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Inflation, affordability loom over midterm elections

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Inflation and affordability were the top considerations of voters in the 2024 elections and remain so at the end of 2025 — and they could determine the outcome of the 2026 midterm elections.



The 2025 off-year elections offered a warning to Republicans, who currently control the White House, House, and Senate. Recent polling indicates that voters are dissatisfied with the current state of the economy and rising prices.

The midterm elections are poised to be critical for President Donald Trump's agenda. If Democrats can wrest back control of the House, they have the opportunity to hamstring the second half of his second term.

The basics

Inflation has been plaguing the country for years, and while it has slowed, it is still running too hot. Inflation picked up quickly as the pandemic came to a close, fueled by the Federal Reserve's easy-money policies and stimulus spending pumped into the economy, which caused overheating. It peaked in mid-2022 at a historic 9% and has been in decline since, but it has still not fallen to the Fed's preferred 2% rate.

And while inflation is not clocking in at unfathomably high levels under Trump, it also has not fallen much lower than when Trump entered office.

More importantly, voters don't just experience inflation on a one-year basis, but rather encounter years of accumulated inflation in the form of higher price levels every time they go to the store, pay their

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bills, fuel their cars, or look to buy new homes or appliances.

A recent Politico survey found that nearly half of Americans are having trouble affording groceries, utility bills, healthcare, housing, and transportation.

A Marist poll conducted in December found that just 36% of Americans approve of how Trump is handling the economy, compared to 57% who disapprove — a bad signal for Republicans. Additionally, the survey found a slight majority think that the country is now in a recession.

“There is no debating it is the No. 1 issue in the country right now politically, I mean, I’ve done polling recently where it is by a wide margin the top issue,” Jason Roe, a veteran Republican political consultant, told the Washington Examiner.

Both parties will have to grapple with the unavoidable topic of the cost of living, a matter that is seen as a major reason Republicans control all three branches of government after the inflation of the Biden administration.

Democratic strategy — *Note*

Democrats have an upper hand on inflation and affordability heading into the midterm elections, similar to the advantage that the GOP had channeling voter discontent in 2024.

“A year later, it’s pretty clear from the 2025 elections that voters still think things are unaffordable and the country isn’t working as well as it should, and at this point, 2026 isn’t looking great,” Peter Loge, director of the George Washington University School of Media and Public Affairs, told the Washington Examiner.

Loge, who has worked in Democratic politics in the past, said the party should focus on three things heading into the midterm elections.

First, he said, they should explicitly message and highlight affordability challenges. For instance, they should draw attention to the higher prices of various grocery items.

Second, he said, Democrats should talk about Trump’s approval ratings, which have gone down since he entered office. Trump’s favorability ratings went underwater in January, and the gap has since widened to about 9 percentage points.

Finally, Loge said, Democrats should also focus on affordability matters at the local level.

“Focus on local issues, local concerns, local communities, local jobs, local families — and say that you’re going to find specific solutions for those families to make it so that gas or groceries are affordable, to make sure that they can afford to pay their rent or their mortgage,” he said.

Brian Darling, a GOP strategist and former Senate aide, told the Washington Examiner that Democrats are hoping to get a boost from any lack of progress or action to tackle affordability challenges from congressional Republicans.

“It looks like Democrats are going to sit back and hope that Republicans do themselves in in the midterms,” he said.

Republican strategy — *Note*

Republicans are in a tougher spot, given that they are the party in power. It’s easier for Democrats to simply blame the GOP for affordability woes than it is to convince voters that they have the situation under control and that things are getting better.

One action that Republicans can tout is the passage of the One Big Beautiful

Bill Act, which extended and made permanent the 2017 GOP tax cuts and included several other tax provisions that will put money back into the pockets of subsets of voters.

Roe said Trump and Republicans have been bullish on the notion that the tax cuts and possible benefits of the tariffs will begin to filter through to voters in the first quarter of the new year, ahead of the midterm elections.

Treasury Secretary Scott Bessent recently predicted big tax returns for voters, which could be a feather in the cap for Republicans heading into the election cycle.

"The bill was passed in July. Working Americans didn't change their withholding, so they're going to be getting very large refunds in the first quarter," Bessent told NBC10. "I think we're going to see \$100 (billion)-\$150 billion of refunds, which could be between \$1,000 and \$2,000 per household."

Tariffs are also an elephant in the room, depending on the Republican you ask. Some, like Trump, say they will help reshore manufacturing and ultimately help increase take-home pay. However, they are also driving up the cost of some goods.

Darling said Republicans on Capitol Hill need to articulate a legislative strategy to address inflation and cost-of-living concerns.

"I think one issue are tariffs — I think the tariffs, if they're dialed back and that helps to get prices down, I think that will be something that will be well received," Darling said. "The Trump administration was talking about cutting good trade deals, so let's get those deals done and lower the tariffs on countries that are engaging the trade deals. That would be one great accomplishment."

The One Big Beautiful Bill Act was passed through a legislative mechanism called reconciliation, a legislative process that allows bills to bypass the filibuster and pass with only a simple majority in the Senate.

Sen. John Kennedy, R-La., penned an op-ed in December, calling on Republicans to pass reconciliation legislation to help with cost-of-living problems ahead of the midterm elections.

"The midterm clock is ticking, and the Republican majority in the House has never been more fragile," he wrote. "To my Senate colleagues: Please, with sugar on top, do not waste this opportunity."

