DEFEND AMERICA
ACTION

REPORT · JULY 2026

No Silver Lining

The Trump-GOP affordability crisis is slamming older Americans.

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Older Americans are *getting screwed at every turn* by Donald Trump's affordability crisis.

Older Americans are getting screwed at every turn by Donald Trump's affordability crisis. Americans aged 50 and up are facing higher health care costs, driven up by Trump-GOP policies, and a Social Security Administration gutted by Trump and DOGE just as everyday prices go through the roof. From energy costs to eldercare, the bills keep going up, and Social Security checks just aren't keeping pace.

This summer marks the 61st anniversary of Medicaid and Medicare and the 91st anniversary of Social Security. These seminal programs form the backbone of everyday life for American seniors. Tens of millions spent most of their adult lives paying into the system and planning around these core pillars. Last year, Trump and Republicans' massive tax bill slashed Social Security and Medicare revenue, making these critical programs even less solvent and triggering automatic benefit reductions for older Americans in just six years. Since the start of 2025, the Trump administration has also slashed more than 8,000 staffers at the Social Security Administration, forcing seniors to face delays and service interruptions.

For many Social Security recipients, their annual cost-of-living adjustment has been more than offset by rising costs exacerbated by Trump's policies. Eldercare is getting more expensive and lower-quality. Medicare premiums spiked this year, and the Trump administration is now testing a program designed to use AI-based judgment to overturn Medicare coverage decisions. The cost of nursing homes and home care has been rising faster than older adults' incomes and inflation, with private nursing home rooms now costing more than double the median household income for seniors. The Trump administration has also deregulated key nursing home standards designed to ensure enough staff are on hand to safely feed, bathe, and monitor residents. Meanwhile, rising housing costs are squeezing older Americans living on fixed incomes dry.

The combined weight of these costs is forcing some retirees to even return to work out of necessity, just to meet basic needs. There's no question Trump's affordability crisis is eating into retirement accounts and straining seniors' savings, touching senior communities in every state, rural and urban alike.

BY THE NUMBERS

The senior affordability crisis, in figures.

2032

Social Security's new insolvency date after the Trump-GOP tax cuts moved it up.

Committee for a Responsible Federal Budget

2.8%

2026 Social Security cost-of-living adjustment — outpaced by 3.5% June 2026 inflation.

SSA · *BLS*

8,000+

Social Security Administration employees cut since January 2025 — the agency's largest workforce reduction on record.

Center on Budget & Policy Priorities

~10%

Increase in Medicare Part B's standard monthly premium and annual deductible for 2026.

STAT News

1/3

Of the average retiree's 2026 Social Security COLA raise consumed by that premium increase alone.

Yahoo Finance

5.5M

Older Americans on ACA plans hit with skyrocketing premiums after Trump-GOP ripped away tax credits.

KFF

39%

Rise in home care costs since 2021 — nearly double the rate of overall inflation.

AARP

1 in 3

Older renter and homeowner households now considered cost-burdened by housing expenses.

Harvard JCHS

SECTION 01 · SOCIAL SECURITY & MEDICARE

Social Security & Medicare are less secure than ever thanks to *Trump & Republicans* in Congress.

— *The sweeping Trump-GOP tax law made Social Security & Medicare less solvent than ever.*

Last year, Trump and Republicans passed a sweeping bill cutting over $1 trillion from health care, food assistance and more to pay for tax cuts for billionaires and big corporations. This law simultaneously reduced the flow of revenue to the Social Security and Medicare trust funds while increasing program costs by $1.1 trillion by the end of the century, making Social Security even less solvent long-term. Now, Social Security funds are set to be depleted in just six years, reducing payments to seniors and throwing the primary safety net for older Americans into disarray.

— *The Trump White House cut over 8,000 SSA staffers, eroding service for seniors.*

Since the start of 2025, the Trump administration has slashed more than 8,000 SSA staffers, cutting roughly 14 percent of its total staff in the largest staffing cut on record for the agency, impacting seniors in every state. 33 states lost at least 10 percent of their SSA staff in FY2025 alone. Independent analysts have found that nearly half the cuts hit customer-facing roles, including those helping seniors correct earnings records, appeal disability denials, resolve survivor benefit claims, and more.

SECTION 01 · CONTINUED

Delays, closures, and a new AI Medicare denial program.

Seniors are facing Social Security service delays and office closures.

In effect, millions of seniors have already faced longer delays even as the agency insists metrics are improving. Worse still, multiple rural offices have already closed or moved to phone-only service due to staffing shortages. In December, the agency further outlined a goal of cutting in-person field office visits by 50 percent.

Inflation and spiking Medicare premiums are eating the Social Security cost-of-living adjustment.

In November, the Trump administration hiked premiums for Medicare Part B, which covers doctor's visits, outpatient care, and longer-term medical equipment, by nearly 10 percent – a massive jump for seniors living on fixed incomes, especially for the 42 percent of seniors that rely on Social Security for more than half of their income. This year, Social Security recipients, primarily aged 62 and up, received a 2.8 percent cost-of-living adjustment (COLA). In practice, much of that raise has been absorbed by rising inflation and spiking Medicare premiums. Part B premiums are deducted directly from Social Security checks, effectively erasing the COLA adjustment before it ever hits seniors' bank accounts, and shrinking seniors' net Social Security income compared to last year. To make matters worse, overall inflation this year is outpacing the COLA as it is, hitting 3.5 percent in June 2026 amid Trump's war with Iran spiking energy costs.

The Trump administration is pushing a new AI Medicare claim denial program.

This year, the administration began pushing a program designed to use AI-based prior authorization requirements to overturn Medicare coverage decisions, leading to 2-4 times longer wait times for patients due to authorization delays, Medicare claims denied by third-party AI-powered clinicians, and higher costs for patients and doctors alike.

SECTION 02 · ELDERCARE COSTS

Eldercare costs *skyrocket*.

Trump and Republicans in Congress caused ACA marketplace premiums to skyrocket for 5.5 million older Americans this year.

Last year, Trump and Republicans in Congress ripped away Affordable Care Act (ACA) tax credits, slamming the 5.5 million older Americans who signed up for ACA plans earlier this year with sky-high premiums. A recent analysis by KFF showed that ripping away the ACA tax credits hit older Americans especially hard because insurers already charge older enrollees higher base premiums under ACA age-rating rules.

> *"A private nursing home room now costs close to $128,000 a year — more than double the median household income for seniors.*
>
> — AARP · LONG-TERM CARE AFFORDABILITY REPORT

Home care and long-term care costs are outrunning older Americans' incomes.

The cost of long-term eldercare is vastly outpacing income growth for most older Americans. Since 2021, home care costs have climbed 39 percent, vastly outpacing both overall inflation and wage growth. Household income for those 65 and older has grown just 22 percent over the same period. The cost of nursing homes and home care has been rising faster than older adults' incomes and inflation, with home care inflation rising an average of 7.9 percent per year over the past five years. A private nursing home room now costs close to $128,000 a year, even though the median household income for seniors is only around $60,000 a year.

SECTION 02 · CONTINUED

Nursing home safeguards *overturned* as Medicaid faces $1 trillion in cuts.

— *The Trump administration deregulated nursing homes, risking lower quality care for older Americans.*

In December 2025, the Trump administration deregulated nursing home care, repealing minimum staffing rules for nursing homes. The Trump administration eliminated both the requirement for a registered nurse to be on-site 24 hours a day, and the mandated minimum of 3.48 nursing hours per resident per day – standards designed to ensure enough staff are on hand to safely feed, bathe, and monitor residents. This move overturned a key safeguard for quality care even as families pay record-high sums for facility-based eldercare.

— *Trump and Republicans also cut roughly $1 trillion from Medicaid, the program that pays for most nursing home care.*

The same Trump-GOP law that bankrolled tax breaks for billionaires and big corporations cut over $1 trillion from Medicaid over the next decade, hitting the millions of older adults who are dually enrolled in Medicare and Medicaid and who lean on the program for long-term care. Medicaid is the primary payor for 63 percent of nursing home residents. As states scramble to absorb the billions in lost federal funding, they are being forced to tighten eligibility and pare back services, leaving many older residents at risk of losing coverage or their place in the facilities they rely on.

SECTION 03 · RISING COSTS

Rising costs are *forcing retirees back to work*.

Retirees are returning to work out of necessity.

Facing high and rising costs, more and more formerly retired seniors are returning to work out of necessity to meet basic needs. A recent AARP survey found that one in 10 older Americans reported "unretiring," and four in 10 said they were attempting a return to work just to afford everyday living expenses. One analysis found that rising health care costs, housing costs, and diminished purchasing power are the top reasons cited by older Americans returning to work from retirement.

Skyrocketing housing costs are squeezing older household budgets.

The Joint Center for Housing Studies at Harvard University found that roughly one in three older households is now considered cost-burdened by housing expenses. Rising housing costs are squeezing older Americans living on fixed incomes that are rising slower than rents. Even for older Americans who own their homes outright, skyrocketing housing costs are hitting hard. Property taxes and homeowners insurance premiums both rose faster than overall inflation this year.

SECTION 03 · CONTINUED

Food aid stripped. Tariffs land like a *hidden tax* on fixed incomes.

Trump and the GOP are taking food assistance away from older adults.

Last year's Trump-GOP tax bill delivered the largest cut to food assistance in the program's history, reducing SNAP by nearly $187 billion through 2034 and driving participation down by more than 4 million people, about 10 percent, in the year since it became law. It also extended SNAP's work requirement to adults up to age 65, encumbering many older Americans in their late fifties and early sixties who rely on food assistance with paperwork requirements designed to kick them off coverage.

Trump's tariffs are a hidden tax on seniors living on fixed incomes.

Trump's tariffs have raised costs for older Americans in the form of higher prices at the grocery store and beyond. Trump's tariffs cost the average household about $1,000 in 2025 and roughly $700 more in 2026. The burden lands hardest on those least able to absorb it; the lowest-income households pay three times as much as the wealthiest as a share of their income. For a retiree living on a Social Security check that rose just 2.8 percent this year, there is no bigger paycheck or overtime to close the gap.

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Older Americans are paying the price. It's time to fight back.

Defend America Action is a 501(c)(4) organization dedicated to defending working families from the destructive policies of the Trump administration and Congressional Republicans.

Every figure and citation in this report links to its source — from AARP and Harvard's Joint Center for Housing Studies to the Committee for a Responsible Federal Budget, KFF, and the nation's independent newsrooms.

DefendAmericaAction.org