



# How can a future care economy transform the lives of our most vulnerable citizens?

10 scenarios that government policy makers should consider to meet the growing demand for care



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### ABOUT THIS PAPER

As one of the fastest-growing sectors, the care economy is crucial for a well-functioning society, a thriving economy, and an inclusive workforce. But, amid fiscal constraints and talent shortages, the current care model is struggling to meet society's rising demands, with an urgent need for a new, sustainable approach to care.

This paper has been written to spark conversations about the art of the possible. The ten scenarios set out potential opportunities to enhance social care delivery to meet current and future demands.

#### Authors:



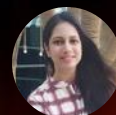
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## Introduction: Why we should care about the care economy

**How would you want to be cared for if the need arose? That's not a question many of us give much thought to when we are physically and mentally fit and healthy, but perhaps we should. Not only because of our own personal preferences and hopes for a decent life, but also because of the importance of the care economy to a well-functioning society.**

It is one of the world's most important and fastest-growing sectors. According to the latest available projections from the International Labour Organization (ILO), the number of care recipients globally is projected to rise to 2.3 billion by 2030, a 10% increase from 2015, due to aging populations, the increase in long-term conditions such as dementia, and a growing number of people living with various physical and mental disabilities.

The same ILO study forecasts that the public and private cost of all types of care service provision (including early childhood and long-term care, health and social work) is expected to rise dramatically from 8.7% of global GDP in 2015 to 14.9% by 2030, with the number of global care workers projected to reach 358 million by 2030.

At present, though, the care economy is simply not fit for purpose and unprepared to meet future needs. The formal care sector suffers from a shortage of workers, and poor working conditions and career prospects, which limits talent entering the sector and leads to inadequate care quality and accessibility.<sup>2</sup> Fragmented, inconsistent policies, and uncoordinated care, only exacerbate these weaknesses.

Governments also struggle to get the best value from their funding and often prioritize more expensive institutional care over home and community-based services, despite the preferences of most vulnerable adults. Then there is the hidden social and economic burden of unpaid caregiving, which is disproportionately carried out by females, at an estimated value of US\$11 trillion or 9% of global GDP.<sup>3</sup>

As governments confront the growing demand for care services and the associated funding costs, they also face mounting fiscal pressures and high debt levels. There is an urgent need to rethink the care economy if it is to meet the needs of society in the coming decades.

How can we envision a better future for the care economy? A future of higher care quality and easier access to services. A future where carers can build fulfilling, well-rewarded careers that attract a talented, motivated workforce. A future of sustainable care models based around local communities.

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**2.3b**

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# Reimagining

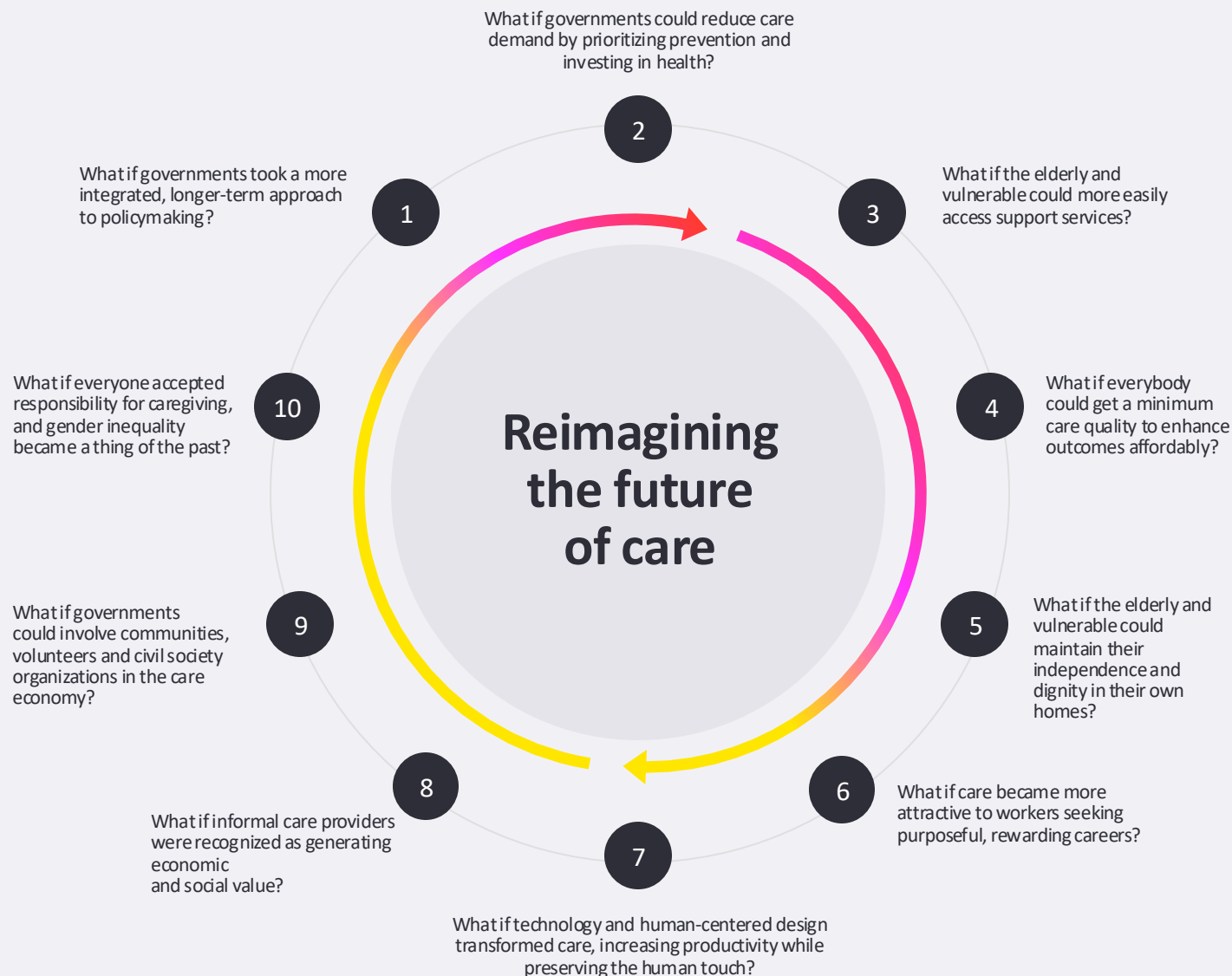
the care  
ecosystem

**10 scenarios**

# Reimagining the care ecosystem:

## 10 scenarios

Creating a future-fit care economy calls for nothing less than a radical transformation of the sector, encompassing integrated policymaking, preventive care, greater independence for those in need of care, and data-driven, human-centered design that prioritizes the wellbeing of both the cared for and the caregivers. To paint a picture of how things might be, we explore 10 'what-if' scenarios that reimagine and elevate the care ecosystem, to increase both capacity and quality, deliver greater value to society, and support long-term economic growth.



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## Scenario 1

What if governments took a more integrated, longer-term approach to policymaking?



### Why this matters

Changing electoral cycles, short-term budgets and siloed departments hinder long-term care planning. The result is inconsistent policymaking, underinvestment, and uncoordinated and inefficient care delivery. A lack of resources leaves many people's needs unmet, and care quality is often poor.

### What's needed

A whole-of-government approach to care, based around a national plan, and overseen by a single, accountable department can accelerate change. Data should drive the thinking around care, using models to assess future needs, evaluate performance and identify areas for improvement. Intersectoral financing can help bridge the funding gap, bringing together development banks, bilateral and multilateral agencies, and investors and philanthropic foundations.

### Case study



### Nepal: cutting through boundaries

Nepal's National Planning Commission has established an interministerial National Steering Committee to promote policies and investments in its care sector. The aim is to build political consensus, identify key investment areas, and foster collaboration across government agencies.



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## Scenario 2

What if governments could reduce care demand by prioritizing prevention and investing in health?



### Why this matters

Late intervention is significantly more expensive than prevention. It also fails to tackle the underlying causes of the individual's situation, such as housing, food, access to transport, education and a lack of job opportunities, which, if unaddressed, perpetuate health inequality.

### What's needed

By analyzing a wide range of data, it's possible to gain a 360-degree view of vulnerable people and generate predictive analytics to identify early signs of risk, such as domestic violence, homelessness and addiction. Care providers can then prioritize early interventions to reduce the need for care. The ability to target vulnerable people and groups can also enable preventive community action, to create environments that permanently improve health and wellbeing.

### Case study



#### **Middlesbrough Council, UK:** predicting care demand and forecasting care budgets

The council continually feeds vast amounts of data into models in real time, to predict demand for care and associated costs. This enables highly efficient resource allocation and early intervention where it's most needed.

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## Scenario 3

# What if the elderly and vulnerable could more easily access support services?



## Why this matters

It's hugely challenging to find your way through a fragmented and complex care system, with multiple public and private agencies and caregivers. Many people are confused and cannot access the care they need in a timely manner; while caregivers often lack a full picture of the customer, which leads to gaps in care that create further problems down the line.

## What's needed

A person-centered model designs care journeys customized to vulnerable citizens' personal needs and preferences — even allowing them to codevelop their care. Access should be via a single, easy-to-use digital platform, supported by chatbots, enabling people to find everything they need to know, make appointments and interact with caregivers.

## Case study



### Scottish government: a person-centered, tailored care model

The Self-Directed Support program empowers people with disabilities and long-term conditions, giving them a personal budget and allowing them to choose care and support that meets their specific needs. They have a high degree of choice and control over their care, which promotes independence and longer-term wellbeing.



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## Scenario 4

What if everybody could get a minimum care quality to enhance outcomes affordably?



### Why this matters

High care costs — increasingly from unregulated private providers of varying quality — create an unsustainable financial burden on those in need, who either go into debt or, ultimately, opt out. With a lack of regulation, standards and transparency, caregiving organizations have relatively little incentive to improve.

### What's needed

An independent regulator would oversee care quality, develop standards and accreditation, ensure accountability and act against noncompliant care providers. Care providers can be given guidance and training founded on evidence-based practices, while incentives — such as value-based payment — help drive improvement and innovation, driving higher care quality and community and home-based care. Promoting care savings plans and insurance schemes should give more people cover to pay for care.

### Case study



#### **US government:** reforms to enhance care home quality and safety

The reforms are designed to increase accountability, transparency and oversight, and foster the development of a skilled workforce. They include inspections, greater scrutiny of poor-performing care homes, and increased financial penalties and other sanctions. Care home performance is now shown on a ratings website, to enable informed choices for citizens.

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## Scenario 5

What if the elderly and vulnerable could maintain their independence and dignity in their own homes?



### Why this matters

Institutional care is expensive and depersonalized, and often relies on for-profit providers whose objectives may not align with those being cared for. Living at home, on the other hand, keeps people close to families, friends and communities, and empowers them to take greater control over their lives.

### What's needed

Transition to home and community-based care reduces pressure on care homes, driven by reallocation of financing and resources to community paramedic services, health monitoring, integrated, multidisciplinary care teams and assisted living facilities. Technology can accelerate the shift to assisted living, including video visits, virtual consultations, care robots, IoT monitoring and predictive analytics that trigger proactive, preventive support. Elderly and vulnerable people can be educated to become more independent or even rejoin the workforce.

### Case study



#### Singapore government: care program to help the elderly age with confidence

The Sree Narayana Mission has launched Seniors Lab, a pilot digital program for integrated senior care. This involves IoT sensors in seniors' homes that digitally detect and report movement, activity levels, falls and social isolation indicators. The program is part of an integrated care delivery system that helps the elderly to lead safer, more comfortable and independent lives.

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## Scenario 6

What if care became more attractive to workers seeking purposeful, rewarding careers?



### Why this matters

Caregiving is undervalued, with low wages and insecure job conditions. Combined with a lack of training and career development opportunities, this reduces morale and pushes up worker attrition.

### What's needed

Clear career structures, professional certification, regular training and better pay can help make caregiving a higher-status, attractive profession. This requires more funding for federal, state and local care agencies.

### Case study



**UK's Skills for Care agency:**  
developing skills and career paths for care workers

This not-for-profit agency has a comprehensive 15-year workforce strategy for adult social care, to attract and retain care workers. It focuses on enhancing pay and conditions, investing continuously in training and providing clear career pathways. The agency also aims to create an independent central body responsible for strategic workforce planning, to drive effective care delivery.



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## Scenario 7

What if technology and human-centered design transformed care, increasing productivity while preserving the human touch?



### Why this matters

Caregivers' work is highly manual with extensive paperwork, which reduces productivity. A lack of understanding of customers leads to repetitive and often unnecessary interventions that fail to take account of clients' individual needs.

### What's needed

Electronic health records and automation can schedule appointments, speed up claims processing, and improve coordination between multidisciplinary care teams and customers. Remote monitoring through wearables, smart devices and sensors allows early intervention and facilitates tailored care plans and preventative action, improving outcomes and easing workforce pressures.

### Case study



**Canada:**  
reducing administration and improving productivity

PointClickCare is a cloud-based platform serving 27,000 senior care facilities in Canada. It has a wide range of uses, including medication administration, clinical documentation, billing incident reporting and resident quality improvement initiatives. The platform streamlines administrative tasks and provides real-time insights on the care needs of vulnerable people in the facility. In just one of the facilities, PointClickCare helped reduce hospital stays by 20 days.

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## Scenario 8

What if informal care providers were recognized as generating economic and social value?



### Why this matters

The vast army of unpaid and largely unrecognized care workers are lost to the national economy; a massive cost in terms of lost GDP contribution. Informal care is also a huge emotional, physical and financial strain on caregivers and their families, many of whom drop out of education or paid jobs.

### What's needed

Governments should calculate the national economic value of unpaid work and support informal caregivers with tax credits or deductions to cover expenses. Employers can offer flexible work arrangements, senior care services, paid care leave policies, and subsidies.

### Case study



### Canadian government: financial assistance for unpaid care

The Canadian government provides employment insurance caregiving benefits, including financial assistance for family caregivers away from work who offer physical or compassionate care. Caregivers receive 55% of their earnings, up to a maximum of US\$455 a week.

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## Scenario 9

What if governments could involve communities, volunteers and civil society organizations in the care economy?



### Why this matters

Too much of modern care has become associated with loneliness and disconnection, with elderly and vulnerable people often cared for away from their homes, families and communities.

### What's needed

A community-led approach can improve care quality and strengthen the social fabric. This requires subsidies, grants and private investment to support initiatives in homes, neighborhoods and community centers. Innovative models of care include care villages, community groups, cooperatives and employee-owned businesses. These local care hubs would offer medical care and recreation, and intergenerational shared housing to combat loneliness and isolation. Partnerships with civil society organizations can reinforce a focus on caregivers' rights, including safe and decent working conditions. It's important to raise awareness about volunteering opportunities and to invest in training to build capacity within third-sector organizations.

### Case study



#### Barcelona's Vila Veïna: care through communities and neighborhood facilities

The Vila Veïna initiative provides care in small local units, where municipalities, care recipients and communities form part of a collective network. Each unit has a dedicated team of care specialists to meet personalized needs within the neighborhood. The initiative transforms public spaces through activities where children and seniors can spend time together, outdoor exercises for seniors, and places for caregivers to take breaks.



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## Scenario 10

What if everyone accepted responsibility for caregiving, and gender inequality became a thing of the past?



### Why this matters

Responsibility for caring disproportionately impacts women, who make up 75% of unpaid care work globally. This limits their participation in the paid workforce, hindering career progression, reducing financial independence, and harming wellbeing through stress and burnout. Many are forced to reduce their working hours or even leave paid jobs.

### What's needed

Governments should develop policies that recognize care work as a collective responsibility, protect care workers' rights, and help women and men balance paid employment and unpaid care work. National studies can measure the gender gap in unpaid or underpaid care work and estimate the costs of women dropping out of school or employment. Education should challenge gender stereotypes, while men should be incentivized to take on care work. Employers should be encouraged to offer family-friendly working arrangements and leave, including joint employment models that enable caregivers to work closer to their homes.

### Case study



**California:**  
family paid leave to reduce the care burden on women

California gives workers access to six weeks of partially paid annual leave to care for family members or close friends, while maintaining a proportion of their earnings. This has resulted in an 8% increase in women's labor force participation in the short term and 14% in the long term.

# Reimagining the care ecosystem:

What tomorrow could look like

**In future, the elderly and vulnerable should gain greater control over their own care.**

If governments and other stakeholders can act decisively against the ten “what if” scenarios, and introduce multi-disciplinary, seamless integrated, technology-enabled, analytics-driven, preventive, community-based care, then tomorrow’s care economy could look very different:

	How people experience care today		What care can look like tomorrow	
<b>Technological integration</b>	In-person visits	Dedicated care provider	Real-time health monitoring	Assistive technology – care robots
<b>Personalized and holistic care</b>	Standardized care plans	Reactive approach	Personalized care plans	Proactive care
<b>Workforce development</b>	Limited training resources	Lack of digital literacy	Evidence-based care techniques and trainings	
<b>Policy and funding innovations</b>	Traditional funding models	Ad-hoc policy decisions	Innovative funding models	Data-informed policies and planning
<b>Models of care</b>	Fragmented care systems	Institutional care focus	Integrated care	Aging in place, home-based care
<b>Living arrangements</b>	Traditional living arrangements - scarce care services closer to home		Local care hubs	Co-housing communities

Source: EY Insights analysis.



**Creating**  
a future care economy  
calls for innovative thinking



# Take a radical approach to funding

**Social care has been kicked down the road for too long, but with a fast-rising, aging population, and intense pressure on government budgets, the time for action is now.**

The key objectives are to keep people out of care homes for as long as possible, increase caregiver skills and productivity, foster a preventive mindset, and attract talent into the sector. A future care economy requires significant investment in time, money and resources, involving all sectors of society, and calls for new approaches to funding.

By 2035, an estimated US\$3.9 trillion (3% of global GDP) of public spending will be needed to provide universal long-term care services, of which about US\$3.1 trillion would be additional spending.<sup>4</sup>

This is way beyond the financial means of most governments today and calls for a radically different approach to funding. For example:

## **Innovative care financing models**

Social impact bonds provide up-front capital to fund care, where the government pays back the investment with interest against agreed care outcome targets. Reverse mortgages allow the elderly to borrow against the equity of their property to pay for care.

## **Incentive-based financing**

Tax incentives such as tax deductions or credits encourage family and informal care by subsidizing unpaid caregivers. Eldercare vouchers enable elderly people to independently pay for a range of services.

## **Insurance- and savings-based models**

Long-term, mandatory care insurance can finance elderly care such as assisted living facilities and home care services. Care saving schemes and accounts encourage the elderly to save tax-free to fund their elderly care.

## **Direct taxes and private sector participation**

Direct taxes can fund both individual care and the wider care infrastructure, while public private partnerships leverage private sector expertise, efficiency and capital. Government subsidies to startups promote private sector care innovation.

# A whole-of-society approach:

key actions for care ecosystem stakeholders



## Government and public sector

Regulate care through licensing, training standards and care coordination policies.

Encourage private sector innovation through R&D subsidies and innovation hubs.

Establish care evaluation and monitoring, including quality improvement metrics and performance-based contracts.

## Investors

Invest in R&D and technology to commercialize innovative technologies.

Take a long-term horizon for investment in scalable care models across regions.

Develop a single platform for booking home visits, finding caregivers and accessing services.

## Employers

Offer flexible working and paid leave to employees with caregiving responsibilities.

Provide financial assistance to cover caregiving expenses and offer health care plans.

Establish care networks, training and counseling support for employees balancing work and caregiving.

## Third-sector organizations

Promote age-friendly neighborhoods with appropriate infrastructure, such as sidewalks, ramps and transport.

Foster collaboration between public and private sector and communities to create "social capital" in the care economy.

Support independent living through home-based services and educational workshops.

Advocate for affordable care reforms and caregiver rights, such as fair wages.

## A thriving care economy should drive better social and economic outcomes



A reformed care economy can also bring immense social and economic value. A compassionate, accessible and person-centered care economy can transform the lives of those in need of care, giving them greater independence and dignity.

Informal caregivers should be able to rebalance their lives by remaining in work and reducing the level of emotional fatigue. By sharing caregiving duties more evenly between genders, women can boost their careers, which in turn increases the tax base for governments.

Formal, paid care workers should become more highly valued and respected, with higher earnings, and improved career prospects, employment rights, working conditions, safety and wellbeing.

National and local government social service agencies should become more financially sustainable, affordable and accessible, to deliver care that improves wellbeing and quality of life. Employers can benefit from a wider talent pool that incorporates informal caregivers, who are more likely to remain in the workforce as motivated employees.

Private investors, startups and entrepreneurs should start to enjoy positive returns from investing in a market that allows innovative, scalable solutions. And third-sector organizations can make a stronger social impact through intergenerational interaction, age-friendly communities, and improved health and wellbeing.

## Conclusion

The care economy is vital to a well-functioning society, a thriving economy and an inclusive workforce.

Yet, despite its growing importance to society, this vital sector has not received sufficient attention. If governments get this right, we should see a virtuous cycle of improved quality of life for the elderly and vulnerable, innovative, technology-driven care models that transform productivity, and skilled, motivated and well-rewarded caregivers.

### APPENDIX

<sup>1</sup>“Care work and care jobs for the future of decent work,” ILO, 2018.

<sup>2</sup>“Global social work working conditions and wellbeing,” Ravalier et al, International Social Work, 2022, [ravalier-et-al-2022-global-social-work-working-conditions-and-wellbeing.pdf](#).

<sup>3</sup>“Care Work and Care Jobs for the Future of Decent Work,” ILO, 2018.

<sup>4</sup>De Henau, J. 2022. “Costs and benefits of investing in transformative care policy packages: A macro-simulation study in 82 countries,” ILO Working Paper 55 (Geneva, ILO).



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