

**Draft report
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Report of the EAN Working group on Funding of elderly care in the European Union

Foreword

It is with great pride and responsibility that I present the report of the EAN Working Group on Funding of Elderly Care in the European Union.

Europe is facing a historic demographic shift: our societies are ageing faster than ever before, and with this achievement comes an obligation. Longer lives are a triumph of progress, but they must also be lives lived with dignity, security, and care. The way we, as Europeans, choose to fund and organise support for older people will define not only the quality of care, but the values and cohesion of our societies.

The European Ageing Network, representing more than 13,000 care providers in 29 countries, has taken the initiative to open this essential debate. Public responsibility for care remains the cornerstone of our systems. Yet, we must also recognise the growing need for complementary, sustainable, and ethically guided models of private and commercial engagement. If organised responsibly, such investments can help us expand infrastructure, innovate services, and meet the diverse needs of ageing populations across Europe.

This report does not provide a single blueprint, but rather a framework of principles, models, and practical recommendations that can guide policymakers, care providers, and investors alike. And we perceive this report as an initiative and as a basis for an expert discussion for our members. Its central message is clear: elderly care must never become a commodity stripped of its human purpose. Instead, funding mechanisms—whether public, private, or mixed—must always uphold the rights, dignity, and well-being of older Europeans. The future of accessible future long-term care in Europe lies not in: whether public or private but rather in public with private and vice versa.

I wish to thank the experts, practitioners, and members of the Working Group for their contributions and insights. Their work underlines our shared conviction that care is not only a service, but a social mission—one that requires solidarity, innovation, and accountability.

May this report serve as both a call to action and a compass for building a fair, sustainable, and person-centred future of elderly care in Europe.

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Prague, October 2025



Towards a framework for sustainable, equitable and responsible funding of elderly care in the European Union

Preamble

The European Union stands at a demographic crossroads, where the increasing longevity of its citizens must be met with a renewed commitment to solidarity, dignity, and sustainability in elderly care. As enshrined in the European Pillar of Social Rights, the European Care Strategy and affirmed by various international treaties, including the United Nations' Universal Declaration of Human Rights and the Madrid International Plan of Action on Ageing, governments bear both a moral and legal obligation to ensure that older persons have access to high-quality, publicly funded long-term and elderly care services. These services must be equitable, universally accessible, and responsive to the evolving needs of ageing populations across all Member States.

However, the current and projected pressures on public care systems — driven by fiscal constraints, workforce shortages, and growing demand — underscore the urgent need for innovation, structural reform, and bold reimagining of service delivery. Elderly care providers, public and private alike, share the responsibility to develop and implement new models of care that are integrated, person-centred, and financially sustainable. Their role is not only operational but transformative: they must act as stewards of change, capable of harnessing digital innovation, community engagement, and cross-sector collaboration to future-proof the sector.

Yet, when governments and public providers are unable to deliver viable solutions in the short to medium term, there arises a duty to explore and establish a fair, transparent, and socially acceptable framework for private and commercial funding of elderly care. This should not signal a retreat from public responsibility, but rather serve as a complementary measure to mobilise additional resources while safeguarding core values of equity, inclusion, and care as a public good.

This report opens a path toward such a framework, recognising that the dignity of ageing Europeans cannot be delayed nor compromised. A rebalanced ecosystem of funding, anchored in strong oversight, ethical investment standards, and social accountability, can help uphold the rights of older adults today and tomorrow.

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Towards a framework for commercial and/ or private-for-profit funding of elderly care in the European Union

The European Union is experiencing a profound demographic shift, one that will shape its future for decades to come. The continent's ageing population is growing at an unprecedented rate, with the proportion of people aged 65 and over expected to rise sharply by 2050. This shift, driven by increasing life expectancy and declining birth rates, presents a significant challenge to social welfare systems, health and elderly care infrastructure, and particularly to elderly care services. The question of how the Member States of the European Union will fund elderly care in the coming years is both urgent and complex, requiring careful consideration of sustainability, funding, equity, and dignity for older people.

For decades, European Member States have relied on a variety of funding models to provide elderly care services, but the current systems are under strain, as the need for care increases, and the financial sustainability of these models is becoming increasingly uncertain. A future-proof funding strategy, with the inclusion of private initiative, must address the demographic and financial challenges while ensuring that the European older people receive high-quality, dignified care.

About EAN

The European Ageing Network (EAN) gathers more than 13.000 elderly care providers across Europe. Members consist of all types of organisations and individuals active in the field of ageing and include all types of ownership, such as for-profit, not-for-profit, and public organisations. These member organisations work to improve the quality of life for older persons by providing high-quality housing, services, and care.

EAN is a truly pan-European organisation, present in 29 European countries. It does not stand alone in pursuing its vision, values, and mission, as it is a member of the Global Ageing Network (GAN), a worldwide network based in Washington D.C. EAN and GAN bring together experts from around the world, lead educational initiatives, and provide a platform for innovative ideas in senior care. They pave the way to improve practices in the care of older persons, enabling them to live healthier, stronger, and more independent lives.

The members of the EAN network serve millions of older persons in Europe. Longevity is one of the greatest achievements of modern societies, and European citizens are living longer than ever before. This trend is expected to continue due to unprecedented medical advances and improved living standards. However, combined with low birth rates, this will require significant changes to the structure of European society, affecting the economy, social protection, healthcare systems, the labor market, and many other aspects of life.

The European Ageing Network has taken the initiative to start this discussion and to actively contribute to the development of new, innovative funding models. Therefore, EAN has set-up a Working group on Funding. Its project goal was to define guidelines and framework conditions for sustainable and equitable private financing of elderly and social care services when public authorities fail in their obligation to proper funding. The guidelines should contain key principles, roles and responsibilities, good practices examples and solutions for the short-term.

In line with its LTC 2030 Working group, the Working groups on Malnutrition and Digitalisation, EAN has facilitated these discussions of experts in finance, investment and elderly care to formulate recommendations and identify best practices. This exercise has resulted in this report.

Current funding models in the European Union

Today's elderly care in the European Union is financed through a mix of public, private, and hybrid models, each with its own strengths and weaknesses. Understanding these models is essential for considering future reforms.

1. *Publicly funded systems*

In many European Member States, elderly care is primarily funded through taxation, typically in the form of social insurance or general taxation. They offer comprehensive publicly funded care services, where long-term care is seen as a universal right. In these countries, the state plays a central role in both financing and delivering care, ensuring that services are available to all citizens regardless of their income.

While these models offer significant benefits in terms of equity and accessibility, they are also costly. The rising fiscal burden of an ageing population may make it difficult to sustain these systems without significant tax increases or cuts to other public services.

2. *Private and mixed models*

Some European countries have a more mixed approach, where public funding is supplemented by private insurance, individual savings, or out-of-pocket payments. In these systems, the state provides basic care, but individuals are expected to contribute to the cost of care, particularly for more extensive services or in-home care.

One example is the UK's National Health Service (NHS) model, which provides universal healthcare but relies heavily on private contributions for long-term residential care. Similarly, in countries where the public sector plays a significant role, individuals often need to contribute privately for enhanced services.

3. *Insurance-based models*

Some European Member States operate long-term care insurance systems, where citizens pay into a mandatory, insurance scheme that covers long-term care costs. In some of those cases, long-term care insurance provides a basic level of financial support for elderly care. While these models provide a middle ground between public and private financing, they are also under pressure due to rising costs,

particularly with an ageing population. In some insurance-based models, co-payments may play a role within the long-term care (LTC) system.

Elderly care funding models in the European Union

Model	Funding source	Service delivery	Key features	Pros	Cons
Tax-financed public provision (Nordic model)	General taxation	Local governments; public, non-profit, and some private actors	<ul style="list-style-type: none"> - Universal access, largely free or subsidised - Strong municipal responsibility - Focus on home/community care 	High accessibility and equity Integrated services	High fiscal burden Long-term sustainability concerns
Social insurance-based models	Mandatory social insurance contributions	Mix of public and private providers	<ul style="list-style-type: none"> - Cash or in-kind benefits - Consumer choice in providers - Basic care covered, top-ups often needed 	Predictable funding Consumer empowerment	Limited coverage Inequities in benefit adequacy
Mixed public-private models	Public funds (means-tested) + private out-of-pocket	Private providers dominate; family care significant	<ul style="list-style-type: none"> - Limited state support - Heavy reliance on family/informal care - Private residential care growing 	Flexibility Lower public cost burden	Access gaps Socioeconomic disparities in care quality and availability

Comparing (non-)European funding models for elderly care

Elderly care funding models in the European Union are built on solidarity and public responsibility, but they are under strain due to demographic ageing, workforce shortages, and fiscal constraints. Compared to more market-based or consumer-driven systems in the United States or Australia, European models offer stronger equity and protection - but may need reform to diversify funding sources, incentivise private investment, and increase efficiency without compromising core social values.

Country/Model	Funding mechanism	Service delivery	Key features	Comparison to EU models
United States (Market-based / private-pay)	Predominantly out-of-pocket; limited Medicaid for low-income individuals	Private providers; family/informal care	<ul style="list-style-type: none"> - No universal LTC coverage - Private LTC insurance is rare and costly - Heavy burden on individuals 	<ul style="list-style-type: none"> - More fragmented and market-driven - Higher financial risk for individuals - Less equitable than EU

Country/Model	Funding mechanism	Service delivery	Key features	Comparison to EU models
Japan (Insurance-based with public oversight)	Public LTCI funded via payroll + taxes	Local government-managed; regulated private/public mix	<ul style="list-style-type: none"> - Universal coverage from age 65 (or 40 for some) - Strong local administration - Emphasis on home care 	<ul style="list-style-type: none"> - Comparable to Germany's insurance model - Greater municipal role - Benchmark in demographic adaptation
Australia (Consumer-directed subsidy model)	Government subsidies + individual co-payments	Consumer chooses provider; care budget managed by user	<ul style="list-style-type: none"> - Assessed-based "Home Care Packages" - Public-private co-funding - Market-based service delivery 	<ul style="list-style-type: none"> - Mix of EU-style support with US-style consumer choice - Emphasis on autonomy, but risks inequality

Emerging challenges

As the elderly population in the European Union continues to grow, the existing funding models for elderly care face several challenges:

1. Fiscal pressure

One of the most significant challenges is the increasing fiscal pressure on Member States. With a shrinking working-age population and a growing elderly population, tax revenues are unlikely to keep pace with the demand for elderly care services. Public spending on elderly care already accounts for a substantial portion of national budgets, and the situation is set to worsen without systemic reform.

2. Workforce shortages

The care sector is facing a critical shortage of workers. The physical and emotional demands of caregiving, along with relatively low wages in many Member States, mean that the sector struggles to attract and retain workers. This shortage is exacerbated by demographic trends, with fewer young people entering the caregiving profession. The lack of a skilled workforce impacts the quality of care provided and further drives up costs.

3. Regional disparities

There is also a significant disparity in elderly care services between European Member States, on a regional and even local level - urban and rural areas. In rural regions, access to healthcare and caregiving services is often limited, and families may face additional costs for transportation or home care. These regional differences present a challenge for creating equitable care systems across Europe.

4. Rising care costs

The costs of elderly care are rising due to factors such as increased life expectancy, over-medicalisation, the complexity of medical care, and the need for more specialised services. As more elderly people live with chronic conditions or require long-term care, the financial burden on families

and governments continues to escalate.

5. *Inequality in access*

While the ideal of universal elderly care is widely acknowledged, in practice, access to high-quality care is uneven. In some Member States, the care system is fragmented, leading to inequality in access to services. Low-income individuals or those with limited family support may struggle to access necessary care, leading to a “care poverty” situation.

Ethical and social considerations

Funding models for elderly care must go beyond financial calculations and should consider ethical and social principles as well. Ensuring that older people receive dignified care requires a focus on:

1. *Equity*

Any funding model must ensure that all older people, regardless of income, region, or health status, can access the care they need. Policymakers must prevent the development of a system that only serves those who can afford to pay for care.

2. *Intergenerational equity*

Elderly care is a shared societal responsibility, but it must also be recognised that younger generations may bear the financial burden. In some EU Member States family is obliged to co-fund the costs of the care for their parents and close ones. It is important to ensure that funding models are fair and that the costs of care do not disproportionately fall on the working-age population.

3. *Preventing care poverty*

Efforts must be made to ensure that the most vulnerable groups, such as those with limited income or without family support, are not excluded from receiving high-quality care. Means-tested systems, subsidies, and targeted interventions can help address these disparities.

Public, private not-for-profit, commercial, and for-profit funding

As the population in the European Union ages, the question of how elderly care is *funded* has become just as critical as how it is *delivered*. The terms *public*, *private not-for-profit*, *commercial*, and *private for-profit* funding describe distinct models through which resources are mobilised, allocated, and governed in the long-term and elderly care sector. Each model reflects different motivations, accountability structures, and impacts on quality, access, and sustainability.

1. *Public: Care as a social right*

Public funding (PF) is rooted in the principle that access to quality elderly care is a social right, not a market commodity. Funded through taxation or social insurance schemes, public resources are typically allocated by national, regional, or local governments. This funding can support directly operated state facilities, subsidise non-government providers, or be channelled to individuals via care allowances or service vouchers.

The goal is to ensure universal access, equity, and protection for vulnerable populations, regardless of income or geography. Public providers are bound by democratic oversight, transparency requirements, and public procurement rules. However, constrained budgets, staff shortages, and ageing infrastructure can undermine effectiveness if not properly resourced.

2. *Private not-for-profit: Mission-driven care*

Private not-for-profit (NFP) funding refers to care financed and delivered by entities that do not distribute profits to shareholders but instead reinvest any surplus into service improvement. These may include charities, religious organisations, cooperatives, or (community-based) foundations. Funding sources range from donations and philanthropy to membership fees, public grants, and modest user co-payments. NFP providers are often embedded in communities, with strong social missions and close alignment to the needs of marginalised or hard-to-reach groups. Their care tends to be holistic, person-centred, and rooted in values of compassion and dignity. Governance typically involves boards of trustees or community stakeholders. However, limited capital access and reliance on unstable funding streams can constrain their scalability or capacity for innovation.

3. *Commercial: Private capital, public purpose*

Commercial funding in elderly care refers to models that attract private capital, including bank loans, infrastructure investments, and real estate finance. It is not inherently profit-driven - many providers reinvest earnings into service delivery - but it operates with market-based discipline and seeks financial sustainability and growth.

Commercial providers may range from midsize operators to multinational care chains, and often partner with governments through concession models, public-private partnerships, or long-term leasebacks. These organisations are often more agile, able to expand services quickly and adopt innovative technologies. Yet, their success depends on robust regulatory safeguards to ensure that commercial efficiency does not come at the cost of care quality, staff conditions, or access.

Private for-profit: Market logic and investor returns

For-profit care funding is a subset of commercial funding where the explicit goal is to generate financial returns for investors or owners. Operated by private equity firms, corporate groups, or franchise chains, these models are typically financed through equity investments, venture capital, or revenue from private pay clients. While they may bring professional management, tech-enabled solutions, and capital-intensive development (e.g. modern care homes, digital platforms), private for-profit providers face a fundamental tension: balancing care delivery with shareholder value. Without strong ethical and legal guardrails, this can lead to cost-cutting, staff undersupply, or prioritisation of profitable services and regions - undermining equity and quality.

Type of funding	Source	Main motivation	Use of surplus or profit	Governance/Accountability	Typical examples
Public	Taxes, social security, government grants	Public service, social protection, universality	Reinvested into public services	Elected bodies, public regulators	State-run nursing homes, municipal care centres
Private Not-for-Profit (NFP)	Donations, grants, user fees, reinvested surpluses	Social mission, community benefit	Reinvested into service quality, staff, and outreach	Boards of trustees, donors, community members	Charities, faith-based or community-run elderly homes
Commercial	Private capital, loans, user fees	Revenue generation through operations	Typically profit-seeking; may reinvest or distribute profits	Owners, investors, private boards	Private real estate groups offering care services (e.g. through PPPs)
Private For-Profit	Private investors, equity funds, venture capital, user fees	Maximise return on investment (ROI)	Profits distributed to shareholders or reinvested for growth	Investors, shareholders	Corporate care chains

Integrating the three core components of elderly care in the European Union

Healthcare, housing, and supportive services are equal pillars of ageing well. These components are deeply interdependent, hence require a holistic approach and are increasingly shaped by both public and private actors. A balanced mix of public responsibility and private contribution, with strong oversight, creating a level-playing field for all entities, is essential.

Also, these three domains are mutually reinforcing : Inadequate housing leads to increased (health)care needs, a lack of supportive services results in social isolation, functional decline, and emergency care use, and finally, a robust care system cannot function without integrated housing and social environments. Integrated models, such as care campuses, ageing-in-place programs, or digital care ecosystems, are increasingly seen as best practice. Coordination, interoperability, and shared governance across domains are essential.

Nevertheless, differentiating between (health)care, housing, and supportive services is essential when discussing public and private funding in elderly care. Each of these pillars plays a distinct role in supporting older adults and therefore requires a tailored funding approach. Healthcare involves essential, often life-preserving services such as nursing, rehabilitation, and dementia care. It is widely considered a universal right and therefore warrants strong public funding and regulatory oversight to ensure equitable access and quality.

Housing, by contrast, is both a personal asset and a social determinant of health. It is more suited to private investment through real estate and financial markets, though public intervention remains necessary to guarantee affordability, accessibility, and age-friendly design.

Supportive services, such as transportation, meals, and social engagement, operate in a hybrid space that blends public subsidies, community-led efforts, and commercial innovation. These services are often undervalued but are vital for maintaining autonomy and well-being in older age. Treating these pillars as interchangeable risks over-commercialising essential care, underfunding community supports, or misallocating

public investment. Clear differentiation enables policymakers and stakeholders to match funding models to the specific function and social value of each component. It also supports smarter governance, targeted regulation, and more effective coordination between sectors. Ultimately, recognising and respecting the differences among the pillars of elderly care is critical to building a balanced, ethical, and sustainable system where public responsibility and private contribution reinforce one another.

1. *(Health)Care: The Anchor of the elderly care system*

Health(care) forms the foundation of elderly care systems across the European Union. It encompasses a wide range of services aimed at supporting older adults with chronic illnesses, functional limitations, disabilities, or age-related frailty. These services span from clinical and rehabilitative care to personal support and palliative interventions. Whether delivered at home, in residential facilities, or through community outreach, health(care) plays a critical role in preserving quality of life, promoting autonomy, and preventing avoidable deterioration.

Health and elderly care services include home nursing, long-term institutional care, dementia support, physiotherapy, rehabilitation, chronic disease management, and end-of-life care. These functions are becoming increasingly complex as Europe's older population lives longer, often with multiple chronic conditions and a growing need for integrated, coordinated care.

The financing of health and elderly care in the European Union is primarily rooted in public systems. In most Member States, care is funded through taxation or social insurance, ensuring a baseline of universal access. Nordic countries follow a tax-financed model, while Bismarckian systems (e.g. Germany, France) rely on mandatory insurance contributions. Nonetheless, private out-of-pocket payments remain common, especially for institutional care settings, co-payments, or non-covered services like certain therapies or home help. While some countries have introduced private long-term care insurance, uptake remains limited due to affordability issues, lack of trust, or unclear coverage scopes.

This mixed funding model aims to balance public responsibility with personal choice, but it often results in uneven access, particularly for middle-income individuals who fall just above eligibility thresholds.

Challenges and trends

European health and care systems are facing several converging pressures:

- Rising demand due to demographic ageing, multimorbidity, and growing expectations of quality and continuity
- Workforce shortages, high turnover, and burnout among care professionals, which directly impact the quality and reliability of services
- Persistent fragmentation between health, social, and community care providers, hindering smooth care transitions and integrated planning
- A shift in policy focus from institutional care to home-based, preventive, and person-centred care, which requires both cultural and infrastructural change
- Digital transformation, workforce reform, and new care models (e.g. community nursing, hospital-at-home, hybrid telecare) are emerging as critical pathways for sustainable reform

Health and elderly care is broadly regarded as a social right, not a market commodity. The state carries a fundamental obligation to guarantee

- universal access, irrespective of income, region, or functional status
- equity in care outcomes, including for underserved or marginalised older populations
- quality and safety across all care settings

However, the definition of this responsibility is evolving. Beyond basic access, modern systems must now address digital exclusion (ensuring that older adults can benefit from technology without being left behind), culturally competent care (especially in diverse or migrant ageing populations), and support for informal caregivers, who form the backbone of home care in many Member States but are often under-supported and under-recognised. To uphold its commitment to dignity in ageing, public systems must lead in regulation, financing, workforce development, and innovation—while also enabling responsible private engagement where appropriate.

2. *Housing and living environments: The foundation for ageing in place*

Safe, adaptable, and socially connected housing is essential for enabling older people to live independently and avoid premature institutionalisation. This includes barrier-free homes, senior apartments, co-housing, and assisted living environments.

In terms of financing, private investment plays a leading role, through e.g. family capital and real estate developers. Public support focuses on social housing, subsidies for home adaptations, and municipal initiatives. Emerging public-private partnerships (PPPs) are being used to expand age-friendly infrastructure.

Challenges and trends

- Vast majority of Europe's housing stock is not age-appropriate
- There is a lack of affordable, supported living options
- Growing interest in intergenerational and community-integrated housing

There is a growing recognition that housing is a determinant of health and should be included in ageing policy. States must incentivise universal design, regulate private providers for affordability and accessibility, and enable seniors to remain active in their communities.

3. *Supportive or social services: The glue that holds it together*

Supportive services include e.g. transportation, meals, digital literacy training, day activities, psychosocial support, and preventive home visits. They promote and support well-being, sustain autonomy, prevent social isolation, and bridge the gap between medical care and daily living.

Supportive services are generally delivered through a mixed economy: public funding (municipalities), not-for-

profits, volunteer networks, and private providers. Some services are bundled with health or housing packages, others rely on user fees or donations.

Challenges and trends

- Often undervalued or underfunded in formal care systems
- Critical to well-being but poorly integrated
- Increasing attraction for impact investment and social innovation funds
- Opportunities for digital platforms, community co-ops, and scalable service models

Supportive, social services bring the concept of ageing with well-being and dignity to life. While not all must be state-funded, universal access and affordability must be ensured through smart financing and ethical private engagement. Social inclusion and civic engagement are also key responsibilities.

Snapshot of EAN members

In 2025, during its General Assembly, EAN made an inventory of the three core components-concept among its membership. It found that public funding remains the backbone of the care component, particularly in countries with strong welfare traditions such as Belgium, Finland, and Sweden, where nursing and medical assistance are publicly financed and regulated. In contrast, housing and supportive services exhibit more diversity in funding, often involving a mix of public subsidies, user fees, and growing private investment.

Private-for-profit funding is particularly prevalent in housing development and service innovation but plays a much smaller role in direct medical care due to concerns over equity and quality.

The ownership landscape is similarly mixed: public and private entities coexist across Europe, with private not-for-profit organisations (such as religious or charitable providers) playing a particularly significant role in countries like Germany, France, Austria, and Spain. For-profit actors are more commonly involved in residential housing and lifestyle services, while core (health)care provision remains tied to public mandates or social missions. Supportive services, which range from meal delivery and transportation to social inclusion initiatives, are often co-financed by local governments and user contributions, and are increasingly delivered by private or social enterprise actors.

Component	Function and scope	Current trends and challenges	Funding landscape	Social responsibility and policy implications
1. (Health)Care (e.g. nursing care, chronic disease management, dementia support)	Delivers medical and personal care to older adults in both institutional and home settings. Focuses on functional health, prevention of deterioration, and end-of-life care.	<ul style="list-style-type: none"> - Rising demand due to multimorbidity and dementia. - Workforce shortages and burnout. - Fragmentation between medical and social care. - Shift toward home-based and person-centred care. 	<ul style="list-style-type: none"> - Publicly funded in most EU countries via health insurance or taxation. - Private out-of-pocket contributions for co-payments, especially in residential settings. - Limited private 	<ul style="list-style-type: none"> - Care is widely seen as a public responsibility and a social right. - Policy shift needed from reactive to preventive, community-based care. - Ethical investment frameworks must safeguard dignity and equity.

Component	Function and scope	Current trends and challenges	Funding landscape	Social responsibility and policy implications
insurance uptake for long-term care.				
2. Housing and Living Environments (e.g. barrier-free homes, senior apartments, assisted living)	Provides the physical and social environment in which older people age. Determines independence, safety, and quality of life.	<ul style="list-style-type: none"> - Housing stock across Europe is not age-appropriate. - Many seniors live in under-adapted homes. - Urbanisation and loneliness affect older adults' well-being. - Limited supply of assisted or supported living. 	<ul style="list-style-type: none"> - Housing is primarily a private responsibility (owned or rented). - Public funding for social housing is limited. - Increasing interest from private real estate and REITs in senior living. 	<ul style="list-style-type: none"> - Governments must support age-friendly housing policies, tax incentives, and renovation schemes. - Need for mixed-use, inclusive communities to promote ageing in place. - Private developers must adopt universal design and affordability standards.
3. Supportive Services (e.g. meal delivery, transportation, digital literacy training, social engagement)	Enhances older adults' autonomy, mental health, and social participation. Includes non-medical services that reduce care dependency.	<ul style="list-style-type: none"> - Often undervalued in care models. - Critical for combating social isolation. - Lack of integration with formal care pathways. - Growing demand for digital and community-based solutions. 	<ul style="list-style-type: none"> - Mixed funding: public subsidies (municipal), volunteer sector, out-of-pocket payments. - Emerging interest from impact investors in social innovations. 	<ul style="list-style-type: none"> - Essential to uphold the right to participation and inclusion. - Policymakers must integrate supportive services into long-term care planning. - Encourage community-driven, cooperative models and digital inclusion.

Finding the right balance

Private-for-profit funding can play a valuable role, particularly in expanding infrastructure and housing, driving service innovation and personalisation, and diversifying care models in line with user preferences. However, unregulated or unchecked commercialisation can undermine equity and access, prioritise profit over quality and continuity, and finally, exacerbate regional or socioeconomic disparities.

A balanced mix is needed - where public funding guarantees access and rights, and private funding supports innovation and scale, all within a framework of social responsibility, strong oversight, and transparency.

Private-for-profit and commercial funding across the pillars of elderly care

Pillar	Pros of private-for-profit / commercial funding	Cons of private-for-profit / commercial funding
1. Health(care) (e.g. long-term care, nursing, rehab, palliative services)	<ul style="list-style-type: none"> - Capital mobilisation: Enables expansion of care infrastructure and services where public budgets are constrained. - Efficiency and innovation: Can introduce tech-driven models (e.g. AI triage, remote care). - Consumer choice: Offers differentiated care options (e.g. premium residential settings). 	<ul style="list-style-type: none"> - Equity and access risks: May exclude low-income or complex-needs patients. - Profit over care: Pressure to reduce staffing/costs can compromise quality. - Fragmentation: Can lead to poorly coordinated care with public providers.
2. Housing and Living Environments (e.g. barrier-free homes,	<ul style="list-style-type: none"> - Scalable investment: Attracts real estate capital to develop much-needed senior housing. - Design and quality innovation: Private developers may offer modern, age-friendly designs with tech integration. 	<ul style="list-style-type: none"> - Affordability gap: High-end developments may exclude moderate- and low-income seniors. - Speculative risk: REITs and financial actors may prioritise returns over community benefit.

Pillar	Pros of private-for-profit / commercial funding	Cons of private-for-profit / commercial funding
senior residences, assisted living)	- Diversified models: Supports co-housing, intergenerational or lifestyle-based models.	- Segregation: Market-driven housing can reinforce age and income segregation.
3. Supportive Services (e.g. meals, transport, companionship, digital literacy)	- Flexibility: Commercial providers can tailor services to specific preferences or cultural groups. - Tech-enabled delivery: Innovations like app-based care coordination, meal delivery, etc. - Fill public service gaps: Especially in rural or under-served areas with limited government coverage.	- Coverage gaps: Focuses on profitable markets; may neglect hard-to-reach communities. - Unequal access: Services often pay-to-use, inaccessible to low-income users. - Digital exclusion: Commercial platforms may not accommodate non-digital seniors.

Cross-pillar observations

While private-for-profit and commercial funding can enhance scale, innovation, and user choice across the pillars of elderly care, they carry significant risks of exclusion, commodification, and inequality if left unchecked. A strong policy and regulatory framework is needed to ensure that such funding complements public responsibility, aligns with social goals, and delivers measurable benefit to older adults across the economic spectrum.

There is a need for balanced public-private ecosystems, wherein the public sector should guarantee universal access, regulate standards, and protect vulnerable groups, provide infrastructure subsidies or blended finance for underserved areas and set ESG and transparency requirements for private involvement.

On the other hand, the private sector could fill funding and innovation gaps where public capacity is limited, adopt ethical frameworks, fair pricing, and inclusive models, and partner with government in outcome-based models (e.g. social impact bonds, PPPs).

Factor	Positive potential (Pros)	Key risks (Cons)
Capital access	Enables rapid scale-up and infrastructure upgrades (e.g. through REITs, PPPs).	Risk of financialisation and short-term return focus.
Innovation	Stimulates tech adoption, service customisation, and digital tools.	Can lead to fragmented systems or low uptake by digitally excluded groups.
Efficiency	Commercial actors may reduce overhead and increase operational productivity.	Cost-cutting can erode care quality, particularly in labour-intensive settings.
Market responsiveness	Faster development of new models and services, especially in housing and support.	Ignores unprofitable but essential services or geographies.
Consumer choice	Supports autonomy and personalisation in housing, care, and services.	Risks deepening inequities if only affluent users can choose.

The ethical dilemma of private and commercial funding

One of the most pressing ethical dilemmas in elderly care funding arises from the increasing role of private-for-profit and commercial entities in the provision and financing of elderly care services. While private investment could help expand infrastructure, increase efficiency, and offer more choices to consumers, it also raises concerns about equity and the commodification of care. When profit motives influence the delivery of essential

care services, there is a risk that decisions may prioritise cost-efficiency or shareholder returns over the well-being of older persons. This can lead to uneven quality, neglect of unprofitable populations, or exclusion of low-income older adults who cannot afford premium services. Furthermore, in some Member States, the rapid privatisation of care homes has led to weakened regulation and accountability. Policymakers must carefully navigate this tension, ensuring that commercial participation in elderly care complements public responsibilities rather than replacing them, and that care remains a right - not a privilege - for all ageing Europeans.

Private funding can add value ethically

Despite legitimate concerns, private (commercial and/or for-profit) funding, when carefully regulated and ethically aligned, can offer meaningful value to elderly care in the European Union.

Member States bear both a moral and legal obligation to ensure that older persons have access to high-quality, publicly funded long-term and elderly care services. Looking at alternative, private funding should not signal a retreat from public responsibility, but rather serve as a complementary measure to mobilise additional resources while safeguarding core values of equity, inclusion, and care as a public good.

Ethical private commercial and/ or private-for-profit investment can re-inforce innovation, help expanding service capacity, and help meeting growing demand that public systems alone may struggle to fulfill. For instance, private sector involvement can support the development of new care technologies, build modern residential facilities, and offer specialised services tailored to diverse cultural, social and medical needs. Moreover, competition within a well-regulated framework can foster improvements in quality and responsiveness. Private actors can also partner with public institutions through transparent, value-based contracts or social impact investing models that tie returns to outcomes, such as improved well-being or reduced hospitalisations.

The key lies in ensuring that private engagement operates within a strong ethical and legal framework - prioritising dignity, access, and quality over profit and remains accountable to the public good.

Innovative private funding models for long-term care in the European Union

Europe's mixed-care systems offer fertile ground for responsible private investment that complements rather than replaces public responsibility. Below are some key private funding models and mechanisms that could be adapted to fit European practices:

1. Long-Term Care Insurance (LTCI)

Long-Term Care Insurance (LTCI) is a financial mechanism designed to help individuals cover the cost of long-term care services that are not typically covered by standard health insurance or public healthcare systems. These services include assistance with daily activities such as bathing, dressing, eating, mobility, and supervision for cognitive impairments like dementia.



2. *Public-Private Partnerships (PPPs)*

Public-Private Partnerships (PPPs) in elderly care funding are collaborative arrangements between government authorities and private sector entities to finance, build, operate, or manage long-term care services and infrastructure for older adults. The goal is to leverage the efficiency, innovation, and capital of the private sector while maintaining public oversight and ensuring access to quality care.

3. *Social Impact Bonds (SIBs)*

Social Impact Bonds, also known as Pay-for-Success models, are innovative financing tools that fund social services, including elderly care, by linking investor returns to measurable social outcomes rather than service delivery alone. They bring together public, private, and third-sector partners to deliver improved care outcomes while managing public expenditure more effectively.

4. *Elderly Care Real Estate Investment Trusts (REITs)*

Elderly Care Real Estate Investment Trusts (REITs) are financial vehicles that allow investors to pool money into real estate assets used for elderly care, such as nursing homes, assisted living facilities, memory care units, and age-friendly housing. These REITs provide stable, long-term returns to investors while enabling the development and expansion of elderly care infrastructure.

5. *Impact Investment Funds*

Impact Investment Funds in elderly care are specialised financial vehicles that direct capital toward care-related projects, organisations, or businesses with the dual goal of generating measurable social impact and financial return. They aim to improve the quality, accessibility, and innovation of elderly care services, particularly in areas underserved by traditional funding.

6. *Cooperative and Community investment models*

Cooperative and Community Investment Models in elderly care are alternative, locally driven financing approaches where citizens, caregivers, families, or communities pool resources to fund and manage care services or facilities. These models prioritise democratic governance, social inclusion, affordability, and local accountability, making them especially valuable in rural or underserved areas.

7. *Care savings accounts / Reverse mortgages*

Care Savings Accounts (CSAs) and Reverse Mortgages are individual-based financial tools that help older adults prepare and pay for long-term care needs. These models aim to supplement public funding, promote financial self-reliance, and give individuals more control over their future care.

8. *Digital Platform Investment models*

Digital Platform Investment Models in elderly care funding refer to the use of private capital—often through venture capital, impact funds, or public-private initiatives—to finance digital platforms and technologies that support the delivery, coordination, or accessibility of care for older adults. These models aim to modernise elderly care systems by improving efficiency, flexibility, and person-centred service delivery.

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Model	Type	Examples	Key features	Benefits	Challenges	European fit
Long-Term Care Insurance (LTCI)	Risk-pooling and savings	Germany, Netherlands, France	Mandatory/voluntary contributions; cash or in-kind benefits	Predictable funding; promotes early planning; supports equity	Costly premiums; limited coverage; requires broad participation	Expandable across EU with state backing and progressive premiums
Public-Private Partnerships (PPPs)	Infrastructure/service co-development	UK (PFI), France (EHPADs)	Private capital for facilities; public oversight; long-term contracts	Leverages capital; faster infrastructure; innovation; performance-based payment	Contract complexity; risk of care quality trade-offs; oversight needed	Ideal for modernising care in underserved areas
Social Impact Bonds (SIBs)	Outcome-based investment	UK, Netherlands	Private investors fund projects; state pays only if outcomes met	Outcome-focused; attracts private capital; promotes innovation	Complex to design; not scalable for core services; outcome gaming risk	Good for preventative, experimental, community-based care
Elderly Care REITs	Property-based investment	Belgium, US, Japan	Investor-owned care facilities; rental income; ESG-friendly potential	Stable returns; expands infrastructure; modernises care facilities	Profit vs. care trade-off; speculation risk; rent dependence	Useful in high-demand urban areas with appropriate regulation
Impact Investment Funds	Social-return equity/debt	Health & ageing funds, family offices	Capital into socially valuable care projects (tech, rural, innovation)	Aligns finance with impact; supports underserved markets	Long return horizons; impact measurement complexity; limited scale	High potential to support EU tech and rural innovation
Cooperative and community Models	Local & citizen-led funding	Belgium, Germany	Member-owned services; democratic governance; non-profit orientation	Local empowerment; affordability; community engagement	Limited capital and scale; regulatory gaps	Strong fit for rural/small towns; strengthens social cohesion
Care Savings Accounts / Reverse Mortgages	Individualised finance tools	Singapore, Switzerland	Save or leverage home equity for future care needs	Encourages planning; reduces public burden; offers flexibility	Inequity risks; requires literacy and safeguards	Supplementary tool in wealthier EU states; must maintain solidarity principles
Digital Platform Investment	Tech-driven service delivery	France, Germany (VC-backed platforms)	Private capital funds apps/platforms linking care networks	Efficiency; rapid scaling; data-driven care; user empowerment	Digital exclusion; data/privacy concerns; workforce precarity	

Towards a EU framework for responsible and socially acceptable private Investments in elderly care

A framework for responsible and socially acceptable private investments in elderly care refers to a structured set of principles, standards, and mechanisms designed to guide, regulate, and align private capital involvement in elderly care with public interest, human rights, and social equity goals.

What makes commercial and/ or private-for-profit investment “responsible and socially acceptable”?

- Respects care as a public good, not just a business opportunity
- Delivers measurable social benefit, not just financial return
- Prioritises inclusion, affordability, and long-term sustainability
- Engages stakeholders (older adults, families, staff, communities)
- Does not extract value at the cost of care quality or public budgets

The European Union must ensure that commercial and/ or private-for-profit capital entering elderly care strengthens, not weakens, its core values of solidarity, dignity, and equity. This framework provides the necessary guardrails to ensure that private investments become a force for good, accelerating innovation, improving infrastructure, and meeting the complex needs of an ageing population without compromising ethics, access, or public trust.

I. Core principles

Element	Key details
1. Human dignity first	Care is a right, not a commodity; prioritise autonomy, dignity, and well-being of older adults
2. Public-interest alignment	Private investment must complement, not replace, public duties and align with the European Pillar of Social Rights
3. Equity and access	Services must be affordable, inclusive, and accessible to all populations, especially vulnerable and rural communities
4. Transparency and accountability	Full disclosure of ownership, financial flows, care quality, and workforce conditions is mandatory
5. Environmental and social responsibility	Adhere to ESG standards; support sustainability, energy efficiency, and fair labour practices

II. Strategic pillars

Element	Key details
1. Ethical investment criteria	<ul style="list-style-type: none"> - Introduce an EU ESG label for elderly care - Require a social impact plan - Ban speculative/profit-only models
2. Inclusive financing mechanisms	<ul style="list-style-type: none"> - Promote blended finance (EU + private) - Support cooperatives and social enterprises - Implement tiered pricing for equity
3. Workforce protections & empowerment	<ul style="list-style-type: none"> - Link funding eligibility to fair wages, staff training, and safe staffing ratios - Involve frontline workers in innovation and governance
4. Quality and outcome measurement	<ul style="list-style-type: none"> - Use standardised indicators for care quality, satisfaction, safety - Tie investor returns to verified social outcomes - Publish third-party impact reports
5. Regulatory oversight & co-governance	<ul style="list-style-type: none"> - Require licensing, inspection, and compliance with EU standards - Involve users, caregivers, and communities in project planning - Establish EU-level monitoring systems

III. Guidelines for implementation

Area	Guideline
Project design	Involve all stakeholders from the outset; perform a needs and gap analysis
Financing terms	Use long-term contracts with affordability and access clauses
Profit regulation	Ensure that returns on publicly co-funded care projects are proportionate, transparent, and aligned with long-term community benefit. Encourage reinvestment of part of the surplus locally to improve service quality and workforce conditions.
Public transparency	Publish ownership data, pricing structures, and care outcomes online
Technology integration	Ensure digital tools respect privacy, accessibility, and human oversight

IV. EU-Level policy support recommendations

Recommendation	Key actions
1. EU Observatory on ethical care investment	<ul style="list-style-type: none"> - Collect and analyse data on private investment in elderly care - Develop EU-wide standards and benchmarks - Advise Member States on good practices
2. Integration into EU funding Instruments	<ul style="list-style-type: none"> - Include ethical care investment standards in the EU Care Strategy - Embed in InvestEU and Recovery and Resilience Facility funding criteria
3. Capacity-Building for Local Actors	<ul style="list-style-type: none"> - Provide technical support to municipalities and care providers - Promote training for developing socially responsible, investment-ready care projects
4. Inclusion in European Social Taxonomy	<ul style="list-style-type: none"> - Classify elderly care as a socially sustainable sector - Create clear eligibility criteria for ESG-aligned investments in care

European institutions can facilitate and support ethical commercial and/ or private-for-profit investments

European institutions, particularly the European Commission and the European Investment Bank, can play a pivotal role in facilitating responsible private investment in elderly care. By creating unified standards for quality, transparency, and ethical care provision, EU bodies can help de-risk investments and attract socially responsible capital. Dedicated EU funding mechanisms, e.g. European Social Fund+ or InvestEU, could be leveraged to co-finance elderly care infrastructure projects or support innovation in care delivery, particularly in underserved regions. Additionally, the EU could promote the use of social impact bonds and public-private partnerships that reward outcomes aligned with public health and social care goals. Cross-border initiatives, knowledge-sharing platforms, and capacity-building programs could further enable smaller care providers and local authorities to engage with private investors in an informed, equitable way. Through this coordinated approach, European institutions can help ensure that private investments complement public efforts and contribute to a more sustainable and inclusive elderly care ecosystem.

Organising commercial and/ or private-for-profit funding in elderly care

Commercial and/ or private-for-profit capital has the potential to transform elderly care in the European Union - if it is structured responsibly and aligned with public good. Through innovative financing models, transparent standards, and meaningful partnerships, capital can be directed not only to generate returns, but to ensure that Europe's older citizens live with dignity, security, and care.

Organising commercial and/ or private-for-profit capital for better and sustainable funding of elderly care in the European Union requires structured financial mechanisms, regulatory alignment, and shared value creation between public and private actors.

The key is not just mobilising more capital, but channeling it ethically, strategically, and with long-term impact.

Strategy	Instrument/Model	Key features	Expected outcomes
1. Establish dedicated elderly care investment vehicles	<ul style="list-style-type: none"> Long-term care real estate funds Social infrastructure funds Impact investment funds 	<ul style="list-style-type: none"> Focus on age-friendly infrastructure Blended finance structures Social returns prioritised 	<ul style="list-style-type: none"> Attract long-term capital Modernise infrastructure Improve senior well-being
2. Scale public-private partnerships (PPPs)	<ul style="list-style-type: none"> Outcome-based PPPs Co-funded care infrastructure contracts 	<ul style="list-style-type: none"> Performance-based returns (e.g. on care quality) Public oversight & affordability safeguards 	<ul style="list-style-type: none"> Leverage private capital Ensure social accountability Improve service delivery
3. Encourage social impact bonds (SIBs)	<ul style="list-style-type: none"> SIBs for home care, prevention, discharge planning 	<ul style="list-style-type: none"> Upfront private funding Government pays based on results 	<ul style="list-style-type: none"> Support innovation Reduce public costs Delay institutionalisation
4. Create EU-level financial instruments	<ul style="list-style-type: none"> EU elderly care platform (via EIB) EU-level guarantees & technical assistance 	<ul style="list-style-type: none"> Risk-sharing tools Project pipeline development Tax incentives 	<ul style="list-style-type: none"> Channel private investment to underserved areas Align with EU social standards
5. Set ESG and certification standards	<ul style="list-style-type: none"> Elderly care ESG framework Social care ratings/certifications 	<ul style="list-style-type: none"> Eligibility tied to care quality and transparency Incentives linked to verified social performance 	<ul style="list-style-type: none"> Guide ethical investment Improve accountability and benchmarking
6. Promote cooperative & and community investment	<ul style="list-style-type: none"> Community bonds Worker/family-owned cooperatives 	<ul style="list-style-type: none"> Local, small-scale capital Shared ownership and governance 	<ul style="list-style-type: none"> Localise care provision Strengthen social cohesion Increase rural investment
7. Attract institutional investors	<ul style="list-style-type: none"> Pension/insurance fund partnerships Inflation-protected real assets 	<ul style="list-style-type: none"> Long-term, stable income Public-private co-funding Diversification with social returns 	<ul style="list-style-type: none"> Mainstream elderly care as an investable asset class Mobilise large-scale responsible capital

Framework for responsible private financial engagement in elderly care in the European Union

With Europe's population ageing rapidly, the need for high-quality, accessible, and sustainable elderly care is growing faster than public systems can deliver alone. Private (commercial and/ or private-for-profit) sector engagement, when guided by clear ethical standards and aligned with social goals, can play a transformative role in meeting this demand. From developing age-friendly housing to investing in technology and care infrastructure, private actors can complement public efforts, drive innovation, and scale services. However, this engagement must be responsible, inclusive, and transparent. Such a framework identifies key action areas where the private sector can contribute meaningfully to elderly care across the EU, while ensuring that profitability does not come at the expense of dignity, equity, or care quality. By fostering such partnerships, the EU can build a care ecosystem that is both future-proof and socially just.

Action area	Key contributions	Expected impact
1. Develop age-friendly housing and communities	- Build barrier-free, tech-enabled housing - Promote co-housing & senior villages	Enable aging in place, reduce institutional demand
2. Invest in modern, sustainable care facilities	- Construct eco-efficient, home-like facilities - Integrate healthcare and dignity-focused design	Improve quality & attractiveness of care environments
3. Support tech innovation in elderly care	- Fund startups in telemedicine, AI tools, robotics - Embed smart tech in facilities	Enhance care delivery, efficiency & outcomes
4. Engage in Public-Private Partnerships (PPPs)	- Co-develop care campuses with public sector - Secure long-term contracts with affordability safeguards	Align profitability with social accountability
5. Apply ESG and social impact investing	- Invest in underserved areas - Adopt impact metrics & certifications	Attract values-based capital, build investor trust
6. Facilitate workforce housing and training	- Provide affordable housing near care centers - Develop integrated training hubs	Support staff retention, reduce workforce shortages
7. Attract institutional investors	- Package care infrastructure as low-risk, inflation-linked assets	Mobilize large-scale, stable capital inflows

Framework for care provider-led investment-readiness in elderly care

As Europe seeks to expand and modernise its elderly care systems, elderly care providers themselves could take a proactive role in attracting and responsibly managing commercial and/ or private-for-profit investments. While public funding remains essential, the scale of demographic change demands additional capital, especially from socially minded and impact-driven investors. To unlock this potential, providers should become investment-ready: financially transparent, strategically aligned, socially accountable, and operationally innovative. By doing so, they not only improve access to capital, but also enhance care quality, resilience, and public trust.

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Strategic Area	Core Actions	Purpose/Investor Benefit	Expected Outcomes
1. Professionalise financial management	<ul style="list-style-type: none"> - Transparent accounting and cashflow systems - Detailed revenue modelling - Regular audits & investor-grade reporting 	Build trust and reduce perceived financial risk	Increased investor confidence, easier access to capital
2. Develop investment-ready projects	<ul style="list-style-type: none"> - Create scalable models (e.g. modular homes, home-care platforms) - Provide ROI forecasts and risk-sharing plans - Align proposals with demographic trends 	Present compelling, bankable investment cases	More funding approvals, faster project uptake
3. Measure and communicate social impact	<ul style="list-style-type: none"> - Track key indicators (e.g. quality of life, satisfaction, readmissions) - Use IRIS+, GIIN or custom benchmarks - Publish annual impact reports 	Show dual value: financial return <i>and</i> social impact	Appeal to ESG/impact investors, enhance public reputation
4. Embrace innovation and digitalisation	<ul style="list-style-type: none"> - Implement AI, telecare, data analytics - Demonstrate tech-enabled cost savings & scalability 	Signal operational efficiency and future-readiness	Increase investor interest, optimise operations
5. Form strategic partnerships	<ul style="list-style-type: none"> - Collaborate with developers (e.g. leaseback models) - Engage with impact funds or family offices - Structure PPPs with local governments 	Share risk and co-create value with capital partners	Broader capital access, long-term infrastructure growth
6. Build trust via accreditation and transparency	<ul style="list-style-type: none"> - Secure ISO/national care certifications - Disclose staffing ratios, quality metrics - Promote ethical governance practices 	Reassure investors, regulators, and families	Strengthened credibility, improved deal quality
7. Advocate and shape the ecosystem	<ul style="list-style-type: none"> - Join alliances (e.g. EAN) - Push for investment-friendly regulations - Co-develop EU-aligned financial tools (e.g. REITs, SIBs) 	Align sector standards with sustainable capital flows	Influence funding frameworks, reduce systemic barriers

Policy framework for ethical commercial and/ or private-for-profit investment in elderly care

As demographic ageing accelerates across the European Union, the demand for long-term care is rising sharply, outpacing public funding and infrastructure in many Member States. To bridge this gap, commercial and/ or private-for-profit investment has a vital role to play. However, without clear ethical and regulatory guardrails, there is a risk that care becomes commodified, equity is eroded, and vulnerable populations are exposed to substandard or profit-driven models. To harness the full potential of private capital *while safeguarding dignity, inclusion, and social rights*, the European Union must adopt a coherent policy framework that guides, incentivises, and regulates private sector involvement. The following table outlines eight key policy areas where EU action, anchored in social values and strategic alignment, can steer private investment towards sustainable, high-quality, and ethically grounded elderly care.

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Policy Area	Key Actions	Strategic Goals	Expected Impact
1. European framework for ethical investment in elderly care	<ul style="list-style-type: none"> - Define sector-specific ethical criteria - Mandate social impact assessments - Require community and stakeholder engagement 	Ensure investment aligns with dignity, equity, and care rights	Clear standards for ethical funding; protects vulnerable users
2. EU-Wide elderly care ESG Label/Certification	<ul style="list-style-type: none"> - Develop an ESG label under EU Taxonomy - Certify high-quality, sustainable projects - Promote label to institutional investors 	Direct capital toward socially responsible providers	Increased trust, funding, and quality across care systems
3. Blended finance via EU investment Instruments	<ul style="list-style-type: none"> - Use InvestEU/EIB for public-private co-financing - Target rural/underserved areas - Provide guarantees and risk-sharing tools 	Catalyse private capital with public support	Broader access to capital; innovation in marginalised regions
4. Embed elderly care in the European Pillar of Social Rights	<ul style="list-style-type: none"> - Treat LTC as a social right, not a market commodity - Align private sector incentives with national care strategies - Track progress via Social Scoreboard 	Uphold equity and universal access	Balanced public-private systems that reduce inequalities
5. Transparency and accountability for private operators	<ul style="list-style-type: none"> - Mandate disclosure of ownership, profits, staffing - Introduce oversight for public-funded private care - Establish redress and whistleblower mechanisms 	Guard against exploitation and abuse	Boosts public trust and investor discipline
6. Innovation and digitalisation via Horizon Europe and Digital Europe	<ul style="list-style-type: none"> - Fund ethical, tech-enabled care models - Support public-private R&D consortia - Promote ethical AI and system interoperability 	Ensure inclusive, tech-driven transformation	Scalable innovation with equitable access
7. Workforce investment and social Dialogue	<ul style="list-style-type: none"> - Tie investments to decent work standards - Promote dialogue with unions and worker reps - Leverage the European Skills Agenda 	Guarantee care quality through staff support	A stable, skilled workforce attractive to investors
8. Cross-border cooperation and knowledge sharing	<ul style="list-style-type: none"> - Create EU platforms for sharing investment and care best practices - Enable cross-border care models and rights portability - Support ageing regions with limited resources 	Build EU-wide learning and solidarity	Harmonised care quality and funding across Member States

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Conclusion

The European Union stands at a decisive moment in shaping the future of elderly care. The demographic realities of ageing societies, coupled with fiscal pressures and workforce shortages, demand urgent and coordinated action. This report has outlined both the challenges and the opportunities inherent in developing a funding framework that is sustainable, equitable, and socially responsible.

Public responsibility must remain the backbone of elderly care, grounded in the principle that access to dignified care is a universal right. At the same time, the scale of current and future needs requires us to mobilise additional resources. Private and commercial funding, when ethically aligned and transparently regulated, can play a complementary role—supporting innovation, expanding capacity, and addressing gaps that public systems alone cannot fill.

The framework proposed here is not a retreat from solidarity, but a renewal of it: a balanced ecosystem where public, not-for-profit, and private actors share responsibility under strong oversight, with dignity and quality of life for older people at the centre. By setting clear ethical standards, encouraging innovative financing models, and fostering partnerships across sectors, the European Union can ensure that elderly care evolves into a resilient, inclusive, and future-proof system.

The work of the European Ageing Network and its partners has made clear that solutions exist—and that the greatest risk is inaction. If we act with courage, transparency, and commitment, Europe can lead the world in demonstrating how ageing with dignity is not only possible, but a hallmark of a just and compassionate society.

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ANNEX 1

Code of conduct for ethical, sustainable, and responsible elderly care investment and operation

1**Purpose**

This Code of Conduct establishes shared principles and commitments for private investors, elderly care operators, and governments to ensure that private capital in elderly care is deployed ethically, sustainably, and in alignment with societal values, human rights, and social solidarity. It recognises care as both a social right and an area for responsible innovation.

1. Overarching principles (all parties)

1. Care as a right
Acknowledge that elderly care is a fundamental human right, as anchored in international treaties, and must remain affordable, accessible, and high-quality regardless of income.
2. Public–private complementarity
Private initiatives must supplement, not replace, public responsibility.
3. Equity and inclusion
Avoid creating care systems where quality depends on wealth; prioritise services for vulnerable and rural populations.
4. Transparency and accountability
Full disclosure of ownership, governance, funding flows, and care outcomes.
5. Social and environmental responsibility
Adhere to ESG standards, fair labour practices, and sustainable infrastructure development.
6. Outcome over profit
Profits may be earned but must never come at the expense of care quality, safety, or dignity.

2. Specific commitments for private investors

- Ethical investment mandate
 - Commit capital only to projects meeting defined EU/Member State social responsibility and quality standards.
 - Conduct a Social Return on Investment (SROI) analysis alongside financial ROI.
- Limits on profit extraction

- Reinvest a fair proportion of profits locally to improve services and workforce conditions.
- Cap returns where public subsidies or co-funding are involved.
- Responsible exit strategies
 - Avoid short-term speculative buy/sell cycles that destabilise services.
 - Prioritise continuity of care during ownership changes.
- Innovation with inclusion
 - Invest in technology, infrastructure, and services that improve accessibility, reduce inequality, and support ageing in place.
 - Ensure that digital and tech innovations are accessible to non-digital users.

3. Specific commitments for elderly care operators

- Quality and safety first
 - Meet or exceed national and EU quality standards for medical, housing, and supportive services.
 - Implement continuous quality monitoring, including user satisfaction and quality-of-life metrics.
- Fair workforce practices
 - Ensure fair wages, safe staffing ratios, and access to training and career development.
 - Involve staff in innovation and decision-making processes.
- Service integration
 - Coordinate healthcare, housing, and supportive services to provide holistic, person-centred care.
 - Tailor services to cultural, regional, and individual needs.
- Financial integrity
 - Maintain transparent accounting, particularly for services funded with public or mixed capital.
 - Avoid cost-cutting measures that compromise quality or access.

4. Specific commitments for governments

- Regulation and oversight
 - Establish and enforce clear, proportionate regulations for all care providers (level-playing field), with emphasis on quality, affordability, and accessibility.
 - Maintain independent inspection and monitoring systems that include quality-of-life indicators.
- Funding and incentives
 - Provide blended finance, tax incentives, or subsidies for projects meeting social and ethical criteria.
 - Use public funding to prioritise medical services and essential care, while allowing private investment in housing and support services under agreed safeguards.
- Market Shaping
 - Create a level-playing field for all funders and operators.
 - Prevent over-concentration of care provision in profitable urban areas by incentivising rural and underserved area investment.

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- Support cooperative, community-based, and not-for-profit models alongside private enterprise.
- Public responsibility
 - Uphold the government's moral and legal obligation to guarantee universal access to essential elderly care services.
 - Ensure that private participation does not lead to public withdrawal from core care responsibilities.

5. Joint Mechanisms for All Parties

- Stakeholder engagement
Involve older adults, families, staff, and communities in planning and evaluating services and investments.
- Transparency platforms
Publish comparable data on costs, funding sources, care quality, and outcomes.
- Shared innovation labs
Create joint public–private–academic initiatives to develop and test scalable, inclusive care solutions.
- Crisis safeguards
Maintain contingency plans to ensure continuity of care in financial, public health, or market crises.

6. Enforcement and Review

- The Code shall be embedded in contractual agreements, licensing conditions, and funding criteria.
- Annual independent audits to verify compliance, with public reporting.
- Periodic review (every 3 years) to adapt to demographic, technological, and policy changes.

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