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Economic Uncertainty and Housing Affordability as the Main Barriers to Family Formation

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Summary

The decline in birth rates in the Czech Republic is not the result of a lack of interest in parenthood. Most people still want to have two children, but the actual number of children born falls short of these aspirations. The main barriers are economic uncertainty, unaffordable housing, and job insecurity. Creating a stable environment that enables people to fulfil their plans for parenthood is therefore essential to supporting higher birth rates.

Key Takeaways

- Most Czechs still prefer to have two children.
- There is a significant gap between preferred, planned, and actual fertility.
- Financial uncertainty and unaffordable housing are among the main barriers to parenthood.
- Delaying parenthood reduces the likelihood of fulfilling reproductive plans.

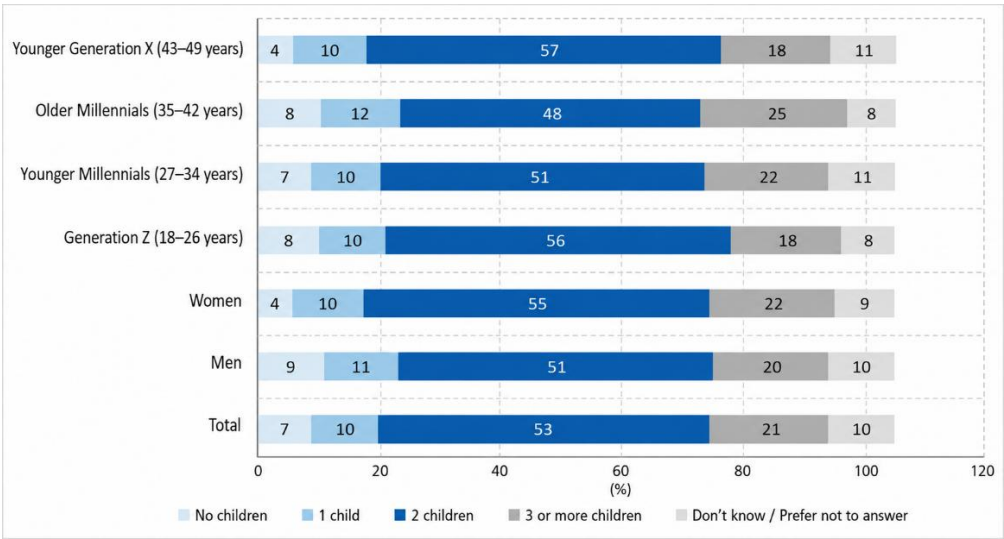
Since the days when having two or more children was considered a natural part of life in the Czech Republic, Czech society has undergone a profound transformation. The labour market, housing affordability, educational pathways, and expectations surrounding parenthood have all changed. While having a first child was once often seen as a natural part of entering adulthood, today it is increasingly the result of a lengthy process of financial preparation. Young people first complete their education, try to secure stable employment, build up savings, and find suitable housing. Parenthood is therefore gradually shifting from a natural stage of life to a project that depends on meeting a wide range of economic conditions. This does not mean that people have lost interest in having children, as is often mistakenly suggested in public debate. Instead, parenthood is increasingly postponed until later in life as people wait for the right conditions. As a result, they often end up having fewer children than they originally intended (Palonciová et al., 2023).

Declining Birth Rates Do Not Mean Declining Interest in Parenthood

In public debate, the current decline in birth rates is often interpreted as evidence of changing values among younger generations and a declining interest in parenthood. However, this conclusion is not supported by empirical data. The evidence shows that parenthood remains an important life goal for most people in the Czech Republic. Perhaps surprisingly, the two-child family also remains the dominant ideal. If people did not have to take their current life circumstances into account, they would like to have an average of 2.1 children (Waldaufová & Šťastná, 2025). This is a level that would allow the Czech population to maintain its size without difficulty.

According to data from 2024, 74% of people aged 18–49 would like to have at least two children. A total of 53% consider two children ideal, while another 21% would prefer to have three or more. Only a small minority see childlessness as their preferred life path (7%). Importantly, these preferences remain relatively stable across generations and do not indicate any major generational shift away from family life. Even Generation Z, often portrayed as a generation with limited aspirations for family life, considers a two-child family ideal (56%). Among this generation, 18% would prefer to have three or more children, considerably more than the 8% who would prefer to remain childless.

Figure 1: Preferred Number of Children among People Aged 18–49 by Gender and Generation, Czech Republic, 2024 (%)



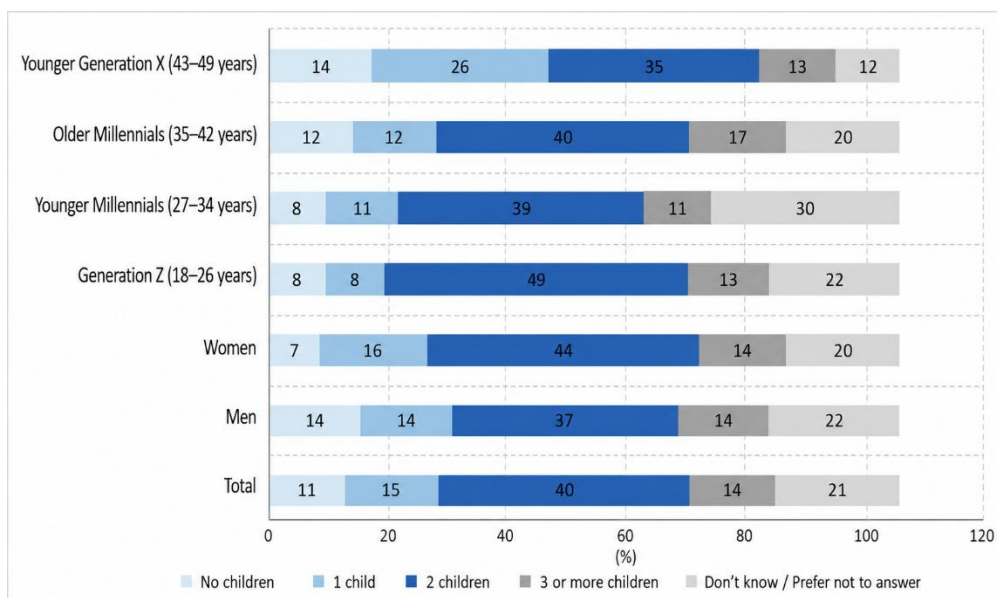
Source: NMS Market Research, 2024; adapted from Waldaufová, E., & Šťastná, A. (2025). Between Ideal and Reality: The Current Decline in Fertility through the Eyes of the Czech Population. *Demografie*, 67(2), 83–101; author's own processing.

However, a different picture emerges when respondents are asked not about their ideal preferences, but about their realistic plans. Once they take into account their own circumstances, financial situation, housing affordability, relationship stability, and employment prospects, the average number of children falls from the preferred 2.1 to a planned 1.8. The difference of 0.3 children between the preferred

and planned number may seem small at the individual level, but across the Czech population as a whole, it represents a significant decline in potential fertility.

While most people would ideally like to have at least two children, some realistically expect to have only one or are unsure whether they will have children at all. This gap is even wider among men than among women. The research also shows a high degree of uncertainty, particularly among younger millennials aged 27–34, who are currently at an age when reproductive activity is typically at its highest.

Figure 2: Planned Number of Children among People Aged 18–49 by Gender and Generation, Czech Republic, 2024 (%)



Source: NMS Market Research, 2024; adapted from Waldaufová, E., & Šťastná, A. (2025). Between Ideal and Reality: The Current Decline in Fertility through the Eyes of the Czech Population. *Demografie*, 67(2), 83–101; author's own processing.

Even more importantly, the planned number of children does not necessarily correspond to the eventual outcome of reproductive behaviour. Long-term evidence shows that some reproductive plans ultimately remain unfulfilled. People often plan to have more children than they eventually do. This may be due to further postponement of parenthood, relationship breakdown, health complications, fertility problems, or changes in a household's economic situation (Paloncyová et al., 2023). In practice, there are therefore three levels of reproductive behaviour: the preferred number of children (how many people would like to have), the planned number of children (how many they expect to have), and the actual number of children born. In 2025, the total fertility rate in the Czech Republic stood at just 1.28 children per woman. Although these figures are not entirely comparable from a methodological perspective, this level is substantially lower than both the preferred and planned number of children (ČSÚ, 2026). The gap between the preferred number of children (2.1), the planned number (1.8), and the total fertility rate (1.28) shows that the main

problem is not a lack of interest in parenthood, but rather the gap that emerges between reproductive aspirations and their fulfilment.

From an economic perspective, it is therefore more appropriate to speak of “unfulfilled fertility” than of an “unwillingness to have children.” The Czech Republic is not currently in a situation where most young people reject parenthood as a life goal. On the contrary, most still aspire to have a family with two children. However, the growing gap between reproductive preferences, plans, and actual fertility suggests that economic conditions and uncertainty are increasingly preventing people from fulfilling their aspirations for parenthood. This gap is one of the key arguments for focusing public policy on the factors that influence decisions about the timing of parenthood, particularly housing affordability, the economic stability of households, labour market conditions, and the ability to reconcile work and family life (Palonciová et al., 2023; Waldaufová & Šťastná, 2025).

Economic Uncertainty and Housing Affordability as the Main Barriers to Parenthood Plans

The results of a survey examining perceptions of the social situation in the Czech Republic among people aged 18–49 show that the main barrier to starting a family is financial uncertainty. This is not entirely surprising. In open-ended questions, as many as 55% of respondents cited financial uncertainty. This was followed, at some distance, by another economic factor—housing affordability (26%)—followed by work priorities (18%), personal freedom and lifestyle (17%), and social or political uncertainty (12%) (Waldaufová & Šťastná, 2025).

From the perspective of economic security, a key indicator is the development of Czech household incomes. As a result of high inflation, real wages fell by 9.4% in 2022 and by a further 2.4% in 2023. The subsequent recovery has not yet fully offset these earlier losses. Even in 2026, the average gross real wage remained at its 2021 level (MF ČR, 2026). Moreover, household decision-making is not based solely on statistical indicators. Czech households’ expectations are often more pessimistic than the economic reality itself. Consumer sentiment remained below its long-term average for most of the period up to March 2024, contributing to a sense of economic uncertainty and greater caution when making long-term life decisions (ČSÚ, 2024).

It is precisely in this environment that young households enter the stage of life when decisions about starting a family are typically made. For many, parenthood therefore becomes not only a personal life decision but also an economic calculation involving job stability, future household income, the costs of raising children, and the expected financial consequences of parenthood.

Young people spend longer in education, achieve stable positions in the labour market later in life, and are more likely to face uncertainty associated with short-term contracts or flexible forms of employment. While previous generations often started families at an early stage of their professional careers, the current generation tends to wait until it has achieved a certain degree of economic security.

Alongside income uncertainty, the rising costs associated with raising children also play an important role. These costs are not limited to basic material needs but increasingly reflect growing social expectations of what constitutes good parenting. Many parents consider it essential to provide their children with suitable housing, high-quality education, extracurricular activities, and sufficient financial security. At the same time, rising living standards have increased the standards that households consider necessary before having a child.

The transition to parenthood itself also represents a specific economic barrier. The birth of a child is associated with a temporary decline in household income and often with reduced career opportunities for one parent, usually the mother. Although the Czech system of family benefits mitigates a significant proportion of these effects, many households still perceive parenthood as an event with long-term consequences for both career trajectories and future earning potential.

In addition to financial uncertainty, housing—or, more specifically, its lack of affordability—occupies a particularly important position in the Czech context. More than a quarter of respondents (26%) cite housing affordability as a barrier to starting a family, making it the second most frequently mentioned factor (Waldaufová & Šťastná, 2025). This finding is neither surprising nor based on a distorted perception of economic reality. The Czech Republic has long ranked among the European countries where owner-occupied housing is least affordable. According to international comparisons, Czech households must spend a significantly higher multiple of their annual income to purchase their own home than households in most other European countries (Deloitte, 2025). In Prague, a young family may need as much as 15 years' worth of average annual salaries to purchase a property. In a country where most people aspire to own their home, this can be a decisive obstacle.

Housing is not merely a question of physical space. For most young people, it is a symbol of economic stability and a prerequisite for long-term planning. It is therefore closely linked to the financial security cited as the most common barrier to entering parenthood.

It is therefore not surprising that the average age of mothers at the birth of their first child has risen from approximately 22 years in the early 1990s to more than 29 years today (ČSÚ, 2026). This shift cannot be explained solely by longer periods spent in education or changing life preferences. The effort to achieve sufficient economic stability and secure suitable housing before starting a family also plays a significant role. Economic uncertainty and unaffordable housing have thus become key factors that turn plans for parenthood into postponed decisions and contribute to the gap between the number of children people would like to have and the number they ultimately do have.

Conclusion

When discussing what the state can do to increase birth rates, there is no simple answer. The key is to create a stable and predictable environment in which young people are able to fulfil their existing aspirations for parenthood. More affordable housing, stable employment conditions, greater economic security for households, and better opportunities to reconcile work and family life can help narrow the gap between people's aspirations and reality.

At the same time, there is scope for a broader discussion about how the transition to parenthood can be better understood and assessed among younger age groups. A better understanding of when and why reproductive plans begin to diverge from people's original intentions could help public policies target these challenges more effectively. The purpose of such an approach is not to encourage parenthood

at a particular age, but to identify the barriers that prevent people from fulfilling their own family preferences.

Reducing the gap between preferred, planned, and actual fertility should therefore be one of the main objectives of family and social policy. The aim is not to persuade people to have more children, but to create conditions that enable them to fulfil their own aspirations for family life.

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