

the true cost
of Washington

↑ Pay More.
↓ Get Less!

**SIX SOLUTIONS TO MAKE LIFE AFFORDABLE
FOR EVERYDAY AMERICANS**



Do you feel your paycheck isn't going as far as it used to?

That when you go to the grocery store, you've noticed your bill is higher, but there are fewer and fewer items in your cart with every trip? (Perhaps you've even taken items out while waiting in line at the checkout counter.)

And that when you pull into the gas station, you decide more often that maybe you can stretch it before you need a full tank?

You're not crazy. 62 percent of Americans think their family's income is falling behind, and 83 percent of voters say they're experiencing hardship due to increased prices.

According to the Bureau of Labor Statistics, **real wages are down 2.6 percent in the last year.**

On top of that, **inflation is costing the average American household \$430 per month** — essentially an additional tax of \$5,200 this year.

How is Washington responding?

By proposing yet more spending.

The president's 2023 budget proposal would hike spending by \$1.5 trillion and increase taxes by even more — \$2.5 trillion — over the next decade.

Not to be outdone, Congress is considering another \$5 trillion as part of a social spending bill later this year.

This is on top of the trillions approved by both sides last year — \$700 billion of which remains unspent.

These rising costs of living can be linked to our government's wasteful spending.

The more money the U.S. government prints and pumps into our economy, the worse the situation becomes.

Reckless spending and harmful regulations in Washington are hurting the American people and stifling the American Dream.

But there's a better way.

We can reimagine how to make life more affordable for everyday Americans. It's possible if we:

- Unleash energy abundance
- Cut red tape that keeps prices high
- Stop restricting housing supply
- Beat inflation through better budgeting
- Fuel the flexible workforce of tomorrow
- Tackle rising costs through trade

These policies are a subset of AFP's 2022 federal policy agenda. They were chosen because of the immediate impact they could have on our current economic crisis.

UNLEASHING ENERGY ABUNDANCE

As AFP Regulatory Analyst [Abigale Tardif](#) has pointed out, the government has made [several policy decisions](#) hindering our ability to build and supply reliable, affordable energy in the U.S.

From canceling the Keystone XL pipeline to rejoining the Paris Climate Agreement to biofuels mandates and greenhouse gas emissions rules that raise the price of cars and trucks, these policies are only driving up energy costs across the country.

Even the Biden administration's [recent decision](#) to renew selling gas and oil leases on public lands is but a half-hearted attempt to walk back its previous illegal ban on these leases.

As a result:

- Americans spend [over \\$1.22 trillion](#) per year on energy. More than [30 million households](#) face high energy burdens and pay a substantial portion of their take-home pay for electricity, heating, and fuel.
- It takes between four to six years to finish the environmental review process for energy and infrastructure projects.
- We have the same nuclear energy capacity in the U.S. as we did in the 1990s. The [average age](#) of our nuclear reactors is 38 years old.

You've felt the pain of these barriers at the pump — perhaps you're going longer before filling up your tank or cancelling trips altogether, given that a gallon of gas is up [33 percent](#) from last year.

If so, you're not alone: the average household is spending \$1,433 more on gas compared to a year ago.

To make energy more affordable, we need to:

- **Prioritize reforms to reduce energy burdens,** such as Sen. John Barrasso's and Rep. Cathy McMorris Rodgers's Strategic Production Response Act. This bill would make sure the Strategic Petroleum Reserve is not tapped as a solution for poor policy decisions and would lead to increased oil and gas production on federal lands.
- **Remove barriers to energy innovation, infrastructure, and environmental progress.** The UNSHACKLE Act, sponsored by Sen. Mike Lee and Reps. Liz Cheney and Don Bacon, is a good first step to reforming and changing the National Environmental Policy Act. This bill would amend especially harmful provisions of NEPA, modernizing and reforming a law that was passed in 1970, when energy technology — and the world at large — was far different than today.
- **Reject the Paris Climate Agreement.** In doing so, Congress can reclaim its constitutional role regarding treaty ratifications. Rep. Garret Graves's [Paris Transparency and Accountability Act](#) would require the president to “report to Congress before proposing new or revised actions under this agreement.”

These solutions and more can be found in Americans for Prosperity's [agenda](#) to promote a bottom-up approach to energy and the environment.

Energy costs aren't the only area where regulations are wreaking havoc. While you've seen prices jump at the gas pump, no doubt you've also seen them spike at your local grocery store.



CUT THE RED TAPE INCREASING THE COST OF FOOD

The average American household will spend \$430 more on groceries this year. Grocery prices rose 8.6 percent just last month.

This is due to many factors, including inflation driven by excessive government spending and supply-chain issues (which we'll cover in just a bit when we get to trade).

But it's also caused by regulations that restrict access to the everyday goods you rely on to keep your household running.

One of those regulations is the Renewable Fuel Standard. This law requires gas and other transportation fuels to contain a certain amount of biofuel, such as ethanol.

- 40 percent of all corn produced in the United States is used to make ethanol.
- Under the RFS, corn prices have increased dramatically, incentivizing farmers to replace other crops with corn and grow corn wherever they can.
- This in turn raises the prices of other foods, which are now scarcer because they're being cultivated less.

But the consequences of burdensome regulations haven't stopped at energy markets or your local market — these restrictions are affecting the housing market, too.

STOP RESTRICTING HOUSING SUPPLY

Since 2019, housing costs have risen faster than income, with close to half of renter households spending more than 30 percent of their income on housing.

Government rules and policies related to housing, land use, and zoning are some of the biggest drivers of this problem.

We can fix this by removing those regulations that prevent housing from being more affordable. There are several bills that would help, but one worth mentioning is Sen. Todd Young's Yes In My Backyard Act.

This bill would discourage exclusionary land use policies and remove other barriers preventing people from using their land as they see fit.

Learn more about the Yes In My Backyard Act and other policy solutions AFP is advocating to reduce housing prices in America.

When most people want to buy a house, they save. They budget. You'd expect these commonsense behaviors from our lawmakers, right?

Right?



CUT GOVERNMENT SPENDING AND BEAT INFLATION THROUGH BETTER BUDGETING

It may shock you to learn Congress doesn't have a budget.

Sure, it goes through the motions of putting one together and appropriating all government spending, but, despite appearances, there is no real, comprehensive budget.

- Congress only manages 30 percent of spending every year.
- The federal government has no rules to control overspending and deficits.
- Congress balanced the budget from 1998 to 2001. But before you give it a pat on the back, you should know that's the only time it's balanced the budget in the last fifty years.
- Our national debt has exploded from 32 percent of Gross Domestic Product in 2001 to nearly 100 percent GDP today.

Massive government “stimulus” spending during the pandemic hasn't helped, either.

This trillions in new spending overloaded the economy and kickstarted the inflation we're experiencing today.

It bears repeating: **The more money the U.S. government prints and pumps into our economy, the worse the situation becomes.**

The amount of money in the U.S. economy increased by 41 percent from February 2020 to February 2022. Economic output, however, only grew by 3 percent.

Congress needs a real, comprehensive budget with all spending and revenue in it — a.k.a, a unified budget.

Kurt Couchman, Americans for Prosperity's senior fellow for fiscal policy, has written extensively about how unified budgets can empower congressional members and enable coherent budget management.

A unified budget would reveal tradeoffs across fiscal policies, help reduce overlap among programs, and control the exploding debt.

Another solution is for Congress to adopt smart budget targets that control the debt and promote economic stability:

- The Business Cycle Balanced Budget Amendment, proposed by Sen. Mike Braun and Rep. Jodey Arrington, is a constitutional amendment proposal to balance the budget over the medium term instead of each year and would require two-thirds approval for emergency spending.
- Braun also teamed up with Rep. Tom Emmer to introduce the Responsible Budget Targets Act to transition to balancing the budget (excluding interest on the debt) over multiple years rather than annually and to offset emergency spending over the following six years.

Get the details about the better budgeting approaches Congress can take to beat inflation.

These solutions are focused on what Congress can do to get its act together. But what can Congress do to unlock the ingenuity and innovation of American workers?



FUEL THE FLEXIBLE WORKFORCE OF TOMORROW

Another way to overcome our current economic crisis is to empower people to find fulfilling work that gives them the freedom and flexibility they desire while helping them build personal and financial independence. What could be better during a time of such instability?

More and more, Americans are reaching their full potential through flexible work.

- Over 59 million Americans earn income as freelancers.
- Freelancers prefer flexible work over traditional jobs and are more fulfilled in their careers.
- Nine out of ten American professionals value flexibility at their workplaces..

We need legislation that makes it easier for people to pursue independent, flexible careers. We also need to support policies that make it easier for workers and businesses to increase scheduling and work location flexibility.

Earlier this year, Americans for Prosperity Senior Analyst for Employment Policy Austen Bannan laid out an agenda explaining how Congress can promote the flexible work arrangements workers and families need.

Four bills in particular merit mention:

- The Employee Rights Act is a comprehensive bill that includes the Modern Worker Empowerment Act, the Save Local Business Act, and several other policies advancing flexible work and greater choice over representation in the workplace. Introduced by Sen. Tim Scott and Rep. Rick Allen, this package would empower workers to seize more opportunities and take greater control over their futures.
- The Modern Worker Empowerment Act, would preserve our ability to work on an independent basis.
- The Save Local Business Act, would ensure a federal joint employer standard that protects small and local businesses using vendor and franchise models to employ millions of Americans.
- The Working Families Flexibility Act, is a separate bill that would give employees more options for overtime compensation.

In addition to removing barriers to work, Congress can also remove barriers to trade.

TACKLE RISING COSTS THROUGH TRADE

Trade regulations, from the outdated Jones Act to fertilizer tariffs, have also driven up the cost of food and everyday goods.

These regulations have hampered our economy's ability to function to an embarrassing degree.

- The Foreign Dredge Act of 1906 makes it illegal for dredges from overseas to deepen and improve ports in the United States. This law has so stifled the development of modern American dredges that the combined capacity of our total fleet of 19 hopper dredges doesn't even match the capacity of Europe's single largest dredging vessel.
- The ports of Los Angeles and Long Beach rank shamefully low (328th and 333rd, respectively) in a global comparison of container port efficiency, behind many ports in developing countries. Opposition by organized labor to increased automation is one of the causes.

These barriers to trade have caused manufacturers to find other ways of shipping their products. Many have taken to the slower, costlier method of shipping goods by land. This is more expensive, a cost passed on to you when you're shopping.

We need to repeal these outdated laws and make reforms to improve the efficiency of our ports. This would help fix our supply chain issues and lower costs across the board.

In addition, tariffs impose a huge burden on Americans' standards of living. The Peterson Institute for International Economics has identified feasible steps to liberalize trade policy that could deliver a one-time reduction in consumer price index inflation of around 1.3 percentage points. That reduction would amount to \$797 per U.S. household. We can also remove barriers to trade.



TAKE ACTION

Help lower the cost of living in America right now.

MORE SPENDING AND MORE REGULATIONS ARE NOT THE ANSWER TO HIGHER COSTS.

We need a more organic approach, one that empowers entrepreneurs, business owners, and innovators to design solutions that make household goods and commodities more affordable and abundant.

That's why AFP is going on tour throughout 2022 in nine states: Nevada, Georgia, New Hampshire, Arizona, Ohio, Pennsylvania, North Carolina,

Wisconsin, and West Virginia. AFP local chapters will hold events in all nine states, as well as Washington, D.C.

Now is not the time for half-measures that only temporarily mask the pain. Now is the time for policies that will unleash energy abundance, end wasteful spending, and repeal harmful regulations that keep prices high.

JOIN US 

the true cost
of Washington



Email your legislators now and let them know that removing antiquated regulations, creating energy abundance, and stopping out-of-control spending must be their priority.

Additional resources:

- Take action today to hold lawmakers accountable for wasteful government spending.
- Read Fox Business' coverage of the True Cost of Washington Tour's premier.
- Explore Americans for Prosperity's 2022 federal policy agenda.
- Discover the twenty-five ways Washington is driving up your energy costs.

ABOUT THE TRUE COST
OF WASHINGTON TOUR



True Cost Tour

Americans for Prosperity launched the True Cost of Washington Tour to educate people about how years of harmful government policies are causing today's rapidly increasing cost of living.

More importantly, the tour connects them with like-minded individuals who are tired of feeling powerless in the face of runaway inflation, increasing gas prices, and other expenses that seem to be putting the American Dream out of reach for many.

This e-book presents several solutions to these problems. However, these policies can only be implemented if Washington is held accountable — and we can't do that without you.

Join the tour and amplify your voice among those working to unleash opportunity and prosperity for all.

truecostofwashington.com

ABOUT AMERICANS FOR PROSPERITY



Americans for Prosperity

Americans for Prosperity is dedicated to the belief that every person has a unique set of gifts and the ability to contribute to society in their own way, an idea that has inspired progress since our country's founding.

Driven by this belief, Americans for Prosperity engages in broad-based grassroots outreach, recruiting and uniting concerned citizens in all 50 states to advocate for long-term solutions to the country's biggest problems that prevent people from realizing their incredible potential — unsustainable government spending and debt, a broken immigration system, a rigged economy, and a host of other issues.

Visit americansforprosperity.org for more information.

