

Brooks -- Republicans attack the Affordable Care Act again -- 2/7/14

Ethicalego Speaks

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Republicans attack the Affordable Care Act again

By Kenneth Brooks

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If the Affordable Care Act (ACA) were a person, it would rate protective care from Republicans' persistent efforts to harm it. The Congressional Budget Office (CBO) Budget and Economic Outlook: 2014 to 2024 estimates of how current law will affect federal policies. It explains how the Affordable Care Act (ACA)-often called Obamacare-subsidies low-income workers' health insurance premiums. The subsidy decreases as worker's income increases. The CBO describes the decreasing subsidy as an effective tax on workers' increasing wages that will motivate some workers to offer less labor or quit work.

Republicans report falsely that the CBO confirms the ACA will destroy jobs. Republican House Majority Leader Eric Cantor wrote, "The CBO's latest report confirms what Republicans have been saying for years "Under Obamacare, millions of hardworking Americans will lose their jobs and those who keep them will see their hours and wages reduced." Other Republicans repeated this blatant lie.

The Budget Report said, "Specifically, CBO estimates that the ACA will cause a reduction of roughly 1 percent in aggregate labor compensation over the 2017-2024 period, compared with what it would have been otherwise." It continued, "The reduction in CBO's projections of hours worked represents a decline in the number of full-time-equivalent workers of about 2.0 million in 2017, rising to about 2.5 million in 2024." The CBO cautioned, "The estimated reduction stems almost entirely from a net decline in the amount of labor that workers choose to supply, rather than from a net drop in businesses' demand for labor, so it will appear almost entirely as a reduction in labor force participation and in hours worked relative to what would have occurred otherwise."

No honest person could conclude from this CBO report that it projected the ACA would destroy jobs of hardworking people that wanted to work as Republicans claim. . People do not destroy jobs by refusing to work. Instead, they open employment for unemployed people willing to work. The CBO reasons poorly on this issue.

The CBO projects a reduction of labor force participation from a total national perspective rather than an individual point of view. However, the personal choices of individuals quitting jobs do not reflect as a total national lessening of labor compensation. With a national unemployment rate of 6 to 7 percent, unemployed laborers will fill job openings created by employees that quit or that chose to work less. Low-income employees that lessen work hours or quit jobs because of the ACA affect total national labor compensation no differently than employees that quit or lessen work hours because of childbirth, family illness, business startup, education pursuits, or laziness. They do not affect it all during periods of high unemployment.

Low-income status does not deprive people of commonsense. Most low-income workers will see the ACA subsidy of their

health insurance premiums as government (taxpayer) assistance. Therefore, they are unlikely to see the reduction of government assistance for health premiums as a tax on their increased income even if some preferred having the subsidy.

CBO analysts' reasoning is illogical that people will try to create a net income gain by quitting or lessen work and losing all wage income to avoid paying a bigger share of their health insurance premium. Someone that worked a second or third job to pay health insurance premiums or to pay health care costs may cut back on work upon receiving ACA benefits. Nevertheless, their action would fit the goal of the ACA to free people from enslaving healthcare costs.

Some people are lazy or try to game the system. Nevertheless, CBO's projection of ACA's effect on labor force participation is ridiculous. Republican lies about the CBO report are dishonest and irresponsible.

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