



economy
Affordable Care Act

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DISCUSSION & REVIEW QUESTIONS:

- Towards the beginning of the video, Ms. Parker asks, “What do you call it when people have a great idea and risk everything they have – time, money, energy – to make that idea a reality? I call it the American Dream.” Do you agree with Ms. Parker’s definition of the American Dream? Why or why not? What do you think compels so many people risk so much to start a small business?
- Ms. Parker later explains that, “Given the importance of small businesses to the American economy, you would think the government on all levels – city, state and federal – would do everything it could to encourage their formation and growth. In other words, you’d think the government’s attitude would be, “How can we help you?” But, sadly, this is not the case. In fact, it’s the opposite. The government is killing small businesses – killing them with excessive taxes, over-regulation and complicated compliance.” Why do you think that government takes such an ‘anti-small-business’ stance?
- Ms. Parker cites an example of her main point when she shares the story of Ritu Shah-Burnham- “When the city of Seattle raised their minimum wage to \$15 an hour, all the profit went out of Ritu’s pizza parlor. She couldn’t raise prices high enough to cover her new costs. She lost her business and her employees lost their jobs. Instead of their wages going up to \$15, they went down to zero.” Why do you think that people in Seattle supported the raise in the minimum wage, even though it was certain to kill small businesses and put many people out of work? Do you support minimum wage increases? Why or why not?
- Ms. Parker also sites the example of, “...the Affordable Care Act, which requires businesses with at least 50 full-time employees to provide health insurance for all of them. To survive all the added costs, many small companies have reduced their workers’ hours to below 30 per week. They’ve also become wary of expanding beyond 50 full time employees... Sure, it would be great to provide everyone with health insurance, but Richard wouldn’t be able to keep his business if he did, and, obviously, his employees wouldn’t have jobs.” Why do you think that the government is prioritizing health insurance, a benefit, over the significantly more important condition of people having a job at all? Considering that the ACA is having negative consequences on so many more people than it is helping, do you support it? Why or why not?
- Towards the end of the video, Ms. Parker points out that, “There are over 175,000 pages of regulations like these from the federal government alone - countless more from cities and states. Small businesses have to deal with them every day. Some of these regulations are necessary, but many are not. Some sound good on the campaign trail, but create serious practical problems in real life... They’re freezing American economic growth.” What are some specific examples of regulations that are not necessary? What should be done to make sure that well-intentioned legislation does not become law without first being certain that the unintended consequences will not be so damaging?

EXTEND THE LEARNING:

CASE STUDY: George Krichten

INSTRUCTIONS: Read the article “Business owner: Obamacare ‘ruined’ my health care coverage,” then answer the questions that follow.

- Who is George Krichten? How was the health insurance set up for his business before the ACA was enacted? What difficulty does Mr. Krichten face, in terms of his monthly premium and the amount of income he can make?
- Do you support limiting the regulation and over-taxing of businesses? Why or why not?
- What do you think will happen to businesses and employees if the government legislates a single-payer system? What do you think will happen to the insurance industry?



QUIZ

WHAT'S KILLING THE AMERICAN DREAM?

1. Small businesses generate _____ of all new private sector jobs.
 - a. under 20%
 - b. 37%
 - c. roughly 50%
 - d. **over 64%**

2. Every big business with thousands of employees _____.
 - a. started out as a small business
 - b. is run by greedy people
 - c. should move their businesses overseas
 - d. has lower regulations than small businesses do

3. Seattle's minimum wage increase actually helped Rita Shah-Burnham stay in business.
 - a. True
 - b. False

4. How many hours does an employee have to work for the Affordable Care Act to consider them a "full-time" employee?
 - a. 10 hours
 - b. 20 hours
 - c. 30 hours
 - d. 40 hours

5. How have many small companies responded to the Affordable Care Act?
 - a. They have been able to increase the productivity of their employees.
 - b. They have ensured all of their employees work 30 hours or more.
 - c. They have become wary of expanding beyond 50 full-time employees.
 - d. All of the above.



QUIZ - ANSWER KEY

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Business owner: Obamacare 'ruined' my health care coverage



FILE - U.S. Supreme Court Building in Washington, where the Supreme Court twice upheld most parts of the Affordable Care Act, or Obamacare. (AP Photo/J. Scott Applewhite, File) (J. Scott Applewhite)



By David Wenner

February 23, 2016 at 6:30 AM, updated February 23, 2016 at 4:31 PM

George Krichten of Adams County owns a small business that operates small water and wastewater treatment plants. The 63-year-old used to pay for a plan that covered him, his wife and an employee.

His monthly premiums grew exponentially for a succession of years. Eventually, he decided it was best for each of them to get individual coverage on the individual market. He paid his employee extra money — meaning it was taxed income — to put toward the cost of coverage.

As 2016 approached, Krichten shopped on the Obamacare exchange for coverage for himself and his wife. He says the plan he selected had a \$1,500 monthly premium, which he considered unaffordable. But then looked into the tax credits, and calculated that if cut back on work and

thereby reduced his income, he could qualify for a tax credit that would lop nearly \$900 off his monthly premium.

So Krichten, who was easing into retirement, will take on less work in 2016 solely to make his coverage affordable. He regards that as a terrible tradeoff, and a sign of what's wrong with Obamacare.

"It's the old saw — why should you work when you're getting welfare," Krichten says. He adds, "I'm just struggling to get through to the end" and qualify for Medicare at age 65.

Krichten credits Obamacare with "ruining my health care."

He further says his employee, who is younger, feels premiums on the exchange are too high, and wonders if he would be better off defying the mandate and going uninsured. Krichten predicts many younger people will do that, and subtracting them from the pool will drive up costs for the remaining people, until it becomes unaffordable for them, too.

Krichten would like to see Obamacare repealed. Yet with all the people covered through Obamacare, he sees no realistic way of turning back.

"It's insidious. They are destroying the health insurance industry," he says. "It's going to implode. It's going to go to a single payer system. That's what they're going for."