B5: Protect working hours, not only labour-force participation

Policies should consider not only whether informal caregivers remain in employment, but also how caregiving affects the number of hours they work. Caregivers may remain in the labour force while reducing paid working hours or sacrificing leisure time to provide care. This distinction matters when designing policies that encourage informal care, whether directly through caregiver allowances or indirectly through limited access to formal care services. Temporary flexibility can help households manage periods of intensive caregiving, but reducing working time should not become the default response to shortages in formal care provision.

Recommendations:

- **Secure return arrangements.** Temporary reductions in working hours or periods of leave to provide informal care should be agreed between employee and employer, with a clear review or end date and a guaranteed right to return to previous contracted hours once care needs diminish. Employees should not have to accept a permanent reduction in working time in order to accommodate temporary caregiving responsibilities.
- **Allow flexible scheduling.** When care is needed at specific times and job tasks permit it, employees and employers should be able to agree temporary adjustments to shifts, working hours, or start and finish times without reducing total paid hours. Where care responsibilities cannot reasonably be accommodated through flexible working arrangements, access to formal care or respite services should form part of the solution.
- **Carry out country-specific assessments.** Before introducing policies that encourage greater reliance on informal care, governments should assess the paid work and leisure time caregivers are likely to forgo, taking account of household income and care intensity. They should also assess the availability and accessibility of formal care services. A high employment rate alone does not indicate that families can provide more care without significant costs.
- **Account for unpaid care when assessing policy costs.** National statistical offices should publish estimates of unpaid care hours and their economic value alongside the main national accounts. When evaluating care allowances, subsidy reforms, or reductions in formal care provision, governments should also report the paid working hours, earnings, and tax contributions forgone by caregivers. Lower public expenditure on long-term care does not necessarily reduce total costs; it may simply transfer them from governments to families.

Why this matters

In 2023, informal care provision amounted to an average of 1.56 hours per week per adult aged 25-64 across France, Germany, Italy, Poland and Sweden. Because these figures are averaged across the entire working-age population, the actual time commitment for caregivers is substantially higher. Under a scenario with no improvement in age-specific health ("pure ageing"), informal care provision increases by 27%, reaching 1.98 hours per week per working-age adult by 2070.

These unpaid care hours are largely invisible in conventional economic statistics. Yet they must be provided somehow. When households allocate more time to care, those hours come from either paid work or leisure. BB-Future estimates that informal caregiving currently reduces effective labour supply by around 1.7% across the EU5. By 2070, this rises to 2.6%, as most additional care hours are expected to be taken from paid work rather than leisure.

Importantly, employment status alone does not capture these effects. A caregiver who reduces working time from full-time to part-time remains employed, even though earnings, pension contributions and tax payments fall. Policies therefore need to consider not only whether people stay in the labour force, but also how many hours they work.

Adapt working arrangements to growing care needs

As population ageing increases informal-care needs, many workers will require temporary adjustments to their working arrangements. A reduction in working hours should not automatically become permanent. Employees who temporarily reduce hours or take leave to provide care should have a clear pathway back to their previous working arrangements once care needs decline.

Flexible scheduling can also help households reconcile work and care responsibilities. Where care can be organised around work, adjustments to shifts, start and finish times, or remote working arrangements may allow caregivers to maintain paid hours. Where care requirements exceed what households can reasonably absorb, formal care or respite services may be needed to prevent lasting reductions in labour supply.

Higher employment and informal care can coexist

BB-Future simulations suggest that increasing full-time employment among caregivers would increase the care gap only modestly. This indicates that higher employment is not necessarily incompatible with continued family caregiving.

However, maintaining care while increasing labour-market participation may come at the expense of leisure time. Whether such an outcome is desirable depends on policy choices regarding formal-care provision and support for caregivers.

Make unpaid care visible

Informal caregiving represents substantial unpaid work that is not recorded in the main national accounts. As a result, policies that reduce public long-term-care spending by relying more heavily on families may appear less costly than they actually are.

National statistical offices should therefore publish unpaid care hours and estimates of their value alongside the main national accounts. Governments should also report the paid work, earnings and tax contributions forgone by caregivers when assessing long-term-care reforms. This would provide a more complete picture of the true costs of care provision.

Care burdens are distributed unevenly

The impact of informal caregiving is not evenly distributed across households. Lower-income households tend to face greater care needs and are more likely to meet those needs by reducing paid work. As populations age, these differences are projected to widen further.

This means that policies encouraging informal care may have unequal effects across socioeconomic groups. Measures such as flexible working arrangements, return rights and income support can therefore be particularly important for lower-income households, which often have less capacity to absorb reductions in earnings.

Main message

As populations age, policymakers should consider not only who provides care, but also which hours are given up to provide it. Caregivers may remain employed while reducing working hours, earnings and future pension entitlements, or while sacrificing leisure time. Policies should therefore aim to make caregiving compatible with employment through temporary flexibility, secure return arrangements and adequate access to formal care. At the same time, the economic value of unpaid care should be measured explicitly so that the full costs of long-term-care policies are visible.

The analysis in this document 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
- Börsch-Supan, A. and H. Horton (2026) 'Projections of the care gap in selected European countries based on demographic and health projections', Deliverable 4.4, BB-Future, available at: https://www.bb-future.eu/deliverables/
- 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
- Koo, D. (2026) 'Macroeconomic implications of the care wave: informal care, labour supply and the ageing transition in the EU5', Deliverable 6.2, BB-Future, available at: https://www.bb-future.eu/deliverables/
- 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/.