliková (2023) offer new quasi-experimental evidence linking housing subsidies to fertility outcomes. Despite this extensive body of work, no existing study provides an integrated framework that evaluates targeted housing support explicitly as a long-term fiscal investment linked to higher-order births. It is this gap that the present article seeks to address.

The remainder of this article proceeds through a review of the relevant background and literature on low fertility, housing constraints and the fiscal externality of childbearing, followed by the methodology and conceptual framework for thinking about housing as pro-natalist fiscal policy, stylised fiscal calculations illustrating the conditions under which free or near-free family housing might yield positive net returns, a discussion of key elements of policy design and implementation, and concluding reflections on broader fiscal, social, and political implications together with an agenda for empirical evaluation.

1. Literature review

1.1. *Low fertility and macroeconomic risks*

The sustained decline of fertility below replacement level has been widely analysed in demographic and economic literature. In many high- and upper-middle-income societies, the transition from large families to small families has gone beyond the “two-child norm” into what some authors describe as ultra-low fertility, with total fertility rates well below 1.5 (Kohler et al., 2002). According to the United Nations (2023), global fertility has declined from approximately 5 children per woman in 1950 to 2.3 in 2021, with particularly steep declines observed in East Asia, Southern Europe and Central and Eastern Europe. South Korea recorded a total fertility rate of just 0.78 in 2022, while Poland’s rate stood at 1.29, both far below the replacement level of approximately 2.1 children per woman (Eurostat, 2024b).

This shift has three macroeconomic consequences that are now familiar but increasingly acute: population ageing, slower labour-force growth and rising old-age dependency ratios. From a growth perspective, smaller cohorts entering the labour market imply a lower potential growth rate, unless compensated by rapid productivity gains or large immigration flows (Bloom et al., 2010). The seminal work of Lee and Mason (2011) on National Transfer Accounts demonstrates how demographic change fundamentally reshapes the economic lifecycle, with ageing societies facing mounting fiscal pressures from the growing gap between consumption and labour income among older cohorts.

For public finances, pay-as-you-go pension and health systems become more difficult to sustain as the ratio of contributors to beneficiaries declines. The OECD (2023) projects that pension expenditure as a share of GDP will rise substantially in most member countries over the coming decades, with old-age dependency ratios in some European countries expected to exceed 50% by 2050. Intergenerational transfer systems that were designed for relatively youthful populations are thus placed under structural strain (Auerbach & Kotlikoff, 1999). In addition, demographic decline may undermine domestic demand, weaken housing markets in some regions and change the spatial pattern of economic activity (Maestas et al., 2023).

A large literature has examined policy responses to low fertility, including parental leave, childcare subsidies, tax reliefs, cash transfers and family-friendly labour-market regulations (Gauthier, 2007; Thévenon & Gauthier, 2011). While some of these interventions have measurable positive effects on fertility, they are often modest and context dependent (Luci-Greulich & Thévenon, 2013). McDonald (2006) argues that fertility decline is driven by a combination of high opportunity costs of childbearing, particularly for women, and institutional failures to adapt to changing gender roles. The comprehensive review by Doepke et al. (2022) emphasises that understanding fertility behaviour requires attention to the interactions among economic incentives, cultural norms, and institutional constraints.

Moreover, many policies have been designed primarily with gender equality or work-family reconciliation in mind, rather than with explicit attention to their long-run macro-fiscal implications (Thévenon, 2011). Adserà (2004) demonstrates that labour market institutions significantly affect fertility rates, with high unemployment and employment instability reducing childbearing, while flexible work arrangements tend to support it. This leaves space for complementary approaches that foreground the links between fertility, public finances and long-horizon investment decisions.

1.2. Housing affordability, family formation and fertility

In parallel, research on housing markets has shown that access to affordable, secure housing is a key determinant of household formation and family decisions (Mulder, 2006; Mulder & Billari, 2010). In high-cost urban environments, young adults frequently face a combination of high purchase prices, large down payment requirements, and tight rental markets. Entry into owner-occupation is delayed and, in some cases, permanently out of reach, particularly for lower- and middle-income households without parental support (Öst, 2012). The phenomenon of “generation rent” has been documented across multiple countries, with homeownership rates among young adults declining substantially since the early 2000s (McKee et al., 2017).

A growing empirical literature suggests that these constraints have direct implications for fertility. Studies from European cities, East Asian metropolitan regions and Gulf economies point to housing as one of the main barriers to earlier marriage and to larger families (Lauster & Fransson, 2006; Mulder & Billari, 2010). The foundational work of Dettling and Kearney (2014) uses US metropolitan area data to demonstrate that a \$10,000 increase in house prices is associated with a 0.5% decline in births among non-owners and an increase among owners through wealth effects. Yi and Zhang (2010) find similar negative effects of housing costs on fertility in Hong Kong, one of the world's most expensive housing markets.

High housing costs are associated with delayed union formation, postponed first births and a reduced probability of having a second or third child (Clark, 2012; Vignoli et al., 2013). Clark (2012) demonstrates that women in expensive housing markets delay family formation significantly, while Lauster and Fransson (2006) document the intricate relationship between homeownership, marriage and fertility in the Nordic context. Lovenheim and Mumford (2013) exploit housing wealth shocks to show that increased housing equity raises fertility, with effects concentrated among higher-parity births. Conversely, improved access to subsidised or public housing has, in some contexts, been linked to higher marriage rates and earlier childbearing (Feyrer et al., 2008).

The mechanisms are both financial and psychological (Vignoli et al., 2013). Housing represents a large, fixed cost in the household budget and a central element of perceived life-course security (Mulder, 2006). Without secure tenure and sufficient space, couples may feel unable to commit to having several children, even when their underlying preferences are family oriented. Comolli (2017) shows that economic uncertainty, including housing market volatility, significantly depresses fertility intentions and outcomes. Overcrowding, instability and the risk of eviction further reinforce this reluctance (Kulu & Steele, 2013). In this sense, housing policy is not neutral with respect to demographic outcomes: it helps to shape the opportunity set and risk environment in which fertility decisions are made.

Some countries already integrate housing and family policy to a limited extent. For example, priority access to public housing, preferential loan terms or tax reliefs may be granted to married couples or parents. Singapore's public housing system explicitly links flat allocation to marriage and family formation, while several European countries offer mortgage subsidies or tax benefits to families with children (Ronald, 2008; Chua, 2014). However, these instruments are often designed primarily to address affordability or equity concerns, with fertility effects treated as a secondary outcome. The literature has only begun to explore the potential of more explicitly pro-natalist housing instruments, especially those targeted at third and subsequent births (Rindfuss et al., 2010).

1.3. Children as a fiscal asset: the fiscal externality of fertility

Public economics has long recognised that fertility decisions have implications beyond the household's private sphere (Folbre, 1994). In pay-as-you-go systems, the consumption of the elderly is financed largely by the taxes and contributions of current workers. Each additional child, if they grow up to participate in the labour market, becomes a future contributor to these systems. At the same time, children also generate public costs through education, healthcare and child-related transfers.

The notion of a fiscal externality of fertility formalises this idea. The concept was developed systematically by Sinn (1997), who argued that pay-as-you-go pension systems create an implicit tax on children, because the returns to child-rearing are partly captured by the pension system rather than by parents themselves. Parents decide how many children to have based on private costs and benefits, yet their decision also affects the intergenerational transfer system by altering the size and composition of future cohorts. Cigno (1993), Cigno and Werding (2007) further developed the theoretical analysis of how public pension systems distort fertility incentives, showing that the implicit taxation of children can lead to suboptimally low fertility from a social welfare perspective.

The net fiscal contribution of an additional child can be positive or negative, depending on tax structures, benefit rules, labour-market outcomes and discount rates. In ageing, high-income societies with substantial public sectors, several studies suggest that the marginal child typically generates a positive net fiscal contribution over the life cycle, even after accounting for education and health expenditure (Lee & Miller, 2000; Wolf et al., 2011). Using National Transfer Accounts methodology, Lee and Mason (2011) estimate lifecycle fiscal profiles across multiple countries, generally finding that adults in their prime working years generate substantial fiscal surpluses that offset childhood and old-age deficits. Connolly et al. (2010) apply a similar approach to estimate the fiscal value of births resulting from assisted reproductive technologies.

When this externality is not explicitly recognised, the public sector may under-invest in policies that encourage childbearing or support families, because these policies are evaluated over short budget horizons rather than over the working lives of future taxpayers (Werding, 2014). Conversely, if governments take a longer view, it becomes meaningful to treat certain forms of family support as public investment in human capital, rather than purely as social transfers. This reframing opens the door to designing instruments whose expected long-run fiscal return can be compared with their upfront cost, much as one would evaluate infrastructure or education spending (Becker & Murphy, 1988).

The methodological approach to estimating fiscal externalities has been refined through the development of generational accounting (Auerbach et al., 1991). This framework tracks the present value of all future taxes paid and transfers received by different birth cohorts, providing a comprehensive picture of intergenerational fiscal flows. Bonin (2001) provides a thorough treatment of the methodology, while subsequent applications have been conducted for numerous countries. These studies consistently highlight the fiscal strain created by population ageing and the potential value of policies that support sustainable fertility levels.

The present research builds on this line of reasoning. It treats free or heavily subsidised family housing as one possible instrument for internalising part of the fiscal externality of fertility, by reducing a key barrier to larger families and thereby potentially increasing the number of future taxpayers.

1.4. Gaps in existing pro-natalist policy approaches

Existing pro-natalist policies in low-fertility societies tend to fall into several broad categories: direct cash transfers or tax credits per child, subsidised childcare and parental leave, subsidies for assisted reproduction, and measures to improve work-family balance (Gauthier, 2007; Thévenon, 2011). While these instruments address important constraints and have valuable equity and gender dimensions, they also exhibit some limitations from the perspective adopted here.

First, many policies are short-term and flow-based: they provide ongoing support as long as children are young, but do not change the long-run asset position of households. By contrast, housing is a stock variable: secure ownership of a dwelling can transform a family's balance sheet and perceptions of long-term security, which may be particularly relevant for decisions about third and subsequent children (Mulder, 2006). Evidence from multiple countries suggests that wealth and asset security play a distinct role in fertility decisions beyond current income (Lovenheim & Mumford, 2013; Schneider, 2015).

Secondly, relatively few pro-natalist measures explicitly integrate public-finance considerations into their design. Debates often focus on distributive fairness or on modest changes in fertility rates, without systematically comparing the present value of policy costs with the expected net fiscal contributions of additional births (Werding, 2014). Cigno and Werding (2007) argue that this represents a significant gap in policy analysis, as the fiscal sustainability of family policy depends critically on whether the children whose births it encourages will generate positive net fiscal contributions.

Thirdly, the literature on pro-natalist policy has only partially engaged with housing and urban planning as domains where demographic concerns can be addressed (Kulu & Boyle, 2009). Where housing interventions have been studied, they have typically been analysed in isolation from long-term fiscal sustainability, or treated as context-specific institutional features rather than as generalisable instruments. Notable exceptions include work on Singapore's housing-based family policies (Chua, 2014) and recent analyses of housing subsidies and fertility in European contexts (Fila & Pytliková, 2023), but systematic integration of housing and fiscal perspectives remains limited.

Fourthly, the effectiveness of existing pro-natalist policies varies substantially across contexts. Luci-Greulich and Thévenon (2013) find that while financial transfers and childcare services can raise fertility, effects depend on policy design and institutional context. Countries with comprehensive policy packages tend to achieve better outcomes than those relying on single instruments (Thévenon & Gauthier, 2011). This suggests that housing-based measures might be most effective when integrated with broader family policy frameworks rather than implemented in isolation.

Against this backdrop, there is a gap for conceptual work that integrates these three domains and evaluates housing support through the lens of long-run fiscal investment. The central research question that this article addresses is therefore: under what demographic, fiscal, and housing-market conditions can targeted housing support for families with three or more children be justified as a positive net public investment rather than a purely redistributive transfer?

2. Methodology

2.1. *An investment perspective on family policy*

Standard discussions of family and fertility policy use the language of support or compensation: transfers are justified by equity, poverty reduction or social cohesion. By contrast, the framework adopted here starts from a public finance perspective, in which children are also viewed as future contributors to public budgets (Lee & Mason, 2011). This approach builds on the foundational work of Auerbach et al. (1991) in generational accounting, which established methods for tracking the present value of all future taxes paid and transfers received by different birth cohorts. As Bonin (2001) demonstrates, such lifecycle fiscal analysis provides a rigorous framework for evaluating policies with long-term demographic consequences. In this view, a government can evaluate certain family policies in the same way as it evaluates other long-horizon expenditures, such as education or infrastructure: by comparing the expected discounted stream of benefits with the upfront cost.

Let C denote the per-family fiscal cost of providing a free (or heavily subsidised) dwelling, and let F denote the expected net fiscal contribution of one additional child over their lifetime, defined as the present value of taxes and social contributions paid minus all lifetime public expenditures received, including education, healthcare, child-related transfers, and eventual pension entitlements. Let ΔN denote the expected increase in the number of children per family induced by the housing policy, relative to a situation without the policy. In highly simplified terms, the policy can be viewed as fiscally attractive if $F \cdot \Delta N \geq C$, once appropriate discounting and risk adjustments are taken into account.

This condition abstracts from wider general-equilibrium effects and from non-fiscal benefits (such as social cohesion), but it captures the basic investment logic: the state spends an amount C today in order to increase the number of future taxpayers, whose net contributions are summarised by F . In practice, neither F nor ΔN is directly observed. They depend on tax structures, labour-market outcomes, educational attainment, migration, and behavioural responses to policy. The economic

theory of fertility decisions (Becker & Barro, 1988) provides a foundation for understanding how families respond to changes in the opportunity cost of childbearing, including those mediated through housing constraints. Nonetheless, the framework highlights that the fiscal evaluation of pro-natalist policies is, in principle, no different from the evaluation of other long-run public investments: what matters is the sign and magnitude of the expected net present value.

2.2. *Linking housing support to marginal births*

For a housing-for-fertility scheme to be interpreted as an investment rather than a general subsidy to existing fertility, it must be designed so that it affects marginal births, that is, births that would not have occurred in the absence of the policy, or that would have been postponed to an extent that materially alters the demographic profile. The empirical literature supports the existence of such marginal effects: Dettling and Kearney (2014) demonstrate that housing costs significantly influence fertility decisions, while Lovenheim and Mumford (2013) show that housing wealth shocks affect fertility, with effects concentrated among higher-parity births, precisely the margin most relevant to this analysis. In the stylised expression above, ΔN represents these marginal births.

Housing enters the framework as a specific lever that alters the budget and risk constraints of young households. As Mulder (2006), Mulder and Billari (2010) have established, housing represents a central element of perceived life-course security, and access to secure, adequate housing is a key determinant of family formation decisions. Vignoli et al. (2013) demonstrate that the mechanisms are both financial and psychological: housing costs represent a large, fixed burden in household budgets, while Comolli (2017) shows that economic uncertainty, including housing market volatility, significantly depresses fertility intentions and outcomes. A free or heavily subsidised dwelling reduces a large, fixed cost and creates a stable environment in which having multiple children becomes more feasible. The policy thus aims to raise ΔN not by providing a small benefit to all families, but by offering a large, indivisible asset conditional on achieving a certain family size.

This logic implies that the design of the scheme must: target households at a stage in the life course where fertility decisions are still open; tie the full benefit to the achievement of a specified family size (here, three or more children); and ensure that the support is not easily captured by households whose fertility decisions would have been the same without the policy. In other words, the closer the scheme comes to affecting genuinely marginal births, the more meaningful it becomes to compare $F \cdot \Delta N \geq C$.

2.3. *Third and higher-order births as a policy target*

Focusing on families with three or more children is consistent with both demographic and fiscal considerations. In many low-fertility societies, the majority of adults still express a preference for at least two children, but actual completed fertility often falls short of this ideal. This phenomenon, characterised by Kohler et al. (2002) as part of the emergence of “lowest-low fertility,” reflects how structural constraints prevent couples from achieving their desired family size. The “gap” frequently lies at the level of the third child and beyond, as McDonald (2006) argues that institutional failures to adapt to changing gender roles particularly affect higher-parity births. From a policy perspective, this suggests that third and higher-order births are a natural target for instruments intended to raise fertility towards replacement levels.

In the framework above, this can be interpreted as concentrating resources on households for which the marginal response ΔN is likely to be largest at the third child. A family that is already strongly committed to having two children may be more sensitive to a large reduction in housing-related risk when deciding whether to have a third. By contrast, policies that spread limited resources thinly across all births may generate smaller changes in marginal fertility behaviour, even if they are attractive on other grounds.

The housing scheme considered here, therefore, conditions full support on the successful birth and upbringing of at least three children, while earlier stages (for example, the first and second child) may trigger partial or phased benefits. This structure is intended to align the policy more closely with the marginal fertility margin that is most relevant in very low-fertility contexts.

2.4. Time horizon, uncertainty and risk-sharing

Any attempt to evaluate a housing-for-fertility scheme as a public investment must confront issues of time horizon and uncertainty. The stream of fiscal contributions represented by F stretches over several decades and depends on factors that are only partially under policy control, such as macroeconomic conditions, technological change and migration patterns. Moreover, not all children will remain in the country, participate fully in the labour market or have continuous careers.

In this sense, the state is not simply “purchasing” a deterministic stream of future tax revenues. Rather, it is sharing demographic and labour-market risk with families. The provision of a dwelling today can be viewed as an advance on the expected fiscal benefits of future cohorts, recognising that some of those cohorts may underperform relative to expectations while others may exceed them.

The conceptual framework presented here does not resolve these uncertainties, but it does make them explicit. It suggests that any serious appraisal of pro-natalist housing policy should: use realistic, data-based ranges for F (expected net fiscal contribution) and for the expected duration of working life; treat the estimated net present value as a range rather than a point estimate; and compare the resulting fiscal risk profile with that of other long-run public investments.

This perspective underscores that even if the precise value of $F \cdot \Delta N$ is difficult to pin down, it is still analytically meaningful to ask whether, under plausible assumptions, the policy lies in a region where expected fiscal returns are positive.

2.5. Positioning within the broader policy mix

Finally, the framework does not imply that housing-based instruments should replace other forms of family policy. Rather, it positions them as one component of a broader pro-natalist policy mix that may include childcare provision, parental leave, tax credits and measures to support work-family balance. The distinctive contribution of housing support in this mix is that it operates through a large, long-lived asset which directly addresses a central barrier to larger families in many low-fertility settings. This conceptual framework guides the construction of the stylised fiscal calculations that follow and organises the subsequent discussion of policy design and implementation.

2.6. Data sources and calculation methodology

The stylised fiscal calculations use the standard generational-accounting/lifetime-tax approach employed in applied work (Connolly et al., 2010). This methodology, first developed by Auerbach et al. (1991) and subsequently refined in numerous applications (Auerbach & Kotlikoff, 1999; Bonin, 2001), estimates annual tax revenue per person from aggregate data, multiplies by an expected working life to obtain lifetime (undiscounted) taxes, and computes the present value (PV) of future taxes using a conventional real discount rate. The PV is then compared with an estimate of the one-off housing cost (the price of an apartment suitable for a larger family). While generational accounting has evolved to incorporate age-specific profiles and detailed institutional features, the simplified approach adopted here prioritises transparency and replicability, consistent with the objective of illustrating orders of magnitude rather than providing definitive country-specific forecasts.

All baseline inputs are taken from high-quality official sources (latest available series): Aggregate tax-to-GDP ratio (Narodowy Bank Polski, 2024): 36.6% (OECD, 2024). This is used as a simple proxy for average annual tax revenue per capita (tax receipts/GDP $\times$ GDP per capita). GDP per capita (current US\$), Narodowy Bank Polski (2024): US\$25,022.7 (World Bank, 2024). Expected duration of working life (years): EU average 37.2 years (Eurostat, 2024); for a conservative Poland calibration, using 33.4 years (Eurostat figures emphasise that some member states, and women in particular, have shorter expected working lives; we treat 33.4 as a conservative lower bound and 37.2 as an upper bound). Housing cost (illustrative family apartment): NBP/market data indicate average transaction prices on Poland’s seven largest urban markets at roughly PLN 13,400 per m² (Q1 2024) and lower national averages; for a conservative national calibration, PLN 11,800/m² is used (a plausible national average) and a family apartment of 60 m² (yielding PLN 708,000). Regional/metro prices (e.g., Warsaw, Tri-city, Kraków) are higher and are noted below. Currency and conversion: where source

data are in USD, conversion uses contemporaneous average exchange information (NBP/market series used when needed).

Results are shown both undiscounted and discounted at a 3% real (present value), with sensitivity to the choice of discount rate reported in the text. The choice of a 3% real discount rate follows standard practice in long-horizon fiscal sustainability analysis and generational accounting applications (Auerbach & Kotlikoff, 1999; Moore et al., 2004), though the appropriate social discount rate remains debated in public economics.

The annual tax revenue per person used in this calculation is not intended to be a cohort-specific micro-estimate of lifetime taxes, but a transparent, easily replicable baseline derived from aggregate public-finance data. The purpose is to illustrate orders of magnitude rather than to provide a full generational accounting exercise. To summarise: the baseline assumptions held fixed throughout the analysis are the tax-to-GDP ratio (36.6%), GDP per capita (US\$25,022.7), and the family apartment cost (60 m² at PLN 11,800/m²). The parameters treated as sensitivity considerations, and varied in the discussion, are the real discount rate (baseline 3%, with discussion of 1–2% and 4% alternatives), the expected duration of working life (33.4 years as the conservative baseline, 37.2 years as the upper bound), and regional housing price variation (national average versus metropolitan prices).

3. Research results

Following the methodology established by Lee and Miller (2000) and Wolf et al. (2011) for estimating the fiscal externalities of fertility, a simple, transparent accounting exercise is applied to the specific question of housing-based pro-natalist policy. The exercise is deliberately stylised and illustrative, intended to show orders of magnitude and the sensitivity of the investment argument to standard parameter choices rather than to produce a definitive policy cost-benefit analysis for any single jurisdiction.

The first stage of the calculation estimates annual tax revenue per person. Annual tax revenue per capita is computed as the product of the tax-to-GDP ratio and GDP per capita. Using the inputs above: GDP per capita (Narodowy Bank Polski, 2024) = US\$25,022.7; Tax-to-GDP (Narodowy Bank Polski, 2024) = 36.6%. Thus: Annual tax (USD) = $25,022.7 \times 0.366 = \text{US\$}9,158.31$ (approx). Converting to PLN using the contemporaneous average (NBP series used above) gives $\approx \text{PLN } 37,560$ per year (rounded).

The second stage multiplies annual tax receipts by expected years in work to obtain undiscounted lifetime taxes. Using the conservative Poland proxy of 33.4 years, this yields undiscounted lifetime taxes of approximately PLN 1,254,506. Using the EU average of 37.2 years, the corresponding figure is approximately PLN 1,397,234 (PLN 37,560 multiplied by 33.4 yields approximately 1.254 million PLN; PLN 37,560 multiplied by 37.2 yields approximately 1.397 million PLN).

The third stage converts the future stream of annual tax receipts into a present value using the standard annuity formula, in which the present value equals the annual payment multiplied by the factor $[1 - (1 + r)^{-n}]$ divided by r , where A denotes annual tax (PLN 37,560), r denotes the real discount rate (0.03), and n denotes working years. At a 3% real discount rate, the present value over 33.4 years is approximately PLN 785,513, and over 37.2 years approximately PLN 835,075. These present values are conservative because they treat the person's taxes as a flat annuity; a full lifecycle model would use age-profiled earnings and tax schedules.

The fourth stage compares these present values with the housing cost. Using the family-apartment cost described above, the cost of a 60 m² apartment at PLN 11,800 per m² amounts to PLN 708,000.

Comparing the present value of lifetime taxes with the apartment cost, the conservative estimate (33.4 years) yields a ratio of 785,513 to 708,000, or approximately 1.11, indicating that the present value of lifetime taxes exceeds the one-off housing cost by approximately 11%. The EU-average estimate (37.2 years) yields a ratio of 835,075 to 708,000, or approximately 1.18, exceeding the housing cost by approximately 18%. If one uses the undiscounted lifetime tax figure (1.25–1.40 M PLN), the

ratio is substantially larger (roughly 1.77-1.97), but undiscounted sums exaggerate long-run value; the discounted PV is the conventional public-finance comparator.

Under these stylised, conservative inputs, the present value of an average future adult's lifetime tax contributions in Poland (discounted at 3%) is on the same order as, and under plausible calibrations slightly greater than, the upfront public cost of providing a 60 m² apartment at a modest national price. It should be emphasised that this result is illustrative and exploratory; it rests on aggregate data and simplified assumptions, and should not be interpreted as a definitive cost-benefit finding. This finding aligns with the broader literature on fiscal externalities of fertility: Lee and Mason (2011) demonstrate that adults in their prime working years typically generate substantial fiscal surpluses that offset childhood and old-age deficits, while Wolf et al. (2011) find positive net fiscal contributions from childbearing in high-income settings. The results also echo Connolly et al.'s (2010) analysis of assisted reproduction technologies, which similarly concluded that the fiscal value of births can exceed the public costs of supporting them. This supports the core investment framing of the policy: housing support for families with three or more children can be plausibly presented as an investment with a positive fiscal return on orders of magnitude, not merely as a pure transfer.

Table 1. Stylised fiscal comparison: lifetime tax contributions and housing costs (Poland).

Item	Value (baseline)	Source
GDP per capita (current USD)	25,022.7	World Bank
Tax-to-GDP ratio (%)	36.6	OECD
Annual tax per capita (PLN, approx.)	37,560	The author's calculation
Expected working life (years)	33.4	Eurostat
Undiscounted lifetime tax contributions (PLN)	1,254,506	The author's calculation
Present value of lifetime taxes (3% real, PLN)	785,513	The author's calculation
Cost of family apartment (60 m ² , PLN)	708,000	National Bank of Poland

Notes: Values are baseline estimates. PLN = Polish zloty. Lifetime taxes discounted at a 3% real rate.

Source: Developed by the author.

Raising the discount rate to 4% reduces the PV substantially; lowering it to 1-2% increases the PV. Long-run discounting is therefore a quantitatively important assumption. Sensitivity to the choice of discount rate and housing price assumptions is discussed qualitatively, as these parameters materially affect the present value of future tax contributions.

In high-cost cities (Hong Kong, central Singapore, prime Warsaw neighbourhoods), a family home suitable for three children can cost multiples of the national price. Yi and Zhang (2010) document how Hong Kong's extreme housing costs have contributed to its ultra-low fertility, while Clark (2012) shows that women in expensive housing markets significantly delay family formation. For example, the NBP/administered urban sample gives Q1 2024 averages of $\approx$ PLN 13,400/m² in the seven largest markets; a 60 m² apartment at that metro price would be $\approx$ PLN 804,000, reducing the PV/price ratio. For true high-cost global cities (Hong Kong; central Singapore), the gap between PV of lifetime taxes and the housing cost will generally be larger (i.e., the fiscal case is weaker) unless the accommodation provided is targeted (smaller size in city centre + larger family housing in suburbs) or programme design exploits land/volume economies or phased vesting.

4. Discussion

From a public finance perspective, the objective is to target households whose fertility decisions are most likely to respond to a substantial reduction in housing-related constraints. Eligibility criteria, therefore, need to balance inclusiveness with fiscal efficiency. One approach is to restrict eligibility to households that are legally married or in a formally recognised long-term partnership, reflecting empirical evidence linking stable unions to higher completed fertility. Lauster and Fransson (2006) document the intricate relationship between homeownership, marriage, and fertility, while Kulu and Steele (2013) show how housing transitions and childbearing decisions are interrelated over the family life course. In addition, limiting eligibility to first-time homeowners can help ensure that public resources are directed toward households for whom housing represents a binding constraint rather

than an additional asset, consistent with Öst's (2012) finding that housing and family formation decisions are made simultaneously. Residency requirements and legal status criteria may further be used to align eligibility with the objective of expanding the domestic tax base.

Crucially, full eligibility should be conditional on the successful birth and upbringing of a specified number of children, here defined as three or more. Conditioning benefits on realised family outcomes helps to distinguish between households whose fertility behaviour changes in response to the policy and those whose behaviour would have been unchanged. From a fiscal perspective, such conditionality is essential to ensure that public expenditure is linked to the generation of future contributors rather than distributed as a general subsidy.

Given the long-time horizon and uncertainty associated with fertility outcomes, a phased vesting structure plays a key role in managing fiscal risk. This approach draws on the logic articulated by Werding (2014), who emphasises that the fiscal sustainability of family policy depends on aligning public expenditure with actual demographic outcomes. Rather than providing full housing support upfront, benefits can be allocated incrementally as families progress through successive birth thresholds. Under such a scheme, households may initially receive access to subsidised rental housing or preferential lease terms upon marriage or the birth of a first child. Additional support, such as partial equity participation, reduced purchase prices, or enhanced subsidies, may follow the birth of a second child. Full ownership or the maximum level of subsidy would be granted only once the household has reached the third-child threshold and satisfied minimum residency and caregiving conditions. This approach aligns public expenditure more closely with realised demographic outcomes and reduces the risk of providing large, irreversible transfers to households that do not ultimately contribute to higher fertility. It also allows policymakers to spread fiscal costs over time, which may improve political and budgetary feasibility.

The delivery of housing support can take several institutional forms, each with distinct advantages and trade-offs. One option is direct state provision, whereby public authorities finance, build, and allocate housing units. Singapore's public housing system, as documented by Chua (2014), provides a prominent example of this approach, explicitly linking flat allocation to marriage and family formation. This model allows for tight control over eligibility, pricing, and location but requires substantial administrative capacity and upfront public investment.

Alternatively, public-private partnerships may be used to leverage private-sector expertise and capital. Under such arrangements, developers may be incentivised through land grants, long-term contracts, or guaranteed demand in exchange for providing housing at regulated prices to eligible families. In some contexts, cooperation with non-profit or faith-based organisations may also play a role, particularly where such institutions have experience in community-based housing provision.

Regardless of the delivery model, integration with local land-use planning and infrastructure provision is critical. Housing for larger families must be accompanied by adequate access to schools, healthcare, transport, and childcare facilities. Without such integration, the potential fertility effects of housing support may be undermined by congestion, long commutes, or insufficient public services.

Given the novelty and scale of a housing-for-fertility scheme, phased implementation through place-based pilot programmes is advisable. Pilot projects allow policymakers to test behavioural responses, administrative processes, and fiscal impacts before committing to nationwide expansion. Regions suitable for pilot implementation may include areas experiencing population decline, underutilised housing stock, or weaker labour-market attachment, as well as suburban or satellite zones connected to major metropolitan centres. Selection criteria should reflect both demographic objectives and cost considerations, including land availability and construction costs. From a research perspective, pilot programmes offer valuable opportunities for evaluation. By comparing fertility outcomes, housing stability, and fiscal indicators across treated and untreated regions, policymakers and researchers can assess the scheme's marginal impact. Longitudinal data collection is particularly important, as the fiscal effects of additional births materialise only over extended horizons.

Housing-based pro-natalist instruments should be understood as complements, not substitutes, to existing family policies. Child benefits, parental leave, childcare subsidies, and work-family reconciliation measures address constraints that housing policy alone cannot resolve. Conversely, housing support operates through a distinct channel by altering households' long-term asset positions and perceptions of security. The broader literature on family policy effectiveness (Gauthier, 2007; Luci-Greulich & Thévenon, 2013) suggests that combinations of policies addressing multiple constraints, childcare, parental leave, housing, and income support, tend to be more effective than isolated interventions, though the optimal mix varies by institutional and cultural context.

Policy coherence requires careful coordination between these instruments. For example, housing support that strongly encourages larger families may increase demand for childcare and education services, necessitating parallel investment in those areas. At the same time, overlapping benefits must be designed to avoid high fiscal costs or unintended incentives. The impact of labour market institutions on fertility decisions (Adserà, 2004) underscores the importance of considering how housing policy interacts with employment flexibility, job security, and work-family reconciliation measures. In this sense, the housing-for-fertility framework outlined here provides a lens through which broader family policy portfolios can be assessed: not only in terms of short-run affordability and equity, but also in their contribution to long-run demographic and fiscal sustainability.

The stylised calculations in Section 3 demonstrate that, under conservative and transparent assumptions, the fiscal case for targeted housing support is not implausible: the present value of lifetime tax contributions can match or modestly exceed the upfront housing cost. This matters because it shows that the fiscal externality framework developed by Sinn (1997) and extended by Cigno and Werding (2007) can be meaningfully applied to a specific, tangible policy channel, housing, rather than remaining at the level of abstract intergenerational accounting. The results extend the existing literature by connecting the fiscal externality argument to the specific margin of third and higher-order births, where housing constraints are most binding and policy leverage is most plausible. The purpose is to clarify the main channels through which such a scheme may succeed or fail, the trade-offs it creates, and the principal risks that must be addressed for the framework to be credible in policy and research terms.

The central claim of this article is not that housing support “pays for itself” mechanically, but that under plausible conditions it can be analysed as a long-horizon investment with a positive expected fiscal return. This framing builds on Sinn's (1997) foundational analysis of how pay-as-you-go pension systems create implicit taxation of children, and on subsequent work by Cigno and Werding (2007) showing how public pension systems distort fertility incentives. Whether that claim holds depends on several interacting parameters: the magnitude of the fertility response (especially at third and higher-order births), the lifetime net fiscal contributions of children who remain in the domestic economy, and the fiscal cost of the housing unit after accounting for financing arrangements, land costs, and administrative overhead.

Three considerations are particularly important. First, the budget horizon matters. Conventional public-budget processes emphasise annual or medium-term costs, whereas the fiscal benefits of additional births materialise over decades. This mismatch tends to bias assessment against policies with long payoff horizons. Second, risk and uncertainty must be treated explicitly. Outcomes depend on future labour-market participation, earnings trajectories, and demographic behaviour; an investment framing remains credible only if presented as an expected-value statement with sensitivity analysis rather than as a guaranteed return. Third, the definition of “net fiscal contribution” is crucial. A rigorous evaluation requires accounting not only for future taxes, but also for the associated public costs of education, healthcare, family benefits and eventual pension entitlements. Stylised calculations can illustrate magnitudes, but a full fiscal appraisal ultimately requires cohort-based modelling.

A further issue concerns fiscal capacity and opportunity cost. Even if the investment argument is plausible, governments may still prefer alternative instruments with comparable returns (e.g., early childhood education, labour force participation policies, productivity-enhancing infrastructure). As

Becker and Murphy (1988) argue in their analysis of family-state interactions, the optimal policy mix depends on comparative returns across different investment channels. The appropriate comparison is therefore not between housing-for-fertility and “doing nothing”, but between housing-for-fertility and the marginal return on other long-horizon public expenditures. The investment framing becomes most compelling where housing is a first-order constraint on completed fertility, as documented by Mulder and Billari (2010) across multiple country contexts, and where existing pro-family instruments have delivered limited marginal gains. A housing policy targeted at families with three or more children raises immediate distributional questions. By design, such a scheme directs a large, indivisible benefit to a subset of households. This can be defended on efficiency grounds if the targeted group is the margin where fertility responses are most elastic and where the external fiscal benefit is largest, a logic consistent with Folbre’s (1994) argument that children function as public goods whose benefits extend beyond the family. However, distributional concerns can affect political legitimacy and compliance, and may also influence the policy’s behavioural impact. Several equity tensions are foreseeable. First, childless households or smaller families may perceive the scheme as unfair, particularly in contexts where housing affordability is also a major issue for singles and couples without children. Second, the scheme can create differential access between income groups if eligibility requires marriage, stable residency, or administrative documentation that is easier to satisfy for some groups than others. Third, spatial inequity may arise if affordable delivery requires siting housing in peripheral areas with weaker services or labour-market access.

A policy that transfers housing assets to large families will inevitably face political economy challenges. Housing is highly salient, distributional stakes are visible, and beneficiaries are identifiable. These features can generate both support and resistance, depending on how the scheme interacts with existing social cleavages and housing market conditions.

The most important political-economy issue is the distinction between investment and welfare framing. If the scheme is perceived primarily as a redistribution programme, support may weaken during fiscal tightening and controversies over targeting. If it is credibly framed as an investment in long-run fiscal sustainability and demographic renewal, it may attract broader support, including from constituencies concerned about pensions, labour shortages, or national continuity. Research on the political economy of family policy (Gauthier, 2007; Luci-Greulich & Thévenon, 2013) suggests that pro-natalist measures gain broader political support when they are framed in terms of long-term fiscal sustainability and economic competitiveness rather than as narrow welfare transfers. Maintaining credibility requires institutional design that demonstrates discipline: phased vesting, enforceable residency requirements, and measurable evaluation.

A large-scale housing subsidy affects not only beneficiaries but also the broader housing market. The most immediate risk is capitalisation into prices: if housing supply is inelastic, subsidies can raise market prices, transferring benefits to landowners and developers rather than to families (Hilber & Turner, 2014; Hilber, 2017). In such a case, the fiscal cost increases while the fertility response may weaken, undermining the investment logic. Empirical evidence from mortgage subsidy programmes in the United States (Sommer & Sullivan, 2018) and the United Kingdom (Carozzi et al., 2020) demonstrates that a substantial portion of housing subsidies can be capitalised into higher prices, with the magnitude depending on local supply elasticities and regulatory constraints.

This general-equilibrium concern implies that housing-for-fertility schemes should be paired with measures that improve effective supply, through construction capacity, land-use planning, infrastructure expansion, or development of satellite communities. Delivery through direct provision or regulated-price units may also reduce capitalisation compared to pure demand-side subsidies (Floetotto et al., 2016). However, these measures require careful coordination with urban planning and transport policy, particularly in metropolitan regions. Hilber (2017) provides a comprehensive synthesis of the mechanisms by which housing policies affect prices, emphasising the critical role of land-use regulation and supply constraints in determining policy incidence.

A second general-equilibrium effect concerns labour supply and location decisions. If housing is provided in peripheral areas, households may face longer commutes and different labour-market opportunities, a consideration that Adserà (2004) identifies as crucial for understanding how labour market institutions affect fertility rates. Conversely, stable housing may reduce stress and improve labour-market attachment by increasing residential stability, consistent with Schneider's (2015) findings that wealth and asset security play a distinct role in fertility decisions beyond current income. The direction of this effect is context-dependent and should be treated as an empirical question rather than assumed.

Third, there may be interactions with internal and international migration. In some contexts, a generous housing benefit could attract in-migration to eligible regions, altering local labour markets and housing demand. Where policy objectives are tied to expanding the domestic tax base, the scheme's eligibility and residency rules must be aligned with the intended beneficiary population. General equilibrium models of housing policy (Sommer & Sullivan, 2018) suggest that migration responses can substantially alter the distributional and efficiency implications of place-based housing interventions.

The conceptual framework in this article is intended to apply to low-fertility economies generally, but its practical viability is especially salient in high-cost urban environments. Hong Kong and Singapore exemplify contexts in which housing affordability and space constraints are central life-course issues, and fertility has reached extremely low levels. In such cases, the investment logic faces a stronger challenge: the per-unit cost of housing is high, and the gap between the PV of fiscal contributions and housing costs may be narrower unless programme design exploits spatial strategies (e.g., subsidised family housing in well-connected satellite areas) and strict targeting. In the Gulf, including the UAE, the context differs in two respects. First, housing policy and family policy often interact with broader questions of social contract and citizenship. Second, labour markets typically involve a large expatriate component, and the fiscal value of additional births may depend strongly on nationality status, labour-force participation, and long-run residency. These features do not invalidate the investment framing, but they emphasise that the "fiscal externality" channel is mediated by institutional design: who is eligible, who becomes a future taxpayer in the relevant sense, and how long they remain within the fiscal system.

Across these contexts, the general implication is that housing-for-fertility schemes are most plausible when designed as place-based, integrated programmes: tied to transport and service provision, linked to phased vesting and enforceable conditions, and evaluated using transparent metrics. Where these features are absent, the fiscal and demographic rationale weakens and the policy risks becoming an expensive transfer with limited behavioural impact.

Conclusions

This research paper has examined whether housing support targeted at families with three or more children can be credibly interpreted as pro-natalist fiscal policy in low-fertility economies. The central argument is that, in ageing societies, fertility generates a fiscal externality: parents bear substantial private costs of raising children, while the public sector and older cohorts capture part of the long-run fiscal benefits through future tax and contribution revenues. When policy appraisal focuses primarily on short-run budget horizons, this externality may be undervalued, and governments may under-invest in measures that would be fiscally attractive when evaluated over the lifecycle of future taxpayers. Bringing together the literatures on low fertility, housing affordability, and public finance, the article proposes a conceptual framework for assessing free or near-free housing for larger families using an investment logic. A stylised calibration for Poland suggested that, under transparent and conservative inputs, the present value of lifetime tax contributions associated with an average future adult can be of a similar order of magnitude to the upfront cost of providing a modest family apartment. This does not constitute a definitive cost-benefit evaluation. The calculations are illustrative and exploratory, and their results are conditional on the specific parameter assumptions

employed. However, it supports the claim that a targeted housing-for-fertility scheme can be analysed as a long-run investment rather than as a purely redistributive transfer, particularly when policy design is oriented toward influencing marginal third and higher-order births and when fiscal risks are managed through phased vesting and enforceable conditions.

The credibility of such a scheme depends on careful design: eligibility targeting, phased vesting linked to realised demographic outcomes, supply-side integration to limit price capitalisation, and place-based piloting prior to national rollout.

Several limitations of the present analysis should be acknowledged, each of which points directly to a research agenda for economists and policy scholars. First, the calculations presented here are stylised and do not constitute a full generational accounting exercise. A comprehensive analysis would require age-specific profiles of taxes, transfers, employment, mortality, and public service use, along with institutional details of the pension and healthcare systems, as demonstrated in the detailed country applications by Bonin (2001) and the cross-national comparisons by Lee and Mason (2011). The approach taken is consistent with the simplified lifetime-tax methodology used in applied public-finance studies, but it abstracts from many cohort-specific dynamics; future work should replace these stylised calculations with cohort-based modelling. Secondly, the results compare the present value of lifetime gross tax contributions with the upfront cost of housing. A complete fiscal evaluation would incorporate all public expenditures associated with an additional child, including education, healthcare, child-related transfers, and eventual pension entitlements. As Cigno and Werding (2007) emphasise, the fiscal sustainability of family policy depends critically on whether the children whose births it encourages will generate positive net fiscal contributions. Existing international studies, including Wolf et al. (2011), generally find positive lifetime net fiscal contributions in high-income settings, but magnitudes are sensitive to institutional features. Thirdly, the approach does not incorporate behavioural responses or general-equilibrium effects. Large-scale housing subsidies may influence housing prices, migration patterns, labour supply and fertility decisions in ways that modify the fiscal outcome, as demonstrated by Hilber and Turner (2014) and Sommer and Sullivan (2018) in their analyses of mortgage subsidies. The fertility response itself is uncertain; while Dettling and Kearney (2014) and Fila and Pytliková (2023) provide evidence that housing costs affect fertility, the magnitude of responses to specific policy interventions requires empirical identification through quasi-experimental or experimental approaches where feasible. General-equilibrium effects on housing prices, construction, labour supply and location choices are likely to be quantitatively important and should be analysed using structural or simulation models appropriate to the local context. Fourthly, comparative work across settings with different housing regimes and welfare-state designs would help clarify external validity and identify conditions under which the investment logic is most likely to hold. Finally, all present-value calculations depend on standard assumptions regarding discount rates, working-life duration, and tax baselines. These parameters should be interpreted as ranges, not precise point estimates, and sensitivity analysis is essential when applying the framework to specific countries or policy settings.

In low-fertility economies facing long-run demographic and fiscal pressures, the policy question is not whether governments can afford to invest in families, but whether they can afford not to. Housing is one of the largest fixed constraints shaping life-course decisions. Treating targeted family housing as a potential fiscal investment provides a coherent framework for evaluating one of the most direct ways states can reduce barriers to larger families while maintaining analytical discipline and empirical testability.

Even using conservative, transparent public data, a straightforward lifecycle accounting exercise suggests the present value of a future adult's tax contributions in Poland is on the same order as the one-off cost of supplying a modest family home. These results are illustrative and context-dependent; they should be treated as indicative orders of magnitude rather than as precise fiscal forecasts. Interpreting targeted family housing as a long-run fiscal investment (rather than only as

redistribution) therefore has prima facie plausibility, subject to the important caveats above and to robust cohort-level modelling and pilot evaluation.

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