SPECIAL REPORT · JULY 2026

THE AFFORDABILITY CRISIS

IS SLAMMING OLDER AMERICANS.

Americans 50 and up are paying more for everything — health care, housing, prescriptions, care — while Social Security checks fall further behind. This is what the squeeze looks like for seniors.

THE SQUEEZE

OLDER AMERICANS HAVE BEEN SCREWED AT EVERY TURN.

Americans aged 50 and up are paying more for everything these days. Over the past year and a half, older Americans have been hit at every turn, facing rising health care costs and a gutted Social Security Administration as everyday prices go through the roof. Whether it's groceries, rent, prescription drugs, child care, or utilities, 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's massive tax bill reduced Social Security and Medicare revenue, making the critical programs even less solvent and triggering automatic benefit reductions for older Americans in just six years. Since the start of 2025, the agency has also slashed more than 8,000 staffers, forcing tens of millions of 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. Eldercare is getting more expensive and lower-quality. Medicare premiums spiked this year and Medicare is now testing a program designed to use AI to overturn 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. Meanwhile, the government rolled back nursing home staffing standards designed to ensure enough staff are on hand to safely feed, bathe, and monitor residents. To make matters worse, rising housing costs are squeezing older Americans living on fixed incomes.

The combined weight of these costs is forcing some retirees to return to work out of necessity, just to meet basic needs. The affordability crisis is eating into retirement accounts and straining seniors' savings. For millions of older Americans, making ends meet has gone from hard to impossible. The high cost of living is an issue touching senior communities in every state, rural and urban alike.

BY THE NUMBERS

THE SQUEEZE ON SENIORS, IN FIGURES.

2032

The year Social Security is now set to become insolvent — moved up by last year's tax law.

CRFB, 2026

8,000+

SSA staffers cut since January 2025 — roughly 14% of staff, the largest workforce reduction on record.

CBPP, 2026

2.8% VS. 3.5%

The 2026 Social Security cost-of-living adjustment came in at just **2.8%** — while inflation hit **3.5%** in June 2026, outpacing the raise entirely.

Social Security Administration; BLS, 2026

~10%

Increase in Medicare Part B's standard monthly premium and deductible for 2026 — consuming about a third of the average retiree's COLA raise.

STAT News · CMS, 2026

5.5M

Older Americans on ACA plans hit with skyrocketing premiums after last year's tax law ended enhanced tax credits.

KFF, 2026

39%

How much home care costs have climbed since 2021 — nearly double the overall rate of inflation.

AARP, 2026

1 in 3

Older households now considered cost-burdened by housing expenses.

Harvard Joint Center for Housing Studies, 2026

SECTION 01

SOCIAL SECURITY & MEDICARE ARE LESS SECURE THAN EVER.

Last year's tax law made both programs less solvent

Last year, the federal government 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. The 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. Social Security funds are now set to be depleted in just six years, reducing payments to seniors and throwing the primary safety net for older Americans into disarray.

The government cut over 8,000 SSA staffers

Since the start of 2025, the SSA has slashed more than 8,000 staffers — roughly 14% of its total staff, 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 found that nearly half the cuts hit customer-facing roles, including those helping seniors correct earnings records, appeal disability denials, and resolve survivor benefit claims.

- Millions of seniors have already faced longer delays even as the agency insists metrics are improving. Multiple rural offices have closed or moved to phone-only service due to staffing shortages, and the agency has outlined a goal of cutting in-person field office visits by 50 percent.

Inflation and Medicare premiums are eating the COLA

This year, Social Security recipients 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. In November, the federal government hiked Medicare Part B premiums — which cover doctor's visits, outpatient care, and medical equipment — by nearly 10 percent, a massive jump for seniors on fixed incomes, especially the 42 percent who rely on Social Security for more than half their income. Because Part B premiums are deducted directly from Social Security checks, the increase effectively erases the COLA before it ever hits seniors' bank accounts. Overall inflation is outpacing the COLA as well, hitting 3.5% in June 2026 largely due to energy costs soaring amid the war with Iran and the Strait of Hormuz closure.

THE BOTTOM LINE

THE PREMIUM HIKE ERASES THE RAISE BEFORE IT EVER HITS A SENIOR'S BANK ACCOUNT.

- The federal government is pushing a new AI Medicare claim-denial program, using AI-based prior authorization designed to overturn Medicare coverage decisions — leading to wait times 2–4 times longer, claims denied by third-party AI-powered clinicians, and higher costs for patients and doctors alike.

SECTION 02

ELDERCARE COSTS SKYROCKET.

ACA premiums spiked for 5.5 million older Americans

Last year's tax law ended Affordable Care Act tax credits, slamming the 5.5 million older Americans who signed up for ACA plans earlier this year with sky-high premiums. A KFF analysis found that ripping away the tax credits hit older Americans especially hard because insurers already charge older enrollees higher base premiums under ACA age-rating rules — with benchmark premiums rising sharply as the subsidies lapsed.

Care costs are outrunning seniors' 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 — while household income for those 65 and older has grown just 22 percent. Home care inflation has risen an average of 7.9 percent per year over the past five years.

THE MATH

A PRIVATE NURSING HOME ROOM NOW RUNS ABOUT $128,000 A YEAR – MORE THAN DOUBLE THE $60,000 A TYPICAL SENIOR HOUSEHOLD EARNS.

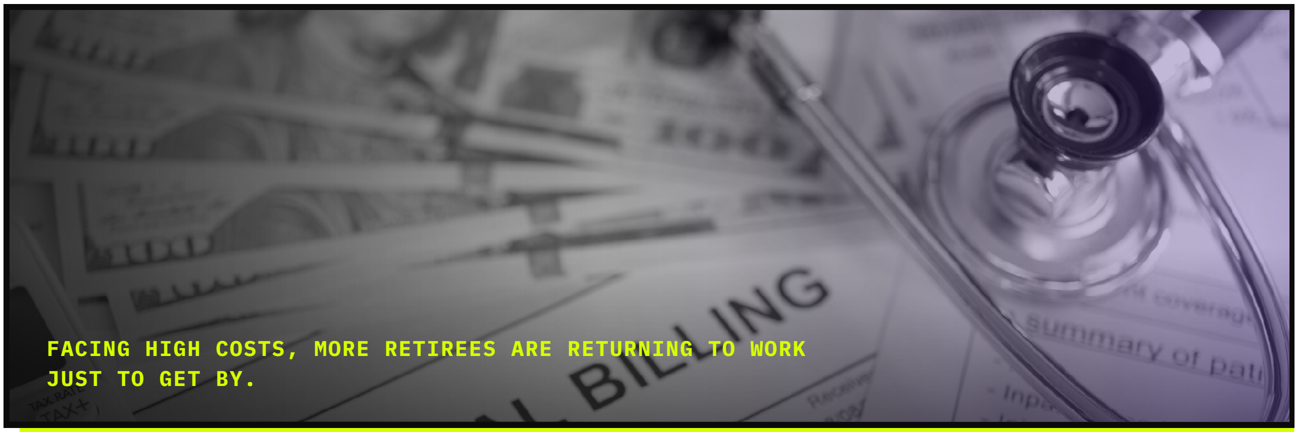
Source: AARP long-term care affordability analysis, 2026

Nursing homes are being deregulated

In December 2025, the federal government issued an interim final rule repealing a minimum staffing mandate for nursing homes — eliminating both the requirement for a registered nurse on-site 24 hours a day and the mandated minimum of 3.48 nursing hours per resident per day, a standard designed to ensure enough staff are on hand to safely feed, bathe, and monitor residents. The rule overturned a key safeguard for quality care even as families pay record-high sums for facility-based eldercare.

SECTION 03

RISING COSTS ARE FORCING RETIREES BACK TO WORK.



FACING HIGH COSTS, MORE RETIREES ARE RETURNING TO WORK JUST TO GET BY.

Retirees are “unretiring” out of necessity

Facing high and rising costs, more and more formerly retired seniors are returning to work just 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 older Americans cite for going back to work.

Housing costs are squeezing older budgets

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

THE BOTTOM LINE

For millions of older Americans, making ends meet has gone from hard to impossible. It shouldn’t cost this much to grow old in America.

SH↑T COSTS TOO MUCH

A PROJECT OF DEFEND AMERICA ACTION

IT SHOULDN'T COST THIS MUCH TO GROW OLD IN AMERICA.

Sh*t Costs Too Much is a project of Defend America Action dedicated to documenting the real cost-of-living crisis facing American families. Behind every statistic are real Americans dealing with real problems — and we're going to ensure their stories are told.

Every figure in this report is sourced and linked. Nothing here is spin; it's the record.

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