

## **Biden Left Us With a ‘Prius Economy.’ It’s Time for Something Different**

*di Daniel Aldana Cohen e Thea Riofrancos*

In the lead-up to the November election, President-elect Donald Trump threatened to “[terminate](#)” President Biden’s signature climate law, the Inflation Reduction Act, calling it the “Green New Scam.” Whether or not he kills the law, he is committed to slowing America’s transition from fossil fuels to clean energy — and few Americans seem concerned.

Recent [polling found](#) that only 24 percent of registered voters felt that the Inflation Reduction Act had positively affected them. Some 19 percent said it had negative effects, 24 percent said it was a mix, 16 percent said it hadn’t affected them at all and 17 percent said they didn’t know.

If Democrats want to win voters with policies that avert catastrophic climate change, they need to bring immediate, material benefits to the working class. That means folding climate policies into an agenda that tackles the cost-of-living crisis. This is green economic populism. Even under Mr. Trump, progressives can build momentum around this agenda in cities, towns and states.

The problem with the Inflation Reduction Act was that it was an awkward compromise between neoliberal, market-based policy and government intervention. By mobilizing public investment through tax credits and other incentives, it effectively asked companies and affluent consumers to lead the transition.

The Department of Energy [estimates](#) that the Inflation Reduction Act and the Bipartisan Infrastructure Law have prompted \$400 billion in announced investment across the renewable energy, battery and electric car sectors, likely creating about

400,000 jobs — a welcome infusion in some places, but a rounding error overall for a [labor force of 168 million](#) people.

[Yet fewer than 3 percent of](#) all tax filers in 2023 took advantage of new credits for energy efficiency and rooftop solar; even then, the wealthiest 25 percent of households captured [66 percent of the incentives](#). The same thing happened with electric car purchases: Households making over \$100,000 are far more likely to own electric cars than those earning less. Though the Inflation Reduction Act includes [investments](#) in disadvantaged communities, these are a tiny fraction of overall spending.

The law's all-of-the-above approach also [supports oil and gas extraction](#). Under Mr. Biden, the United States cemented its status as the [world's largest oil producer](#).

All told, this looks less like an equitable green transition than what we call a Prius economy — a hybrid model of green energy and fossil fuels, wedged together side by side. Like hybrid cars, which can't run on electricity alone, the Prius economy yields some [climate progress](#) while holding back more ambitious change. And it puts the burden of transforming sprawling energy infrastructures onto companies' balance sheets and consumers' bank accounts.

To cut carbon pollution at the necessary speed and scale, climate scientists are calling for [comprehensive economic change](#). To win lasting political support for that transition, we need a green economic populism that helps voters more easily get from one paycheck to the next.

Over a [quarter](#) of U.S. households, and about half of Black and Latino ones, can't afford their energy bills; over three-quarters are [stressed](#) about energy payments. Renters are hardest hit: A record [22.4 million American households](#) in 2022 spent more than 30 percent of their income on rent and utilities. [Rising rents](#) and [electricity](#) rates have outpaced wage growth. [High interest rates and higher prices](#) have driven up car payments, too. In May 2019, the average monthly auto loan was \$535. Today, it's [\\$734](#).

Climate issues are fueling this cost-of-living crisis, especially for the poor and working class. Volatile oil prices [drive inflation](#), while [hotter temperatures](#) spike utility bills.

Extreme weather pushes up [home insurance premiums](#) — raising monthly costs and making new homes more expensive to build. Climate breakdown is also [increasing food costs](#), hitting those with low incomes the hardest.

In the long run, the Inflation Reduction Act's investments in greener infrastructure and new technologies could help. But these will take years to bear fruit and may not affect the cost of living. This is why we must replace the Prius economy with one focused on affordable green housing, higher wages, cheap clean energy, lower commuting costs and expanded mass transit. States, cities and towns can get the ball rolling.

Local governments can tackle the housing crisis and climate breakdown together by rezoning cities and towns for greater density. For example, in 2024, New York's "City of Yes" policy [rezoned neighborhoods for denser housing](#) and earmarked \$5 billion to invest in affordable housing and community infrastructure, while tenant movements [won stronger rent regulations](#) to limit monthly costs.

Cities and states can also invest in mixed-income, union-built [housing](#) — especially near mass transit to reduce car commutes, and away from flood and wildfire risk zones. And governments can improve living conditions by capping rents and subsidizing green home repairs. In Pennsylvania, State Senator Nikil Saval led the passage of the [Whole Homes Repair program](#), which helps working-class households renovate their homes, lowering their utility bills. He did this by building a coalition that included rural voters and Republican politicians, demonstrating this kind of populism's appeal beyond party lines.

On energy, lawmakers can both boost renewables and reduce household bills. Lawmakers in Illinois recently [made it illegal for utilities to shut off](#) power for nonpayment when temperatures exceed 90 degrees. In New York, the [Build Public Renewables Act](#) directs a state-owned public power utility to build wind and solar infrastructure using [union labor](#) and to help working-class households [cover energy costs](#). [Tribe-owned companies](#) are developing renewable energy to cut bills and support community development.

Cities and states can also learn from Minnesota's [new transportation policies](#). Minnesota's largest public transit operator aims to [expand service by 35 percent](#) by the end of 2027, and it just [lowered fares](#). Local government officials could follow [California](#), which recently approved a plan to fund nearly 17,000 new chargers for electric vehicles — a policy that is helpful to renters who can't charge at home, and alleviates [range anxiety](#). [Community-owned electric vehicle ride-share programs](#) (like Uber, but nonprofit) are also popping up in California's agricultural Central Valley, serving primarily Latino working-class residents.

To be sure, local governments' role is relatively limited. Some of their best policies depend on federal funds, which may be cut under the Trump administration. Still, local governments can help fold green economic populism into a broader agenda for economic security — from a \$17 minimum wage floor to universal health insurance to universal prekindergarten and affordable child care. Ideally, governments would [coordinate](#) countrywide, as some have done around protecting undocumented migrants and abortion access. If progressives win a national governing coalition for these ideas in 2028, they can hit the ground running.

Many Americans are plagued by endless bills and dangerous weather. Green economic populism heals some of that pain today, while still building for the future.