<u>Daily Labor Report</u> ® Deep Dive

Senior Job Training Funds Cut Ahead of Benefit Work Mandates

July 18, 2025, 4:30 AM CDT

- Trump panned grant program as 'leftist'
- Two-thirds of participants on assistance

The US Department of Labor quietly ended its only nationwide job training program for low-income seniors just as tens of thousands must meet new work requirements to tap into Medicaid and food assistance.

National organizations funded by the DOL's Senior Community Service Employment Program, including Goodwill Industries and the National Council on Aging, say the program stopped giving them money after June 30. The agency released nearly \$86 million for state and local entities, but hasn't made available the roughly \$300 million set aside for national grant recipients, a process that's previously taken place in May.

Programs to assist Americans 55 and older in finding work are already being scaled back or paused because the cash hasn't been made available, according to those who have received the grants in the past.

Cutting the program—which connects out-of-work seniors to community service work at schools, hospitals, and other facilities as well as other resources to help them find jobs—will likely push some participants onto unemployment.

Some "40,000 low-income seniors are about to lose their jobs due to the unexplained pause in grant payments from SCSEP, taking a very real toll on their lives," said Kendra Davenport, president and CEO of Easterseals, a long-time grantee.

Cutting Benefits

The impact could be particularly dire for the thousands of participants who will have to find work or volunteer hours to keep their public health insurance coverage and food assistance under the budget reconciliation bill signed into law by President Donald Trump July 4.

"Many SCSEP-supported job seekers receive SNAP and Medicaid benefits and may be at risk if they are unable to secure other employment or service opportunities," Maura Porcelli, senior director of the programs administered by the National Council on Aging, said.

The budget bill Trump signed requires some Medicaid recipients up to 64 years old to work or volunteer for 80 hours a month starting in 2027. It also expands work requirements for individuals without dependents under the Supplemental Nutrition Assistance Program to those younger than 65, an expansion from the current age limit of 54.

The Trump administration has argued the senior training program is wasteful and unproductive. The White House budget plan for 2026, proposed eliminating the \$405 million per year senior community service program, describing it as "an earmark to leftist, DEI-promoting entities like the National Urban League, the Center for Workforce Inclusion, and Easterseals."

Those three organizations received a combined \$83.2 million in 2023, the most recent full plan year data available, according to DOL documents.

National Urban League President and CEO Marc H. Morial said he was "surprised" by the "divisive rhetoric" surrounding the program in the budget document.

"The SCSEP has enjoyed broad bipartisan support for 50 years and remains one of the few job training and placement programs that focuses on older Americans," he said.

The DOL didn't respond to a request for comment regarding when or if the senior service grant cash would be made fully available.

Simply Need Help

The senior community service program served more than 42,000 adults in 2023, according to the most recent data available from the DOL, and 65% of those participants relied on some form of public assistance. More than half were between 55 and 64, the data show.

These people "want to improve their circumstances; they simply need help and guidance to do so," Porcelli said.

Gary A. Officer, president and CEO of CWI Works, said if the funding isn't renewed, it "will have a devastating impact on the ability of older American workers to remain financially independent, employers will continue to struggle to fill jobs, and communities will suffer." CWI Works received funds from the program in the past.

Goodwill Industries International, which has participated in the program for nearly two decades and received \$22.8 million to serve older workers last year, said it implemented a "temporary pause" of its offerings on July 1.

Budget Plan

The grant funding is the latest on the chopping block under the Trump administration's efforts to cut what it calls wasteful diversity, equity, and inclusion spending, and is part of the president's broader vision of a single, consolidated workforce training system.

The Trump administration said the program failed to place seniors in "unsubsidized work" and duplicates other training funding. Employment services for older workers will be addressed through the DOL's future "Make America Skilled Again" grants, the budget request said, which the administration envisions as a single streamlined funding pot for all federally-funded workforce-building programs.

According to the DOL's performance data, only about a quarter of participants were employed two quarters after exiting the program's services.

But, performance for the program is hard to gauge just by the numbers on paper, one former DOL grant official said, given the population it serves.

"The goal is to get them to unsubsidized employment, but at the end of the day, there may not be that much employment to have out there for them," compared to someone who is 30 and able-bodied, the official said. "Plus the things that happen as people's bodies age and break down, like they could pass away, or they could become unable to work for some other reason."

The lapse of the senior community service grants could spark lawsuits, similar to other instances where the Trump administration abruptly cut funds. One former DOL grant official said the expiration of funding could run afoul of the Older Americans Act, which requires "continuity of service" and limited disruptions of these programs.

Cuts to grants from the Womens' Bureau and the Bureau of International Labor Affairs have sparked lawsuits by groups who received the funds in the past.

Both Easterseals and NCOA said that they weren't exploring legal options in response to the cancellation. But other groups like the AARP and CWI Works didn't respond to Bloomberg Law's request for comment on their litigation plans.

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