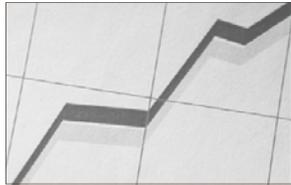


OBAMANOMICS:



*Summary of the Analyses and Commentary
Related to the Financial Impact of ObamaCare
on Women and Families*

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EXECUTIVE SUMMARY

Obamanomics is the term given to those aspects of President Barack Obama’s policies that affect the economic and fiscal well-being of the American public and the nation. Foremost among those policy initiatives is ObamaCare, more formally known as The Patient Protection and Affordable Care Act (PPACA), a federal statute that was signed into law by the president on March 23, 2010, and the Health Care and Education Reconciliation Act of 2010, which was signed on March 30, 2010. In addition, the stimulus package, Cap & Trade, and the possibility of a value-added tax (VAT) contribute to the concept of Obamanomics. All these policy initiatives — and the tax increases that will be necessary to finance them — are a threat to individual families’ finances; they are also a threat to the nation’s economic strength, contribute to the financial crisis, and vastly increase the federal debt that economists predict will add to the already existing mountain of debt that promises to burden generations of Americans into the foreseeable future.

ANALYSTS, REPORTERS, RESEARCHERS AND OTHER EXPERTS REPORT THE FOLLOWING EFFECTS OF OBAMANOMICS ON WOMEN AND FAMILIES (See the full paper for documentation of sources for the bulleted items listed below):

- The government now owns 51 percent of the private sector.
- The majority of Americans disapprove of the “changes” and “transformations” that Obamanomics is imposing on American taxpayers.
- In the past, government programs have failed miserably and on a massive scale.
- Women and families bear the brunt of Obamanomics’ income redistribution.
- Current Internal Revenue Service (IRS) regulations have nearly seven million words (up nearly 20 percent since 1995).
- The typical family pays 30 percent of its income for taxes (more than for food, clothing and housing combined).
- Americans spend an estimated \$110 billion in complying with tax laws and filing tax forms.
- Tax Freedom Day calculates that the average American works for the government from January 1 to April 8 in order to pay their taxes.

ObamaCare Expansions:

Marriage Penalty —

- Married couples could be paying as much as \$10,000 more for being married.
- It will encourage cohabitation and divorce because of increased insurance premiums and fees for being married.
- It will discourage married women from working because of higher tax rates.
- Young married couples and empty nesters will be hit especially hard.
- Financial affects are perpetual and, thus, cumulative.
- ObamaCare increases the magnitude of the disincentives for marriage.
- By encouraging single parenting, the bill will increase poverty.
 - The rate of poverty for married couples with children is 7.5 percent (in 2008).
 - The poverty rate of single mothers with children is five times higher than for married couples with children.
 - The poverty rate for single fathers is almost 2.5 times higher.
 - Poor children in single parent households constitute almost two-thirds of all poor children.
- It rewards the 70 percent of unmarried women who voted for President Obama in 2008.
 - The majority of taxpayer-stimulus jobs went to women, even though men suffered the majority of job losses during the current recession — costing taxpayers trillions of dollars per year.
 - Current welfare programs cost almost \$1 trillion per year (twice as much as national defense, and nearly the size of the federal deficit).
 - ObamaCare is projected to add another \$2.5 trillion to the cost of welfare programs.
- ObamaCare is a boondoggle for older, unmarried mothers (in their 20s and 30s) who, rather than teenagers, are driving the out-of-wedlock birth rates.

Abortion —

- Prior to its passage, President Obama was willing to “put everything on the table” to get ObamaCare passed, except for abortion.
- Taxpayer funding of abortion is in the health care reform bill.
- The executive order signed by President Obama is “judicially unenforceable.” Attempts “to limit federal abortion funding will have little to no effect on the new war over taxpayer-funded abortions.”
- ObamaCare funds community health centers — including Planned Parenthood clinics — that provide abortions.
- ObamaCare does not protect the conscience rights of health care providers.
- The American taxpayer has been protected against having their money used to pay for abortions by the Hyde Amendment that has been in effect since 1976.
- At the state level, 33 states had abortion funding limitations, four funded elective abortions, and 13 funded abortions for lower-income residents.
- Federal and state level battles over taxpayer funding of abortions are inevitable.

Medicare and Medicaid Cuts —

- People on Medicare and Medicaid, mostly women, will receive less care and possibly worse care.
- ObamaCare will increase Medicaid by bringing in one in five (16 million) Americans.
- It will move younger and healthier individuals out of private insurance, thus making private coverage more expensive for small business and their workers.

- More than 10 million seniors will lose their Medicare Advantage (about 50 percent will be driven out; those who remain will pay more).
- Changes in Medicare and Medicaid are the biggest drivers of the massive increases in the national debt.
- Medicare and Medicaid beneficiaries will likely get a lower standard of care.
- About 15 percent of hospitals and institutional providers will lose money and “go into the red.”
- The long-term viability of Medicare reductions is doubtful.
- More and more doctors are opting out of Medicare because their operating costs exceed their reimbursements.
- Increased Medicare and Medicaid costs will increase health care spending by \$311 billion over the next decade.
- Fines will raise \$4 billion in taxes, 76 percent of which will be paid by those making less than \$120,000 per year.
- An estimated 14 million will lose their employer-based coverage, leaving more than 21 million without insurance.

Penalties for Small Business Owners —

- Employers hiring low-income employees (high school dropouts, minorities, and women) will be penalized.
- Women-owned businesses will be hard-hit by the insurance burden they will face.
- Women dependent upon their husband’s insurance coverage, and divorced or widowed women will be vulnerable.
- Single moms (who are supposed to be the primary beneficiaries of ObamaCare) are more likely to be out-of-work because of policies affecting small business owners.
- Keeping young adults up to age 26 on parents’ policy extends adolescence and dependency.
- Businesses, (especially small businesses) are likely to pay huge fines (\$87 billion) in the first five years.
- Employment of low-skilled workers will decline, higher-skilled workers will see cuts in take-home pay, and employment prospects will dim for millions of Americans.
- Businesses and production industries will be at a competitive disadvantage internationally.
- Women, employed disproportionately in small businesses, will be especially hard hit.

ObamaCare Costs:

Reality vs. Rhetoric —

- America’s debt is trending to reach 100 percent of Gross Domestic Product (GDP) by 2019-2022.
- The president’s own actuary showed that reductions in the cost of ObamaCare would be more than offset by higher expenditures, that it is “plausible and probable” that prices will increase.
- Hospital budgets will be driven into deficits by Medicare overages, thus negatively affecting access to care for beneficiaries.
- Hundreds of new commissions, boards, and agencies are created by the law.
- Increased bureaucracy will further distance patients from doctors.
- U.S. Department of Health and Human Services (HHS) estimates (available, but not made public before the vote on the bill) indicate nobody knows what ObamaCare will cost.

- The Congressional Budget Office (CBO) reports penalties amounting to \$1,000 per person.
- Fines will total more than \$4 billion between 2017 and 2019.
- More than half of Americans are confused about the law (55 percent) and its impact (56 percent)
- ObamaCare has \$2 trillion in higher taxes, doubles the debt in five years, and triples the debt in 10 years.
- ObamaCare is the largest entitlement in 35 years, with the majority of Americans more dependent upon the government than on themselves.
- More than 70 percent of Americans get more benefits from government than they pay for in taxes.
- The public's trust in government is at a "historic low" (less than 22 percent).
- The president's approval rating is at a 44 percent low, and Congress's is at 25 percent.
- The true cost of government (\$9 trillion) is out-of-control.
- There is a built-in mechanism that will force people into government-controlled insurance coverage.

Debt Crisis —

- This year, America's national debt will reach 63 percent of the GDP.
- Over the next decade, ObamaCare is expected to add \$10 trillion to America's already staggering debt.
- The U.S. debt is predicted to be at 90 percent of GDP by end of this decade and 100 percent by 2019-2022. Economists consider 90 percent a crisis.
- Interest rates alone for ObamaCare will total \$5.6 trillion.
- The deficit now concerns Americans more than unemployment.
- Economists predict that rich Americans could end up paying 90 percent of their income in taxes.

Military Health Care Costs —

- Women are the fastest growing segment of the veteran population.
- Cuts to Medicare Part B will especially hurt military retirees.
- Doctors are already refusing to accept Tricare, so will likely reject new Medicare patients, too.
- Pentagon spending on health care has increased 167 percent since 2010 (when it was \$19 billion) and is expected to increase to \$50.7 billion in 2011 (twice as fast as for the regular population).
- As a share of defense spending, health care costs have jumped from 6 percent to 9 percent.
 - One in four soldiers admits to abusing drugs (mostly pain killers)
 - Around 10 percent of service members show signs of post-traumatic stress disorder.
 - Heavy alcohol use is higher for service members than for civilians.
 - Behavioral counseling needs have increased by 65 percent since 2004.
 - Mental health issues and joint problems have increased from 2.8 million in 2005 to 3.7 million in 2009.

Tax Increases —

- ObamaCare is the government's biggest attack on economic inequality in three decades.
- ObamaCare contains \$670 billion in tax increases.

- Tax increases hurt women because they discourage job creation — more women than men exit and enter the labor force.
- Tax structure already discourages married women from working.
- ObamaCare includes at least 14 different tax increases that target taxpayers earning less than \$250,000 per year.
- Massachusetts' health care reforms (similar to ObamaCare) prompted more than half-a-dozen lawsuits to stop double-digit premium increases.
- Attorneys General in more than a dozen states are working to challenge the legal mandate in federal court as unconstitutional.
- Another tax initiative, The Financial Regulatory Bill, establishes a new bureaucracy — the Office of Financial Research — with subpoena power to collect financial information.
- The Financial Stability Oversight Council will monitor the entire “financial services marketplace” and recommend new financial regulations.
- The Internal Revenue Service has a new initiative targeting “high wealth individuals” that has been criticized for globalizing tax administration.
- Because women control the majority of financial assets in the U.S., own 40 percent of the \$5 million-plus estates, constitute 47 percent of Americans with assets over \$500,000, and control more than half of private wealth, they will be disproportionately affected by tax increases.
- Over the next decade, there are dozens of tax increases scheduled to automatically go into effect unless Congress intervenes.

Value-Added Tax (VAT) —

- There are signs that the U.S. is headed toward a value-added tax (VAT), probably to be implemented after the 2012 election if President Obama is reelected.
- Paul Volcker, former Federal Reserve Board Chairman and now chairman of President Obama's Economic Recovery Advisory Board, and other top Democrats have indicated that a VAT would solve the financial crisis in the U.S.
- The Senate went on record opposing a VAT by an overwhelming vote (85-13).
- President Obama has changed his rhetoric about not imposing *any* tax increases on families making less than \$250,000. He now says merely that he won't raise “income” taxes.
- The National Commission on Fiscal Responsibility and Reform (NCFRR) stated that “everything is on the table” in terms of ways to reduce the \$1-trillion-plus federal deficit. [Note that their recommendation is not due until after the 2010 elections.]
- VAT would raise \$500 billion a year and cost each household over \$4 thousand a year.
- Most European countries have a VAT that averages 20 percent.
- Experts agree that VATs have appeal because the tax is buried in the cost of the product; it is considered the ultimate “cash cow.”
- VATs set up a culture battle between dependency and independence.
- VATs hit the poor harder than the middle class or rich.
- VAT classifications are determined, sometimes arbitrarily, by bureaucrats leading to unintended consequences.

GRAPHS:

Fig. 1. Change in Distribution of Child Poverty By Family Type: 1983–2008, p. 11.

Fig. 2. CBO Estimates of National Healthcare Expenditures: 2010–2019, p. 18.

Fig. 3. Federal Government Debt Held By Public: 1994–2020, p. 25.

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Cicero, 55 BC

INTRODUCTION:

Under the Obama Administration, the Democrats are unleashing a bevy of unpalatable surprises for women, including massive up-front government expansions and enormous tax increases that produce problems for American women and their families. As Rep. Michele Bachmann (R-Minnesota) recently said, “The government now owns 51 percent of the private sector.” In just 18 months, the current administration has produced extraordinary “change”; indeed, it threatens a huge “transformation” of America. The majority of citizens not only disapprove of these “changes” and “transformations,” they actively oppose them. Citizens have picketed, protested, held town halls to express their opposition, and responded to poll after poll indicating their overwhelming opposition to the actions of the Democrat majority and the socialist agenda of the President.

We would do well to remember that our society has suffered grievously from programs and policies that meant well but failed miserably — and on a colossal scale — as is documented by an abundance of data and the obvious social trends in America.¹ With ObamaCare and tax increases, we face yet another ill-advised call for a return to the old failed social welfare policies of entitlement, and it is distressing to contemplate the lapse back into the old ways of victimhood these new initiatives seem destined to rekindle.²

Yuval Levin called the new law a “ghastly mess” and traced its development; it “began as a badly misguided technocratic pipe dream and was then degraded into ruinous incoherence by the madcap process of its enactment.”³

Controversy and secrecy surrounded the passage of ObamaCare, but the incident with Joe Wurzelbacher, a plumber in Holland, Ohio, kept echoing in reports and analyses of the bill. Obama, the candidate, said, “I think when you spread the wealth around, it’s good for everybody.” That off-the-cuff remark stayed in critics’ minds,⁴ even when the President and the Democrat-controlled Congress suppressed open debate and the media focused on other aspects of the bill. Now that the bill was rammed through and the President has signed it, Democrat politicians, from Senator Max Baucus to Vice President Joe Biden, are remarkably open about the real purpose of the bill⁵ — to spread the wealth around.

Trouble is, women and families are the ones who bear the brunt of Obamanomics’ income redistribution.

With the specifics of the legislation a closely-guarded secret known only to the liberal elite in Congress while it was under deliberation, it was not immediately clear that women and families were the ones bearing the brunt of the new taxation hidden in ObamaCare. Supporters didn’t talk about the bill’s marriage penalty — the fact that it will redistribute wealth from married couples to cohabiting couples.⁶ They also didn’t mention the fact that “people on Medicare and Medicaid, disproportionately women, would receive less care and possibly worse care.”⁷ Plus, nobody talked about the fact that the bill penalizes those employers that hire low-income workers, primarily single mothers and housewives needing a second income.⁸ So, instead of encouraging single mothers to marry the father of their children and to become financially independent by facilitating job growth, ObamaCare creates another avenue of dependency through health insurance subsidies.

Another issue lies with the impending tax increases and the growing burden on Americans to comply with the federal tax code. According to the IRS’s Taxpayer Advocate Service, “The Code has grown so long that it has become challenging even to figure out how long it is.” Their

best estimate is that it contains approximately 3.7 million words. The Tax Foundation reported that the Internal Revenue Service (IRS) regulations currently have nearly 7 million words — an 18.7 percent increase since 1995 and, amazingly, almost nine times the total number of words in the King James Bible.

Carrie L. Lukas, in her article, “The Tax Man Cometh,”⁹ reports that in addition to losing about 30 percent of our income for federal, state, and local taxes (more than the typical family spends on food, clothing, and housing combined),¹⁰ Americans spend nearly 4 billion hours in complying with income tax laws. The cost of all this time is estimated at \$110 billion.¹¹ Further, Lukas reports, Americans paid nearly \$30 billion for expert help in preparing their tax forms, including software programs and hiring tax preparation professionals. Do you remember that, among all the broken promises, last year President Obama pledged on Tax Day to “make it easier, quicker, and less expensive for you to file a return, so that April 15th is not a day that is approached with dread every year”¹²? Yet, over the past five years, the time individuals spent filling out tax forms increased a full hour due to the confusing and complex process.¹³ For corporations, the process is equally burdensome, costing \$159.4 billion — Lukas explains that “for every dollar the government raises in revenue from corporations, companies have to pay out more than \$1.50.”¹⁴

Compliance with the IRS regulations is a major burden on American citizens. Further, the Tax Freedom Day group acknowledges that the average American works for the government from January 1 to April 8 — a full 99 days — in order to pay his or her taxes. And we haven’t seen anything yet. Unless Congress takes action or the results of the 2010 election shift the power dynamics in Congress after November, Americans face unprecedented tax increases from 2010 through 2013.

OBAMACARE EXPANSIONS

Marriage Penalty — Some commentators argue that ObamaCare will “destroy marriage for the middle class the same way that the Great Society welfare state destroyed the black family with financial incentives for staying single.”¹⁵ Many pro-marriage activists view the bill as “a direct attack on marriage,”¹⁶ which the Heritage Foundation reports could go as high as a \$10,000 annual “penalty” for being married, and, cumulatively, a married couple “could face a penalty of over \$200,000 during the course of their marriage.”¹⁷ The bill would “hit young married couples hard” and “bite back at empty-nesters” by creating “enormous pressure for couples to live together without marriage — or even get divorced — by charging married couples thousands of dollars more in premiums and fees.”¹⁸

Diana Furchtgott-Roth of the Manhattan Institute pointed out, “The disincentive effect would discourage married women from working. It could even discourage marriage by intensifying the present ‘marriage penalty’ in the tax code, the higher tax rate on a woman who is married.” Furchtgott-Roth added, “The tax penalty for working is even more substantial at the low end of the income spectrum because phasing out health care subsidies for the poor imposes high tax rates on the extra dollar earned. As people move up the income scale, they give up the subsidy.”¹⁹

ObamaCare means a new tax will disproportionately fall to lower and middle income couples who choose to get married rather than just live together. The House Republicans gave an example of an unmarried couple, each earning \$25,000, for a total income of \$50,000 who would pay annual health insurance premiums capped at \$3,076. The Congressional Budget Office estimates that about 17 million people would receive such subsidies in 2016 under the House health care bill. A married couple with the same combined income, \$50,000 a year, would pay premiums capped at \$5,160 — a “marriage penalty” of \$2,084. House Republican Leader John Boehner of Ohio agreed that ObamaCare’s marriage penalty could cost couples that choose to get married “thousands of dollars” in higher insurance costs.

Robert Rector of the Heritage Foundation predicts that the disparity could be even higher. In his analysis of the Senate bill, “saying ‘I do’ would cost some couples over \$10,000 a year.”²⁰

“At nearly all age and income levels, the bill profoundly discriminates against married couples, providing far less support to a husband and wife than to a cohabiting couple with the same income,” the analysis said.

“Under the Senate bill, married couples in general would receive between \$1,500 and \$10,000 less in government health care support than would cohabiting couples with the same total income.

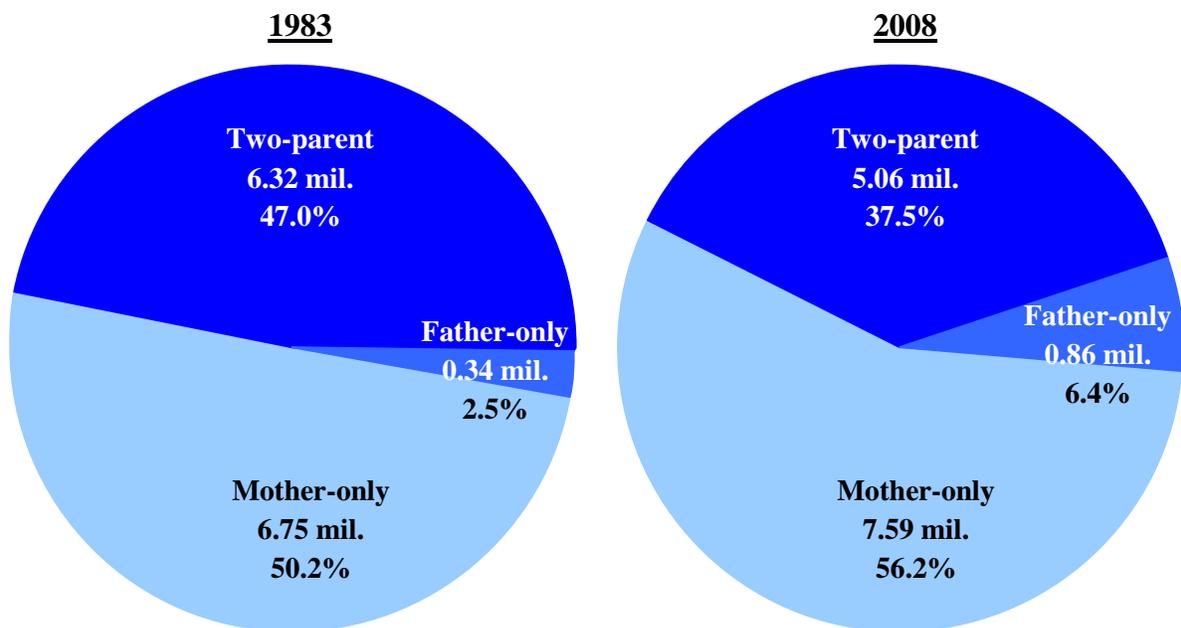
“For example, a young couple without children, age 20, each making \$20,000, would receive \$4,317 more in health benefits each year if they cohabit rather than marry. Slipping on the wedding ring would cut the couple’s annual disposable income by more than 10 percent. Rather than pay this new wedding tax, the couple is likely to postpone marriage or forego it entirely,” the analysis said.

Rector also said that empty-nesters “would pay an effective tax of \$5,000 to \$10,000 per year for the right to remain married,” the report continued. “For example, a 60-year-old couple, each earning \$30,000 per year, would receive \$10,425 per year less in benefits if they marry or remain married. Simply by divorcing and then living together, the couple can boost their post-tax, take-home income by nearly one-fourth.” Rector’s report warned, “The bill’s wedding tax is perpetual. ... Some couples who remained married throughout their adult lives would face cumulative penalties of over \$200,000 during the course of their marriage.”

The disparity is intentional, and it means that U.S. government policy will encourage singleness and create increased disincentives for marriage. Single individuals will have an advantage with the earned income tax credit as well as welfare benefits, including food stamps. As the Democrats explained: “making the subsidies neutral towards marriage would lead to a married couple with only one bread-winner getting a more generous subsidy than a single parent at the same income-level.”²¹

Stacy Dickert-Conlin, an economics professor at Michigan State University, explained, “You might like to have [the Health Care Reform Bill] be progressive, equitable and marriage-neutral. But you have to decide what your goals are, because you can’t accomplish all three.”²² Those who designed ObamaCare were willing to sacrifice marriage for the sake of seeming to be “progressive and equitable,” even though social science research reveals a clear link between single motherhood and poverty.

Fig. 1. Change in Distribution of Child Poverty By Family Type: 1983–2008
Shares of all poor children by family type



Source: U.S. Bureau of the Census, “Income, Poverty, and Health Insurance Coverage in the United States: 2008,” *Current Population Reports*, Series P60-236RV and data published at <http://www.census.gov/hhes/www/poverty.html>.

The single biggest economic factor related to children’s material well-being is that children living in female-headed households with no husband now make up 24 percent of all related children, and those living in male-headed households with no wife make up six percent, for a combined total of 30 percent of all related children living in single-parent households where the rate of poverty is 33 percent (in 2008). In comparison, the rate of poverty for married-couple families with children under eighteen is only 7.5 percent.²³ In the simplest terms: The poverty rate of single mothers with children is five times higher than the rate for married couples with children, and the rate for single fathers is almost two-and-a-half times the married-couple rate.

Today, poor children living in single-parent households comprise almost two-thirds of all poor children (63 percent—see Figure 1). That figure stands in stark contrast to the time before liberal social welfare policies went into effect in 1960, when only 25 percent of all poor children lived in single-parent households.²⁴

The message is painfully undeniable and unequivocal. There is no way to address poverty in America without addressing the problem of single mothers and absent fathers. Yet, the Health Care Reform Bill that was just rammed through by the Obama Administration does exactly the opposite: ObamaCare ramps up the subsidies promoting single motherhood and discouraging marriage. These subsidies are just one more of the numerous financial incentives in current government policy that increasingly encourage individuals to reject marriage — the Earned Income Tax Credit (EITC), housing subsidies, food stamps, child support payments, and the welfare dependency programs that created and sustained the inner city matriarchal culture.

The domestic and social policies of the Democratic Party are typically shaped by feminist input. White House logs under the Obama Administration indicate that representatives of Planned Parenthood are among the most frequent visitors.²⁵ ObamaCare continues the paybacks to the radical feminists. Early in his administration, President Obama signed the Lilly Ledbetter Act, allowing women to sue employers for workplace discrimination, even years after widespread workplace discrimination. Later, the President gave the majority of taxpayer-paid stimulus jobs to women even though men suffered the majority of job losses during the current recession.²⁶ These perks are costing American taxpayers trillions of dollars a year. Current welfare programs total close to \$1 trillion a year (twice as much as national defense and nearly the size of the federal deficit); ObamaCare is projected to add another \$2.5 trillion after all its provisions take effect. There's no end in sight to the increasing costs of these entitlements.²⁷

Politically, the “marriage penalty” is also another Democratic kickback. This provision is designed to placate and cement the support of that 70 percent of unmarried women who voted for President Obama in the 2008 election. Greenberg Quinlan Rosner, a liberal firm that consults for clients such as Bill Clinton and John Kerry, said: “Unmarried women represent one of the most reliable Democratic cohorts in the electorate ... leading the charge for fundamental change in health care.”²⁸ Many of these unmarried women are mothers (older women, rather than

teenagers, currently drive the out-of-wedlock birth rates); women in their 20s had 60 percent of all babies born out of wedlock, and women over age 30 had another 17 percent. ObamaCare is a boondoggle for these older unmarried mothers.²⁹

Democratic staffers supposedly told reporters that they “had to decide what their goals were” with Health Care Reform legislation.³⁰ They should learn from history: more than forty years of failed policies have shown that when the wrong solution is applied to a bad situation, increases in funding simply magnify the problem.³¹

Abortion — Modern technology, by making it increasingly obvious that the fetus is a pre-born baby, has thrown the pro-abortion movement into panic mode. With his support for taxpayer funding of abortion, abortion movement leaders were a primary factor in the election of President Obama and, since his election, they have had “unfettered access” to the White House.³² In many respects, ObamaCare is payback for pro-abortion women. But what the president and the mainstream media don’t “get” is that pro-lifers have been winning the war over abortion. Indeed, the determination to provide federal funding for abortion flies in the face of public opinion. A Quinnipiac University poll revealed that a majority of Americans (67 percent) opposed federal funding of abortions.³³

Even so, it was clear toward the end of the health care reform pseudo-process that President Obama was “willing to put everything on the table in order to be the president who passed health-care reform. Everything that is, except a ban on federal funding for abortion.”³⁴ With the capitulation of the supposedly pro-life Democrats, President Obama succeeded in getting a law that is “the greatest expansion of abortion since the 1973 *Roe v. Wade* decision.”³⁵ The president tried to protect the renegade pro-life Congressmen with an executive order that pretended to reverse the bill’s provisions.

Concerned Women for America’s (CWA) CEO Penny Nance said, “Our members know that under the Constitution of this country, Congress makes the laws of the country and not the President. This executive order is not worth the paper on which it’s written. An executive order from the President can be just as easily undone. The fact that Rep. Stupak says this is a strong statement by President Obama outlining his intent is utterly astounding especially since President

Obama is the one who ensured that the Stupak-Pitts pro-life amendment was not included in the Senate bill.”³⁶

Even Kathleen Parker in her *Washington Post* column declared that the executive order is not “judicially enforceable,” that “an executive order cannot override a statute.”³⁷ Of course, the bill is very complicated (intentionally), reports Parker, and it “doesn’t explicitly state that it appropriates abortion funding,” but it does provide an “end run” by funding “\$11 billion over five years for ‘community health centers,’ which include Planned Parenthood clinics that provide abortions.”³⁸ Planned Parenthood declared ObamaCare a “victory” and bragged, “we were able to keep the Stupak abortion ban out of the final legislation and President Obama did not include the Stupak language in his executive order.”³⁹

In the past, the Hyde Amendment provided explicit protection against abortion funding. Chuck Donovan, in a Heritage Foundation publication, reiterated, “The Hyde Amendment, which forbids taxpayer funding of abortion except in cases of rape, incest, or threat to the mother’s life, has been attached to the appropriations bill for the Department of Health and Human Services (HHS) each year since 1976.”⁴⁰

Charmaine Yoest, president of Americans United for Life, noted in a *Wall Street Journal* article the ways that the bill guarantees abortion as a “fundamental health care service.”⁴¹

- It changes existing law by allowing federally subsidized health care plans to pay for abortions and could require private health insurance plans to cover abortion.
- It imposes a first-ever abortion tax — a separate premium payment that will be used to pay for elective abortions — on enrollees in insurance plans that cover abortions through newly created government health care exchanges.
- It fails to protect the rights of health care providers to refuse to participate in abortions.⁴²

Chuck Donovan, Senior Research Fellow at the Heritage Foundation, focuses on what happens now that the legislation is law. He notes that prior to ObamaCare, 33 states had strong abortion funding limitations, four funded elective abortions and 13 funded abortions for lower-income residents.⁴³

In a thought-provoking article in *First Things*, Wesley J. Smith argues:

“One can support or oppose the government funding abortion. But that isn’t the point. If we are to have any respect for law and ordered liberty, our legislation must honestly describe what is intended and allowed. Otherwise, people can’t fully judge whether or not they approve of what their representatives have done and may not even understand what the law requires or permits.

Of course, that is the whole point of ObamaCare: Its authors designed it to deceive and obscure.”⁴⁴

But, while the language might be deceptive and obscure, the message for the pro-abortion forces was easily understood. The RHReality Check website quickly itemized the wins and losses in terms of women’s health; their complaints about abortion coverage in ObamaCare centered on the elimination of abortion care in private insurance policies (which, of course, is a bogus argument because public policies can replace the private ones).⁴⁵

Abortion, as arguably the most contentious of the issues facing Americans, is vitally important to the majority of Americans, especially women. Wendy Wright, president of Concerned Women for America, points out, “Women are generally the primary decision-makers in the family when it comes to health care. However, our ability to make health care decisions will be snatched away and given to bureaucrats empowered to ration care and pay for abortion.”⁴⁶

More and more, the pro-life position on abortion is also a passionate cause for younger women. Majorie Dannenfels of the Susan B. Anthony List commented on a *Newsweek* article⁴⁷ about “young voters overwhelmingly moving to the pro-life side and their passion about the issue.” Dannenfels wrote,

“Young people are finally starting to get the picture. We see abortion as the human rights issue that it is. We have grown up with constantly advancing technology such as four-dimensional sonograms that show us the liveliness and

humanity of the unborn child. We are questioning the idea that abortion is a woman's 'choice' and we should stay out of it. We will fight for the truth.”⁴⁸

Clearly, imposing taxpayer funding for abortions in ObamaCare did not settle the issue. Penny Nance, chief executive officer of Concerned Women for America, sums up the situation, “People are highly energized about the fact that their tax dollars are going to pay for other people’s abortions.”⁴⁹

Medicare and Medicaid Cuts — In her testimony before the Senate Health Committee on October 15, 2009, Diana Furchtgott-Roth stated, “Despite good intentions, many aspects of these bills would leave Americans worse off than they are at present. First, people on Medicare and Medicaid, disproportionately women, would receive less care and possibly worse care.”⁵⁰ The provisions of ObamaCare will bring an estimated one-in-five Americans into government-run medical welfare by increasing Medicaid by nearly 16 million individuals.⁵¹ As a Heritage Foundation witness told the Senate Small Business and Entrepreneurship Committee, “The effects of any new federal requirement to expand Medicaid eligibility up the income scale will be not only to impose new costs on state taxpayers, but also to draw more, younger, and healthier individuals out of the private insurance pool in which small employers participate. In general, that will make private coverage more expensive for small businesses and their workers.”⁵²

President Obama promised Americans that no one will lose the insurance plan that they like. Unfortunately, this promise, like dozens of others, does not square with ObamaCare, which “strips more than 10 million extremely satisfied seniors of their Medicare Advantage.”⁵³

Further, with the ObamaCare changes, Medicare and Medicaid are the biggest drivers of the massive increases in the national debt.⁵⁴

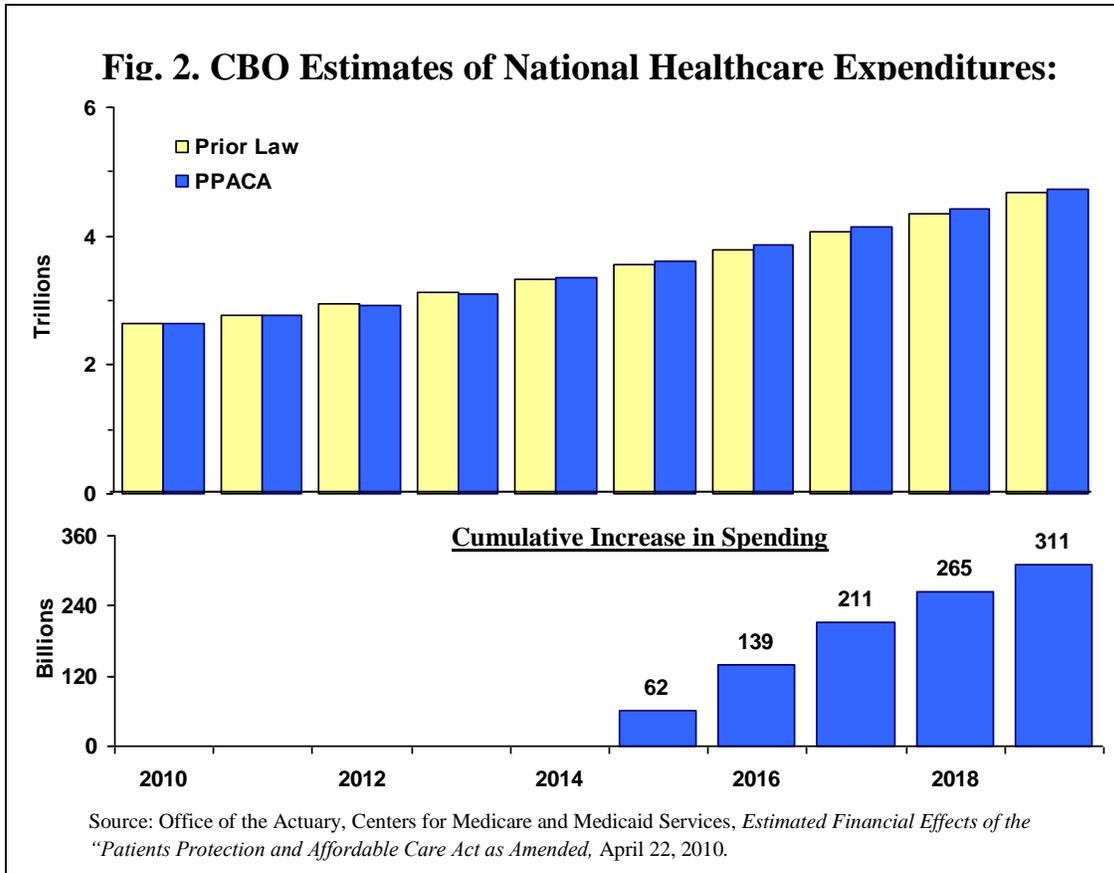
Many economists have pointed out that Medicare and Medicaid beneficiaries are likely to get a lower standard of care under ObamaCare. These changes will affect primarily women, who make up 69 percent of Medicaid recipients. They would be “disadvantaged by being required to accept Medicaid rather than a refundable tax credit to purchase a private plan.”⁵⁵

In a speech at the end of 2009, President Obama promised that his health care reforms would “strengthen Medicare and extend the life of that program.” Instead, the Associated Press reported that the plan’s cuts to Medicare “could drive about 15 percent of hospitals and other institutional providers into the red,” possibly jeopardizing seniors’ access to health care. Further, Health and Human Services (HHS) determined that the cuts may be “unrealistic and unsustainable.”⁵⁶ Richard S. Foster, Medicare’s chief actuary who is responsible for long-range cost estimates, determined that the “longer-term viability of the Medicare reductions is doubtful.” The really bad news in the HHS report is an expected exodus of about 50 percent from private Medicare Advantage plans because of projected reductions in payments; those who continue traditional Medicare will likely face higher out-of-pocket costs. In addition, a new voluntary long-term care insurance program created under the law faces “a very serious risk” of insolvency.⁵⁷ Physicians are paid for seeing Medicare patients according to a formula called the Sustainable Growth Rate (SGR). Intended to be updated every year, the SGR has not been adjusted for the costs of technological innovation or the expansions in benefits like cancer screening or diabetes management.

Dr. James B. Dolan, president of the Florida Medical Association, reports that numerous doctors are opting out of Medicare because they cannot afford to continue paying more for their services than their reimbursement pays. Recent changes at the rate-setting Center for Medicare and Medicaid Services (CMS) shifted payment away from specialists to primary care physicians. Dr. Dolan says that these situations foreshadow a crisis where more and more physicians will be unable to continue practicing.⁵⁸

Even before ObamaCare passed, Dick Morris and Eileen McGann called it a “reckless spending bill” and predicted that physicians’ fees would be “slashed 21 percent and hospital reimbursements for Medicare patients will be cut by \$1.3 billion.” Further, said Morris and McGann, “Tens of thousands of doctors and thousands of health care institutions — hospitals, hospices, outpatient clinics and such — will refuse to treat Medicare patients.”⁵⁹

In another blow for the White House, two government agencies charged with analyzing the costs of ObamaCare reported that the new law will raise health care costs substantially instead of reducing costs.



- The Office of the Actuary of the Centers for Medicare and Medicaid Services declared that the healthcare “reform” legislation will not, as President Obama repeatedly promised, reduce healthcare costs. Instead, ObamaCare will “increase national health care spending by \$311 billion” over the next decade (see Figure 2).
- The Congressional Budget Office (CBO) reported that fines levied against those not buying insurance under the individual mandate would raise nearly \$4 billion in tax revenue in a two-year period and that the majority (76 percent) of those mandated to purchase health insurance will make less than \$120,000 a year. [This, of course, is another instance where the President’s promises are broken; he pledged that individuals earning less than \$200,000 and families earning less than \$250,000 a year would not see a tax increase.]

- An estimated 14 million people will lose their employer-based coverage, leaving more than 21 million without insurance — under a plan that is supposed to increase the number of Americans covered by insurance — and 18 million more will be dumped into the already overwhelmed Medicaid system because the doctors are paid so little they cannot afford to participate. Indeed, four million American families will be hit with tax penalties under this new law.⁶⁰

In addition to the legitimate fears about the cost estimates of ObamaCare is the certain knowledge that cost projections are historically inaccurate and understated. The American Enterprise Institute points out that Medicare costs far more than projections indicated when it was enacted. In 1965, Medicare was projected to cost \$9 billion by 1990. In reality, by 1990 the cost of Medicare was up to \$63 billion — seven times the original estimate when the bill was enacted in 1965.⁶¹

Penalties for Small Business Owners — In her list of the “Top 10 Disasters of ObamaCare,” Kathryn Nix of the Heritage Foundation, reported that the new taxes and mandates in ObamaCare hinder economic growth by penalizing those employers that hire low-income employees.⁶² Those workers, as several economists have pointed out, are “disproportionately likely to be high school dropouts, minority, and female.”⁶³

Women are starting new businesses and stimulating new jobs “at a rate that outdistances their male counterparts and disproportionately exceeds their current contribution to U.S. employment.”⁶⁴ A new report from The Guardian Life Small Business Research Institute predicts that women-owned businesses will create one-third of the over 15 million new jobs expected by 2018.⁶⁵ With ObamaCare, these rosy predictions are unlikely to materialize as the insurance burden on small businesses crushes entrepreneurship.

According to the Kaiser Family Foundation, “women are likely to rely on their spouse’s insurance coverage, making them vulnerable if they’re divorced or widowed, if their husband becomes old enough to qualify for Medicare, or if their partner’s employer decides to drop dependent coverage, which is happening with increasing frequency.”⁶⁶

Some experts lament what they see as a fact that ObamaCare is designed to help single mothers, but instead it hurts single mothers and children most. “The penalties are higher if the subsidized worker has a family. A prediction would be that more single moms will find themselves out of work; once again, government intervention produces not only results the opposite of its intentions, but harms the most vulnerable in the process.”⁶⁷

There has been plenty of criticism, too, for the provision that parents may keep their children on their plans until they reach age 26, with states allowed to extend even that age limit. Critics believe that instead of a safety net for young adults, the bill “extends adolescence by another several years, sending a message to the country’s recent college graduates that it’s okay to not pull your own weight and to ride on the coattails of others.”⁶⁸

The White House’s own actuary, Richard Foster, noted that businesses will pay huge fines — \$87 billion in penalties in the first five years, “partly because they cannot afford to offer the expensive, government-mandated coverage and partly because some of their employees will apply for taxpayer-subsidized insurance.” A separate report shows that small businesses will be hardest hit.⁶⁹

The problems that Foster mentions contradict comments made by Senate Majority Leader Harry Reid (D-Nevada), who called the health care bill “also a jobs bill.” Foster’s assessment also contradicts House Speaker Nancy Pelosi’s (D-California) comment that the health care bill would create “millions of jobs” while “igniting ... entrepreneurship.” Diana Furchtgott-Roth eviscerates those arguments by noting all the bill’s “job-killing provisions.” She notes that employment of low-skill workers will decline, higher-skilled workers will see cuts in take-home pay, and the bill will lower “the prospects of employment for countless millions of Americans.”

⁷⁰ Furchtgott-Roth also noted two “little-noticed” tax ramifications: (1) Large companies are filing “write-downs” — large, unionized, labor-intensive businesses are signaling that they are in a weaker financial position, and (2) There is a levy on the production of medical devices — which will put American companies at a competitive disadvantage in comparison to offshore companies. Jobs in this industry would move overseas, as well. Already Furchtgott-Roth sees negative employment effects.⁷¹

Sadly, ObamaCare includes an “insurance tax that is not only costly, but also unfair to those workers [mostly women] who are employed disproportionately in small businesses.”⁷² Fully 88 percent of workers in small businesses (3-199 employees) are in fully insured plans and would be subject to the tax, while only 14 percent of workers in large companies (over 5,000) employees would be subject to it.

OBAMACARE COSTS

Reality vs. Rhetoric — Americans are learning that ObamaCare will pile on to an already insurmountable debt and cause government to encroach on every area of our lives. Indeed, ObamaCare is an “unmitigated disaster — for our health care system, for our fiscal future, and for any notion of limited government.”⁷³ Clearly, with America’s debt on track to reach 100 percent of Gross Domestic Product (GDP) by 2019-2022, it is way past time to have an accounting of the costs of ObamaCare. And, the more we learn about the specific provisions, the more we discover that the bill does not reflect our values — faith, family, and freedom — nor does it strengthen those principles that are the foundation of a great nation.

At the end of April — mere days after ObamaCare became law — Richard Foster released his study about the costs of ObamaCare. Even his own administration figures contradict the president’s rosy predictions for ObamaCare. Mr. Foster shows that any reductions in the cost of health care through ObamaCare would be more than offset by higher expenditures — through 2019! Plus, he says that it is “plausible and even probable” that increased demand will raise prices because of the “fixed supply” of doctors and hospitals. Foster’s report is breathtakingly astonishing in its explicit contradiction of President Obama’s claims. Foster expects that hospital budgets will be “driven into deficits” by Medicare overages and those deficits, in turn, will jeopardize “access to care for beneficiaries.”⁷⁴

While Democrats are crossing the country to declare that ObamaCare is not a government takeover of health care, they must realize that 148 new commissions, boards, and agencies are created by the bill. In another troubling aspect of the government takeover of health care, the

bureaucrats that will staff those additional government entities will be another barrier between the patient and his or her doctor.

Many Americans were outraged after ObamaCare passed when a report from the Office of the Actuary of Medicare indicated that the costs of the bill would increase rather than cut the costs of health care in the United States. Phyllis Schlafly lamented that America is becoming a “two-class society” — “those who pay for the services provided by the government and the freeloaders.”⁷⁵ Schlafly explained that 47 percent of Americans will pay no income tax; the bottom 40 percent will not only pay no income tax, they will receive cash benefits (financed by those who do pay taxes). Worse, the top 10 percent of Americans will pay 73 percent of the total that the federal government receives through income taxes.

In another astounding revelation, the *American Spectator* argued, in a controversial article, that the report from the Medicare and Medicaid Office of the Actuary was delivered to HHS Secretary Kathleen Sebelius a week before the Congressional votes on the bill, but the Secretary refused to review it until after the vote.⁷⁶ Unnamed HHS sources reported that a copy was delivered to the White House.⁷⁷ Secretary Sebelius appeared before the House Appropriations Committee in late April (after the bill had passed and was signed) to declare that nobody really knows what ObamaCare will cost, but she admitted that the health reform law “would actually increase the cost of health care and impose higher costs on consumers.”⁷⁸ Numerous reporters believe that the HHS report “reinforces the notion that dishonesty was the White House’s most important tool in passing ObamaCare.”⁷⁹

Ed Morrissey, a major blogger on Hot Air, called the \$5 billion appropriated for ObamaCare just a “spit-balling number” because “no one has the faintest clue how much money will actually get spent on this program.”⁸⁰

There is clear evidence, however, from the Congressional Budget Office that the average penalty for those three million middle-class Americans who are expected to pay a penalty for not having health insurance will amount to more than \$1,000 per person. The report estimates that the government will collect about \$4 billion a year in fines from 2017 to 2019.⁸¹ Although the IRS has responsibility for collecting the penalties, they have absolutely no authority “to bring criminal charges or file liens against those who don’t pay.”⁸² While some have claimed the law

is “a dangerous expansion of the IRS’ power,” Timothy Jost, a law professor at Washington and Lee University, points out that “compliance with the health reform law will be largely voluntary.”⁸³ There are estimates, however, that “the IRS will need to hire an additional 16,500 agents to enforce the health insurance mandate” and that the administrative costs will be \$10 billion.⁸⁴ More troubling is the evidence that the IRS already “has difficulty managing the Earned Income Tax Credit program which provides tax rebates to low-income working families.” These IRS problems would seem to indicate that, once again, women and families will be the ones who are vulnerable to potential “fraud and abuse” of a government program.⁸⁵

In addition to questions about cost, a Kaiser Family Foundation poll reveals that over half of Americans are confused about what the law means (55 percent) and what impact it will have on them (56 percent). Rep. Paul Ryan (R-Wisconsin), ranking Republican on the Budget Committee and a leader in explaining Obamanomics, believes that the nation is at a “tipping point” and could be on a “very dangerous” path toward a social welfare state. He says ObamaCare “has \$2 trillion in higher taxes, doubles the debt in five years, triples the debt in 10 years” and consists of the “largest entitlement” expansion in 35 years where the “majority of Americans are more dependent upon the government than they are themselves.” More than 70 percent, Ryan claims, will get more benefits from the government than they pay for in taxes — making three out of 10 families either supplement or supply the income for the other seven families.⁸⁶

Numerous polls indicate that the public’s trust in government is at an “historic low.” Many Americans instinctively knew that ObamaCare included a “gotcha” buried deep inside.⁸⁷ The Pew Research Center reports that 22 percent of Americans trust government today. A Quinnipiac poll notes that the President’s approval rating is down to 44 percent, and Congress’s approval is 25 percent. Daniel Henninger of the *Wall Street Journal* said, “The American people have issued a no-confidence vote in government.”⁸⁸ Henninger thinks that the distrust is because with almost universal access to the Internet the “veil was ripped from the true cost of government” so that everyone could see how drastically spending was out of control — a total of more than \$9 *trillion*, an amount most people have no context for comprehending, but that the majority of Americans realize will be impossible to pay in their or their children’s lifetimes.

All of these costs underestimate the cost of ObamaCare. As explained by James Capretta, two workers with identical incomes would be treated very differently — job-based insurance coverage would cost considerably more than the “exchange” coverage subsidies to low- and moderate-wage workers. Ultimately, then, the entitlement would get extended to everyone.⁸⁹ In other words, there is a built-in mechanism to force people into government-controlled insurance coverage.

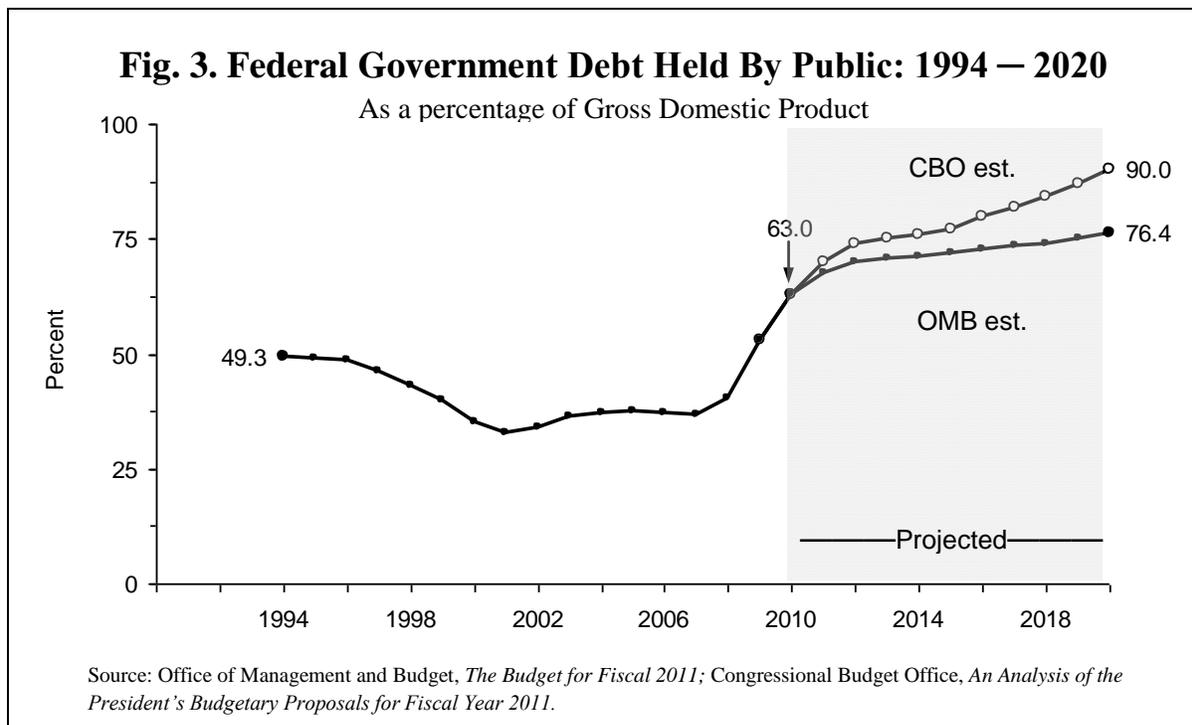
Plus, two big insurance companies, Aetna and Cigna, reported that “mandated charges that kick in soon could push up premiums faster and greater” than expected. The headline, said executives of the two insurance giants, is “costs will be more; costs will definitely go up.”⁹⁰

In addition, much of the so-called support for ObamaCare was “opportunistic to proponents of the bill but could prove painful for America’s health care system.”⁹¹ For instance, the American Medical Association’s support was “much-touted” in the rhetoric supporting the legislation, but the reality is that “less than 15 percent of practicing physicians are AMA members. So any AMA support is more a reflection of the AMA’s financial interests than what physicians in this country truly want.”⁹²

Before ObamaCare and less than a month after his inauguration, President Obama signed a \$787 billion stimulus bill [his “American Recovery and Reinvestment Act”] that was supposed to create jobs — 90 percent of them in the private sector — and cause unemployment to peak at eight percent.⁹³ Then there was the jobs bill with “another round of empty promises.” A little over a year later, unemployment is at nearly 10 percent and economists report that the stimulus bill has had “no impact on employment to date” nor will there be an impact on payrolls.⁹⁴ A quarterly survey by the National Association for Business Economics reported that the stimulus didn’t help at all.⁹⁵ As *Investors Business Daily* says, “Economic history tells us that government spending does not create private-sector jobs,” nor can government “spend a country into prosperity or even out of a recession. Instead, stimulus legislation merely redistributes wealth to the politically connected and the politically favored.”⁹⁶

Rick Santorum, former Senator and now a Senior Fellow at the Ethics and Public Policy Center, summarized the “*rhetoric vs. reality*” aspect of Obamanomics:

“The President has waged an ideological assault on democratic capitalism in favor of European socialism, using every dirty trick in the book to get his programs passed while unemployment rates soared and the public pleaded with him to stop. And he shows no sign of slowing down the onslaught. Like the health care bill, his financial services ‘reform’ reflects a belief in government control over refereed market competition that ignores the role government regulation had in



creating the problem.”⁹⁷

Debt Crisis — This year, the national debt — what some have called a “fiscal train wreck” or “economic Armageddon” — will reach 63 percent of the Gross Domestic Product and ObamaCare is expected to add \$10 trillion to that debt over the next decade,⁹⁸ pushing the United States into a debt crisis of staggering proportions. As Grace-Marie Turner put it, “Not one of its major programs has gotten started, and already the wheels are starting to come off of ObamaCare.”⁹⁹

Economists generally consider a 90 percent debt-to-GDP ratio a crisis and, as stated earlier in this paper, the U.S. is predicted to be at 100 percent by 2019-2022. In addition, Social Security

is paying more in benefits than it receives in payroll taxes.¹⁰⁰ An Urban Institute economist, Rudolph Penner, who was director of the Congressional Budget Office under President Reagan, told a national conference that the crisis could peak next week or in the next decade, but that current conditions couldn't last more than 10 years.¹⁰¹ Mr. Penner advised going at the budget with a “scalpel *and* a sledgehammer” because “we are marching hell-bent for fiscal crisis.”¹⁰²

- \$10 trillion — Amount Obama budget will add to the national debt in the next decade.
- \$5.6 trillion — Amount interest costs alone will consume this decade.
- 63 percent — Debt-to-GDP ratio this year (see Figure 3).
- 90 percent — Debt-to-GDP ratio anticipated by end of this decade.¹⁰³

The polling firm, Democracy Corps, reported that the deficit now tops unemployment as a concern to voters, yet there is no public will for deficit reduction. As things currently stand, economists are saying that the rich could end up paying 90 percent of their income in taxes.¹⁰⁴

Military Health Care Costs — While the Democrat Armed Services Chairman and officials in the Veteran's Administration try to reassure military personnel against “unfounded fears,” there is plenty for knowledgeable service men and women to worry about. The more than 26 million U.S. veterans realize that ObamaCare will have a profound impact on their health care. As one writer expressed it, “Every single living veteran, past, present, and future who seeks medical tests, undergoes surgery, wears a prosthesis, or has any kind of implant will be affected.” Premium increases and benefit decreases have already begun, and servicemen are already seeing “strained reimbursement rates.”¹⁰⁵ Cuts in Medicare Part B will especially hurt military retirees; veterans are already finding that doctors no longer accept Tricare or will not accept new Medicare patients.

Women are the fastest growing segment of the veteran population. The data about military health care costs is not broken down by sex, so there is no way of knowing the impact of women on military health care costs. However, we do know that many of the new patients in the military health care system are children whose parent or parents are away at war. Pentagon spending on health care has increased 167 percent since 2001, when the total outlay was \$19

billion compared to a projected \$50.7 in 2011 — a rate that is twice as fast an increase as the regular population.¹⁰⁶

As a share of overall defense spending, health care costs have jumped from six percent to nine percent — a matter of deep concern for the Pentagon. About one-in-four soldiers admit abusing prescription drugs — mostly pain relievers (a rate triple the use of marijuana or amphetamines). Around 10 percent of service members show signs of post-traumatic stress disorder, and heavy alcohol use among service members is higher than for the civilian population, at about 60 percent among the Marines. Those who admit to thinking about suicide doubled from one percent in 2005 to two percent in 2008.¹⁰⁷ Further, we know that behavioral health counseling sessions have increased 65 percent since 2004. In addition, mental health issues and joint problems rose from 2.8 million in 2005 to 3.7 million in 2009.¹⁰⁸

Tax Increases — The federal stimulus package was supposed to alleviate the financial crisis, but it didn't. As New York's Democratic Lt. Gov. Richard Ravitch notes, "The stimulus package just raised higher the cliff from which we all will have to jump off."¹⁰⁹ The only thing left, then, was tax increases in order to implement the President's agenda, especially so-called health care reform.

Since the ObamaCare bill passed, several prominent Democrats have been quite outspoken about the motivating factor behind the ObamaCare bill. Sen. Max Baucus (D-Montana) and former chair of the Democratic National Committee Howard Dean have both described the bill as being about the redistribution of wealth. *New York Times* columnist David Leonhardt added that ObamaCare is "the federal government's biggest attack on economic inequality since inequality began rising more than three decades ago."¹¹⁰

ObamaCare contains \$670 billion in tax increases. These increases will "discourage job creation and investment" and "that will hurt women more than men because women exit and enter the labor force more often."¹¹¹ In addition, the tax structure already discourages married women from working. "Far more than men or single women, married women act like supply-siders. Cut their marginal tax rates, and they get jobs. Raise their taxes, and they stay home."¹¹² For the

middle class, there are at least 14 different tax increases signed into law that target taxpayers making less than \$250,000 per year.

In Massachusetts, a state that enacted health care reforms similar to the national plan, more than a half dozen lawsuits were filed to stop double-digit premium increases. The *Boston Globe* warned that ObamaCare could result in similar lawsuits at the federal level. Indeed, Richard Epstein, a constitutional lawyer writing in the *Wall Street Journal*, stated that regulated public utilities have a right to a “risk-adjusted rate of return on their invested capital.” Others are predicting federal lawsuits where courts will slap down “efforts to control by fiat the price of the insurance” that Americans are legally mandated to buy.¹¹³ Attorneys General in more than a dozen states are working to challenge the legal mandate in federal court as unconstitutional.¹¹⁴

In addition to the tax increases in ObamaCare, there are other tax initiatives that do for tax what ObamaCare does for health care. The financial regulatory bill (which passed the Senate Banking Committee and is a top priority for Congressional Democrats) establishes a new bureaucracy — the Office of Financial Research — with subpoena power to collect information from “any financial company” to determine whether there is a risk to financial stability.¹¹⁵ The new office would support the nine-member Financial Stability Oversight Council that would monitor the entire “financial services marketplace” and recommend new financial regulations.¹¹⁶ This gigantic increase in government bureaucracy will doubtless produce reams of paperwork that will add to financial stability problems rather than contribute to their solution.

The Internal Revenue Service has also joined the government expansion movement with a new initiative targeting “high wealth individuals.” This program will seek to ensure that all corporations pay appropriate taxes. The program was criticized by the American Institute of Certified Public Accountants who called it “the globalization of tax administration.”¹¹⁷

These tax-increase programs will disproportionately affect women because affluent women control the majority of financial assets in the United States.¹¹⁸ In addition, women generally outlive their husbands — with age 67 being the average age of becoming a widow and typically having an additional 15-18 more years of life.¹¹⁹ Further, women have made significant strides in terms of becoming high-income individuals:

- 70 percent of women earning more than \$100,000 earn more than their husbands.
- 40 percent of estates worth more than \$5 million are controlled by women.
- Women constitute 47 percent of individuals with assets over \$500,000.
- Women control 51.3 percent of private wealth in the United States.
- Among top wealth holders, the average net worth for women is \$1.38 million (slightly higher than men).¹²⁰

The Republican Study Committee released a schedule of “Impending Tax Increases” that itemizes the specific tax increases that will automatically occur if Congress takes no action:

In 2010:

- Taxpayers will no longer be allowed to deduct state and local taxes from their federal income tax.
- Business tax credits for research, experimentation and development will no longer be deductible. Nor will tuition and related expenses be deductible, nor will school teachers be able to deduct books and other supplies bought with their own money.
- Farm Machinery and equipment depreciation will no longer be deductible.

In 2011:

- Marginal income tax rates will increase:
 - 35 percent bracket = 39.6 percent
 - 33 percent bracket = 36 percent
 - 28 percent bracket = 31 percent
 - 25 percent bracket = 28 percent
 - 10 percent bracket = 15 percent
- Double taxation of dividends (by as much as 164 percent)
- Personal capital gains tax will increase from 5 percent and 10 percent to 10 and 20 percent.
- The child tax credit will decrease from \$1,000 to \$500.
- After years of decreasing “death” tax rates, they will return to the “stepped up” basis.

- The dependent care tax credit will be decreased from \$3,000 to \$2,400.
- The Work Opportunity Tax Credit will expire. (Allowed employers to deduct 40 percent of first year wages of a new employee).

In 2012:

- The adoption tax credit will decrease dramatically (from \$13,170 to \$5,000).

Value Added Tax (VAT) — There is an “emerging consensus” that we are headed for a Value-Added Tax (VAT) in the United States. But the more optimistic among the experts and pundits believe it won’t come until after the 2012 election and then only if President Obama is reelected. There is no doubt that something will have to be done about the financial crisis and the federal debt — even if ObamaCare is repealed — and many believe the “hidden” VAT is the politically viable solution. Many openly say that the VAT, with its costs hidden in the price of commercial products, is the only way to get the money to pay for ObamaCare.

Paul Volcker, former Federal Reserve Board Chairman and now chairman of President Obama’s Economic Recovery Advisory Board, predicted that a VAT would be the solution to the financial crisis and insisted that the VAT is “not a toxic idea.” Other Democrat leaders have weighed in advocating the VAT, including House Speaker Nancy Pelosi (D-California), Sen. Kent Conrad (D-North Dakota), White House advisor Ezekiel Emanuel, and John Podesta, head of the Center for American Progress.

The Senate recently opposed the creation of a VAT by an overwhelming vote (85-13). The non-binding resolution stated that the VAT “is a massive tax increase that will cripple families on fixed income and only further push back America’s economic recovery.” Of course, President Obama promised there would be absolutely no tax increases for families making less than \$250,000 per year. But, Americans for Tax Reform reports that President Obama recently changed his rhetoric — just slightly — to say that he won’t be raising “income” taxes on families.

President Obama has also gone on record telling his debt commission, The National Commission on Fiscal Responsibility and Reform (NCFRR), that “everything is on the table” when it comes

to ways of reducing the nation's \$1-trillion-plus federal deficit. The NCFRR is an 18-member commission co-chaired by former Clinton White House Chief of Staff Erskine Bowles and former Republican Sen. Alan Simpson of Wyoming. The NCFRR will be presenting their recommendations to the president by December 1, 2010 — conveniently after the November elections. The commission was told to recommend ways to reduce the federal budget deficit from 10 percent to three percent of the GDP by 2015 and to submit solutions for cost containment of Social Security and Medicare.

Economist Thomas Sowell described the political benefit of a VAT: “In general, the less visible a tax is, the revenue can be collected without resistance or electoral retribution by the voters.”¹²¹

According to the Cato Institute, a 10 percent VAT would raise about \$500 billion a year and would cost each household about \$4,300 a year. Most European countries have a VAT tax that averages 20 percent.¹²² Dick Morris believes that the VAT puts our free-market system at risk. Morris sees three choices in 2011: (1) Raise taxes to 40 percent, (2) Cut spending to 30 percent, or (3) Half and half. He believes that President Obama will opt for the VAT because it is a “hidden” tax that is buried into the price of the product.¹²³

Charles Krauthammer, lamenting the nation's \$8 trillion debt and the anticipated \$12 trillion that will be added over the next decade, summed up the VAT's money-raising appeal, calling it the “ultimate cash cow.” Sadly, he notes, “as we approach European levels of entitlements, we will need European levels of taxation.”¹²⁴

Michael Barone calls the battle over the VAT the culture battle between dependence and independence.¹²⁵ Pete DuPont elaborates on Barone's idea by defining dependence as “the belief of American liberalism that government can make better decisions for people than people can make for themselves.”¹²⁶ DuPont laments the fact that since WWII, America has become a nation of dependency where federal spending under the Obama Administration will be up to \$32,000 per household by 2019.¹²⁷ DuPont also links reduced job growth in Europe to its embrace of the VAT. In his Townhall column, Michael Barone cites several states that have successfully attacked their deficit to argue that “voters may support spending cuts more than

most American politicians and pundits have assumed. And much more so than a value-added tax.”¹²⁸

Indeed, the more we learn about the VAT, the less attractive it is.

Irwin Stelzer of the Hudson Institute described how VAT works in practice. One of the major problems with the VAT is that it hits the poor harder than the middle-class or rich. To help that problem, European nations do not levy a VAT on food. Because bureaucrats have the responsibility of classifying products — they have tremendous power. They can label a product “food” and thus not VAT taxable or call it “food” and arbitrarily increase the price by the amount of the VAT.¹²⁹ Stelzer uses as an example of the arbitrariness of bureaucratic labeling the fact that bras up to and including size 34B are called children’s clothes and thus have no VAT. Other classifications are not quite so amusing. With a little imagination, it is easy to see the potential corruption and arbitrariness of the VAT labeling process. Stelzer gives Americans fair warning: “Since there is world-wide experience with this tax, none of [the unfortunate consequences of the VAT] can be deemed ‘unintended’ — they are already out there for all to see.”¹³⁰

Clearly, VAT is not the solution; the problem is not a revenue shortage, but government over-spending.

CONCLUSION

Congressional liberals are calling ObamaCare “a truly historic achievement.” It is historic alright, in a number of not-so-positive ways as spelled out by Richard Sherwood, “It is an unprecedented takeover of Americans’ health care now equal to one-sixth of the entire U.S. economy. It is historic for its partisan backroom deals and controversial parliamentary tactics. And it is historic for its apparent disregard for the strongly held opinion of the majority of the American people. But it will long be remembered for its catastrophic side effects — in record spending and its disruption on the lives of millions of Americans.”¹³¹

The financing for this debacle can be summarized briefly: “The president intends to squeeze an extra \$1.2 trillion over 10 years from a tiny sliver of taxpayers who already pay more than half of all individual taxes. It won’t work.”¹³² Economists explain this through the ETI principle — the elasticity of taxable income: when marginal tax rates go up, the amount of reported incomes goes down. In other words, the rich know how to avoid paying excessive taxes.

Reactions from the nation’s physicians is equally bleak. Daniel Palestrant reported on a recent poll of more than 2,000 physicians in a *Forbes* article about physician opposition to ObamaCare.¹³³ The Athenahealth and Sermo poll, part of a broader Physician Sentiment Index,¹³⁴ “indicates that 79 percent of physicians are less optimistic about medicine since the passage of health care reform. Fifty-three percent indicate they will consider opting out of insurance plans with passage of the bill. Worst of all, 66 percent indicate that they will consider opting out of all government-run programs. The same reform bill that will provide ‘care for all’ may drive away more physician caregivers than attract previously uninsured patients.”¹³⁵

Among Congressional liberals, there is general consensus that a single-payer system of health care is the most “efficient” way to manage health care. Avik S.A. Roy explains why: “Top-down control, [in the technocrats’ minds], ensures that every participant in the system serves the broader public good: hospitals and doctors only perform the tests and procedures they need to; private companies make enough money to get by, without excessive profits; and ‘integrators’ mandate best practices for all parties based on the best available evidence.”¹³⁶

But this approach has critics. Roy summarizes William Schambra’s¹³⁷ description of its flaws, focusing on the disconnect between technocrats and policy makers. He also summarized Friedrich Hayek’s arguments from 1945, “[Technocrats] rely on too many assumptions and on unreliable data. That is why government programs always result in colossal amounts of waste, fraud, and abuse.”

The great irony of ObamaCare is that Americans overwhelmingly oppose the bill. Most Americans report that they are satisfied with their current health care coverage; more than in Canada.¹³⁸ This bill, which puts the nose of the federal government under the tent and into the most personal aspects of citizen’s lives, was rammed through by those who supposedly are the

privacy champions. Poll after poll reveals the public's opposition, not just to the costs, but also to the bill's "specific adjustments that shift power and control away from the individual and place them in the hands of the federal government."¹³⁹ Scott W. Atlas ended his *Forbes* article with a succinct statement of the health care dilemma.

"All who value control of their own health decisions, access to highly trained subspecialty doctors of their own choosing, continued innovation in new diagnostic methods and safe, more effective treatments must recognize what they are about to lose. Government can be a piece of the health care puzzle by fostering competition and more choices, better care, higher quality, and cost based on value. But there should be no confusion about 'rights' of Americans with regard to health care — it isn't about having the right to health care as defined by the federal government; instead, individuals have the right to direct their own medical care without the intrusion of government bureaucrats. The long standing sacred social contract of medical decisions for that care must remain between a patient and his doctor."¹⁴⁰

The result of all the debate and the Congressional shenanigans is that most American voters believe that ObamaCare will drive costs up and reduce the quality of American medicine.¹⁴¹ The American public wants health care reform that will treat people fairly without driving up costs or undermining the world-class quality of U.S. health care. It is likely that future elections will ultimately reflect this reality.

In addition, Americans want policies that come out of democratic procedures; Americans want policies that reflect America's foundational principles and the Judeo-Christian values that have made this nation the world's beacon for liberty and freedom. Rick Santorum explained:

"America is not predestined for eternal greatness. Every generation has to fight forces at home and abroad that want to destroy not just what America is, but what it has always strived to be — that shining city on a hill that believes in the power of a free and virtuous people to take care of themselves and their neighbors; in a

limited federal government with most rights residing with the states and the people; that those rights come from our Creator; and that the role of government is to protect those rights, not create and impose unnatural rights that pit those granted them against those who are forced to sacrifice their money, time or even their lives at the expense of someone else's new right. ... President Obama is working to transform America into something we have never been and never aspired to be."¹⁴²

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Janice Shaw Crouse, Ph.D., is an author, columnist and commentator on domestic issues, the United Nations, family, cultural and women's concerns. Her most recent book, *Children at Risk*, was published by Transaction Publishers. The National Press Club describes Dr. Crouse as having "brought refreshing honesty and intriguing perspective to cultural and political issues." Dr. Crouse has twice been an official delegate to United Nations conferences. During the first Bush Administration, she was a Presidential Speech Writer. She is also author of "Gaining Ground: A Profile of American Women in the Twentieth Century." The book that she co-authored, "A Different Kind of Strength," was a Conservative Book of the Month selection in 2000. She is frequently interviewed on the major television networks and cable channels. Her weekly columns appear in *American Thinker*, *Townhall*, *Daily Caller* and in major newspapers across the nation. Her articles are published in journals, websites and magazines. She was the Centers for Decency's *Woman of the Year* in 2009. She serves on the boards of Asbury University and the Institute for Religion and Democracy.



Concerned Women for America is the nation's largest public policy women's organization. With a 30-year history, CWA is dedicated to protecting and promoting traditional Judeo-Christian values in the legislative and public policy arenas as well as in society as a whole. CWA has 500,000 members, representing every state in the nation and is active in influencing public policy on the local, state and national levels. **The Beverly LaHaye Institute** is the think tank for Concerned Women for America. The BLI began in 1999 and was named for the founder of CWA, Beverly LaHaye. In 2006, BLI and Dr. Janice Crouse, BLI's Senior Fellow, were named among the Church Report's "Top Twenty Influencers."

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