

Seize the Future:

Tackling the cost of living crisis

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The cost of living crisis is a climate crisis.

The costs of everyday necessities are increasing precisely when people need the most help stabilizing their lives amidst climate chaos and economic transition. Food and fuel prices are rising and will only worsen with warming, hotter summers are driving up utility bills, landlords are passing on the costs of green retrofits to tenants, insurers are price gouging on homes after storms like Helene, and care costs are rising due to pollution and disasters. A record 22.4 million households are spending nearly one-third of their incomes on rent and utilities while also juggling the rising cost of health care, food, transit, education, and child care. Even with “high employment” numbers, more than 60 percent of Americans live paycheck to paycheck, credit card debts have reached a total of \$1.1 trillion, and the average minimum wage worker would need to work four full-time jobs to afford the rent. This means workers are sleeping in cars because rents outpace wages and tenants are fainting in their homes because they cannot afford air conditioning. Black and brown households and minimum wage workers are struggling the most in this crisis, while bosses, landlords, and corporations rake in record profits.

The high cost of living crisis is unsurprisingly a top issue this election cycle. Housing affordability – the biggest monthly expense for the average household and a stubborn driver of inflation– is the top issue for young voters, and 70 percent of voters are more likely to vote for candidates who support policies that cap costs. People in the US want to see policy solutions that will bring down costs and deliver material relief.

To build momentum for climate action, progressives need to show how this cost of living crisis affects climate, and how progressive climate policies can help solve that crisis.

During the Biden administration, temporary social safety net investments like eviction moratoriums and free school meals in the American Rescue Plan gave people a glimpse of what could be possible when a government invests in immediate help for working class people. But the winning-down of Build Back Better to the Inflation Reduction Act (IRA) meant these investments in the social safety net were only temporary. The IRA's investments will invariably help decarbonize some sectors of the U.S. economy, and create jobs in growing industries. However, IRA's consumer tax breaks have benefitted richer households most, and largely will not bring costs down for those who need it most. In falling short of materially linking climate action with marked cost reductions, climate champions have faced an uphill battle to show how ambitious policies can improve people's everyday lives. And the data is grim: US child poverty has nearly tripled since 2021, from a low point at 5.2% to 14% in September 2024. The Harris economic plan resurfaces policies like child tax credit renewal and investments in the care economy. But in a time of polycrisis—as the rising cost-of-living intersects with increasingly severe and frequent disasters—working people need more.

The most effective path forward is to tackle the climate crisis and the cost of living crisis together to deliver immediate relief and safety to working families – and build a broad coalition of people who demand and will benefit from ambitious climate action.

Climate action can bring down costs by investing in everything from housing to public services that universally make our lives easier and decrease carbon pollution. Across the country, progressive movements, labor unions, and allied politicians are putting forth a toolkit of climate policies that link kitchen table issues to structural changes in political economy and the compounding climate emergency. This is how we win the future.

We see three pathways for progressives to take on the cost of living crisis:

1. Slashing housing costs and delivering healthy, green, affordable homes for all
2. Lowering the cost of living by investing in essential services such as utilities and transportation
3. Investing in the social safety net to reduce care costs and raise standards of living.

1. Slash housing costs and deliver healthy, green, affordable homes for all.

The housing crisis is driving new levels of economic strain for people all over the country. 39% of Americans have recently skipped meals to save money for housing payments. One in four Black renters with young children face eviction every year, and seniors are the fastest growing homeless population. Climate change is driving up the cost of housing. The 44 million tenants in the United States—who are disproportionately Black, brown and low-income households on the frontlines of the climate crisis—are especially bearing the brunt of these compounding issues. Tenants are burdened with higher bills from inefficient homes and dangerous conditions that do not meet basic standards, let alone climate resilience. If tenants want to assert their rights to a habitable home, they may be met with an eviction notice. And in the wake of disasters, tenants see increased evictions and rents and have trouble obtaining disaster relief.

Meaningful housing investments were ultimately left out of the Inflation Reduction Act and the Bipartisan Infrastructure Bill. From rural towns to city centers, tenants around the country are increasingly taking matters into their own hands to organize for healthier and greener living conditions. It is past time for the government to deliver the funding and protections needed to ensure safe living conditions for all.

Policy recommendations

Bring down rental costs and prevent price gouging through national rent caps: Over half of renters are cost-burdened, and as the number of renters increases, more and more people are feeling the squeeze of their rent checks. The next President should solidify recent proposals for rent caps by using executive authority to implement an annual rent cap of 3% as a condition for using federal loans and eliminating junk fees in the rental market. This would immediately address a core driver of runaway living costs for families and stabilize communities. Rent caps can also help ensure the cost of repairs and green retrofits are not passed onto tenants, and that landlords cannot raise rents egregiously after disasters. Finally, rent caps help ensure that community members who have suffered from pollution and neglect are not displaced by green gentrification, when green investment finally comes to their neighborhoods.

Pass a national Tenants Bill of Rights: A patchwork of limited tenant protections is leaving millions without a pathway to demanding lower costs and better conditions. A [Tenants Bill of Rights](#) would ensure tenants and manufactured housing residents have habitable and climate resilient homes—and the freedom to organize for better housing conditions, including repairs and lower bills.

Advance a national green social housing platform: Corporate landlords are raising rents at catastrophic levels, buying up mobile home parks, and outbidding homeowners in a desperate effort to increase profits. The best way to combat this is to empower the government to buy distressed low- and middle-income housing, lower rent costs, and upgrade units. The [Homes Act](#) would do just that, [creating more than 1.25 million units of social housing](#) through a combination of rehabilitation and new construction, including 875,000 units that are affordable at 0-50% of Area Median Income, and thousands of good-paying, union jobs across the Trades Sector. The federal government can also deploy other tools to increase green, permanently affordable social housing, such as intervening in Enterprise-backed properties where landlords have been exploitative of tenants and helping facilitate the transfer of those properties to mission-driven stewards or tenant unions; changing tax credit policies to encourage publicly-backed affordable housing construction; and expanding project-based housing subsidies conditioned on tenant control provisions.

Pass a Green New Deal for Public Housing: Public housing is one of the few remaining options for deeply affordable housing. The Green New Deal for Public Housing Act would bring every public housing unit in the country up to the highest health and environmental standards, and preserve this affordable housing option for those who need it most. It would also [create 280,000 new high-paying union jobs in construction](#), helping these workers thrive and lifting up their communities. The bill would also repeal the Faircloth Amendment, enabling the further expansion of this critical housing option. [Our analysis shows this legislation would also accelerate decarbonization](#), lowering emissions by an estimated 5.7 million metric tonnes, the equivalent of 1.26 million fewer cars on the road every year.

Create a national Whole Home Repairs program: Low-income homeowners, especially retirees, can't afford to fix crumbling homes and broken appliances, and renters are stuck with the least efficient homes and oldest appliances, raising costs. The federal government should create a new national Whole Home Repairs program to [repair and modernize hundreds of thousands of homes](#), which will reduce the costs of necessary home improvements, better people's health, and lower housing-related carbon emissions. This policy would build on the successful, bipartisan-passed Pennsylvania [Whole Home Repairs](#) program.

2. Lower household costs by investing in essential public services.

Core public services are underfunded, which drives up everyday costs. Immediate investments in public services can therefore cut daily costs. In the longer term, expanding public services will shift the burden of both everyday living, and climate action, from individuals to a well-run public sector. Investing in core public services like energy utilities and transportation will make peoples' lives easier, cleaner, and more affordable. Just last year, nearly one-third of US households with children were unable to afford their energy bills for at least one month. Millions of households find themselves in the outrageous position of choosing between paying for food, rent, energy, child care, health care, and other basic needs. The price at the pump rises and falls with the volatility of the fossil fuel industry and the global oil market—but families deserve security in access to transportation that won't hurt their family budget, and mobility options like mass transit that are affordable and free of fossil fuel dependency. In order to build a coalition for climate action that is broad and activated enough to take on fossil capital and democratize state institutions, climate policy must knit together relief from growing burdens of kitchen table costs with rapid decarbonization. A progressive climate platform must decrease the large, regressive spending portions of working class paychecks on costs like transportation and utility bills.

Policy recommendations

Invest in a diversified transportation system that works for everyone: Lower income households spend upwards of 30 percent of household income on transportation. Federal funding for emission-free mass transit will be critical to lowering the cost of transportation; and giving working class people better access to jobs, and basic needs like health care and groceries; and lower carbon emissions. The financial burden of owning and maintaining a new car has reached an average cost of around \$12,000 per year—typical transit passes typically costing \$600-1,200 a year. The next President should support expanded and low cost public transit and universal basic mobility programs. This would provide pocketbook relief, increase revenue for other community investments, and lower pollution and carbon emissions. The next surface transportation reauthorization can build a foundation for lower transportation costs by shifting funding out of programs like the Federal Highway Performance Program (which receives 54% of FHWA funding in IIJA) and into the FTA and Carbon Reduction Program.

Lower utility costs and ensure universal service: Nobody should have to live without access to utilities like energy and water. But as of December 2023, 21 million households were behind on their energy bills, with arrearages culminating to \$20 billion. As the climate crisis gets worse, access to core services become all-the-more important to survive heat waves or droughts. Families deserve a permanent ban on shutoffs and utility debt relief for water and energy—in other words, utility justice. It also requires ensuring that utilities stay low-cost and high quality (eg. keeping drinking water clean and homes warm) by dramatically increasing federal appropriations for programs like Low Income Housing Energy Assistance Program (LIHEAP) and federal weatherization funding. The next President should ensure no one is paying more than 3% of their income in utilities, reform the LIHEAP to significantly expand assistance for households for both energy and water, and support universal access and public ownership over these core utilities.

3. Invest in safety nets to reduce costs and raise standards of living.

People in the US are overburdened by the costs of health, care, and education—and the workers in these essential sectors are underpaid. We need a thriving care economy to support people in our mentally, physically, and economically exhausting warming world. The health and care economy contents of the Build Back Better agenda were originally structured to connect anti-poverty measures, physical infrastructure programs, and climate action. These investments in social infrastructure must be revived and expanded to demonstrate how climate action can tackle high living costs, and meet working peoples' everyday needs.

Policy recommendations

Invest in preventative health as a climate measure: In 2023, US health expectancy hit the lowest it has been in decades – 76.4 years – reversing decades of improvement. Health care corporations rake in record profits while more than 100 million people in the US—4 in 10 people—struggle to pay health bills and more than half a million people in the US file bankruptcy due to medical debt annually. Countless others postpone preventative and acute care for fear of affordability. Investment in public health measures including preventative care—clean air, clean water, healthy food systems, healthy housing, education—is an opportunity to align improved health outcomes with climate goals and boost social and economic stability. Passing a Green New Deal for Health will help protect patients, lower costs, and empower health care workers by building just, equitable, climate-aware health care systems in which people—particularly those in marginalized, low-income communities—can survive the climate crisis.

Invest in universal, green health and care systems to help save costs: The US lags behind nearly every other wealthy country in the public provision of affordable or free health and care programs—resulting in crushing expenses and debt for working class people, even as the climate crisis drives economic and social insecurity. The Department of Health and Human Services rates child care as affordable at no more than 7% of a household's income, but the cost of child care has risen to an average of 8-19.3% of median family income per child even as providers earn low to poverty wages across the country. As floods and other weather disasters strike more cities, the effects of understaffed and underprepared care centers have ripple effects across the lives of care workers, parents, and children: in November 2021, nearly half of parents pointed to child care as a major reason for quitting their jobs.

Establishing universal health and care systems has major advantages like reducing administrative costs, improving organizing conditions to win improvements from a single provider rather than a patchwork system, the potential for service integration and regularization—including necessary investments in greening and modernization. By establishing a **comprehensive approach to public health investments**, including investments in green, healthy care infrastructure, the US can help stabilize household budgets and protect communities from the shocks of climate chaos.

Conclusion

To fully address the cost of living crisis will require major public investments and legislation. In turn, that will require organizing the political constituencies of people who need this the most—including organized and unorganized workers, tenants, debtors, and ratepayers. Tackling the cost of living and climate crisis together requires significant working class organization building, federal policy action, and creative research into intersectional solutions. Additionally, the cost of living crisis will not be fixed by one policy alone. Even increases in the minimum wage can be eaten up by rent and utility bills, indicating the need for broad-sweeping, cross-sector policy and organizing that brings about a robust safety net, price controls, and working class power.