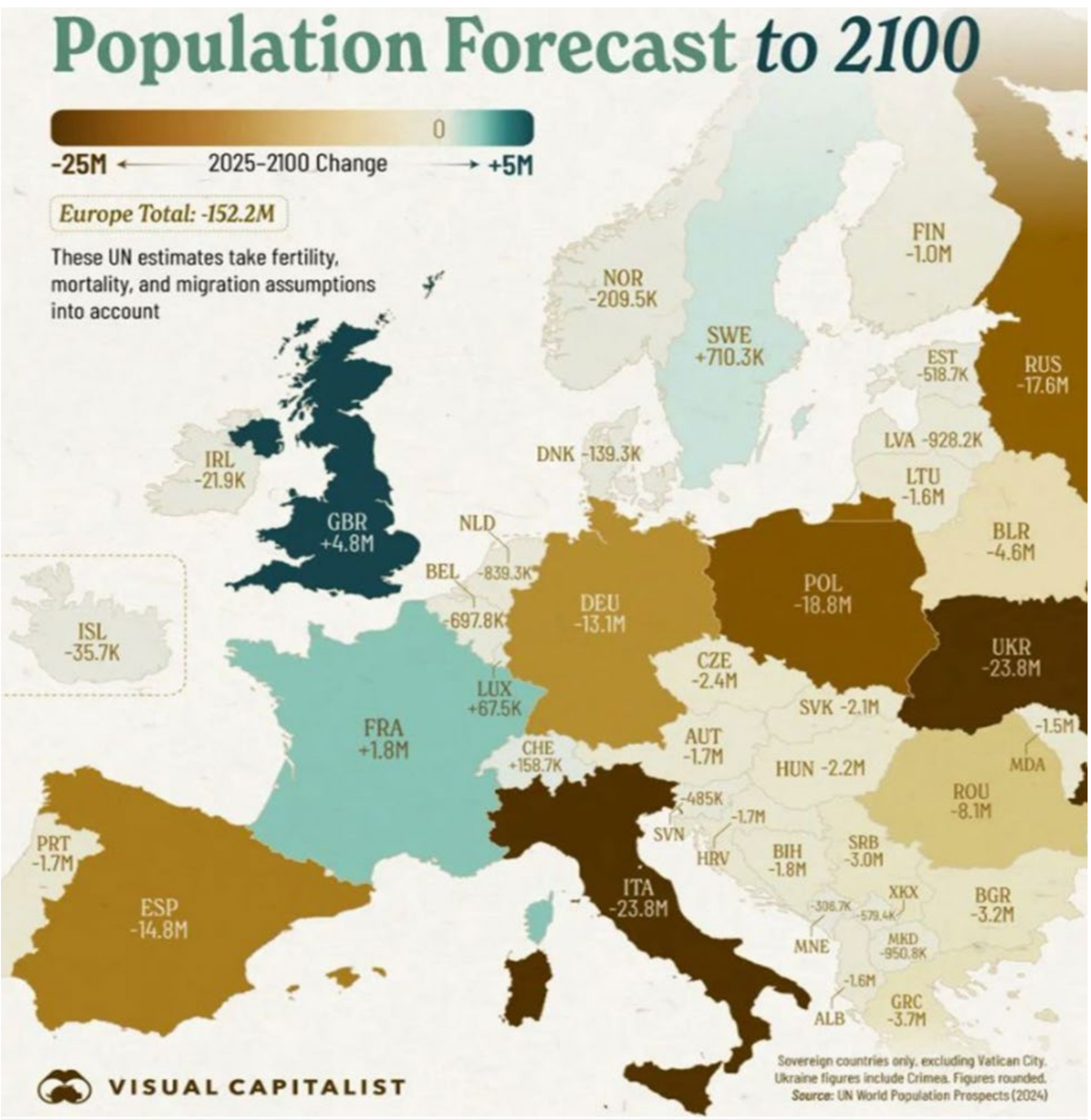
Lifestyle Financial Planners

Europe is ageing and, in many places, shrinking. What does that mean for housing, pensions, and work?

Consider this rather detailed infographic by Visual Capitalist on European population forecasts that opens up the debate about how Europe's shifting demographics will reshape jobs, taxation, housing demand, healthcare costs, and the capacity of a smaller workforce to support a larger retired population.



This Visual Capitalist map, built from UN-style long-range projections, shows large parts of Europe, especially in the East and South, projected to have materially smaller populations by 2100.

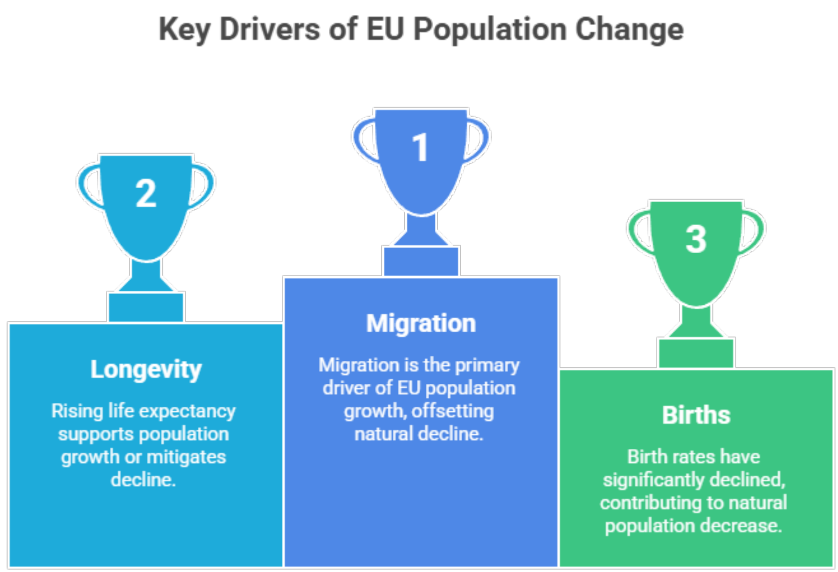
These are estimates and actual figures will depend on a number of variables, including:

Births
Eurostat's latest EU figures show the total fertility rate fell to 1.38 births per woman in 2023 almost half what it was six decades ago. There are numerous reasons for this but the reduction most likely stems from housing costs, childcare availability, job security, and the economics of forming a household.

Even countries with generous supports have struggled to keep fertility near replacement. France, for example, recorded more deaths (651,000) than births (645,000) in 2025 the first time this has happened since the end of World War II. That's a warning sign, not an outlier.

Closer to home, the latest data published by the Dept. of Education and youths shows 6,470 fewer children are attending primary school, this year compared to last, the largest decline in years. The decline in primary school-age children, combined with rural depopulation and changing work patterns have created the perfect storm, especially along the West coast where in one example, Leaffoney NS, Co. Sligo had to permanently close with only one child registered and SN Naomh Antoine near Clifden, Co Galway didn't fare any better, closing last year with just 2 children registered. Many of these schools managed to remain open in recent years due to the enrolment of children from Ukrainian or asylum seeker families who were living locally.

Migration
This is the most politically fragile factor.
A recent Eurostat release reported by Reuters showed the EU's population reached a record 450.4 million in 2024, driven almost entirely by migration. Net migration of about 2.3 million more than offset a natural decrease of about 1.3 million (more deaths than births).
So while "Europe is shrinking" is true in parts, the EU headline number can still rise for now, because migration is doing the heavy lifting.
Relying on migration carries complications.
It's uneven in that migrants tend to cluster where jobs, networks, and housing exist, accelerating decline in peripheral regions.
Many of these migrants arrive working-age, initially helping dependency ratios until they themselves age.



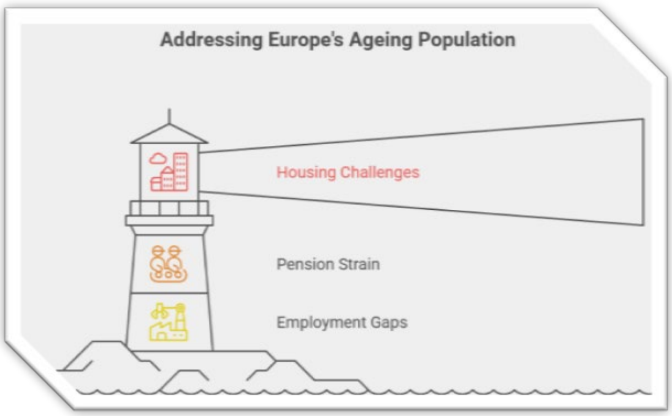
And it's politically contested, creating social division around housing, healthcare, education, and integration.

Longevity
UN projections note that rising life expectancy tends to support population growth or at least mitigate decline. But longer lives cuts two ways.
On the positive side, there are more healthy years, more time for work and contribution, a larger "silver economy."
On the cost side on the other hand are more years requiring pension income, healthcare, and long-term care, especially if healthy life expectancy doesn't keep pace.
The European Commission's Ageing Report and the ECB's analysis point to rising age-related expenditure pressures in parts of Europe, though impacts vary widely by country and policy design.
For Ireland specifically, the Commission's country fiche shows the old-age dependency ratio is projected to more than double by 2070, even with Ireland's relatively favourable starting position.

What this means in practice

Housing: Location matters more than market risk
Demographic decline can hollow out regional property markets. Fewer households, more inheritances, and outward migration can create a persistent oversupply in some areas, especially in towns with weak employment bases. The Visual Capitalist framing emphasises that Eastern and Southern Europe face the steepest declines under UN-based projections but closer to home, both Spain and Portugal are also negatively impacted.
The sharper risk isn't "European property collapses." It's akin to the old adage of Location, Location, Location. Owning property in the wrong location, where demographics and local economics move in the same negative direction isn't a good long-term plan.

Pensions: the pressure is the worker-to-retiree balance
Ireland demonstrates how quickly the age mix can shift even from a favourable starting point. The European Commission's Ireland country fiche notes the old-age dependency ratio is set to more than double by 2070.



That doesn't tell us exactly which policy lever will be pulled, from higher pension age, higher PRSI/taxes, slower State pension growth, or more private pension provision, but it tells us the direction. More claims on the system relative to the number paying in is going to be an even bigger drag on the system, hence one of the key rationales for the recently introduced Auto Enrolment.

Work and technology: helpful, but not a panacea
Technology can improve efficiency and automation, reducing the administration of many repetitive and cumbersome tasks. In providing strategic support in many fields, it can enable better decision making and lead to productivity gains.
What these new advances in technology can't replace however are skilled trades like plumbing, electric and almost all construction related activities which require hands-on human activity or the professional care and human touch provided by doctors, nurses, social care etc.

There are two sides to the coin in this declining population forecast, in my opinion.

- A smaller population can be positive in that it reduces congestion, can ease some environmental pressures and make certain public and healthcare services easier to access and manage.
- How our State welfare system on the other hand can be maintained whilst age structures change dramatically, is going to take a lot more than wishful thinking.

Additionally, we need to consider:
what kind of housing holds value and remains functional
whether retirement ages drift upwards
how much personal provision is needed alongside the State
how available (and affordable) healthcare becomes
how stable taxation and benefits remain over the long term
which regions thrive and which struggle to retain working-age people

Whether you're planning on buying a property, funding your retirement, staying put or moving elsewhere, recognising that these detailed forecasts deserve our early attention, just like Financial Planning does. This is quite important because the cost of adapting tends to rise while you wait until the downsides are already visible.
So why not get in touch with us here at Lifestyle Financial Planners, reserve your Discovery Meeting and take the first steps to on your road to Financial Freedom. Email info@lifestylefinancialplanners.ie or call 096-75951