C1: Rebalance long-term care systems by expanding formal care capacity before informal care shortages emerge

Europe's current mix of formal and informal long-term care is becoming increasingly difficult to sustain. BB-Future projections show that demographic changes, including lower fertility, increased longevity, changing family structures and greater geographical distance between generations, will reduce the availability of informal care and substantially increase demand for formal services. At the same time, current workforce shortages mean that formal care systems are not prepared to absorb this demand. To prevent a widening care gap, governments must begin expanding formal care capacity now through workforce development, improved retention, training expansion and long-term planning. The goal should be to ensure that informal care remains a choice rather than a necessity, while guaranteeing timely, affordable and high-quality care for all who need it.

Recommendations:

- **Expand formal-care capacity before informal care shortages materialise.** Member States should begin increasing formal care provision now rather than waiting until demographic pressures become acute. Expansion should be phased according to existing care-system capacity and realistic workforce development trajectories.
- **Establish country-specific workforce targets**. Governments should develop workforce targets for 2030, 2040 and 2050 based on projected care needs, demographic trends and anticipated changes in informal care availability. Targets should be expressed in full-time equivalents relative to projected care hours.
- **Make workforce retention the first pillar of expansion**. Improving retention should take priority alongside recruitment. Governments should improve pay, staffing levels, working conditions, career progression opportunities and family-friendly workplace arrangements.
- **Expand training and recruitment pathways.** Member States should increase publicly funded training places, develop paid apprenticeships, support return-to-care programmes and facilitate career transitions into care occupations. International recruitment may also play a role where shortages are particularly severe.
- **Incorporate projected informal care capacity into LTC planning.** National LTC planning frameworks should explicitly incorporate projections of family size, family structure, geographical proximity and other determinants of informal care availability when assessing future workforce and infrastructure requirements.
- **Improve efficiency without compromising quality.** Assistive technologies, digitalisation, task-sharing and administrative simplification should be used to improve workforce productivity while maintaining care quality and access.
- **Monitor outcomes, not only workforce numbers.** Progress should be evaluated through indicators covering workforce capacity, unmet care needs, continuity of care, regional access and care quality.

Why this matters

Demographic change is reshaping the feasible care mix

BB-Future projections show a rapid increase in the proportion of very old people relative to the working-age population across Europe. Countries that currently rely heavily on informal care, such as

Italy and Poland, are projected to experience particularly large increases in old-age dependency ratios. At the same time, fertility decline and changing family structures will reduce the availability of potential family caregivers.

BB-Future simulations indicate that the projected European reduction in the average number of children alone could raise reliance on formal care by between 10 and 21 percentage points, depending on the structure of national LTC systems. Additional changes, including higher female labour-market participation, increasing prevalence of stepfamilies and greater geographical distance between parents and children, further reinforce this increase.

Europe already faces a care gap

Current care systems are not starting from a position where needs are fully met. SHARE data show substantial levels of unmet care needs among older people with limitations in daily activities. Consequently, future demographic pressures will emerge on top of existing shortages rather than replacing a currently functioning equilibrium.

Informal care cannot absorb the gap indefinitely

Family characteristics influence care arrangements. Older single adults are more likely to receive informal care when daughters live nearby or have relatively low opportunity costs. However, these observed patterns should not be interpreted as guarantees of future care provision.

Assuming that family members will continue to absorb growing care needs risks creating a system in which access to care depends on family circumstances rather than individual need. Informal care should remain a voluntary choice rather than becoming a substitute for inadequate formal provision.

Workforce shortages are already severe

Many European countries already struggle to recruit and retain LTC workers. Low pay, difficult working conditions and limited career progression contribute to persistent vacancies.

Governments have been addressing these constraints for several years now. Germany introduced a minimum wage in 2010 for the care sector and provided 13.000 additional nursing positions with its 2019 workforce reform. In France, the 2018 reform introduced advanced practice nurses to reduce the need for doctors in routine actions, including in nursing homes. After COVID, which put the LTC system on the political spotlight, the government introduced further measures, with improvements in pay for formal caregivers and, from 2022, higher minimum tariffs for home care services. France also introduced measures to improve the coordination, expecting to increase its efficiency, of formal home care in 2023 and of care within nursing homes in 2025

Many of these supply-side reforms were introduced after reforms that expanded access to LTC, recognised it as a right or extended eligibility for public support to people with less severe impairment. These policies increased demand and showed supply shortages. Population ageing will further increase the demand for care services. BB-Future projections suggest that countries such as Germany and France will require very substantial increases in their LTC workforces over coming decades. Germany currently employs around 1.7 million full-time-equivalent long-term care workers and France around 1.2 million. Even under conservative assumptions, Germany would require approximately 2.2 million workers by 2070 and France around 3.1 million.

Across the full range of demographic and health scenarios, Germany may need between 500,000 and 3.9 million additional workers by 2070, while France may require between 1.9 million and 4.4 million more. While the precise numbers remain uncertain, every scenario points in the same direction: the formal long-term care workforce will need to expand substantially.

As discussed, several countries have been trying to improve the LTC workforce for years, but recruitment and retention difficulties still persist. Further reforms to overcome future expected shortages need to be implemented with enough time. Training care professionals, recognising qualifications, and expanding care infrastructure takes time. Delaying action would force governments to compete for scarce labour amid broader workforce shortages, while unmet care needs continue to grow.

Gender inequalities may widen

Women face greater exposure to care shortages both as care recipients and care providers. They live longer, are more likely to experience disability at older ages and provide the majority of informal care. Increased reliance on family care therefore risks reinforcing existing gender inequalities in employment, earnings and pension outcomes. Whether the government should mitigate these effects depends on their social and distributional policy objectives, as discussed in Policy Recommendation B3.

Policy action is needed now

Training new workers, developing care infrastructure and improving workforce retention require many years. Delaying action until shortages become acute would significantly increase adjustment costs and could result in rising unmet care needs. Early investment can smooth the transition towards a sustainable future care system while preserving individual choice regarding informal care arrangements.

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

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- Barczyk, D., Y. Koh and M. Kredler (2026) 'Preference heterogeneity versus economic incentives: what determines long-term care arrangements in Europe?', SSRN Working Paper, available at: https://doi.org/10.2139/ssrn.7126885
- 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/
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- Hougaard Jensen, S., D. Pinkus and N. Ruer (2024) 'Long-term care policies in practice: a European perspective', Working Paper 21/2024, Bruegel, available at: https://www.bruegel.org/sites/default/files/2024-12/WP%20Full%20Paper_DavidandNina.pdf
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