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Certain Effects of Family and Home Setup Tax Benefits and Subsidies

SUMMARY: The population of Hungary has been continuously decreasing in recent decades, along with the developed countries of the world. Research identifies many factors as the cause of demographic processes. The low level of fertility rate is attributable to changing family formation patterns, more years spent in education, and the transformation of family models and life philosophies. The uncertainty of youth employment and the difficulty of housing opportunities appear as economic factors. In our study we examined the tendencies of the willingness to have children and the number of births in Hungary after the millennium. We consider access to housing to be a factor influencing the willingness to have children. That is why we shall review the housing market's processes following the millennium. It can be seen from the figures that, after the crisis in 2008, there was a steady decline in the number of house constructions. In order to offset this trend, the government launched a home setup program as from 2012. This was expanded in 2015, and during 2016 the conditions for subsidies were further expanded. During the period that had elapsed since its introduction, by the end of 2016, 36,000 families were able to use the family home setup allowance, which amounted to around HUF 87,000 million in one and a half years. In 2016, the beneficiaries agreed in about one third of the concluded contracts to have more children when receiving the subsidy. In an empirical study, we examined whether the intentions of young people entering the age to have children are potentially changed by the existence of the support scheme. In our own questionnaire-based study, there were 1,332 students in higher education involved. According to 73.4 per cent of the respondents, home setup support schemes do increase the desire to have children. 36.7 percent responded that if the support scheme was maintained, they would be willing to have more children themselves. We have found that the home setup support scheme positively influences the desire to have children.

KEYWORDS: fertility rate, family planning, having children, family support, housing construction

JEL CODES: I38, J13, R21

A society with a healthy demographic structure is also the foundation for sustainable economic development. In Hungary, since the 1980s the population has been decreasing, in 2011 it has fallen below 10 million persons. The population pyramid of Hungary showed an unfavourable trend. (See Figure 1)

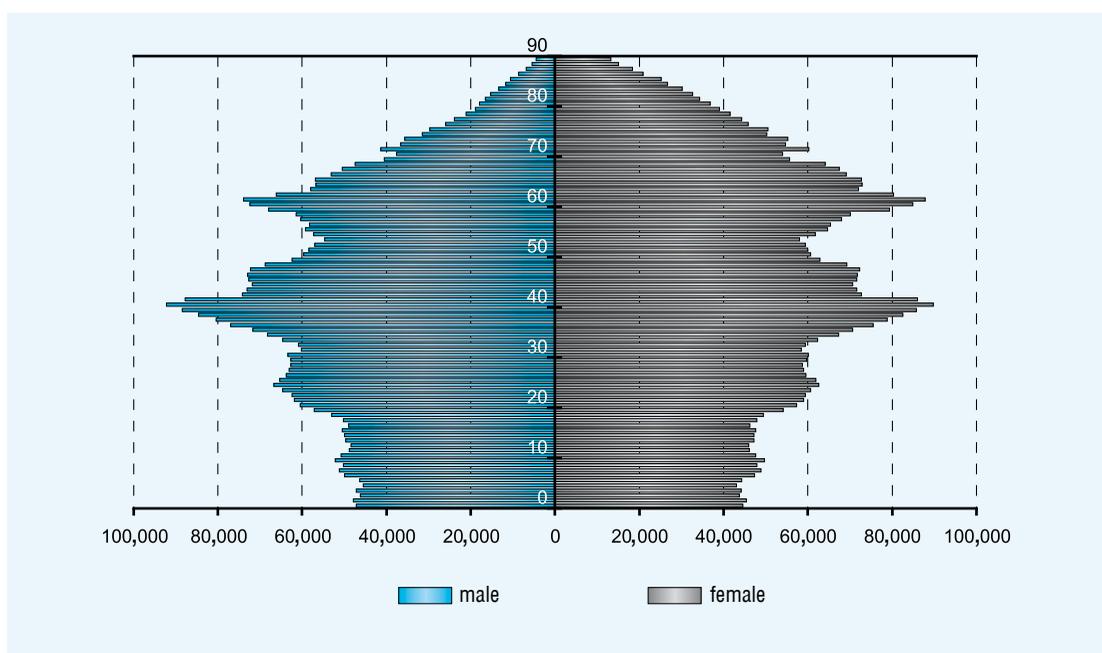
In the first part of our study, the literature of recent years provides an overview of the main

areas of population processes, birth trends, especially the post-millennium situation. We examine as to what economic factors can play a role in shaping the number of births, and whether the housing situation can be considered relevant from among those factors. After reviewing the elements of the housing support system relaunched as from 2012, we analyse the effects that are already present. For analysing these effects, we will use the official statistical data available and the data of our own questionnaire.

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Figure 1

**THE POPULATION PYRAMID OF HUNGARY ON 1 JANUARY 2016
(AGE GROUPS AGED 0–89 YEARS, BROKEN DOWN BY YEAR, PER CAPITA)**



Source: Author's own editing based on HCSO data

**EVOLUTION OF THE NUMBER OF BIRTHS,
EXPLAINED BY ECONOMIC ASPECTS**

Changes in population are made up of the number of births, the number of deaths, and incoming and outgoing migration. Our study is primarily related to birth trends, so we look at trends in the birth rate as a first step. We emphasize the economic factors influencing the willingness to have children on the basis of the literature, and of those factors, the influence of the housing situation. Childbearing is the foundation of all societies. A community will only survive by the replacement of the deceased by new generations. The size of the population, the age composition of society also have an impact on the structure and performance of the economy. The impact of demographic changes is long-term, the effect of adverse changes is difficult to modify or no

longer modifiable at a later stage. From an economic point of view, the size of the population determines the supply of labour and the extent of consumption. Moreover, age composition has an impact on social systems, such as health insurance and pension systems and future economic prospects. (Botos, 2012; Botos – Botos, 2012)

Nowadays birth rates are low in Europe, in some countries the number of women without children is extremely high. Looking at past tendencies, it can be stated that after World War II, fertility grew rapidly in Western European countries. The childlessness rate of women born in the 1930s and 1940s was low. In growth-driven economies, marriage and the desire to have children have led to an increase in births. In the welfare economies, the improving financial situation has allowed people to set up a family and to have children

at a relatively young age. (Sobotka, 2017) In Eastern European countries, it has become a social expectation for people to have children at a young age. Having children was also stimulated by politics, and contraception was not developed in comparison with the Western regions either. For this reason, childlessness rates were low. This essentially remained unchanged until those born in the 1960s.

Social changes, such as the strengthening of individualism, have increased the demand for self-fulfilment, the vulnerability of traditional family forms, having children late, the spread of non-conventional forms of coexistence, insecurity of life and growing workplace expectations had a negative impact on the willingness to have children. In the Western European countries from the 1940s and in the Eastern European countries from the 1960s, these reasons have increasingly turned the generations of childbearing age away from their intentions to have children.

With the change of regime in the early 1990s, the earlier models of family formation changed in most Eastern European countries. The fertility rate dropped, the number of births decreased. (Beaujouan et al., 2017)

At the beginning of the 21st century, the number of births declined further in most European countries compared to previous decades. The overall fertility rate is below the 2.1 percent required for reproduction in most European countries. As the reasons of these, researchers identify a number of cultural root factors that can be derived from life situations and the perception of society. The crisis period beginning in 2007–2008 has made having children and raising children difficult. (Lentner, 2011)

According to “purely” economic considerations, the benefits of having children are getting smaller. In a cost-benefit approach, children are no longer viewed as “labour supply” for the family economy. At the same time, the costs of raising children are increasing. Longer

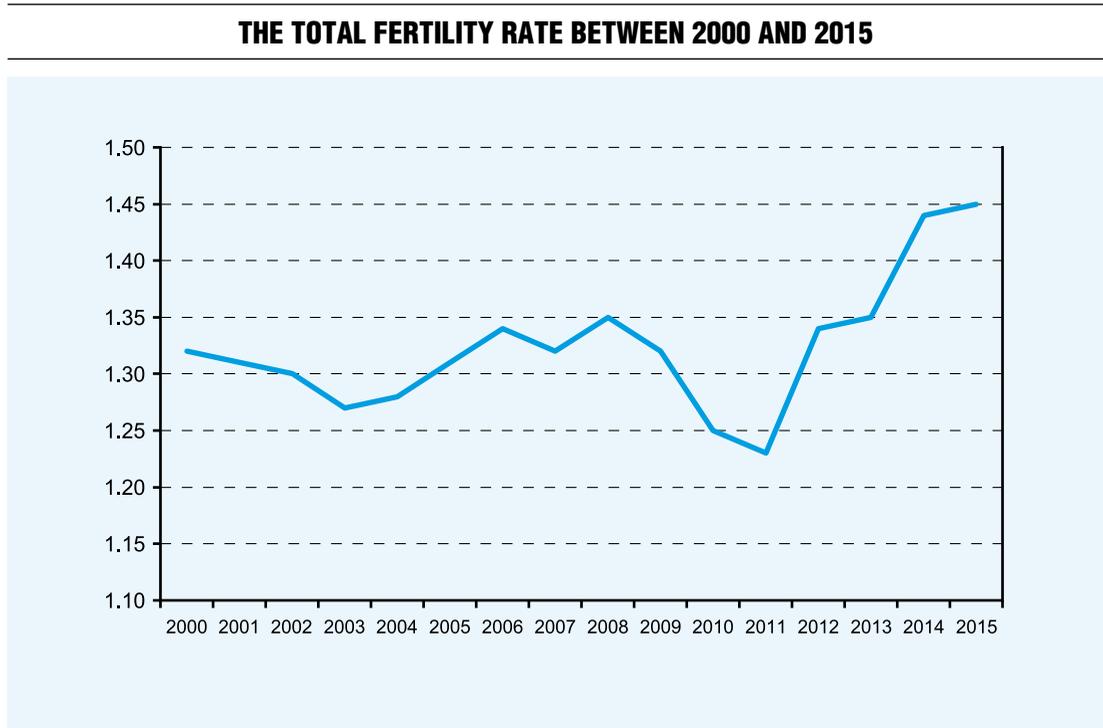
school studies, later relocation from the parent’s home, and entering the job market at a later stage are all additional costs for parents. Women who have entered the labour market are temporarily out of work, causing economic costs in the form of lost income. (Vaskovics, 2010) Economic issues include the issue of access to housing. Even today, having children is closely related to the housing situation. (Szalma – Takács, 2012) Suggestions for assisting the willingness to have children by economic policy instruments have been intensified in domestic economic thinking. (Giday, 2011; Giday, 2012) The realisation of this is urged by the fact that the overall fertility rate in Hungary declined to around 1.3 in the post-transition period and stagnated at this level in the early 2000s. This situation is exacerbated by the fact that in 2016 every sixth child was born abroad from Hungarian parents. (See Figure 2)

Examining the number of births, the data also provide an unfavourable picture. (Figure 3)

The number of births fell to approximately 95,000 by the end of the first decade after the change of regime. Between 2000 and 2008, the birth rate stagnated between 95,000 and 100,000 and it dropped considerably from 2008 to 2010 to around 90,000. The number of births was around 91,500 in 1994 and 2015. In the years to come, the number of women of childbearing age will decrease, so the number of births may be lower even in the case of an increase in the willingness to have children. (Kapitány – Spéder, 2015)

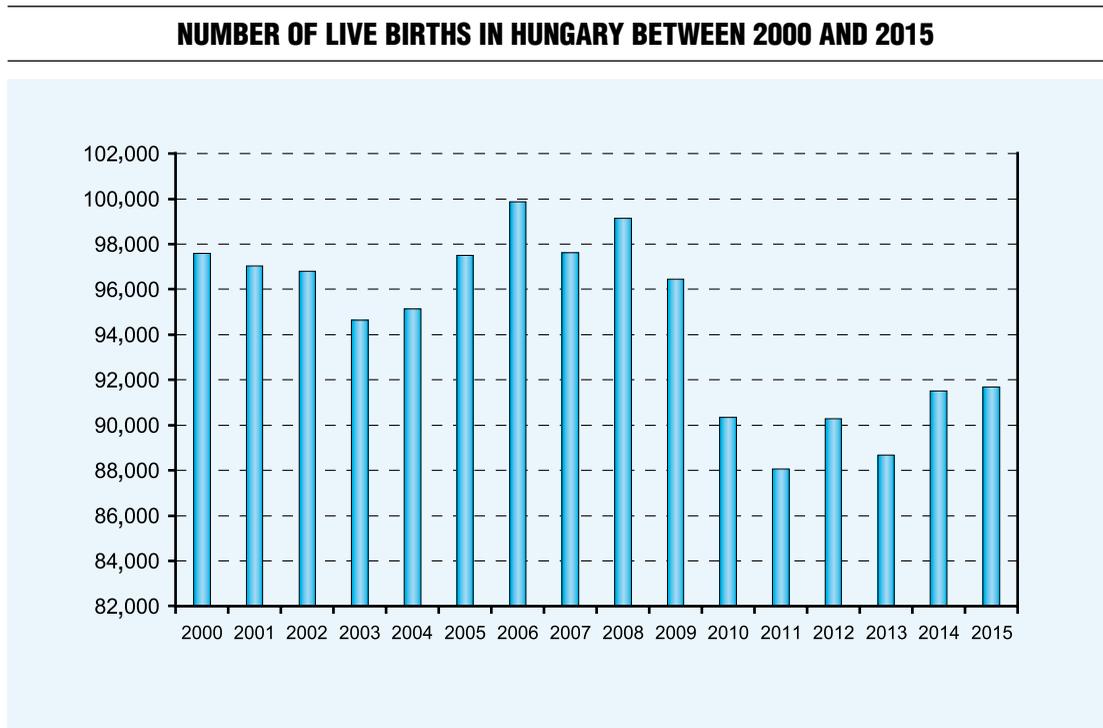
The explanatory factors of the low Hungarian fertility rate include the postponement of having children to a later age by women in Hungary after the change of regime. The reason behind postponement is primarily the prolongation of school time. At the same time, young people consider the existence of a stable economic background, i.e. the existence of a job and the resolution of their housing situation as an important factor for having children. A sta-

Figure 2



Source: Author's own editing based on HCSO data

Figure 3



Source: Author's own editing based on HCSO data

ble housing situation basically means the acquisition of an own home. (Bálint et al., 2011)

As Spéder (2014) argues regarding the decline in the willingness to have children, the changes in the social structure and the institutional system after the change of regime have created an unfavourable environment for having children. In his study, he points out that labour market uncertainties and a changing family support scheme have also reduced the willingness to have children.

Behind the decline of the willingness to have children there are complex societal processes in both the European countries and in Hungary, according to sociologists and demographers. The disintegration of traditional forms of life, the transformation of the perception of individuals in consumer societies regarding families is a qualitative change that is likely to be difficult to quantify as to the effect on birth numbers. These factors deep-rooted in culture are expected to be difficult to change, they can be influenced by economic instruments only to a limited extent.

At the same time, however, there are also economic factors behind the willingness to have children. Among the elements of a stable economic background, the existence of a private home is an important factor. The time of acquiring a home affects the date of having children. Earlier acquisition of the first home could lead to an earlier willingness of couples to have their first child. Later on, the possibility of acquiring a larger home can also help to be willing to have more children.

THE HOUSING MARKET'S PROCESSES OVER THE PAST ONE AND A HALF DECADES

The development of the housing situation influences the founding of a family and the desire to have children. At the beginning of the 2000s, the Széchenyi Plan focused primar-

ily on the construction of new homes; at the same time, it also helped to boost the circulation of second-hand housing by developing a framework for housing loans. Subsidies and favourable borrowing opportunities resulted in the rise of house constructions. (Mádi, 2006) (See Figure 4)

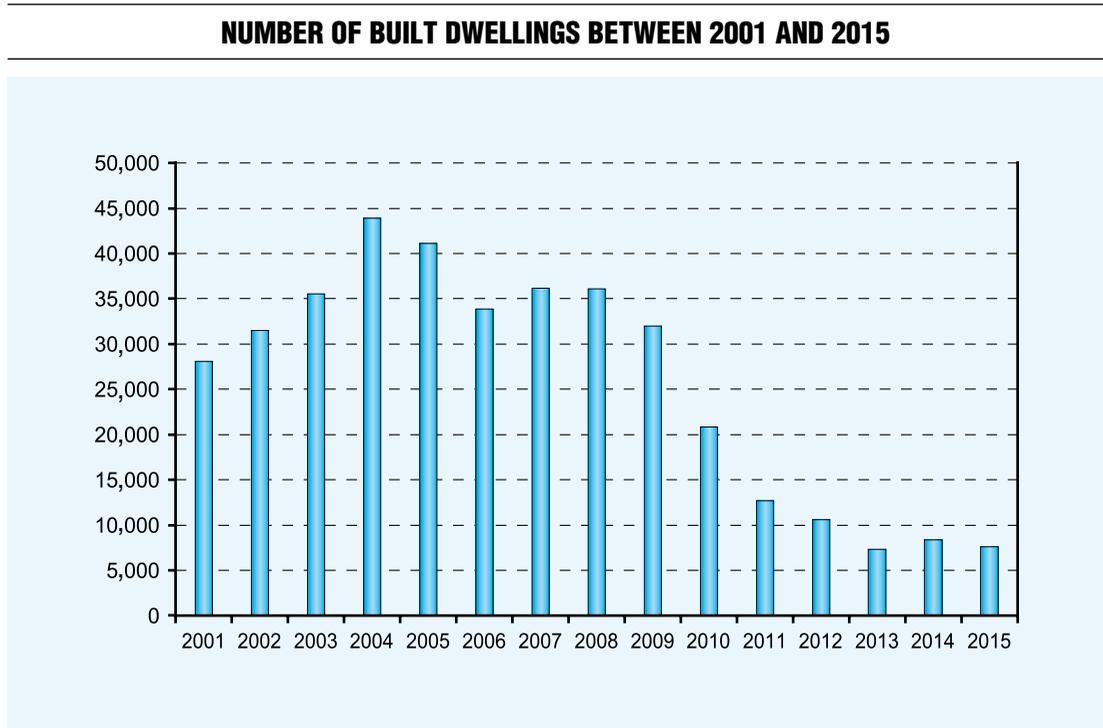
After 2002, the eligibility criteria for preferential borrowing became more stringent. Subsequently, the available personal income tax allowances decreased, and they were fully terminated as of 2007. Regrettably, with the decline of the support scheme, foreign currency loans took over the lead in housing-related lending. Structures with low credit burdens maintained the number of house constructions at a relatively high level until the financial crisis of 2008 deepened. However, the rise in foreign currency lending had serious social and financial consequences later on. (Lentner, 2015). The support scheme was completely abolished by 2009. As a joint result of the collapse of lending, the disappearance of the support scheme and the financial crisis, the number of new homes built dropped dramatically. By 2010, the number of new housing constructions fell to about half of its peak in 2004, and by the low point reached in 2013 it essentially dropped to its one sixth. (NGM [Ministry of National Economy], 2012)

After 2007, the turnover of second-hand homes also changed significantly according to the data of the Hungarian Central Statistical Office.

The turnover of second-hand homes substantially decreased to half from 2007 to 2009 and stayed at this low level until 2014. (See Figure 5)

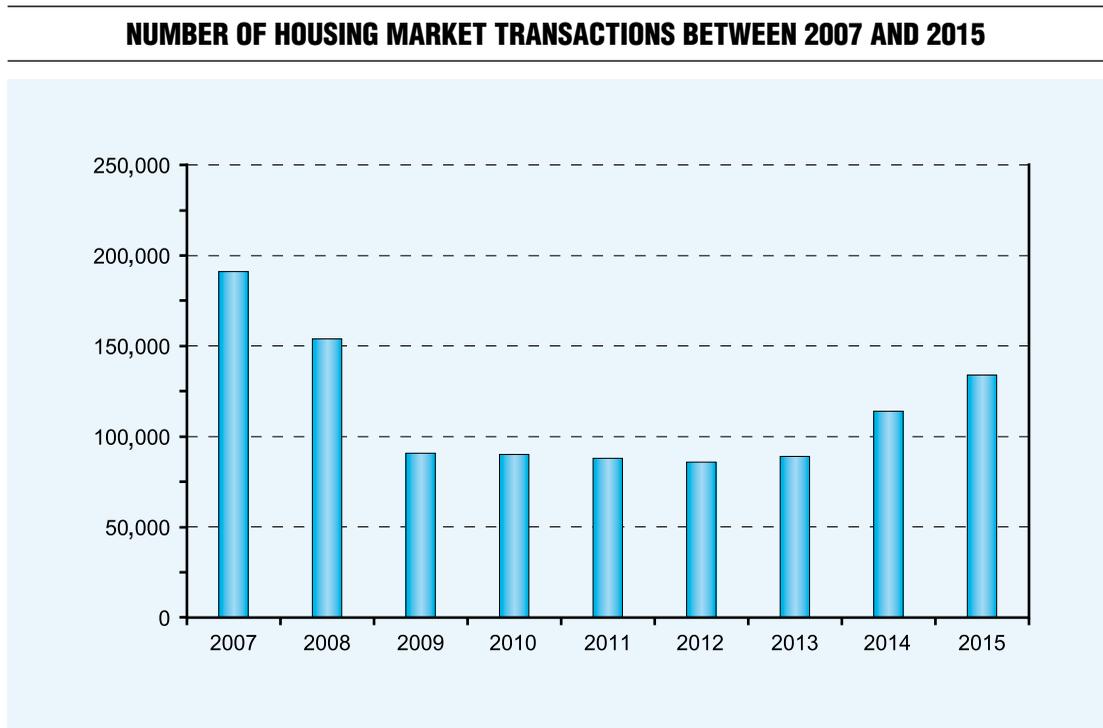
It is interesting to note that the emergence of the derivatives created from mortgages secured by real estates contributed to the emergence of the 2008 crisis as the value of real estates did not increase indefinitely contrary to market expectations, and thus these asset

Figure 4



Source: Author's own editing based on HCSO data

Figure 5



Source: Author's own editing based on HCSO data

schemes collapsed, dragging down with them the entire economy. (Kecskés and Halász, 2010)

The 2008 subprime crisis is a good example of the magnitude of the issues the financial institutions had with the governance system (Kecskés, 2015). Thereafter, however, excessive correction can be observed at banks, which resulted in less credits being placed, which had an impact on real estate transactions. Namely, bank loans became more expensive and more difficult to access (Zéman et al., 2014). According to *Zoltán Zéman et al.* (2013), using appropriate controlling tools, banks could have planned their loan portfolios much more efficiently and they would have been able to manage their risks.

SUPPORT FOR HOME SETUPS AND ITS EFFECTS AFTER 2012

According to *András Kecskés* (2016), the introduction of regulated real estate investment companies in Hungarian law in 2011 would already have served the purpose of real estate developments to rise. With the revitalisation of a stronger, more socially inspired support scheme, the Home Setup Program was launched in 2012. One element of this is the renewed social policy support. Its aim is to support the home constructions and home buying of those not having a home yet. The other element was the home setup interest subsidy. The purpose of home setup interest subsidies was to provide interest-subsidised loans that could be used to buy, build new homes, to buy second-hand homes and to modernise homes. In the alternative, this form aimed at assisting debtors in trouble. The home setup interest subsidy could be used to purchase a residential property burdened by a past-due mortgage loan or a terminated loan and to buy a smaller home for loan debtors in

arrears. (NGM [Ministry of National Economy], 2012)

The improvement of the performance of the Hungarian economy and the stabilisation of the budget made it possible to further develop the support scheme, thus extending the scope of non-refundable support to the purchase of second-hand housing. The possibility of using interest-subsidised loans is still available when building or buying a home; in addition, the tax refund represented further allowances. Discounts have already been extended to those with one child or those planning to have one child. The maximum allowable amount of the non-refundable family allowance (CSOK) and of the interest-subsidised loan increased. As a result of further amendments adopted in 2016, the rules for the use of the home setup allowance became even more favourable since the beginning of 2017.

The Hungarian system is characterised by the fact that opportunities, access to income and wealth are differentiated, but the active public economic policy and its strong system of social aspects aim to improve the financial situation of those who intend to have children and to form a family, through which the number of births and the number and proportion of families with a stable financial background may increase. The family and home setup system, based on the principle of self-care (with some own contribution and a stable family establishment intention), assigns state resources and the regulatory tools that are to be directed towards the goal to be achieved.

THE EVOLUTION OF THE USE OF SUBSIDIES

The radical transformation of the home setup support scheme in 2015 and the further facilitations of the initial conditions were welcomed. The support also called “the new

SocPol” was applied for by many families. Many benefited from the preferential interest-subsidised loan and used the possibility of tax refunds. The data already available show a high degree of interest. This also shows the expansion of financial knowledge at a social level, which largely defines financial literacy. Financial literacy is also in correlation with the demographic situation. (Bárczi – Zéman, 2015)

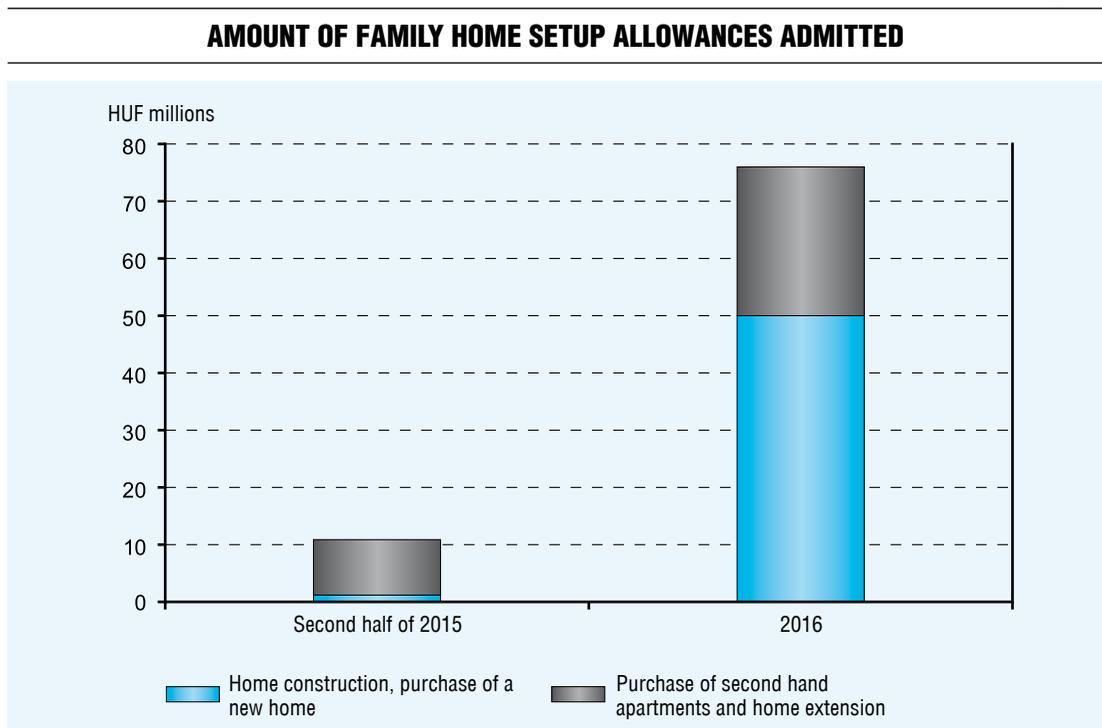
In the second half of 2015, family home setup allowance was awarded in the amount of HUF 1,179 million, and in the amount of ca. HUF 50,000 million in 2016. In the second half of the year 2015, applications for the purchase of second-hand homes and home extensions were admitted in the value of HUF 9,700 million and HUF 26,000 million in 2016, respectively. (See Figure 6)

During the period that had elapsed since its introduction, 36,000 families were able to

use the family home setup allowance, which amounted to around HUF 87,000 million in one and a half years.

According to the available data (EMMI unique data supply), approximately 9,000 families, 63% of those applying for support, also requested interest-subsidised loans in the period between January-July 2016 in the amount of HUF 544,000 million, in addition to the family home setup allowance. Of this, the rate of borrowings was 57 percent for new dwellings, 67 percent for second-hand flats purchased, and for home extensions it was 24 percent. The interest-subsidised loan of maximum HUF 10 million introduced from 1 January 2016 for families with three or more children was raised by 1,600 families. This was nearly three quarters of all large families concerned, with a value of the loans amounting to HUF 13,700 million. (EMMI, 2017)

Figure 6



Source: EMMI data supply, National Assembly

In the second half of 2015, more than one third (35 percent) of the families applied for support in respect of a child (children) committed to in advance. Based on data from January to July 2016, similarly to the previous period, in 37 percent of the cases the support was requested for commitments to children in the future. Within this, according to funding targets, the distribution was as follows: more than half (53%) of the new builders/buyers applied for the CSOK in advance. For the HUF 10 million support amount, 82 percent of married couples and partners had agreed to raise the number of their children to at least three and 18 percent asked for the allowance in respect of their existing children. In the case of second-hand real estates, the proportion of commitments to have children was 32 percent.

In the entire year 2016, 15.8 percent of the contracts concluded pertained to one child, 48.5 percent was related to two children, and 35.5 percent to three or more children. Overall, 69.7 percent of the contracts concluded were related to children already born, and 30.3 percent to commitments to have children. (EMMI, 2017) (National Assembly, 2017) (csalad.hu, 2017)

Looking back on the second half of 2015 and the 2016 year, it can be seen as a positive fact that promoting home setup support encouraged childbearing. Of course, it will be possible to see only later on whether the announcement of the “arrival” of already planned children is timed by the families to the obtaining of the benefits, or if the support scheme can indeed permanently increase the desire to have children and the fertility rate. We have tried to assess the possible shift of future vision through our questionnaire described in the following chapter.

The additional impact of promoting access to homes is the rise in the number of housing constructions. In addition to encouraging family formation and having children, the

support scheme aims to increase the number of housing constructions and to boost the housing market. This has a beneficial effect on economic growth through the revival of the construction industry; and it also supports the growth of bank lending.

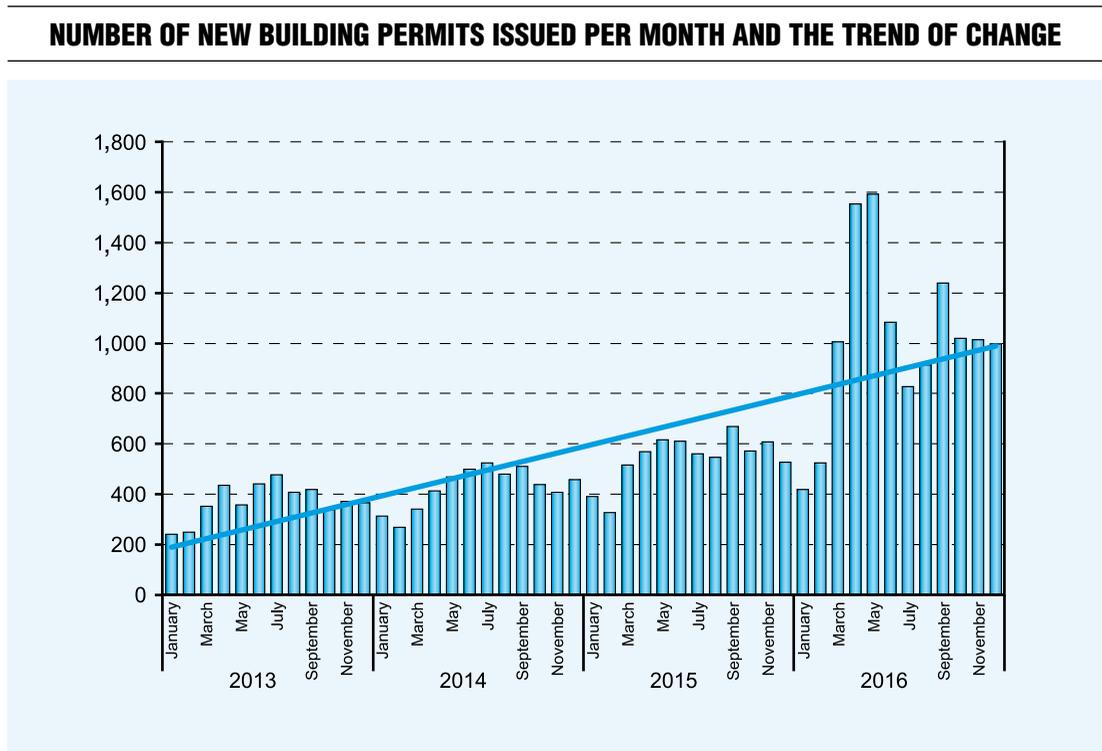
The construction of new homes, however, follows the stimulating measures only with delay. Builders submit the permit applications after the increase in demand, and the construction works will actually take place after that. In addition to the low housing market demand before 2015, also building capacities have decreased and they also need to be developed. In order to ease constructions, the authorisation process has been recently significantly simplified in respect of residential buildings. The number of new housing developments in the near future can be predicted based on the number of permits submitted. (See Figure 7)

According to the data of the Hungarian Central Statistical Office, in 2016 authorisations increased considerably. This anticipates an increase in the expected new housing constructions. According to the study of experts of the National Bank of Hungary, the rise of the Hungarian housing market is already entering its mature phase. Following the downturn in housing construction in 2013, there are signs of recovery as a result of the increase in the income position of the population and the improvement of bank lending conditions. A boost to the demand side is underpinned by the home setup support scheme. The upswing in the housing market may be sustainable in the long run. (Kormanik – Kovalszky – Schindler, 2016)

RECEPTION OF HOME SETUP SUPPORT BY YOUNG PEOPLE

In order to evaluate the long-term impact of home setup support on the change of the willingness to have children, we conducted

Figure 7



Source: Author's own editing based on HCSO data

our own questionnaire interviews among university students. Our goal was to evaluate whether the attitude of young people we were able to access towards having children is changing in the knowledge of the home setup support scheme.

We may add that, in the light of previous research on financial literacy, the financial knowledge and skills of young Hungarians did not show a very favourable picture. (Luk-sander et al., 2014) (Zsótér – Béres – Németh, 2015) Thus, it was also questionable to what extent young people were aware of the information on the family support scheme.

Research Methodology

Statistical methods used in the research: descriptive statistics, cross tabulation and

hypothesis analysis. According to the results of our investigations, no significant correlations can be established between the analysed variables either on the basis of the cross tabulation or the chi-square test. Below we will present the results obtained as the distribution of the responses to the questionnaire.

Scope of persons questioned in the research

Students from Budapest and Győr participated in filling in the questionnaire, from both full-time and correspondence courses. They belonged to the age group who, in principle, are already fertile, and the current age of childbearing will be reached by them in a couple of years or they have just reached this age.

The survey took place in November 2016. In the first part of the questionnaire, we asked about the gender, age, place of residence, number of siblings and housing situation of respondents, and we wanted to know about their job experiences in order to learn about some of their demographic characteristics. 1,332 people participated in the interview. 42.6 percent of the respondents were men, 57.4 percent were women. 735 of the respondents were between 18 and 25 years, which is 55.2 percent. 22.4 percent of the respondents were in the 26–30 age group, those between 31 and 35 years made up 11.4 percent, and those over 35 years accounted for 11 percent of the respondents.

2.1 percent of the respondents live in settlements with less than 500 inhabitants, 7.5 percent live in settlements with a population of 500–1,000, while 26.3 percent live in settlements with 1,000 to 10,000 inhabitants. 28.5 percent of the respondents live in settlements with 10,000 to 500,000 inhabitants, and 35.5 percent of respondents live in Budapest.

15.4 percent of the respondents have no siblings. 639 respondents (47.9 percent of respondents) have one sibling, 24.9 percent of the respondents have two siblings, 7.6 percent have three siblings, and only 4.2 percent have more than three siblings.

56.3 percent of the respondents live in their own family home, 10.3 percent of them live in a condominium with 2–4 flats, 13.6 percent of them in their own apartment in a 5–16 flat condominium, 13.4 percent of them own flats in condominiums with more than 16 flats. The remaining 6.3 percent live in service or rented housing.

29.2 percent of those interviewed had a work experience during summer student work, 28.9 percent had one to three years of experience and 12.8 percent had four to six years of experience. The remaining 29.1 percent have more than six years of work experience.

Result of the questionnaire survey

It was an important question for us to learn “in general” how respondents think about the incentive effect of home setup support regarding the willingness to have children. We asked the question: “Do you think that the new home setup support measures will increase the desire to have children?”

The answers were as follows among all respondents and their groups:

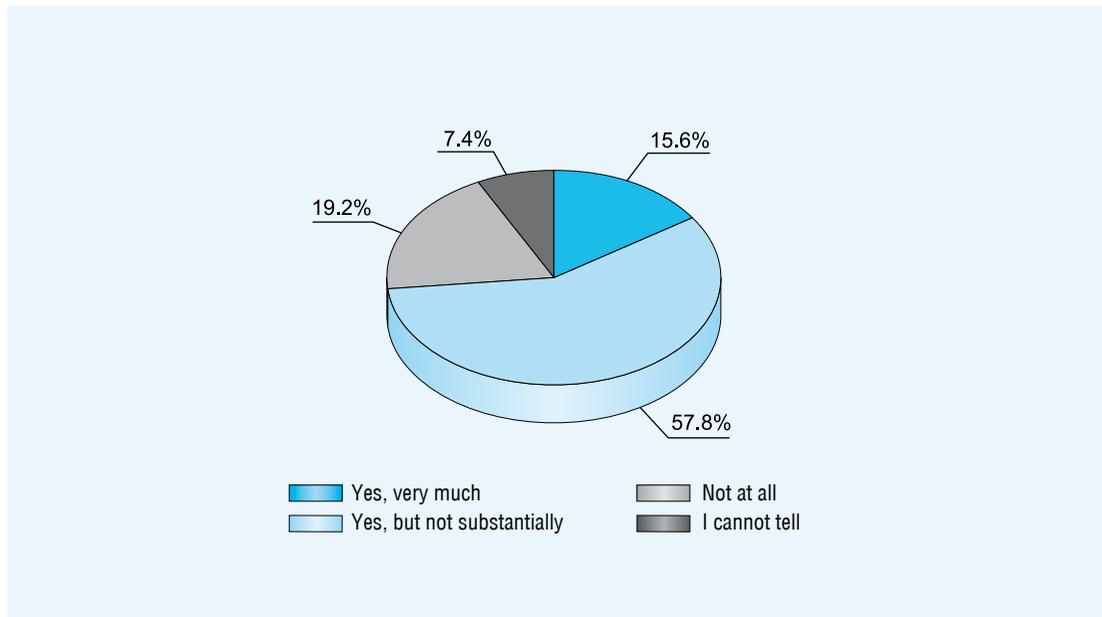
According to 15.4 percent of the respondents, the support greatly increases the desire to have children, according to 58 percent it does increase the willingness to have children, but not significantly. However, 19.2 percent said it did not affect the willingness to have children at all. 7.4 percent cannot judge this question. (*See Figure 8*)

The judgment by men and women on this question was almost the same. 15.1 percent of male respondents said that the allowances introduced considerably increase the willingness to have children, according to 57 percent they do not significantly increase it, according to 19.5 percent of male respondents the new housing support measures would not at all increase the willingness to have children, and 8.4 percent of men cannot judge the question.

According to 15.6 percent of women, the newly introduced allowances considerably increase the willingness to have children, while 58.9 percent say that they do increase it but only marginally. 18.9 percent of female respondents said the measures had no effect on the willingness to have children, and another 6.6 percent would not be able to judge this question.

Examining the answers according to age groups, we did not find much difference in the responses either. 16.9 percent of the 18–25 age group responded “Yes, very much”, 59 percent said “Yes, but not significantly”, 17.3 percent said “Not at all” and 6.8 percent said “I cannot tell”.

THE INCENTIVE EFFECT OF HOME SETUP SUPPORT FOR HAVING CHILDREN ON THE BASIS OF RESPONDENTS' VIEWS



Source: own questionnaire

17.4 per cent of people aged between 26 and 30 consider the impact very significant, 59.5 per cent consider it significant but not substantially significant, 15.4 per cent do not consider the aid to be effective in boosting childbearing at all, and 7.7 per cent cannot judge the impact. Among the 31–35 year olds, 9.3 per cent believe the support is effective, 51 per cent think it is effective, but not very much, 30.5 per cent do not consider it to have any impact on the willingness to have children and 9.3 per cent cannot judge the extent of the impact. Finally, 10.4 per cent of people over the age of 35 consider the support to be very effective, 56.8 per cent think it is effective, but not significantly, 25.3 per cent do not think it has an influence on having children, and 7.5 per cent cannot judge the issue.

In a breakdown by the number of siblings, the question was answered in the following distribution.

Of those who did not have siblings, 18.7 per cent replied “Yes, very much”, 48.8 per cent said “Yes, but not significantly”, 23.6 per cent of them said that the allowance did “Not at all” influence the willingness to have children, and 8.9 per cent of respondents replied: “I cannot say”.

14.3 per cent of those who have one sibling believe the support to be very effective, 61.9 per cent think it has an effect, but not significant, 18.7 per cent think it has no effect, and 5.2 per cent cannot judge the issue. 15.2 per cent of those with two siblings think that the aid is very supportive, 59.1 per cent believe it is effective, but not very much, 16.1 per cent think it has no effect and 9.7 per cent cannot judge the issue. Of those with three siblings 15.2 per cent think that the support has a high impact, 50.5 per cent think it is effective, but not significantly, 28.3 per cent do not think that it has any impact on child-

bearing, and 6.1 percent cannot judge the issue. Those with more than three siblings, 12.7 percent attribute a strong impact to the support, 56.4 percent believe it is effective, but not very much, 14.5 percent assume it has no impact, and 16.4 percent cannot judge the issue.

We wanted to know if the respondents think that the home setup support motivates them for having children. Our question was: “Are you thinking of having more children than you have planned so far, if the current housing support scheme is maintained?” Responses were distributed as follows.

8.2 percent of the respondents said that they do think about having more children as a result of the home support introduced, and 28.5 percent believe that it is possible that this will affect the number of their children later on. However, 53.5 percent think that it does not affect the number of children at all. 9.8

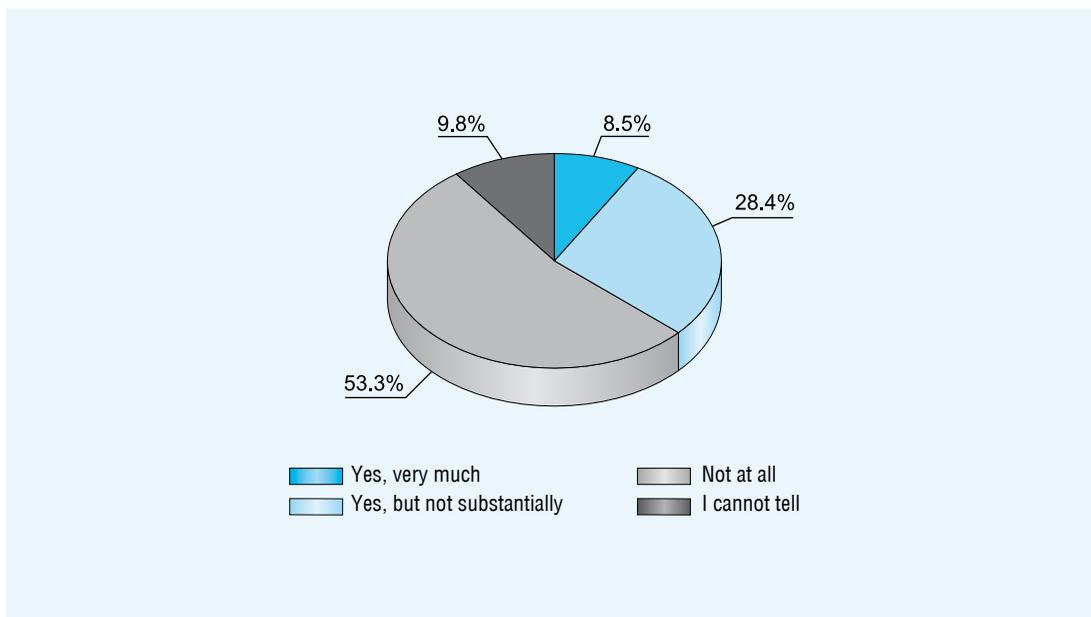
percent of the respondents cannot judge the effect of the support. (See Figure 9)

We did not find any significant differences between the groups by examining responses based on gender. As a result of the newly introduced housing support scheme, 9.7 percent of male respondents think about having more children than planned, while 46 percent does not think so, and 31.6 percent think that there is a possible impact on the number of children. 12.7 percent of men cannot judge the issue.

Among female respondents, 7.1 per cent think that the new measures are likely to affect the number of children that people are willing to have, 26.1 percent of female respondents believe it is possible that the new housing support scheme will have an impact on the situation. 59.1 percent said the newly introduced allowance would have no effect at all on the number of children, and 7.7 percent of the

Figure 9

THE INCENTIVE EFFECT OF HOME SETUP SUPPORT FOR HAVING CHILDREN ON THE BASIS OF RESPONDENTS’ VIEWS



Source: own questionnaire

female respondents could not judge the question.

By grouping respondents by age, the distribution of responses was as follows: Of the 18–25 year olds, 9.2 percent replied “Yes, surely”, 27.3 percent said “Yes, it is possible”, 51.5 percent said “Not at all” and 12 percent said “I cannot say”.

Of the 26–30 year olds, 8.4 percent replied “Yes, surely”, 35.3 percent said “Yes, it is possible”, 50.3 percent said “Not at all” and 6 percent said “I cannot tell”.

8.6 per cent of people aged between 31 and 35 would surely have more children, 28.5 percent consider the commitment to more children possible, 53 percent would not commit to more children, and 9.9 percent were not able to answer the question.

Finally, 2.7 percent of those over the age of 35 would surely have children, 20.5 percent consider it possible, 69.9 percent do not consider more children at all possible, and 6.8 percent cannot judge the answer to the question.

In a breakdown by the number of siblings, we have received the following distributions.

Of those who did not have any siblings, 9.4 percent replied “Yes, surely”, 24.6 percent said “Yes, it is possible”, 55.2 percent said “Not at all” and 10.8 percent said “I cannot tell”. Following this pattern, they responded as follows

- those who have one sibling: 5.5 percent, 26.9 percent, 59.3 percent, 8.3 percent;
- those who have two siblings: 10.7 percent, 33.2 percent, 45.1 percent, 11 percent;
- those who have three siblings: 8 percent, 35 percent, 48 percent, 9 percent and
- those have more than three siblings: 12.7 percent, 23.6 percent, 43.6 percent, 20 percent.

The answers to our questions reveal that home setup support does have an impact on the thinking of the respondents regarding the willingness to have children. In any case, this can be positively evaluated in that the support

may have an incentive effect on the increase of the willingness to have children in respect of the future. True, the responses shade the picture in that although respondents generally consider supports as incentives, but they are much more reserved with regard to themselves. As far as the increase in willingness to have children is concerned, they see supports as incentives only by half.

We wanted to know how the respondents saw the influence of the support system on their housing situation. Our question was: “To what extent the currently implemented home setup scheme can contribute to the acquisition or development of the housing you expected to have?”

Of the respondents to the questionnaire, 20.1 percent believe that the support can make a significant contribution to the purchase of the desired home, 41.9 percent believe that the contribution may only be small, while 37.5 percent think that the amount of the aid will not have any effect on buying a home, and 0.5 percent can not judge the question.

Our conclusion is that respondents generally appreciate the support scheme in a positive way regarding their own future home purchases. More than 60 percent believe that the housing support is expected to help them acquire the imagined home.

SUMMARY AND EVALUATION

In our study we reviewed the most important factors regarding the willingness to have children, based on the literature.

In the years immediately following the crisis in 2008, the fertility rate in Hungary and the number of births decreased even in relation to previous numbers. There was a noticeable decline in the housing market, a drastic decline in the number of housing constructions, which contributed to the deterioration

of economic indicators. After 2010, the government placed focus on helping home setup in the course of rebuilding the family support scheme. Nevertheless, the economic situation has enabled the establishment of an efficient home setup support scheme only after 2015, following financial consolidation.

In our study we summarised to what extent the family home setup allowance and the use of preferential loans with interest subsidies were realised between the middle of 2015 and the end of 2016. During the period that had elapsed since its introduction, by the end of 2016, 36,000 families were able to use the family home setup allowance, which amounted to around HUF 87,000 million in one and a half years. In 2016, the beneficiaries agreed in about one third of the concluded contracts to have more children when receiving the subsidy. We have a good foundation to conclude that subsidies may increase the willingness to have children, as many of the recipients submit their subsidy applications by committing to children who are not yet born.

Acquiring a proper home can bring the birth of the first child in families to an earlier point in time, so that parents can have additional children in their fertile age. The smaller burden of accessing housing, the opportunities for larger apartments can also help families to plan larger families. Another important

consequence is that the realistic prospect of acquiring their own real estate can prevent young people going to work abroad for financial reasons from leaving Hungary.

Based on our questionnaire survey among college students, it can be seen that home setup subsidies have an influence on their family establishment plans. At present, their thinking primarily shows that others are supposed to have a higher willingness to have children. This, however, implies that they assume a change in attitudes that may affect their own thinking, and does affect it in a measurable way. In the empirical research we have found that the intentions of young people entering the age to have children are potentially changed by the existence of the support scheme. In our own questionnaire-based study, there were 1,332 students in higher education involved. According to 73.4 per cent of the respondents, home setup support schemes do increase the desire to have children. 36.7 percent responded that if the support scheme was maintained, they would be willing to have more children themselves.

Home setup support in the short term contributes to the recovery of the economy by the increase of constructions and the increase of turnover in the real estate market. In the long run, turning the demographic processes into a more favourable direction serves social policy goals.

NOTE

¹ The cross tabulation is a data table capable of characterising the relationship between variables, in which the joint, combined frequency distribution of the values of two or more nominal or ordinal variables can usually be represented. The cells in the table contain values obtained for each combination of the variables' values and provide information about the correlation between the variables. Cross tabulation analysis is one of the most commonly used methods to test the relationship between two or more limited number of categorised or value-added (non-metric) variables. Investigating the relationship between two variables can be accomplished using a chi-square statistical test. The test measures the statistical significance of the relationship between two variables. With the chi-square test, the null hypothesis (H0) can be checked to see if there is any correlation between the variables tested. Information about the strength of the relationship is obtained through the relationship tightness indicators.

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