

Eagle Forum Report

founded by Phyllis Schlafly

200 W. Third St., Ste. 502 • Alton, IL 62002 • (618) 433-8990 • Eagle@EagleForum.org • EagleForum.org

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The Affordability Issue

Like the weather, everyone is talking about “affordability”, but no one is doing anything about it. Or, what they propose to do will surely increase prices and decrease affordability. The fastest way to increase prices is by introducing government subsidies, because the large influx of free money distorts the market-based economy. Government is unable to contain costs whenever it throws taxpayer money as the solution. America needs market-based solutions to rein in rising prices.

Child Care

by Anne Schlafly, Chairman, Eagle Forum

New York City Mayor Zohran Mamdani and Senator Elizabeth Warren (D-MA) have jointly proposed expanding government subsidies for day care under the guise of “affordability”. Expanding day care to very young ages is neither care nor education, but institutional babysitting.

Here is who loses under their plan:

- *The child loses* because what the child most wants is mother care, not day care. Day care may be expensive, but mother care is priceless.
- *The mother loses* because no one cares more about her child than she does. The day care worker can never be emotionally invested in the welfare of the child.
- *The day care workers lose* because wages are still low. Increasing the supply of day care will not increase the wages that workers take home.
- *The taxpayers lose* because when government pays, prices rise (as

we have seen in the ever-rising prices of college education and health care). The subsidies will ensure that the day care businesses can raise their prices without losing customers.

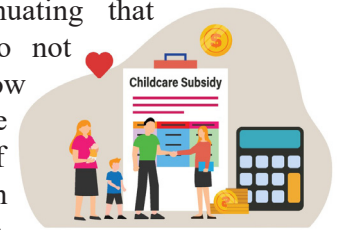
- *Stay-at-home mothers lose* as they do not receive any subsidy for choosing to stay at home and raise their own children. They are resisting the social pressure to return to paid employment and to put their children in institutional babysitting.

However, there are some winners under the Mamdani-Warren plan:

- *Day care bureaucrats win* because they can expand their business models. Just like in education, the extra government money will not go to the workers but to administration. Instead of small family-run daycares, the industry will expand to institutional services.
- *Politicians win* by pretending to give money to the people.

Mamdani and Warren actually argue that institutionalizing children results in “better outcomes for kids” who are “happier and healthier” —

thus insinuating that parents do not know how to take care of their own children.



An axiom of Leftist ideology is that “credentialed experts” always know better than you do and that the accredited and certified experts with degrees are better instructors than the mother who birthed and loves the child. Mamdani and Warren also believe that the vast increases in government intrusion into families that happened under presidents Franklin D. Roosevelt and Lyndon B. Johnson “made people’s lives better”. These government programs did make government bigger, but bigger government does not make our lives better. After all, 60 years later, we still have LBJ’s war on poverty.

America should not and cannot afford to burden future generations with a massive new spending program and an expansion of government at the expense of families. Increased public spending on child care

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does not bring down prices; instead, it incentivizes prices to inflate. Does anyone actually want institutional, bureaucratic care for their own children? This kind of system invites financial abuse, plus the potential for emotional and physical abuse of the children.

The shocking stealing of taxpayer money in Minnesota's day care assistance program shows the dangers of pouring money into day care programs without strong accountability systems. Just like during the pandemic, thieves will figure out how to scam the system when government throws money around. The government-subsidized operations will surely crowd out the small, in-home, family-run day cares.

Government support should be in the form of tax credits that go to families and not grants to day care facilities. The bureaucrats argue that the babysitting businesses need more oversight, but more paperwork does not necessarily mean safer care. Parents know who can provide the best support for their children, and they can patronize the providers who do a good job. Quality child care is not cheap. Your precious child needs the best care — which can never be institutional government care.

Federal child care programs have a history of failure and are ripe for abuse. Programs such as Head Start are costly and inefficient, providing limited hours of care while producing little to no lasting benefits for enrollees. Just like the Department of Education, the federal government should unwind these programs and return resources and oversight of care programs to states and localities — or better yet, to parents themselves.

The concept of taxpayer-paid day care for young children is a misplaced understanding of who is responsible

for the care of children. Young children want and need their parents, not a nanny state, to look after them. Government welfare programs encourage the disintegration of the family because the state encourages mothers to look to government money rather than father's money for the support of their children. Subsidized day care can undermine the family unit by diminishing the role of the provider in the home.

All Americans should ask if it is good government policy to encourage women to leave their babies with government employees. What most mothers desire in paid work is to work out of their home or work a flexible schedule that allows them to prioritize their family.

At Eagle Forum, we believe in public and private virtue — that means that taxpayer money is not wantonly spent and that families should be in charge of their own households. If Congress truly wanted to help families, then it should increase the amount of the dependent deduction on our income taxes. Those money savings would directly help families without sending taxpayer money to a required intermediary.

List of Good Bills

by Heather Madden, Vice President for Policy Initiatives, Independent Women

- Respect Parents Childcare Choices Act (H.R. 2282) 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 (H.R. 2270) removes disincentives under federal labor law for

employers to provide child and dependent care benefits, encouraging workplace-based solutions that expand options for employed families.

- The Modern Worker Empowerment Act (H.R. 1319) codifies a common-law standard for classifying workers as independent contractors to protect against mass reclassification efforts.

Housing

by Patrice Onwuka, Vice President for Economic Policy, Independent Women

Government over-regulation 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

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homeowners in place.

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.

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.

Rent control is a failed retro idea that leads to counterproductive outcomes, including 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.

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.

List of Good 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.
- 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.

Medicine

by Miranda Spindt, Healthcare Policy Analyst, Independent Women

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.

After World War II, the federal government imposed wage and price controls

to curb inflation. To attract work-

ers 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.

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.

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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.

Hospitals do not publish their prices. 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.

Patients should shop for care as they do for other services. 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.

Government subsidies do not

lower health insurance costs. 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.

List of Good 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.

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

Minimum Wage

by Anne Schlafly, Chairman, Eagle Forum


Mayor Zohran Mamdani has proposed "30 by 30", which is a \$30 minimum wage by 2030 for New York City, where the current minimum rate is \$17 per hour. Who pays the increase labor costs? The consumers. When wages increase, then prices increase because businesses need more money to pay the increased labor costs. Increasing the minimum wage increases inflation every time it is tried.

The employee does not benefit because his new wages only buy the same amount as his old wages. An in-

crease in the minimum wage is usually a net loss for the worker, even if he is able to retain his job. Automation and AI have eliminated simple and entry-level jobs. Many restaurants now rely on the customers to bus their own tables, thus eliminating service jobs.



In a market-based economy, the employer pays better wages for better workers. And, yes, the employer pays lower wages to new or unskilled workers. It is a good thing for 16-year-olds to have a job, but no employer is going to hire a teenager on his first job at \$30 per hour. Even half that rate is too much for most teens because young new workers require so much on-the-job training. We should not discourage employers from hiring teenagers, because teens need work experience long before they graduate into fulltime employment.

Other states and municipalities have excessively raised their minimum wage rates. Los Angeles has already passed a \$30 rate just for hotel and airport workers for the Olympics in 2028. Frequently, minimum wage hikes are passed by initiative petitions and a vote of the voters. It is a popularity contest instead of good economics. The result is a government mandate that harms the workers who most need employment. 

EAGLE FORUM

President: *Kris Ullman*
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