

Flat Funding, Rising Demand: Why the President's FY27 Budget Falls Short for Family Caregivers

A closer look at how stagnant investment widens the gap between caregiver needs and available support.

The Scale of Family Caregiving in America

More than 63 million Americans provide care to a loved one, a nearly 50 percent increase over the past decade.¹ These individuals coordinate care across fragmented systems, manage complex chronic conditions, and fill gaps in a constrained health care workforce. In doing so, they provide an estimated \$1 trillion in unpaid care, saving both Medicare and Medicaid hundreds of billions of dollars each year.² Family caregivers are the backbone of long-term care in this country, enabling millions of older adults and individuals with disabilities to remain in their homes and communities. Their contributions are essential to both the nation's health and its economy.

What the FY27 Budget Proposes

While the National Alliance for Caregiving has called for significant increases in programs supporting family caregivers, last week the White House released its Fiscal Year 2027 (FY27) budget proposal, outlining significant funding reductions across federal health and services programs alongside level funding for key caregiver supports. The budget maintains current funding levels for the Older Americans Act (OAA) National Family Caregiver Support Program (\$209 million), the Title VI-C Native American Caregiver Support program (\$14 million), and the Lifespan Respite Care Program (\$11 million). In an environment shaped by inflation, workforce shortages, and rising care complexity, flat funding is effectively a cut.

Deeper Cuts to Health, Research, and Workforce Infrastructure

The FY27 proposal includes substantial reductions to broader health and research infrastructure that caregivers rely on. The Department of Health and Human Services (HHS) would see a \$15.8 billion decrease, with cuts to the National Institutes of Health (NIH) totaling \$4.8 billion, including a \$312 million reduction for the National Institute on Aging (NIA). Funding for ARPA-H would be reduced by \$555 million, and the Geriatrics Workforce Enhancement Program (GWEP), a key initiative supporting the training of a workforce equipped to care for older adults, would be eliminated entirely. The Community Services Block Grant (CSBG), another program supporting caregivers with case management, transportation, and respite, would also be eliminated. In addition,

¹ AARP and National Alliance for Caregiving. *Caregiving in the US 2025*. Washington, DC: AARP. July 24, 2025. <https://doi.org/10.26419/ppi.00373.001>

² Houser, Ari, Selena Caldera, Brendan Flinn, and Rita Choula. *Valuing the Invaluable 2026: Family Caregivers' Contribution Reaches \$1 Trillion*. Washington, DC: AARP Public Policy Institute, March 26, 2026. <https://doi.org/10.26419/ppi.00402.001>.

the proposed consolidation of the Health Resources and Services Administration (HRSA) into a new Administration for a Healthy America (AHA), projected to result in \$5 billion worth of spending reductions, introduces further uncertainty for programs that support caregivers and the systems they depend on.

Restructuring Federal Disability Infrastructure

Beyond funding reductions, the FY27 proposal calls for significant structural changes to the federal agencies that serve people with disabilities and older adults. The budget would close the Administration for Community Living (ACL), the agency that oversees key programs supporting people with disabilities, redistributing many of its functions into a newly configured Administration for Children, Families and Communities within HHS. At the same time, the proposal would eliminate dedicated funding for several programs authorized under the Developmental Disabilities Act, including University Centers for Excellence in Developmental Disabilities (UCEDDs), Developmental Disabilities Projects of National Significance, and Voting Access for Individuals with Disabilities. While the budget frames these changes as streamlining, disability advocates warn that consolidation without dedicated funding lines risks dismantling infrastructure that supports research, workforce training, technical assistance, and direct services for people with disabilities and their caregivers. For family caregivers in particular — many of whom support loved ones with developmental, intellectual, or physical disabilities — the loss of these programs could mean fewer trained professionals, reduced access to community-based supports, and greater difficulty navigating an already fragmented care system.

What This Means for Families

These proposed reductions have real implications. Cuts to research funding risk slowing progress on diseases such as Alzheimer's and cancer, conditions that place significant emotional, physical, and financial strain on caregivers. Workforce investments that help train providers in geriatrics and complex care are being scaled back at a time when demand is rising. At the same time, the cost of care continues to increase — from medical supplies and prescription drugs to in-home services — further eroding the purchasing power of already limited caregiver support programs.

Flat funding, when viewed in this broader context, is not a neutral policy choice. It is a decision that allows the gap between need and support to widen. As inflation drives up costs and the caregiver population continues to grow, stagnant funding diminishes the reach and effectiveness of programs designed to provide respite, training, and assistance. This dynamic leaves caregivers with fewer options, culminating in not only reduced quality of life, but the sustainability of the broader health care system.

A Call to Congress

Federal policy must reflect the reality that family caregivers are essential to the nation's health care system and its economy. The FY27 budget represents a critical opportunity

for Congress to realign federal investment with the scale and urgency of caregiving in America. Historically, lawmakers have recognized the importance of supporting family caregivers through bipartisan investments in programs that strengthen care infrastructure and improve outcomes for both caregivers and those they support. That commitment must continue. Congress should build on this foundation by increasing funding for caregiver programs, protecting critical research and workforce investments, and ensuring that federal policy keeps pace with the evolving needs of America's caregivers.

As the appropriations process moves forward, we urge policymakers to prioritize the millions of families who provide care every day. Level funding is not enough. To meet the realities of caregiving in America, federal investment must grow alongside the population it serves. NAC has respectfully requested, at a minimum, the following funding levels for FY 2027:

- \$256,069,552 – Older Americans Act Title III-E, National Family Caregiver Support Program (NFCSP), including support for the Recognize, Assist, Include, Support, and Engage (RAISE) Family Caregiving Advisory Council.
- \$18,000,000 – Older Americans Act Title VI-C, Native American Caregiver Support Services, which provides culturally appropriate caregiver supports for Tribal communities.
- \$4,000,000 – National Strategy Demonstration Grants, supporting implementation and testing of innovative strategies aligned with the National Strategy to Support Family Caregivers.
- \$20,000,000 – Lifespan Respite Care Program, which funds statewide systems of accessible, coordinated respite care for family caregivers of individuals of all ages and abilities.