# Policy Summary - Economy:

# Inflation and Affordability

## July 2026

1. **Inflation and affordability are top concerns for voters.**
   - Inflation is sometimes described as "too much money chasing too few goods". When supply is constrained, as we are seeing with global oil supplies due to the Iran war, prices go up.
   - After several decades of low inflation, the rate spiked in 2021 and 2022 during the COVID pandemic.
   - Although inflation declined significantly in the last years of the Biden Administration, the higher prices are still a major concern for voters, and inflation remains around 3 - 4%, well above the Federal Reserve Banks' 2% annual target.
   - A poll by UT Tyler's Polling Center in February 2026 found that Inflation was **the number one policy concern** for Texas voters overall.

2. **Donald Trump promised to "eliminate" inflation. However, inflation has not decreased so far in his second administration, and his economic policies are increasing the risk of higher inflation in the future.**
   - In his inauguration speech in January 2025, Trump said "I will direct all members of my cabinet to marshal the vast powers at their disposal to defeat what was record inflation and rapidly bring down costs and prices."
   - However, Trump has actually focused very little attention on inflation. As of May 2026, inflation was again on the rise, at over 4%.
   - Actions by the Trump administration that are increasing inflation, and risk even higher inflation in the future, include:
     - Tariffs, which are actually a tax on consumers because the cost is paid by US importers (not the foreign companies), and most of that is passed on to consumers.
     - The harsh immigration crackdown, which is disrupting the labor supply and the supply of goods
     - Large Federal budget deficits, which pour more money into the economy, increasing the risk of inflation. The Republicans' One Big Beautiful Bill is expected to add over $3 trillion to the deficit.

3. **We need smart policies to effectively manage inflation and make things more affordable for American families. Steps in the right direction include:**
   - **End the harmful tariffs**
   - **Address affordable housing, which is a major driver of higher costs**
   - **Address the out-of-control costs of health care and health insurance**
   - **Address the deficit, by controlling spending and ending tax breaks for the wealthy**
   - **Invest in productivity and workforce development**

**More Information**

- Center for Policy Progress Papers
  - Improving the availability and affordability of housing
  - Fixing our Broken Health Insurance System
  - Reducing the Deficit
  - Effectively Managing Inflation and Affordability

**For questions and comments, contact us at info@centerforpolicyprogress.org.**