

MEMO *Published October 22, 2026 · 12 minute read*

Testing the Limits of Economic Populism

Third Way



The electorate is angry, voters feel economically ignored, and candidates are searching for answers. Some are promoting or reaching for ideas to match that mood that are substantively bad, politically toxic with mainstream voters, or both. As Democrats navigate this moment, they must reject the status quo and offer a real vision of change. But in doing so, they should promote ideas that excite both swing voters and the base and be deeply wary of positions that play well with social justice warriors on BlueSky but actively turn off the working-class voters they need to build majorities.

In this memo, we offer analyses of some of the most prominent of these positions. We designate the winners with swing voters as "green light," the political losers as "red light," and the ideas that should be handled with care as "yellow light."

Health Care

Green Light: Health Care Bill of Rights

Health care is too expensive, too hard to access, and too damn complex. Every American deserves a Health Care Bill of Rights: 10 sweeping but simple guarantees that put patients before profits. Cap all out-of-pocket costs, make basic care easy to access, end surprise bills, let patients see the doctor they want without punishing out-of-network charges, and eliminate crushing medical debt. We don't need to tear down the system and start over. Build on the Affordable Care Act with the most comprehensive patient protections in history to make health care affordable, easy to use, and reliable for everyone.

Green Light: MAHA Food Reforms

Americans increasingly believe something has gone wrong with the nation's food system. Taking on artificial dyes, investing in nutrition, embracing wellness and prevention, and making it easier for families to buy healthier food all show Democrats are willing to challenge powerful interests when public health is at stake. Keep the focus on practical reforms backed by science, not culture wars or conspiracy theories.

Red Light: Medicare for All

It's a trap. It opens the door for GOP control over every person's health care, including abortion, contraception, and vaccines. It costs tens of trillions, puts the government between you and every health care decision, and jacks up middle-class taxes. Medicare for All ends private insurance that Americans mostly want to keep. It's failed in states from Vermont to Colorado because no one has figured out how to go from slogan to reality. All of this means it's a pipe dream. Voters want actual change, not pie-in-the-sky sloganeering.

AI & Technology

Green Light: Social Media Regulation

Parents want stronger online protections for kids. They want to have a say in what their children see and experience. They are concerned about teens being addicted to their devices. At the same time, sweeping social media bans generate new concerns about privacy, free speech, and government overreach. Bans would mean social media companies have to collect even more data about every user—including adults—and could cut off vulnerable kids from 21st century resources. At a minimum, Big Tech should be compelled to design safe products from the start. Platforms should be required to build strong default safety and data protections, age-appropriate design, and better parental controls that give families a say.

Yellow Light: Data Centers

Technological progress is the heart of America's economy, but communities shouldn't be stuck with higher utility bills, strained infrastructure, and broken promises. Make AI pay up. Require legally binding commitments to invest in local electricity systems, keep household utility bills from rising, generate enough new tax revenue to cut local property taxes, and create good jobs for local workers. Insist on transparent negotiations, ban NDAs, and give communities a real say.

Blanket bans send investment elsewhere. The better answer is to make the companies profiting from the AI boom share the benefits with the people and places making it possible.

Jobs & Workforce

Green Light: Apprenticeships

College is a great path, but it shouldn't be the only one. Americans overwhelmingly support creating more apprenticeships and technical training that lead directly to good-paying careers. Make work, skills, and earning the centerpiece of your working-class economic agenda.

Green Light: Child Tax Credit

Don't frame a \$600 per child, monthly refundable tax credit as an anti-poverty program. It would be the most important tax cut for working families in history. (And yes, it would reduce poverty by a ton!)

Green Light: \$15 Minimum Wage

The minimum wage has been stuck at \$7.25 since 2009. A \$15 minimum wage would be the highest minimum wage in real dollars in 50 years.

Red Light: \$25 Minimum Wage

Progressives have been overreaching on the minimum wage for 20 years, which is why we haven't been able to raise it a penny since 2006. A \$25 minimum wage may be appropriate in certain high-cost big cities. It is a non-starter almost everywhere else, killing jobs and hurting minimum wage workers.

Red Light: Universal Basic Income

Most voters still believe the path to the middle class runs through work. Universal Basic Income reinforces Republican attacks that Democrats favor dependency over opportunity. Help people earn more—not opt out of work altogether.

Red Light: Federal Job Guarantee

Americans want more opportunity, not a promise that the government will become the employer of last resort. Guaranteed jobs—a promise of a government-funded job to anyone who wants one—sound expensive, bureaucratic, and disconnected from how the modern economy works. (When FDR passed the Civilian Conservation Corps, the unemployment rate was 25%; today it is 4%.) Focus instead on helping the private sector create millions of good-paying jobs, and make sure those jobs provide better wages and benefits that support a good life.

Red Light: 32-Hour Work Week

For most Americans, getting paid the same for fewer hours sounds too good to be true. Proposals would require employers to maintain 40-hour pay while treating 32 hours as full-time work and requiring overtime after 32 hours. That's fantasyland. Even if it was possible, it would be a huge burden on small businesses and labor-intensive industries. Democrats should fight for better jobs and higher wages—not government-mandated shorter workweeks.

Taxes

Green Light: Middle-Class Tax Cuts

Every interest in Washington has carved out a piece of the tax code—except the middle class. Put middle-class tax relief at the center of your agenda, but make it targeted and fiscally responsible. Focus on helping working families afford housing, child care, and health care—not mailing checks to households that don’t need them. If you’re talking taxes, working families should be the first beneficiaries.

Green Light: End Preferential Treatment for Wealth-Based Income

People who earn a paycheck shouldn’t pay higher tax rates than those living off large investment gains. Close special tax breaks that overwhelmingly benefit the wealthiest investors and use the revenue to invest in workers, families, and America’s future. The tax code should reward work, not favor wealth.

Green Light: Terminate Trump’s Tariffs

End Trump’s war on the American consumer. Eliminate tariffs on everyday essentials to immediately lower costs for families. Clothes, food, school supplies, pharmaceuticals—if it goes in a shopping cart, the tariff tax needs to be repealed. Use smarter tools like sanctions, export controls, and targeted trade enforcement to confront countries like China that cheat the rules. Be tough on bad actors, not on American consumers.

Yellow Light: Fight the Oligarchy

Voters across the political spectrum hate a system they believe favors insiders and billionaires. And they’re right: it’s rigged. The ultra-rich pay far too little in taxes and have far too big a say in how we are governed. Yet they keep electing them—from both parties! Why? Americans admire innovation, entrepreneurship, and success. So, sure, talk about raising their taxes, closing their loopholes, and ending their special treatment, while also rewarding work and ensuring everyone pays by the same rules. Even a majority of Democratic primary voters say the reason to tax billionaires should be to invest in government programs, not eliminate them from the face of the earth.

Red Light: Wealth Tax

Overly simplistic and likely unconstitutional, this would be a nightmare to implement, and the economic consequences are hard to predict. There are a lot of ways to tax the wealthy, such as increasing the top rate, raising capital gains rates, and closing the numerous loopholes they exploit. Don’t make another sweeping economic promise that won’t get kept.

Red Light: Deficits Don't Matter

Democrats are in favor of investments, but...polling shows that voters think Democrats spend too much, spend on the wrong priorities, and don't care a whit about wasteful spending. Every unfunded promise confirms those suspicions. Don't ignore deficits and refuse to make tradeoffs. Endless borrowing fuels inflation. It is not austerity to embrace fiscal responsibility: spend where it matters, eliminate what doesn't, and pay for your priorities.

Housing

Green Light: Build Millions More Homes

Housing is expensive because America doesn't build enough homes. Democrats should become the party of building by making it faster, cheaper, and easier to construct millions of new homes. Take on zoning restrictions, excessive permitting delays, tariffs on building materials, and other barriers that drive up costs. Make it easier to convert office space to residential units and expand modular construction.

Yellow Light: End Institutional Investment in Housing

Private equity may be a great villain, but institutional investors are actually only a small part of the affordability problem. Crack down on abusive practices where you find them, but always return to the need to build millions more homes.

Clean Energy

Green Light: All-of-the-Above Energy

Energy costs are obscene. Democrats must stand for pragmatic approaches that lower utility bills and cut costs at the pump. It is impossible to lower costs by banning or restricting major sources of power. Voters know that. Democrats need to build more of all types of energy, from natural gas to renewables and nuclear. Democrats can still push towards 100% clean energy—but even the most optimistic assessments suggest that oil and gas will retain a significant role in our economy for decades to come. Democrats should advance strategies that keep fossil fuels *and* clean energy cheap, easing the burden on working families and supplying the energy needed to grow America's economy.

● Green Light: Cost Comes First, Climate Comes Second

The costs of moving to 100% clean energy will not be borne entirely by American consumers. Voters' top priority in energy is keeping it affordable and reliable. Recent gubernatorial victories from energy affordability champions in Virginia and New Jersey suggest a consumer-first approach is a winner. Democrats of all stripes—from bold candidates in battlegrounds like Texas and North Carolina, to leaders in Washington—have begun to put lowering costs at the heart of their energy platforms and now have a slight advantage over Republicans on lowering costs for working families and cutting utility bills. Democrats must maintain message discipline here and make clear to voters that the party will champion affordable energy. That includes making difficult decisions, like rolling back climate regulations when costs become too burdensome for working families or building new fossil fuel infrastructure to grow access to cheap, lower-emissions natural gas.

● Red Light: Green New Deal

Anything that raises costs to the consumer should be opposed. Exhibit A is the Green New Deal, which will choke the energy supply to homes, businesses, cars, trucks, and planes. The bill dominated energy discourse in 2019 and 2020. Though it never became law, its ties to socialist policymakers and identity politics made it an effective cudgel for Republicans looking to lambast Democrats as radical, out-of-touch, economically tone-deaf, and obsessed with identity politics. Even policymakers who vocally disavowed the proposal faced anti-Green New Deal attacks: Republicans spent big against John Ossoff in 2020 to label him a left-wing tree hugger. Democrats must maintain support for pragmatic energy policy that cuts costs and lowers emissions—and spurn proposals like the Green New Deal that turn energy into a pawn in a broader culture war.

● Red Light: Fracking and Fossil Fuel Bans

Curtailling US gas production would drive up energy costs and destabilize both the energy sector and the industrial sector, where fossil fuels are needed to generate the high temperatures required to manufacture steel and cement. Americans are far less ideological about energy than their representatives in Washington. Ultimately, they like natural gas, wind, solar, nuclear, and hydropower—and they'd like a bit of everything in their energy mix. Candidates should “ban the bans” and commit to a diverse mix of energy sources.

● Red Light: Making Utilities Publicly Owned

Municipalizing existing utilities will not address rising energy costs and comes with real risks. This includes significant additional costs for ratepayers during the transition from

private ownership to municipal control, poor service that has prompted a backlash in some communities, and, in some cases, a retreat on clean energy without any public notice or input. Democrats should be careful here: public power is no silver bullet for rising energy costs. In fact, it can make the problem even worse.

Higher Ed

Green Light: End Legacy Admissions

Americans want a higher education system that delivers equal opportunity, not one that gives an unfair advantage to the already privileged. Legacy admissions policies that give a leg up to the children of alumni are extremely unpopular. Gutting them is low-hanging fruit.

Green Light: Student Loan Reform

Students who need more help paying for their education shouldn't have to choose between no financing and bad financing. Republicans have opened the door to more private student lending. Voters will expect Democrats to make sure borrowers aren't left at the mercy of predatory lenders by championing stronger consumer protections and other measures to limit the size and duration of student loan payments.

Red Light: Cancel Student Debt

Been there, done that. The Biden-Harris administration wasted time and political capital pushing debt cancellation, only to have it predictably struck down, and borrowers paid the price. Making those worn-out promises again will ring false to Americans. A whopping 88% of voters think college costs too much. Instead of lying to them, have a plan for how to make college more affordable on the front end.

Red Light: Restore Unlimited Federal Lending

The reflex to overturn every Trump-era policy is strong, but reinstating unlimited Grad PLUS loans would be a mistake. Republicans took the political hit for ending a controversial and costly program. Democrats should focus on creating a better system that won't leave students with unrepayable debt.

