



Long-term Care and Employment

Per Eckefeldt

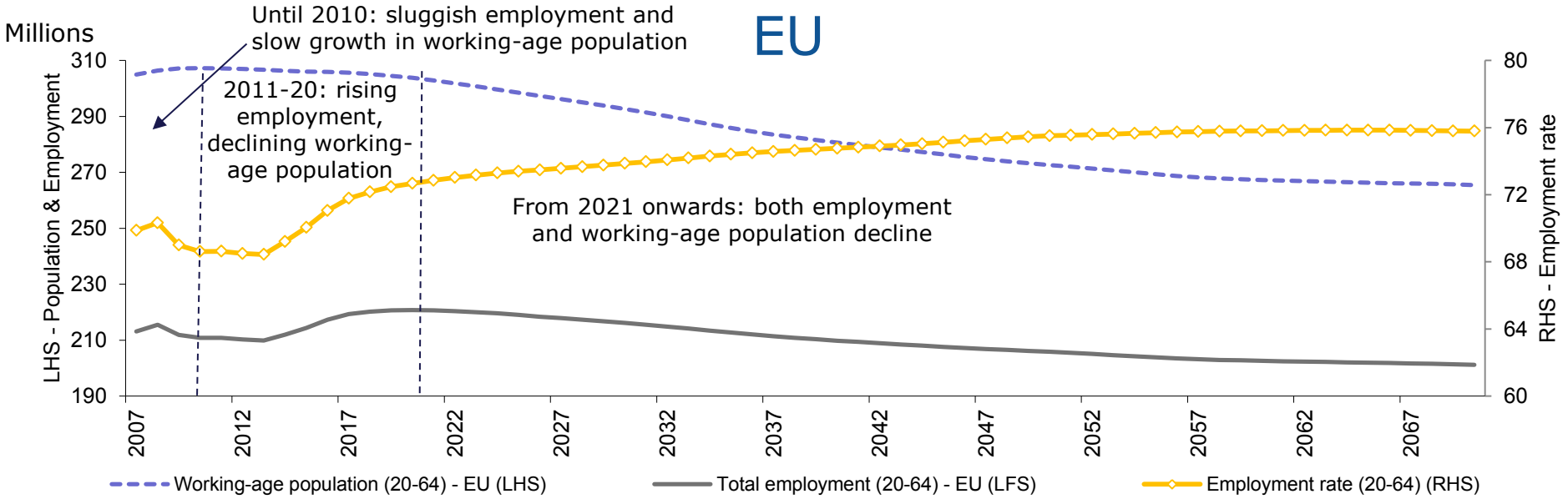
European Commission
Directorate General for Economic and Financial Affairs

***The Financial Implications of Population Ageing and the
Sustainability of Public Finances***

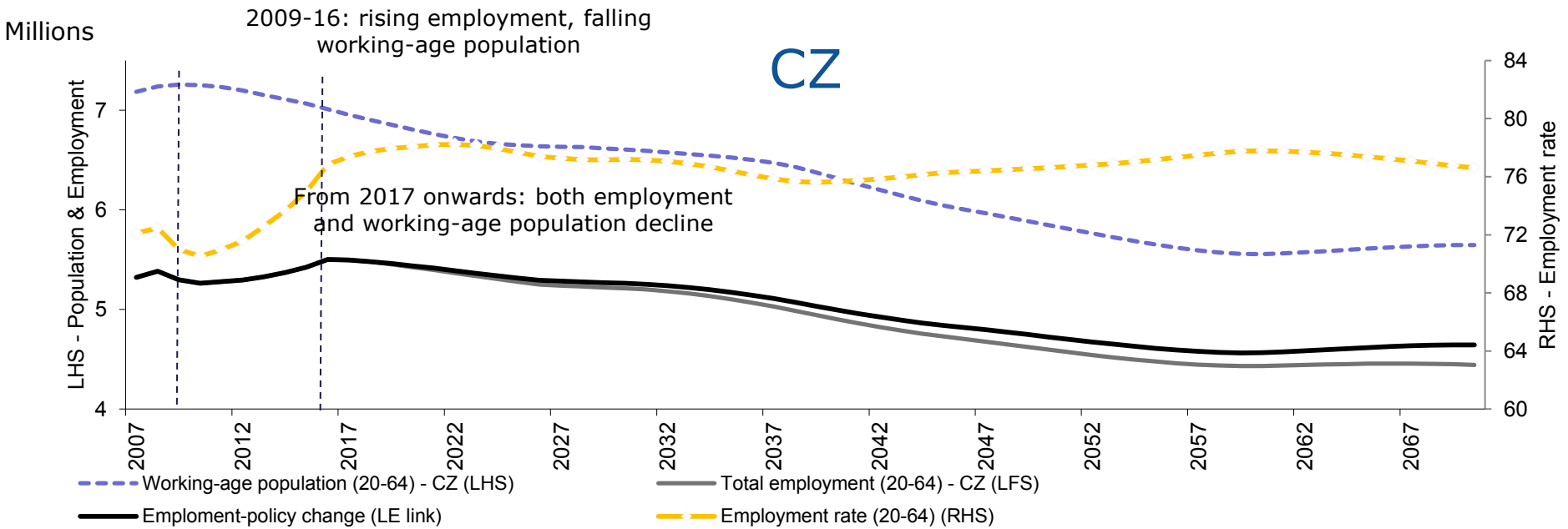
Prague, 1 October 2018

Employment projections -2018 Ageing Report

EU

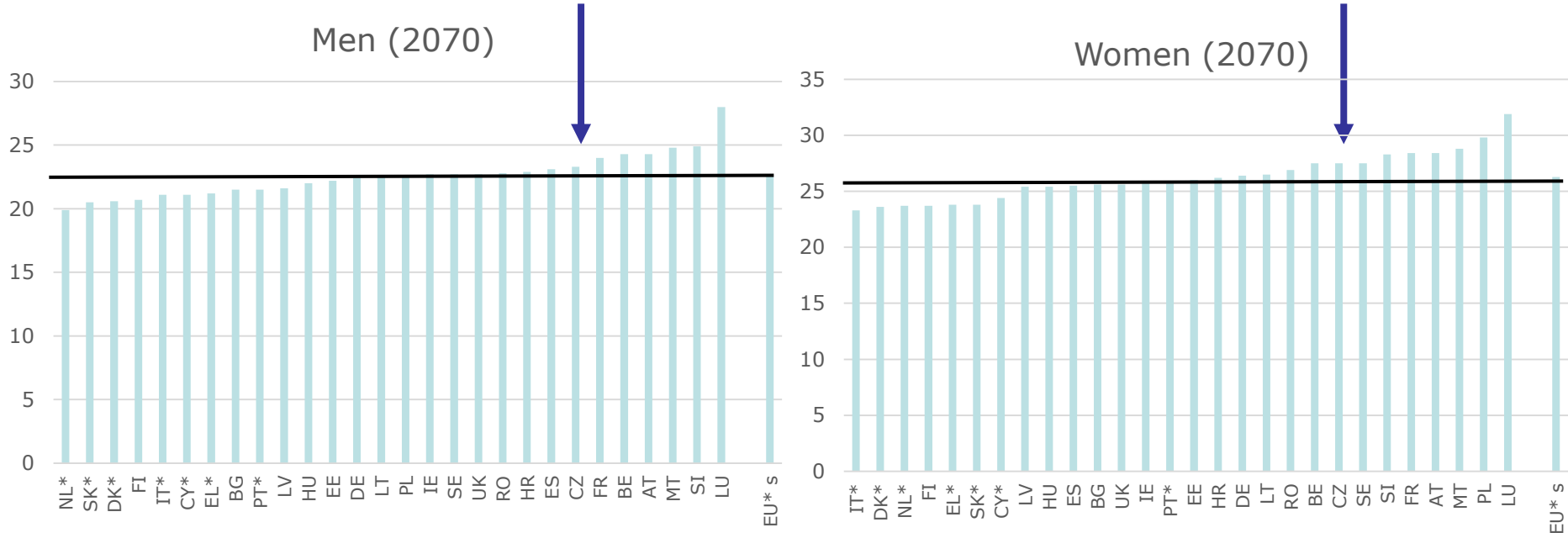


CZ



No-policy change: rising duration of retirement in CZ

- Currently, the duration of retirement is lower in CZ for men and higher for women than on average in the EU
- By 2070, CZ would be in the top third of EU countries in terms of expected duration of retirement (men and women)



Note: Life expectancy at the effective exit age from the labour market



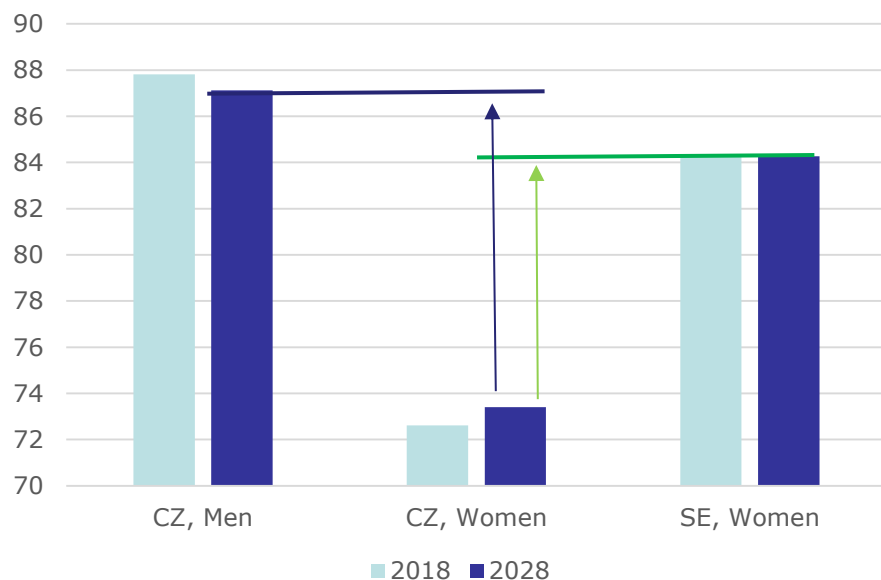
Policy change: higher female labour force participation

Baseline: no-policy change (women PR 73%)

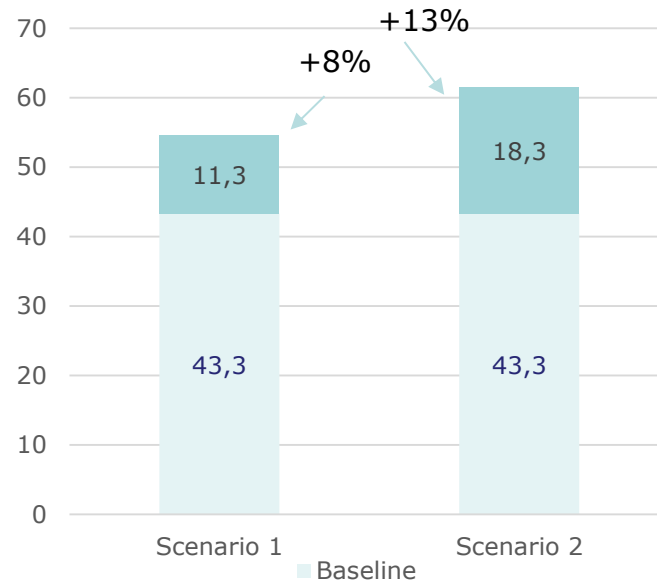
Scenario 1: female PR reaches SE level for women (84%)

Scenario 2: female PR reaches CZ male level (87%)

Participation rate, 20-64



Impact on GDP

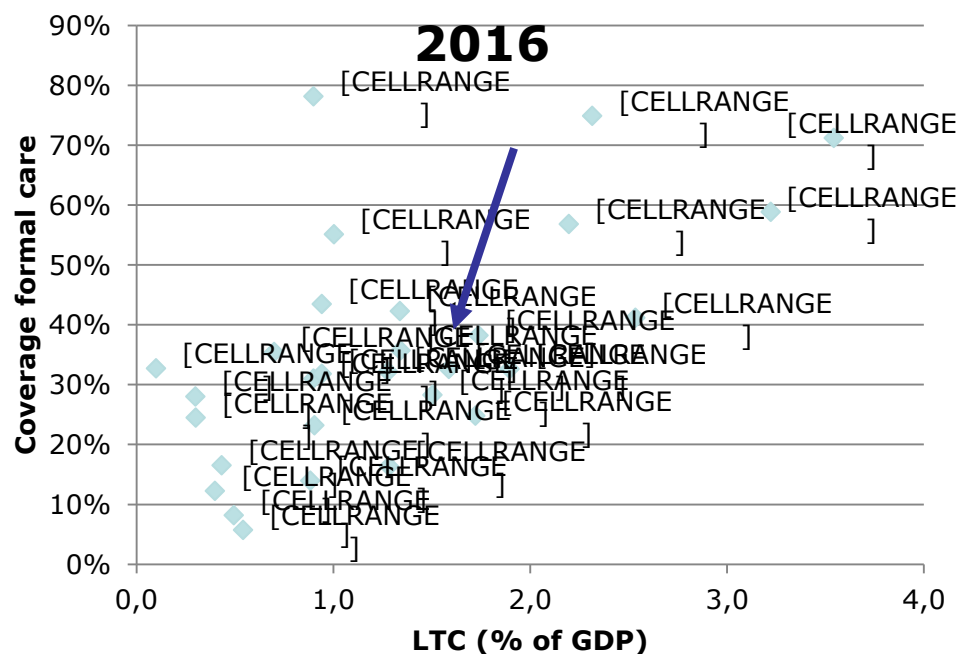
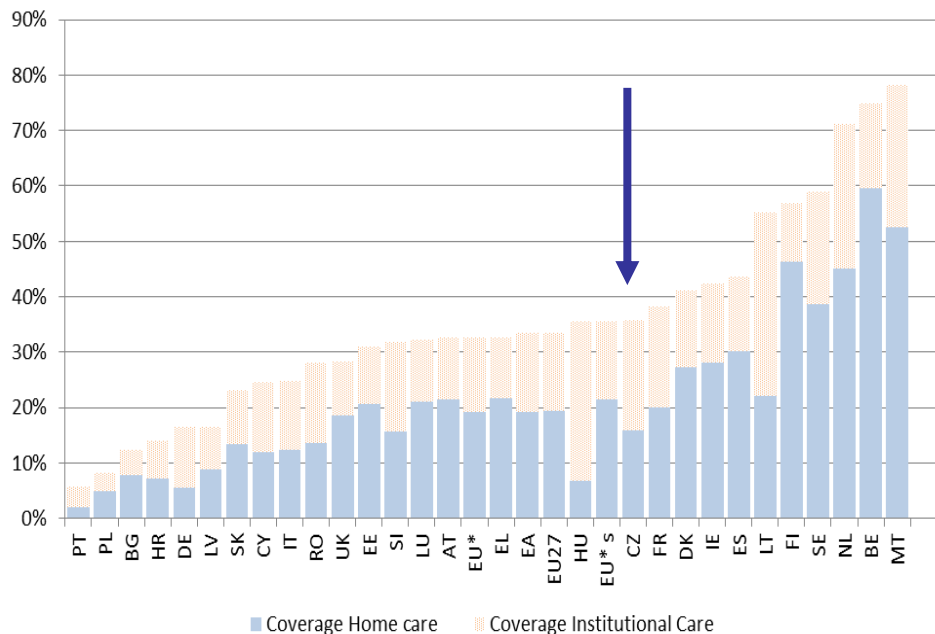


Large variation in coverage of and spending on LTC in the EU



Proportion of dependent population covered by formal LTC

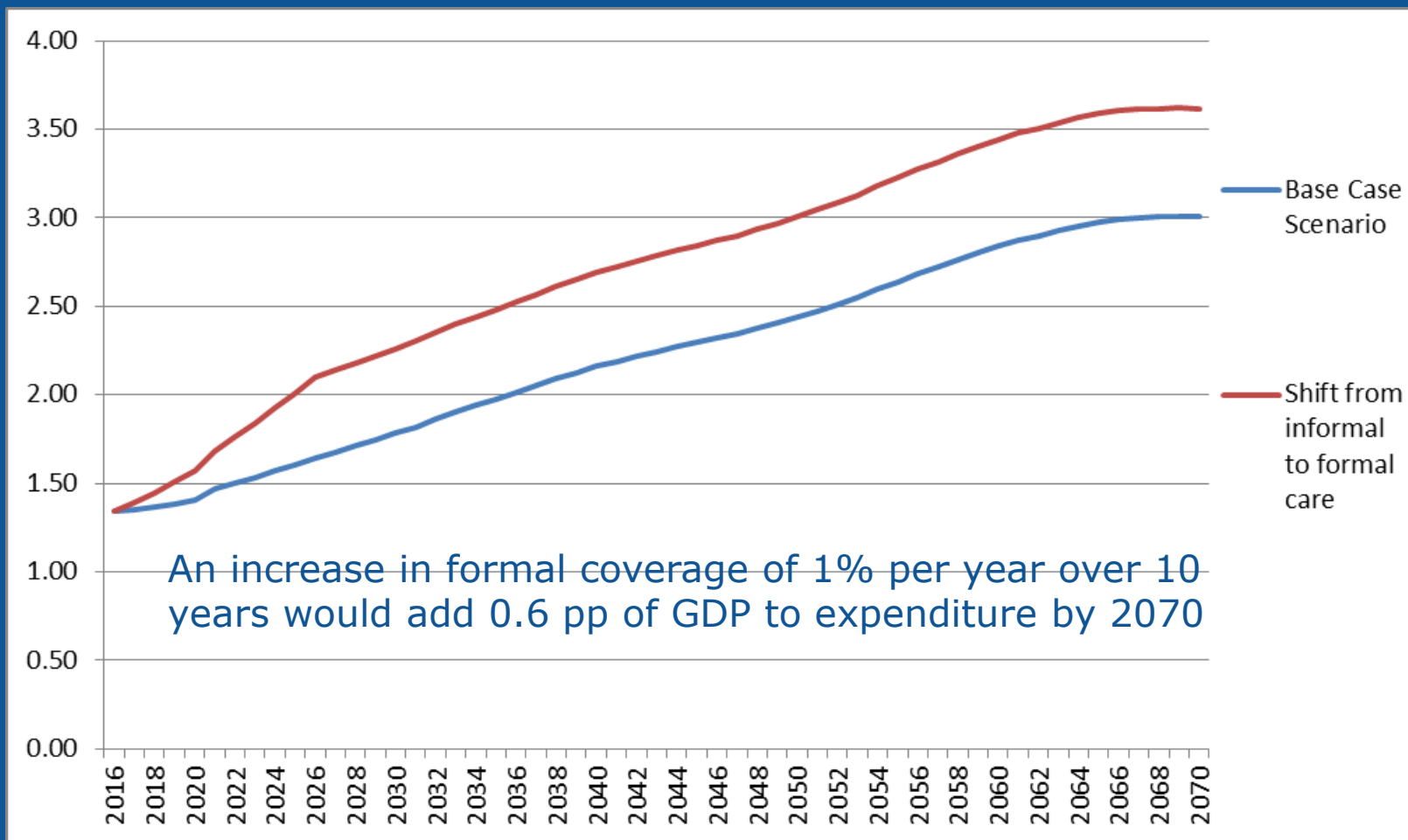
2016 expenditure on LTC as % of GDP vs Proportion of dependent population covered by formal LTC



Fiscal consequences of expanding formal care



LTC expenditure (% of GDP), 2016-70, CZ



Financial and social consequences of informal care?



- Informal carers provide a significant proportion of LTC in EU Member States
- Providing informal care often has a cost to the income, health status and wellbeing of carers
- Policies to support informal carers are unevenly applied in EU MS
- Social trends may reduce the supply of informal care in the future, increasing pressure on formal LTC systems, increasing spending
- Intergenerational issues would be amplified if formal LTC is introduced “as-we-go” (like social security pensions)



Thank you for your attention!