A1: Make delay of impairment a national healthy-ageing target

Care demand is projected to increase substantially in Europe over the coming decades. However, its magnitude will depend importantly on future health trajectories. Moreover, long-term care spending is likely to be influenced far more by the health status of older individuals than by population ageing per se. Delaying the onset of functional impairment should therefore become a central and measurable objective of healthy-ageing policy, alongside efforts to expand care-system capacity.

Recommendations:

- **Make delaying the onset and progression of care-relevant functional impairment** a central objective of national healthy-ageing and long-term care strategies.
- **Track progress** using indicators such as healthy life years at 65, the expected age at onset of functional limitations, and inequalities in both measures.
- **Economists need to develop better tools to translate health improvements into economic indicators**. For example, the implications for fiscal sustainability of raising the retirement age by one year are relatively well understood, whereas far less is known about the fiscal impact of reducing the care gap.

Why this matters

Longer lives are not necessarily healthier lives

Europe's long-term care challenge is usually framed as a consequence of population ageing. While that diagnosis is correct, it is incomplete. Population ageing increases the number of people reaching ages at which care needs become common. However, it does not determine when functional limitations emerge or when those limitations translate into a need for care. Ultimately, health trajectories play a crucial role in shaping the overall demand for long-term care.

Health trajectories drive future care demand

The BB-Future projections combine demographic scenarios with alternative health trajectories to estimate the future care gap. In the optimistic health scenario, gains in longevity are accompanied by a postponement of impairment to later ages. In other words, people live longer and remain healthier for longer. In the pessimistic scenario, increased longevity is associated with substantially more years spent in need of care. The baseline scenario assumes moderate health improvements alongside continued gains in life expectancy.

The projections highlight the importance of health trajectories for the future care gap. Under pessimistic health assumptions, care demand could increase by as much as 70% in Europe by 2060. Under the baseline scenario, demand is projected to rise by around 30%.

These results are clear: **care demand and the care gap vary more across health scenarios than across demographic scenarios**.

This does not mean that increasing healthy life expectancy is sufficient to reverse the demographic pressures facing long-term care systems. Even under the most optimistic health scenario, the ratio of people with care needs to the working-age population, who could potentially provide or finance that care, continues to increase. However, the magnitude of this increase varies substantially across health scenarios. Thus, Europe's future long-term care challenge is shaped not only by population ageing, but also by the health trajectories that determine when and to what extent care needs arise.

What matters is also how many of the additional years of life are spent in good health and without functional limitations. Furthermore, while demographic pressures are largely predetermined, health trajectories are far more amenable to policy intervention. Governments must therefore pursue policies that promote healthy ageing alongside measures to expand long-term care capacity, rather than treating future care demand as fixed.

Delaying impairment also protects public finances and labour supply

The fiscal consequences are also substantial. BB-Future findings indicate that future long-term care expenditure is far more sensitive to healthy ageing than to demographic ageing per se. If gains in longevity are accompanied by improvements in health, long-term care spending remains close to current levels in most countries. However, in the absence of healthier ageing, long-term care expenditure is projected to increase by between 125% and 220% by 2070, under more pessimistic ageing scenarios.

Furthermore, public long-term care budgets are vulnerable to financial pressures. During the eurozone crisis, for example, Spain’s austerity measures reduced national support for long-term care: access to benefits was delayed for some people who were already eligible, the extension of entitlements to people with moderate dependency was postponed, and part of central-government funding was suspended between 2012 and 2020. The Spanish case provides a cautionary tale: a country can expand LTC provision, but these improvements may be difficult to sustain when public finances are under pressure. Delaying impairment cannot eliminate this risk, but by reducing future care needs it could make higher levels of provision easier to sustain and reduce the risk that financial pressures translate into a wider care gap.

The effects of population ageing extend beyond public budgets. Informal care provision nowadays already reduces effective labour supply in the five countries[1] studied by about **1.7%**, with a similar GDP loss. Under poor health developments, the labour supply loss could rise towards **2.6%** by 2070, and the GDP loss to 2.4%. If people remain healthy for longer, much of that additional financial burden could be largely avoided.

From a policy point of view, this suggests that governments should not monitor longevity alone. The relevant outcome is whether **the onset of functional limitation is moving to later ages as life expectancy rises**.

Importantly, the objective should not be defined as delaying entry into the care system. Administrative entry depends on a range of factors, including eligibility rules, service availability, prices, family circumstances, and national care arrangements. Moreover, formal entry into the care system does not necessarily reveal whether individuals' care needs are being adequately met. Statistics may suggest that people are entering the formal care system later in life, but this could simply reflect restricted access to services or rising levels of unmet need rather than improved health outcomes.

Focusing on healthy life expectancy at age 65 therefore provides a visible and internationally comparable headline indicator. However, because it is based on self-reported activity limitations, it does not map perfectly onto the intensity of care needs. It should therefore be complemented by additional indicators, such as the expected age at onset of moderate or severe functional limitation and the expected number of impairment-free years remaining at age 65.

The analysis in this policy recommendation is based on the following BB-Future sources:

- Börsch-Supan, A. and S. Douhou (2026) 'Preparing for Europe's coming care wave', BB-Future Digest 1, 22 May, BB-Future, available at: https://www.bb-future.eu/wp-content/uploads/2026/05/BB-Future-Digest-1_22052026.pdf
- Koo, D. (2026) 'In a 24-hour day, more care means less time at work', BB-Future Digest 4, 12 June, BB-Future, available at: https://www.bb-future.eu/wp-content/uploads/2026/06/BB-Future-Digest-4_12062026.pdf
- Louhalia, S. and E. Perdrix (2026) 'Three decades of long-term care policy in Europe: overview of the French, German and Spanish trajectories', Deliverable 4.5, BB-Future, available at: https://www.bb-future.eu/deliverables/.

[1] France, Germany, Italy, Poland and Sweden.