To: Interested Parties
Fr: Neera Tanden, CEO of the Center for American Progress Action Fund; Carlissia Graham, President of the Center for American Progress Action Fund; Colin Seeberger, Chief Strategy Officer of the Center for American Progress Action Fund
Subject: The Iran War, Pain at the Pump, and Shifting the Electoral Landscape
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Memorandum: Centering the Iran War and Pain at the Pump Can Fuel Democratic Victories in 2026

As we enter the critical 90-day window leading into the 2026 midterm elections, Democrats and their allies face a clear strategic mandate: center lower costs for working people. Donald Trump's escalating military conflict in Iran—which has already cost American taxpayers more than $37.5 billion, with another $73 billion under congressional consideration, has triggered a severe energy shock, driving prices up nationwide and delivering acute pain directly to families already struggling with high living costs. As of July 10, Mark Zandi, chief economist, of Moody's Analytics, estimated that the war had cost American households more than $1,100 in higher gas, diesel, food, airfare, borrowing, and other costs.

The Trump administration has few policy levers left to provide short-term consumer relief at the pump—where as of August 13, gas prices averaged $4.07 per gallon, or nearly 37% over the pre-war price. As of the end of of last week, that translates to the typical household having paid an additional $350 more for gas since the war began. At the same time, Trump has achieved none of his objectives in the war in Iran, which every congressional Republican in the 2026 House and Senate battlegrounds has voted at least once to support, and has failed to identify any credible exit strategy. Iran retains control over a critical energy chokepoint in the Strait of Hormuz, leading to projections of continued high energy prices through November.

On August 28, America will mark 6 months of being at war in Iran. In the run-up to and following that important milestone, Democrats and their allies should channel voter anger over war-fueled gas price spikes into decisive turnout by making the war's trade-offs starkly personal. Through earned and paid media, campaigns should feature raw, first-person testimonials from working parents and commuters at the pump choosing between filling their tanks and buying groceries.

Messaging must relentlessly contrast Trump and Republicans' support for spending an additional $73 billion on yet another foreign war against brutal domestic cuts—including over $900 billion in cuts to Medicaid and $180 billion in cuts to SNAP—that have affected virtually every priority Democrats and their allies are fighting for. For instance, $73 billion could instead fund free school meals for every child, saving families $945 annually, and provide Medicaid coverage to more than 5 million people for one year. Other domestic priorities that could be funded in lieu of the war can be found here, and CAP Action's budget experts are happy to work with you to assess what investments could be funded for this sum in your topic area of interest.

While Trump and Republicans Seek $73 Billion More for War, Voters Say They Have the Wrong Priorities and Blame Them for Worsening the Affordability Crisis

For working families across America, the price at the gas station is a highly visible, frequent tax on everyday survival. Long before voters think about foreign policy, they feel the squeeze on their household budgets. In fact, 59% of Americans are cutting back or delaying spending just to fill their tanks. This relentless pressure has turned routine commutes into daily reminders of an economy that is failing working people, with 47% of Americans saying that fuel costs will influence their vote in the 2026 midterms. But families' financial anxiety isn't isolated to fuel costs. Higher grocery prices, healthcare costs, and utility bills are increasingly driving Americans to believe that they are worse off than they were a year ago.

The American people are placing blame for the pain they are experiencing because of the war directly at the White House's feet: 51% of Americans lay the blame for soaring fuel prices on Donald Trump while another roughly one-quarter of Americans blame oil and gas companies and foreign oil producers. Meanwhile, Trump's political standing is continuing to erode. Three in four Americans report that the president is not focused on the problems Americans face and recent polls have found the president's approval rating has fallen, reaching or roughly tying its all-time low. And yet, while Americans say that they increasingly can't afford the basic costs of living, last month House Republicans voted for a budget resolution that would give Donald Trump another $73 billion for the Iran War. Coupled with war powers resolutions, all but 4 House Republicans have voted six times to back Trump's war and force higher costs onto the American people. In the Senate, nearly every Republican, including vulnerable members like Dan Sullivan, Jon Husted, and Roger Marshall, have voted 12 times to support Trump's costly Iran war.

Widespread economic instability is sparking a seismic political shift. Recent survey findings from Navigator Research revealed that nearly one in four (23%) 2024 Trump voters now regret their vote, with Trump regretters pointing directly to the president dragging the country into yet another reckless military conflict and failure to deliver on cost-of-living concerns. As families search for relief, the political ground is shifting under our feet: Blue Rose issue-tracking confirms that gas prices have surged in voter priority more than any other issue since 2024, driving a decisive shift toward Democrats, who are now more trusted than Republicans to manage energy costs.

How War-Fueled Higher Prices at the Pump Could Affect Outcomes in the 2026 Battlegrounds

Gas price spikes remain one of the strongest negative drivers of both presidential approval and midterm election outcomes. Over the last half century, the incumbent party lost an average of 25 more House seats in midterms following gas price increases compared with midterms following price decreases. Further, a 2025 study in *American Politics Research* showed that sudden price spikes inflicted disproportionate damage on a sitting president's approval ratings compared to gradual shifts.

Energy inflation is hitting hardest precisely where the 2026 midterms will be decided. Original CAP Action analysis of Brown University's Iran War Energy Cost Tracker found that 60% of the 15 states with at least one House or Senate race rated as a "Tossup" by Sabato's Crystal Ball at The Center for Politics are experiencing a percent increase in gas price hikes that is higher than the national average (up nearly 37 percent from pre-war levels as of August 13). Critical battlegrounds facing above-average gas spikes include Arizona, Georgia, Maine, Michigan, Ohio, Pennsylvania, Texas, and Wisconsin. For vulnerable incumbents in these key states, even a temporary pump spike risks turning tight races into a broader partisan rout.