

Reclaiming Affordability

WINNING THE COST WAR WITH
THE **RIGHT** SOLUTIONS

 **IndependentWomen**[®]

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Introduction

By Kamryn Crane | Budget and Entitlement Reform Policy Analyst

America is a prosperous nation, but in recent years, increases in the cost of living have outpaced the growth of Americans' incomes. During the first year of this Trump administration, the inflation rate has stabilized and real wages have increased, which is finally starting to ease pressure on household budgets.

However, the previous years of inflation and economic hardship has left many Americans discouraged about their financial prospects. Families today spend more on housing, groceries, utilities, and health care than in decades past. The average American has little room left in their budget at the end of the month for discretionary expenses that improve their quality of life, build financial security, or support economic mobility.

The numbers tell the story: **one quarter** of American households live paycheck to paycheck, and **less than half** of Americans have the savings needed to cover a \$1,000 emergency expense.

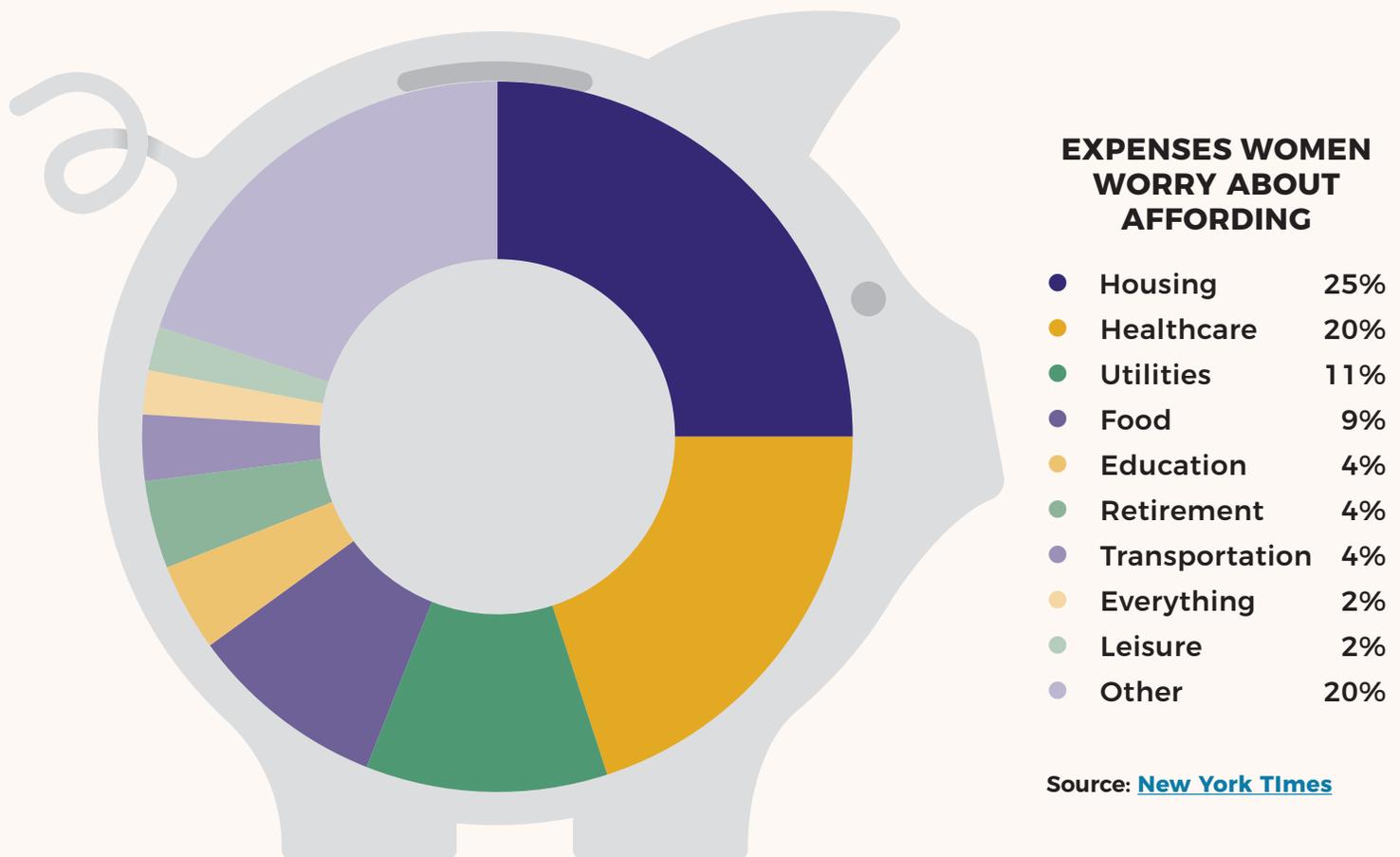
From stocking lunchbox staples each week to deciding on big-ticket purchases, women flex their spending power in our economy.

Women are particularly concerned about affordability. They are primary breadwinners in **45%** of households nationally and make the lion's share of spending decisions in **69%** of households. From stocking lunchbox staples each week to deciding on big-ticket purchases, women flex their spending power in our economy. They are highly sensitive to price changes, making affordability a top issue above traditional "women's issues."

According to a [New York Times poll](#) in early 2026, a whopping 70% of women view the middle-class lifestyle as out of reach for most people—nearly 10 points higher than men. Four in 10 women feel they are falling behind compared to three in 10 men, and over half of women cannot afford the life they desire. The top five expenses they worry most about:

1. Housing (25%)
2. Medical/Health Care (20%)
3. Bills/Utilities (11%)
4. Food (9%)
5. Education/Retirement (4%)

Most revealing: housing, health care, and having a family are three expenses that over half of women say are so high they are unaffordable, whereas they still find utilities, groceries, and transportation costs somewhat manageable. The good news is that policymakers can lean into practical solutions that address short-term price spikes and long-term structural issues driving costs higher.



Source: [New York Times](#)

Blue States vs. Red States

Affordability problems exist nationwide, but a clear pattern emerges: unaffordability is consistently higher in Left-leaning states.

Americans are voting with their feet. The transportation company [U-Haul](#) tracks how many of its one-way moving trucks migrate from state to state. The top five destinations in 2025 were all red states, while the bottom five states (where people left most) were all blue.

5 Most **UNAFFORDABLE** States

The percentage by which the cost of living **exceeds** the national average:

1. California	10.7%
2. Hawaii	10%
3. District of Columbia (DC)	9.9%
4. New Jersey	8.8%
5. New York	7.9%

5 Most **AFFORDABLE** States

The percentage by which the cost of living **lags** behind the national average:

1. Arkansas	13.1%
2. Mississippi	13%
3. Iowa	12.2%
4. Oklahoma	12.2%
5. Louisiana	11.8%

Policies matter: overregulation and high taxation are pushing people toward states that keep living costs lower. Three of the top five destination states have no income tax, and two of these states, Texas and Tennessee, have a below-average [cost of living](#). High-tax states lost a net [2.8 million](#) residents to low-tax states between April 2020 and June 2023.

States can promote free enterprise, family-friendly work policies, and low-tax policies that encourage and reward work to make the American Dream achievable. However, the federal government plays a leading role in particular areas. At the federal level, Washington must reduce national regulations that inflate the cost of home construction, healthcare delivery, and energy production. More government subsidies do not solve the problem, but crowd out private options, such as in child care. Instead, Congress has the tools that would unleash American innovation and the free market to tackle this affordability crisis.

Housing

By Patrice Onwuka | Vice President for Economic Policy

Introduction

Burdensome housing costs place the American Dream out of reach. Housing costs exert an outsized influence on price increases across the economy and household budgets, making everyday life feel unaffordable. Housing affordability is critical for women, who frequently inherit significant assets and often take responsibility for managing household finances.

Housing costs comprise roughly [35%](#) of the total Consumer Price Index and remain a primary driver of inflation. Americans are increasingly home-burdened, spending well above the recommended 30% of their income on housing costs. In 2024, half of renters ([23 million](#) households) and a quarter of homeowners (21 million households) were home-burdened. When shelter costs consume significantly more of the monthly household budget, families have fewer resources available for other everyday needs, savings, and retirement planning.

Background: How We Got Here

Government overregulation is driving housing unaffordability. The crisis is fundamentally a matter of demand and supply: inadequate production of new homes and limited inventory of existing homes for sale have failed to meet growing demand, pushing prices sharply higher.

New construction is restricted due to home-building regulations, zoning and land-use restrictions, and an arduous permitting process. There are between [1.5 million](#) and [5.5 million](#) fewer houses available to purchase due to chronic underbuilding in recent decades.

Red tape carries a high cost. According to the National Association of Home Builders, government regulations at every level account for **24%** of the final price of a new single-family home and **40%** for multifamily homes. Biden-era energy mandates on 15 consumer appliances also add up to **\$31,000** to the price of a new home. Existing homes are increasingly off the market because recent high interest rates and potential tax bills from the inflationary gains in home values have locked many homeowners in place.

Policymakers must enact solutions that serve women, young families, and all Americans who want to own a home, age in place with dignity, or secure quality, affordable rental housing.

Solutions: *Paths Forward*

Cut red tape to cut costs. Policymakers must enact solutions that serve women, young families, and all Americans who want to own a home, age in place with dignity, or secure quality, affordable rental housing. Targeted deregulation and pro-growth tax reforms can rapidly expand the U.S. housing stock of existing and new homes. Reforming or eliminating regulations that make the home building process protracted, complex, and costly will spur home building. Removing or strongly reducing tax penalties on home value appreciation will massively encourage sales of existing homes.

List of Specific Bills

- ***More Homes on the Market Act (H.R. 1340)*** doubles the current exclusion levels from capital gains taxes and indexes them for inflation.
- ***Housing for the 21st Century Act (H.R. 6644)*** streamlines housing development by updating outdated programs, removing regulatory roadblocks, and increasing local flexibility.
- ***Renewing Opportunity in the American Dream (ROAD) to Housing Act of 2025 (S. 2651)*** is a package of reforms aimed at increasing housing supply, affordability, and access.
- ***Homeowner Energy Freedom Act (H.R. 4758)*** would repeal costly energy efficiency mandates on household appliances.
- ***Don't Mess With My Home Appliances Act (H.R. 4626)*** would repeal requirements to tighten appliance standards every six years.

Misperceptions vs. Facts

MISPERCEPTION: Institutional investors worsen the housing crisis by purchasing available homes and driving up prices.

FACT: Institutional investors, who own more than 100 single-family homes, are not driving America's housing shortage. They own less than **6%** of the entire U.S. single-family housing stock. Analyzed at the state level, they hold less than 0.5% of the single-family housing stock in 36 of the 50 states. Institutional investors are a valuable part of the housing market, funding capital-intensive renovations in homes they either rent or sell, largely to families seeking move-in-ready properties.

MISPERCEPTION: Rent control is a good solution to housing unaffordability.

FACT: Rent control is a **failed retro idea** that leads to counterproductive outcomes:

- Shrinking the supply of rental housing;
- Reducing the quality of rent-controlled units; and
- Worsening income inequities by empowering wealthier residents to exploit the system.

Residents in rent-controlled cities are even more cost-burdened than those in non-rent-controlled areas.

MISPERCEPTION: Pricing algorithmic tools worsen rental affordability.

FACT: Inadequate housing supply is driving prices higher for rent, not algorithmic pricing tools. These tools sort through large amounts of consumer choice data to provide landlords with information to adjust their prices quickly and efficiently.

INSTITUTIONAL VS INDIVIDUAL INVESTORS



- Mega Investors (Over 1,000 Homes) **3.2%**
- Large Investors (101-1,000 Homes) **2.9%**
- Medium Investors (11-100 Homes) **11%**
- Small Investors (10 or Fewer Homes) **82.8%**

Source: John Burns Research and Consulting

REGULATIONS ON A NEW SINGLE-FAMILY HOME

Cost of Applying for Zoning Approval	1.60%
Fees and Costs of Compliance	6.10%
Complying with Labor Requirements	1.60%
Standards That Go Beyond Ordinary	5.00%
Cost of Delay	0.60%
Change in Building Codes Over Time	6.10%
Other Regulations	2.80%
Total Cost of Regulation	23.80%

Regulations add \$94,000 to the cost of a new home.

Source: [NAHB](#)

Utilities/Energy

By Gabriella Hoffman | Director, Center for Energy and Conservation

Introduction

Over the last five years, electricity rates have surged across the United States. The average American family saw their utility rates **increase** by 27% between 2019 and 2024. With rising electricity demand from artificial intelligence (AI) data centers, transportation, manufacturing, and improved living standards, energy affordability is a top concern for individuals and voters.

Overall, energy inflation under the second Trump administration is falling due to environmental deregulation and energy abundance policies adopted federally. But states—especially those **overseen** by Democrats—are experiencing higher-than-average electricity prices due to green mandates that require phasing out coal, oil, and natural gas in favor of 100% wind, solar, and batteries.

Background: *How We Got Here*

Congress gave all 50 states near-exclusive power to regulate electricity within their borders through a 1935 law called the Federal Power Act. States **control** their own decisions to determine generation portfolios, regulate retail prices, and mandate renewable energy adoption.

States with 100% renewable energy targets, electric vehicle mandates, or membership in cap-and-trade programs like the Regional Greenhouse Gas Initiative (RGGI) have experienced, on average, a **12.5%** increase in **utility bills** compared to states without mandates.

As a result, climate change policies [already](#) in place have worsened unaffordability. That's why blue state governors in the Northeast, for instance, are quietly watering down or eliminating these mandates.

Solutions: *Paths Forward*

Energy affordability is achievable in several ways.

It's imperative to repeal aggressive green mandates that invite higher energy prices. These include [renewable portfolio standards \(RPS\)](#), 100% wind and solar energy targets, EV mandates, and RGGI taxes.

States must adopt energy abundance policies to encourage new energy infrastructure projects that deliver affordable, cheap, and reliable energy.

States must adopt energy abundance policies to encourage new energy infrastructure projects that deliver affordable, cheap, and reliable energy. New natural gas and nuclear energy projects save ratepayers billions in costs, especially in regions like [New England](#).

Legislative remedies can also usher in affordability. Policies such as permitting reform and consumer-regulated electricity (build your own power) help meet rising electricity demand without raising consumer bills.

List of Specific Bills

- The [DATA Act \(S. 3585\)](#) allows private grids to supply their own electricity so long as they stay disconnected from the grid, and thus cannot impact utility bills. This reform will balance AI data center development with affordability.
- The [SPEED Act \(H.R.4776\)](#) will codify Trump administration changes to the National Environmental Policy Act (NEPA) to allow new energy infrastructure projects to be approved and built faster—not in seven to 10 years.

Misperceptions vs. Facts

MISPERCEPTION: Climate-mitigation policies make energy prices more affordable.

FACT: Radical climate policies are **expensive** and don't lower energy bills—especially in blue states (or Europe). New England residents saw their electricity rates increase 29% across the last five years, while California residents saw their utility bills increase, on average, **39%**—the **highest** of any U.S. state.

MISPERCEPTION: Repealing wind and solar mandates will lead to higher electricity bills.

FACT: Wind and solar are subsidized, part-time energy sources that don't lower electric bills. Their addition to the grid results in higher electricity costs. Adding new natural gas and nuclear, for instance—not 100% renewables—is **expected** to lower energy costs, especially in blue states.

MISPERCEPTION: Exiting state-level greenhouse gas pacts will increase carbon emissions and raise energy bills.

FACT: The Regional Greenhouse Gas Initiative (RGGI) is an 11-member cap-and-trade program that mandates participating states transition away from carbon-intensive goods and services. RGGI membership, however, has a “**negligible**” impact on emissions and generates **higher** electricity rates.

MISPERCEPTION: Natural gas won't lower electricity rates.

FACT: Natural gas is the largest electricity generation source in the U.S. Over the years, natural gas prices **remained** affordable and cheap due to innovation. It's no wonder why Americans, including New England women, **support** the construction of new natural gas pipelines and infrastructure to help lower energy costs.

U.S. RESIDENTS CONCERNED ABOUT RISING UTILITY BILLS



Source: [Ipsos \(April 2025\)](#)

NEW ENGLAND WOMEN FEEL MISLED ABOUT CLIMATE POLICIES



Source: [IW New England Energy Survey \(January 2026\)](#)

Health Care

By Miranda Spindt | Healthcare Policy Analyst

Introduction

Health care has become a major financial burden for families. Premiums are **rising faster** than wages, and medical prices continue to **outpace** overall inflation. For years, government leaders have sought to solve this issue, leaning on more subsidies, more restrictions, and regulatory adjustments. High healthcare costs result from structural failures requiring true reform to unleash competition. Patients need straightforward price information and the flexibility to choose health insurance options that work best for themselves and their families. This ensures a system centered on patients, not insurance companies, and delivers lower costs.

Background: *How We Got Here*

After World War II, the federal government imposed wage and price controls to curb inflation. To attract workers under these constraints, employers began offering tax-exempt health insurance benefits. The resulting surge in demand for insurance led to decades of **growing** state and federal regulations. In response, insurers implemented **complex administrative mechanisms** to control their costs, such as prior authorization (the requirement that insurance company must give approval prior to treatment) and network contracts (insurance company agreements with specific healthcare providers and facilities that dictate who patients can see). This created an opaque environment where prices and rules vary widely. That is frustrating for consumers to navigate, reduces their autonomy, and increases costs.

Misperceptions vs. Facts

MISPERCEPTION: Hospitals already publish their prices.

FACT: Patient Rights Advocate found that only **16.8% of hospitals** complied with price transparency rules nationwide in September 2025. Compliance is low because enforcement and penalties are minimal.

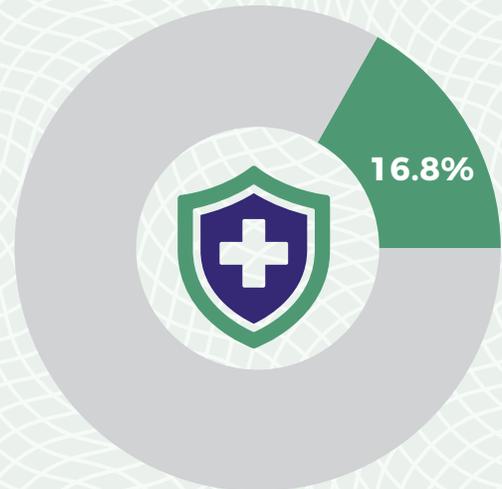
MISPERCEPTION: Patients can't shop for care as they do for other services.

FACT: 70% of inpatient and 90% of outpatient services **are shoppable**, meaning they are non-emergency and can be planned ahead of time. Patients could compare and choose the best price for those services if that information was easily available.

MISPERCEPTION: Government subsidies help lower health insurance costs.

FACT: Like student loans for universities, subsidies given to insurance companies distort the market. They **incentivize raising prices** to receive more government funding rather than keep prices low.

HOSPITALS NATIONWIDE IN COMPLIANCE WITH FEDERAL PRICE TRANSPARENCY RULES



Source: [PatientRightsAdvocate.org](https://www.patientrightsadvocate.org)

Solutions: *Paths Forward*

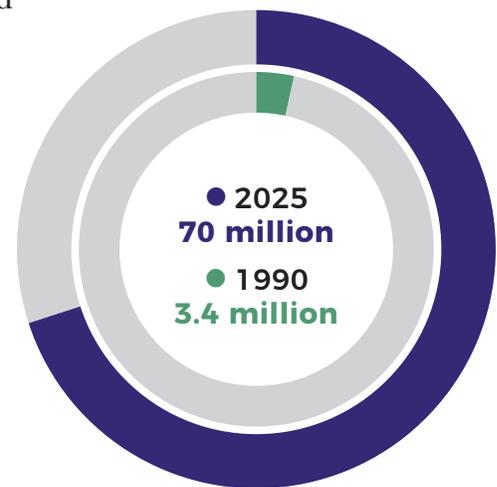
- 1. Transparency:** Empower patients with clear and accessible pricing information *before* receiving care so they can compare their options for healthcare services and procedures, better understand their true out-of-pocket costs, and find opportunities for cost savings if they choose. Existing federal and state laws have helped, but stronger enforcement is needed to guarantee that patients have access to healthcare prices that they can use to make decisions.
- 2. Portable Benefits:** Enable consumers to choose health insurance options that work best for them, independent of their employer or location. This would allow consumers to shop across state lines, and particularly benefits the growing number of gig workers and independent contractors. Following **state efforts**, federal action is needed to make this flexibility a reality.
- 3. Medical Wallets:** Americans should have a medical wallet on their phones. Instead of taxpayer subsidies going to insurance companies, money would go into a medical wallet the patient owns and can directly control. It would resemble

a Health Savings Account, but unlike current law, it wouldn't be restricted to just those with high-deductible insurance plans. Families could use a medical wallet for routine needs or save for later expenses. Ownership changes behavior. Consumers can compare prices, judge value, and choose services based on their own priorities. None of this is possible when the subsidies bypass individuals and go directly to insurance companies.

List of Specific Bills

- **Patients Deserve Price Tags Act (S. 2355)** codifies and strengthens the federal hospital and insurer price-transparency rules with more meaningful penalties to ensure compliance.
- **More Affordable Care Act (S. 32643)** expands portability of health insurance by giving insurance subsidies directly to families and allowing them to shop for plans across state lines.
- **Modern Worker Security Act (H.R. 1320)** allows independent contractors to accept portable benefit contributions from companies that hire them, without risking their status as an independent contractor.

AMERICANS ENGAGED IN FREELANCE WORK



Source: [PatientRightsAdvocate.org](https://www.patientrightsadvocate.org)

***We don't need more bureaucracy.
We need a healthcare market where
patients finally have the power.***

Amplify the Message

- We don't need more bureaucracy. We need a healthcare market where patients finally have the power.
- Before receiving medical care, 70% of inpatient and 90% of outpatient services are shoppable. The only thing missing is the price tag.
- When patients can see prices and choose their own coverage, medical costs go down. It's that simple.
- Imagine shopping for healthcare services the way you shop for anything else. With real medical price transparency, you could.

Child Care

By Heather Madden | Vice President for Policy Initiatives

Introduction

Child care is not one-size-fits-all. It is a deeply personal decision shaped by family priorities, work schedules, community ties, and financial realities. **Public policy should respect childcare diversity, not undermine it.**

Sadly, childcare costs are placing intense pressure on working families. The average cost of child care for one child now approaches [\\$14,000 per year](#), with typical prices ranging from [\\$6,552 to \\$15,600](#). In many states, infant care rivals or exceeds a monthly mortgage payment. [Surveys consistently show](#) high childcare costs push many mothers out of the workforce or to reduce hours—not necessarily because they prefer to leave, but because the math no longer works.

Families deserve relief. But lasting affordability will not come from layering new mandates onto an already constrained system. Nor should it come from federal benefits favoring families that choose paid child care over family-based care. Instead, policymakers should help ensure there are better childcare options for all families by embracing policies that expand childcare supply and modernize outdated regulations.

We do not have to choose between protecting children and lowering costs. Done right, reform can strengthen both.

Background: How We Got Here

Over several decades, childcare regulations have [expanded well beyond core health and safety standards](#). Many states now impose detailed facility specifications, equipment

requirements, zoning classifications, and rigid staffing mandates that increase operating costs without demonstrable improvements in child well-being.

At the same time, the number of home-based providers—often preferred for flexibility and affordability—has declined significantly, reducing options for families.

Research from the [Mercatus Center](#) suggests that modest adjustments to staffing flexibility alone could reduce per-child costs by as much as \$1,890 annually without measurable declines in quality. Excessive regulatory complexity raises barriers to entry, suppresses supply, and drives up prices.

Increased public spending on child care without addressing these structural constraints has failed to bring down prices (instead, it incentivizes prices to inflate) and creates additional problems. Not only is it unfair to pour money into one kind of child care (institutional care, which [tends to be parents' least preferred option](#)), but it invites abuse.

Government support should be provided to families, rather than daycare facilities, so parents can reward providers offering real value or be better positioned to care for their children themselves.

Recent [oversight failures](#) in Minnesota's childcare assistance program show the dangers of pouring money into daycare programs without strong accountability systems. Government support should be provided to families, rather than daycare facilities, so parents can reward providers offering real value or be better positioned to care for their children themselves.

Solutions: *Paths Forward*

A childcare affordability agenda should focus on four priorities: modernizing outdated regulations, strengthening family-directed tax relief, supporting flexible markets that expand options for parents, and preserving flexible work opportunities.

First, states should conduct regulatory reviews to eliminate requirements on providers that increase costs without improving safety. Streamlining licensing processes, modernizing zoning rules, and recognizing alternative credential pathways can reduce barriers for new providers—especially small and home-based providers.

Misperceptions vs. Facts

MISPERCEPTION: The solution to high childcare costs is simply more federal spending.

FACT: Federal spending has increased significantly, yet costs remain high. Structural supply constraints and regulatory burdens drive affordability challenges.

MISPERCEPTION: Streamlining regulations means weakening safety standards.

FACT: Smart reform focuses on eliminating outdated or duplicative requirements while preserving essential health and safety protections. More paperwork does not necessarily mean safer care.

MISPERCEPTION: Most families want center-based care.

FACT: Families rely on a range of arrangements—centers, home-based providers, relatives, and flexible schedules. Policy should reflect that diversity rather than crowd it out.

MISPERCEPTION: Affordability and quality are trade-offs.

FACT: Expanding supply and reducing unnecessary barriers can lower costs while maintaining strong safety standards.

Second, policymakers should consolidate and strengthen child-related tax benefits. Refundable relief that families can use toward care, along with expanded Dependent Care Flexible Spending Accounts and flexible savings tools such as 529 accounts for childcare expenses, would provide direct support without dictating how families structure care.

Third, federal childcare programs are ripe for abuse and distort childcare markets. Programs such as Head Start are costly and inefficient, [providing limited hours of care while producing little to no lasting benefits for enrollees](#). The federal government should explore unwinding these programs and returning resources and oversight of care programs to states and localities—and better yet, to parents themselves.

Finally, policymakers should recognize that flexible work itself is a childcare solution. Millions of parents rely on independent contracting and nontraditional schedules to coordinate earning and caregiving responsibilities. Policies that restrict independent contracting or narrow work arrangements can reduce families' ability to manage childcare costs. Protecting these opportunities expands economic options and helps parents build schedules that align with their children's needs. To complement these efforts, expanding the supply of "[American caregivers](#)" through community-based models can further increase options for families while strengthening workforce participation.

List of Specific Bills

- [***Respect Parents' Childcare Choices Act***](#) reforms the Child Care and Development Block Grant to expand access to relative and flexible care arrangements, ensuring federal support reflects how families actually choose to care for their children.
- [***Empowering Employer Child and Elder Care Solutions Act***](#) removes disincentives under federal labor law for employers to provide child and dependent care benefits, encouraging workplace-based solutions that expand options for working families.
- [***Working Families Childcare Access Act***](#) would expand the use of Dependent Care Flexible Spending Accounts by raising annual pre-tax contribution limits, allowing rollovers of unused funds, increasing the maximum age of eligible dependents, and expanding the range of qualifying childcare expenses.
- [***The Modern Worker Empowerment Act***](#) codifies a common-law standard for classifying workers as independent contractors to protect against mass reclassification efforts.

COST COMPARISONS

AVERAGE ANNUAL CHILD CARE VS. COLLEGE TUITION

Infant Child Care Cost (U.S.)	In-State Public College Tuition	In-State Tuition, Fees, Room & Board
~\$13,000-\$14,000	~\$11,000	~\$27,000

Sources: Child Care Aware of America (2024 Price of Care Report); College Board, Trends in College Pricing (2024)

AVERAGE MONTHLY CHILD CARE VS. MORTGAGE PAYMENT

Infant Child Cost	Median Mortgage Payment (U.S.)
~\$1,100-\$1,200	~\$1,300-\$1,600

Sources: Child Care Aware of America (2024 Price of Care Report); U.S. Census Bureau Housing Data

CHILDCARE COSTS AS A SHARE OF FAMILY INCOME

Average Annual Infant Care Cost	Median Household Income	Child Care As % Of Income
\$14,000	~\$74,000	~18-20%

Sources: Child Care Aware of America (2024); U.S. Census Bureau, Median Household Income

Elder Care

By Heather Madden | Vice President for Policy Initiatives

Introduction

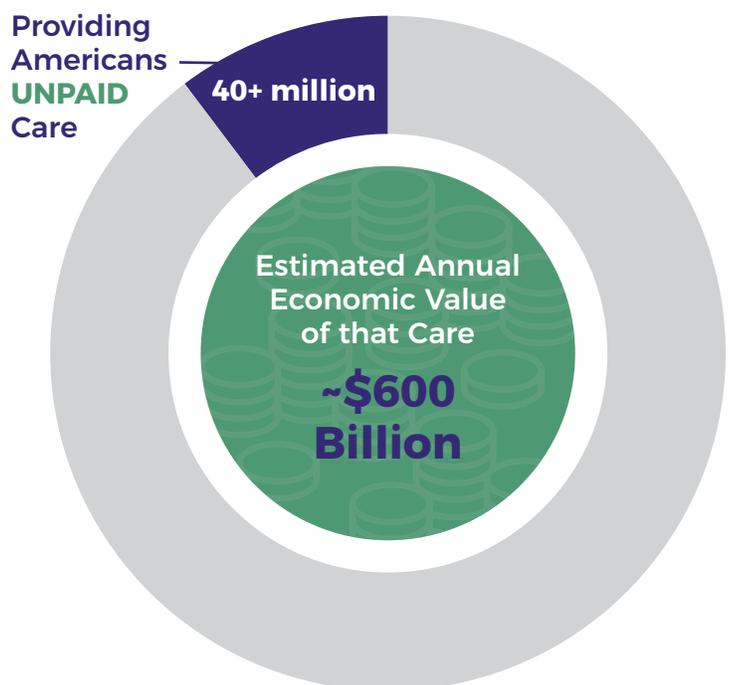
Elder care is one of the fastest-growing and most stressful affordability challenges facing American families today.

Nursing home care often exceeds **\$100,000 annually**, while in-home care—the option **most seniors prefer**—now averages around **\$80,000 a year** for full-time assistance. Home care costs are rising **over three times faster** than overall inflation.

More than 40 million Americans provide unpaid care for aging relatives. Roughly **one in seven adults are part of the sandwich generation**, caring for children and aging parents simultaneously. These caregivers often reduce work hours, leave income-generating arrangements, or deplete savings to provide support.

Families deserve policies that make aging at home more affordable and accessible. We should not have to choose between dignity for seniors and financial stability for families. Thoughtful reform can strengthen both.

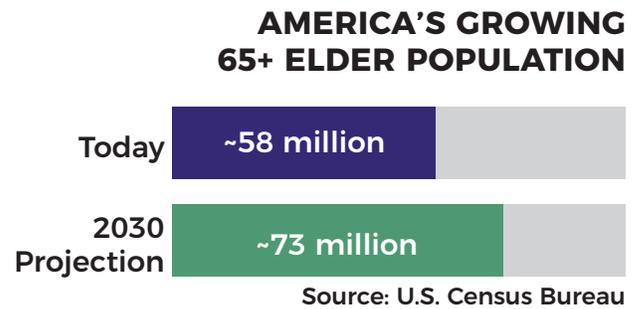
FAMILY CAREGIVING IN AMERICA



Source: AARP Public Policy Institute

Background: *How We Got Here*

America's population is aging rapidly. By [2030](#), all Baby Boomers will be over age 65. Demand for long-term care services is rising sharply, but supply remains constrained and costs continue to climb.



One significant driver is regulatory rigidity. The Department of Labor's 2013 "Home Care Rule" reclassified many home care workers under federal wage and overtime requirements. Originally, home care workers providing companionship services were exempt from the rigid rules applied to institutional settings, but under the 2013 regulations, most home care workers are now effectively treated like formal employees, increasing compliance costs for families and small providers, making home-based care more expensive and less accessible.

Without reform, regulatory burdens, constrained supply, and growing demand will continue driving elder care costs higher.

Many families turned to under-the-table paid relationships with care providers, creating risks for both the families and caregivers, to supplement family-based care. With the costs of in-home care needlessly high, many families also turn to institutional care, even when seniors would rather stay at home. Those residential facilities are also expensive, but often end up being supported by taxpayers.

Without reform, regulatory burdens, constrained supply, and growing demand will continue driving elder care costs higher.

Solutions: *Paths Forward*

An elder care affordability agenda should focus on four priorities: expanding home-based access, modernizing outdated labor rules, strengthening financial flexibility, and growing the caregiving workforce.

First, flexible work is itself an elder care solution. Millions of caregivers rely on independent contracting, remote work, and nontraditional schedules to balance earning

Misperceptions vs. Facts

MISPERCEPTION: Institutional care is the ideal solution.

FACT: Most seniors prefer aging at home, and home-based care can provide high-quality support at a lower cost.

MISPERCEPTION: More regulation automatically improves care quality.

FACT: Excessive compliance burdens can reduce provider participation, increase costs without improving outcomes, and encourage more black-market relationships that put both parties at risk.

COST OF FULL-TIME IN-HOME CARE

Average Annual Cost
~\$80,000

Equivalent Monthly Cost
~\$6,500

Source: [Genworth](#)

MISPERCEPTION: Most families want center-based care.

FACT: Families rely on a range of arrangements—centers, home-based providers, relatives, and flexible schedules. Policy should reflect that diversity rather than crowd it out.

MISPERCEPTION: Workforce shortages can only be solved through large federal programs.

FACT: Expanding flexible, market- and community-based caregiving pathways can increase supply while preserving affordability and choice.

and caregiving responsibilities. Protecting these opportunities expands economic options and allows families to adapt when care needs arise.

In addition, policymakers should also facilitate more home-based care models, including through live-in work relationships. The existing federal au pair program provides a framework that could be expanded to include senior care placements. Under current law, au pairs receive room, board, and a stipend for providing caregiving support to families with children. Seniors could provide a similar deal to caregivers. Building on this proven model could increase the supply of in-home caregivers and provide families with a flexible, affordable alternative to institutional care. Expanding the supply of “[American Caregivers](#)” through community-based and entrepreneurial models can further increase options for families while creating better work options for caregivers.

Congress should also revisit specific federal regulations that raise the cost of care. Rescinding the Department of Labor’s 2013 Home Care Rule, for example, would restore flexibility for families and small providers while maintaining core worker protections.

Finally, policymakers should strengthen financial tools that help families manage long-term care costs. Expanding access to tax-advantaged savings vehicles and allowing families to use existing accounts for caregiving expenses can provide meaningful relief without imposing one-size-fits-all mandates.

List of Specific Bills

- [*Ensuring Access to Affordable and Quality Home Care for Seniors and People with Disabilities Act*](#) would rescind the Department of Labor's 2013 Home Care Rule to restore flexibility in home-based care arrangements and reduce compliance costs that raise prices for families.
- [*Lowering Costs for Caregivers Act*](#) expands the use of tax-advantaged Health Savings Accounts (HSAs) and Flexible Spending Accounts (FSAs) to cover qualified caregiving expenses, giving families greater financial flexibility when supporting aging parents or loved ones.
- [*Empowering Employer Child and Elder Care Solutions Act*](#) removes disincentives under federal labor law for employers to provide dependent care benefits, encouraging workplace-based solutions that expand options for working families.
- [*The Modern Worker Empowerment Act*](#) codifies a common-law standard for independent contractor classification, protecting flexible work arrangements that many caregivers rely upon.

Conclusion

Many of the affordability challenges we face today stem from poor government policies from decades prior, such as onerous zoning and permitting laws depressing homebuilding. Others reflect more recent ideological agendas like fighting climate-change and expansive childcare subsidies. The solutions presented in this agenda address long-standing structural issues in different industries. By correcting past policy failures, they will deliver lasting cost-of-living relief for years to come.

When incomes are insufficient to meet immediate needs, policymakers should avoid restricting access to various forms of credit, such as small-dollar loans.

Improving affordability also depends on consumers' ability to retain their income and have access to credit to afford essential goods and services and achieve life goals. Congress and President Donald Trump deserve commendation for enacting the historic Working Families Tax Cut Act (the One Big, Beautiful Bill Act). This law reduces taxes for middle-class families, removes the penalty for hard work among blue-collar workers, and increases take-home pay. Additional work remains to further reduce federal tax burdens on Americans, such as through capital gains tax reforms. For those who earn extra income through freelancing, Congress must codify a standard that weighs in favor of independent contracting. When incomes are insufficient to meet immediate needs, policymakers should avoid restricting access to various forms of credit, such as small-dollar loans.

If enacted, the reforms in this report can be transformational. By scaling back government intervention and adopting free-enterprise solutions, we can ensure that high costs of living do not rob future generations of their American Dream.



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