

FACTS & OPINIONS

On Public Interest Issues

Quotes

“A democracy is always temporary in nature; it simply cannot exist as a permanent form of government.

“A democracy will continue to exist up until the time that voters discover that they can vote themselves generous gifts from the public treasury.

“From that moment on, the majority always votes for the candidates who promise the most benefits from the public treasury, with the result that every democracy will finally collapse due to loose fiscal policy, which is always followed by a dictatorship.”

— attributed to Alexander Tytler 1787, Scottish lawyer and writer * (see page 8)

“No pecuniary consideration is more urgent, than the regular redemption and discharge of the public debt: on none can delay be more injurious, or an economy of time more valuable.”

— George Washington

Young People Hit Hardest by Obamacare - The Projections in Indiana

By Grace-Marie Turner

Residents of Indiana who buy individual health-insurance policies can expect to pay 75 to 95 percent more (http://www.in.gov/aca/files/Individual_SmallPremium_Increases.pdf) when the Affordable Care Act (ACA), commonly known as Obamacare, takes effect in 2014 than they would have had the health-care-overhaul law never passed, largely because of changes to the health insurance marketplace dictated by the law.

And the news is even worse for young people. Young healthy men earning \$28,000 a year can expect to pay nearly 100 percent more for health insurance, even after counting the new tax credits for which most will be eligible.

Young healthy males at higher income levels earning about \$45,000 a year can expect to pay two-and-a-half times more for health insurance in 2014, according to studies produced by independent actuaries Milliman, Inc., who are helping the Hoosier state calculate the impact of Obamacare.

The premium-cost increases are caused primarily by two key provisions in Obamacare — “essential health benefits,” in which the government determines what must be covered by health-insurance policies, and the community rating provisions, which require health insurers to level out premiums so younger people pay more and older people pay less.

According to the Indiana study:

- By eliminating rating on health status, the ACA brings the highest risk to the general marketplace resulting in premium increases of 35 percent to 45 percent.

- The essential-health-benefit requirements will represent a benefit expansion for the individual market, forcing Hoosiers to buy coverage they may not want or need. This will increase premium rates by 20 percent to 30 percent.

- The increases in premiums are not equally distributed.

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FACTS & OPINIONS

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President
Dr. Don Racheter
Editor
Deborah D. Thornton

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Focus on Iowa Wesleyan College

2011-2012 Year End

The end of a college semester is always a busy time, and spring 2012 at IWC demonstrates that principle.

The 2012 Annual Awards Day will be April 26, at 11:00 a.m. in the IWC Chapel Auditorium. A wide variety of awards will be presented to students, both graduating seniors and underclassmen.

The alumni banquet will be held Friday, May 4, at 5:30 p.m. in the Social Hall on Campus. All alumni are invited to attend. Contact the Iowa Wesleyan College Alumni Office at alumni@iwc.edu or 319-385-6215 for reservations.

The alumni banquet is followed the next day, Saturday, May 5, by the baccalaureate ceremony for graduating seniors at 10:30 a.m. in the Chapel Auditorium. Commencement will be at 1:30 p.m. that same day.

The 2011-2012 academic year has been very successful for both students and professors. IWC continues its mission of preparing graduates

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for more information on
Iowa Wesleyan College.**

to succeed in a changing global environment. Students are offered individualized learning experiences combining intellectual development with increased adaptive life skills.

The college shares a commitment to spiritual values, social justice, and human welfare with the United Methodist Church.

This was demonstrated this spring by programs such as World Water Day, a lecture entitled "The Origins of a Music Man," a presentation on mental health systems in Iowa, an all campus service fair, and a self-defense class.

Breaking PII News!

Public Interest Institute has just published a POLICY STUDY, *The Negative Consequences for Iowa of an Enterprise Value Tax*, by Dr. Don Racheter, Jennifer Crull, and Amy Frantz.

The Obama administration has proposed an Enterprise Value Tax (EVT) that doubles the taxation of profits from the sale of partnerships. The EVT would result in job losses in Iowa, would increase the tax burden on Iowans, and would have a negative impact on Iowa's agricultural sector.

Read the EVT POLICY STUDY from Public Interest Institute at www.LimitedGovernment.org/studies.html.

What's New at Public Interest Institute?

Political Science Conference Held

The second annual conference of the Iowa Association of Political Scientists (IAPS) was held March 2 to 3 at the University of Northern Iowa in Cedar Falls.

Members of the profession along with politicians and journalists presented papers and discussed topics ranging from reapportionment to the Iowa Caucuses to the Harding-Coolidge Path to Prosperity to Global Political Terrorism. PII staff were active participants.

During the business meeting conducted by IAPS (and PII) President Don Racheter, Bill Parsons of St. Ambrose was voted in as President-Elect and Andy Green of Central College was elected to replace him as Program Chairman.

At the conclusion of the meeting, Racheter turned the gavel over to Chris Larimer of UNI who had served as host of this year's meeting and as IAPS President-Elect since the inaugural meeting of the new group last spring at Iowa Wesleyan College in Mount Pleasant.

Next year's meeting will be hosted in Davenport by St. Ambrose, and the 2014 meeting will be hosted by Central College in Pella.

Facts & Opinions Question of the Quarter:

What are your thoughts on the 2012 Iowa Legislative session?

Send your thoughts on this issue to us on our website at <http://www.LimitedGovernment.org/FOapr2012.html> or e-mail to Public.Interest.Institute@LimitedGovernment.org.

We may publish some of your ideas in the next issue of *Facts & Opinions* in July 2012 and on our Website at: www.LimitedGovernment.org.

Anyone wishing more information about the Iowa Association of Political Scientists may contact Past-President Racheter at Don.Racheter@IWC.edu, President Chris Larimer at Christopher.Larimer@UNI.edu, or President-Elect Bill Parsons at ParsonsWilliamW@sau.edu.

Yearly dues for the IAPS are \$5 payable by check sent to Treasurer Amy Frantz, 600 North Jackson Street, Mount Pleasant, Iowa 52641 or via credit card by calling PII at 319-385-3462.

PII Spring Publications

Public Interest Institute members have authored two new POLICY STUDIES on issues of keen interest to taxpayers. Research Analyst Deborah D. Thornton has written *Iowa's Privileged*

Class: Time for a Change!, detailing the retirement benefits received by state-government employees and discussing the significant reforms necessary to prevent an onerous burden on future workers and taxpayers.

Research Analyst John Hendrickson's recent study, *TABOR: A Pro-Growth Solution for Iowa*, encourages policymakers in Iowa to consider a Taxpayers Bill of Rights measure (TABOR) to provide more accountability to government and give taxpayers a vote on tax and spending increases.

Hendrickson highlights the savings that would have been achieved had a TABOR similar to that in Colorado been in place in Iowa in the last 20-30 years. To read these informative studies, visit www.LimitedGovernment.org.

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**As Gas Prices Pinch, Support for Oil and Gas Production Grows:
Those Aware of Fracking Favor Its Use
— Report by the Pew Research Center for the People and the Press**

Overview

At a time of rising gas prices, the public's energy priorities have changed. More Americans continue to view the development of alternative energy sources as a higher priority than the increased production of oil, coal, and natural gas, but the gap has narrowed considerably.

Moreover, support for allowing more offshore oil and gas drilling in U.S. waters, which plummeted during the 2010 Gulf of Mexico oil spill, has recovered to pre-spill levels. Nearly two-thirds (65%) favor allowing increased offshore drilling, up from 57 percent a year ago and 44 percent in June 2010, during the Gulf spill.

The latest survey by the Pew Research Center for the People and the Press, conducted March 2012 among 1,503 adults, finds that 52 percent say the more important priority for

addressing the nation's energy supply is to develop alternative sources, such as wind, solar, and hydrogen technology, while 39 percent see expanding the exploration and production of oil, coal, and natural gas as the greater priority.

A year ago, the public viewed the development of alternative energy sources as the more important priority by a much wider margin (63% to 29%). Since then, support for expanding production of oil and other traditional sources has increased among most demographic and political groups and the shift among Republicans has been particularly pronounced.

In March 2011, Republicans were evenly divided over how to address the energy supply: 47 percent said the more important priority was to develop alternative sources, while 44 percent said it was to expand exploration and production of oil, coal, and natural gas.

In the current survey, just a third of Republicans (33%) view development of alternatives as more important, while 59 percent say the more important priority is to expand exploration and production of oil and other traditional energy sources.

There continues to be broad public support for an array of policies aimed at addressing the nation's energy supply: 78 percent favor requiring better fuel efficiency for cars, trucks, and SUVs; 69 percent favor more federal funding for research on wind, solar, and hydrogen technology; and 65 percent favor spending more on subway, rail, and bus systems.

But while support for each of these policies has been steady or down modestly in recent years, support for allowing more offshore oil and gas drilling in U.S. waters has increased. Currently, more than twice as many favor than oppose increased offshore drilling (65% vs. 31%).

In June 2010, only 44 percent favored more offshore drilling while 52 percent were opposed. The balance of opinion today is almost identical to what it was in February 2010, two months before the Gulf oil disaster (63% favor, 31% oppose).

Nonetheless, Americans are far more divided over whether the government should give tax cuts to energy companies to do more exploration for oil and

Growing Number Sees Production of Oil, Coal, and Gas as More Important Energy Priority

| | March 2011 | March 2012 | Change |
|--|------------|------------|--------|
| <i>More important energy priority ...</i> | Percent | Percent | |
| Developing alternative sources, such as wind, solar, and hydrogen | 63 | 52 | -11 |
| Expanding exploration and production of oil, coal, and natural gas | 29 | 39 | 10 |
| Both/Don't know | 8 | 9 | |
| Total | 100 | 100 | |

Source: Pew Research Center, March 7-11, 2012. Figures may not add to 100% because of rounding.

of individuals like you who believe in individual liberty and free-market solu-aid envelope to make your tax-deductible contribution to this effort today.

gas; 46 percent favor this while 50 percent are opposed. Opinion about tax cuts for energy companies is about where it was in 2008.

Support for promoting the increased use of nuclear power, which slipped after last year's Japan nuclear disaster, has recovered modestly. Currently, 44 percent favor the increased use of nuclear power while 49 percent are opposed. Last March, 39 percent favored greater use of nuclear power and 53 percent were opposed.

The survey also finds there is limited awareness of the energy drilling method known as fracking, which is used to extract natural gas from underground rock formations: Just 26 percent say they have heard a lot about fracking, while 37 percent have heard a little and 37 percent have heard nothing.

Among those who have heard about fracking, there is more support than

opposition. About half (52%) favor fracking, while 35 percent are opposed to the process.

As with opinions about many other energy policies there is a wide partisan gap in views of fracking: 73 percent of Republicans who have heard of fracking favor it, compared with 54 percent of independents and just 33 percent of Democrats.

Republicans Back More Drilling; Democrats Favor Alternatives

There continue to be large partisan differences in views of various energy policies. Fully 89 percent of Republicans favor allowing more offshore oil and gas drilling while only half of Democrats agree. A majority of independents (64%) support increased drilling.

Republicans also are more likely than Democrats to favor giving tax cuts to energy companies for oil and gas exploration and promoting the

increased use of nuclear power.

By contrast, Democrats and independents are far more likely than Republicans to favor increased federal funding for alternative energy research, spending more on mass transit, and better fuel efficiency. About eight-in-ten Democrats (81%) and 70 percent of independents support increased funding for alternative energy, compared with 52 percent of Republicans.

The partisan differences in opinions about federal funding for alternative energy research are not new; last November, 83 percent of Democrats and Democrat-leaning independents and just 53 percent of Republicans and GOP leaners favored increased federal funding on research into alternative energy technology.

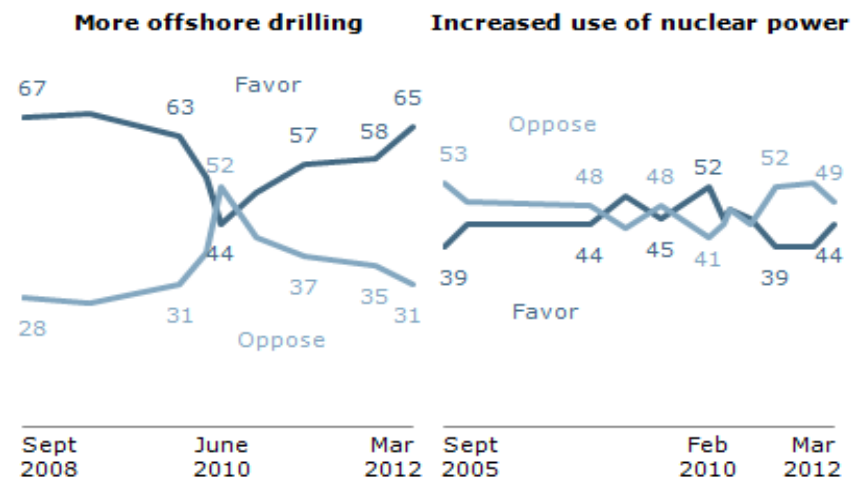
Priorities for U.S. Energy Policy

Over the past year, there has been an increase in the percentage of Republicans, particularly conservative Republicans, who view the expansion of exploration and production of oil, coal, and natural gas as a more important priority for addressing the nation's supply than the development of alternative energy sources.

Conservative Republicans now prioritize traditional energy sources over alternative sources by a 65 percent to 26 percent margin; a year ago they were divided (47% oil, coal, natural gas vs. 43% alternative energy).

But increasing numbers in other groups – including Westerners and older

More Support for Offshore Drilling, Increased Use of Nuclear Power



PEW RESEARCH CENTER Mar. 7-11, 2012. Q43a,c.

Americans – also prioritize the development of energy from traditional sources. In the current survey, men 50 and older say it is more important to expand exploration from traditional energy sources, by 51 percent to 37 percent. A year ago, older men prioritized the development of alternative energy sources by a comparable margin (54% to 35%).

Awareness and Views about Fracking

A majority of the public (63%) has heard a lot (26%) or a little (37%) about fracking, a drilling method used to extract natural gas from underground rock formations. Men, older people, and college graduates are far more likely than their counterparts to have heard at

least a little about fracking.

Among those who have heard at least a little about fracking, 52 percent favor it while 35 percent are opposed and 13 percent offer no opinion.

Although young people are less likely to have heard about fracking, those who have are just as likely as older people to favor it.

But there is a wide education difference in views about fracking. College graduates are about evenly split – 45 to 45 percent. A majority of those with some college (56%) or a high school education or less (56%) support fracking.

Republicans who have heard at least a little about fracking are far more likely

than Democrats to favor the process (73% vs. 33%).

Among Democrats who are aware of fracking, there is a wide ideological gap. Conservative and moderate Democrats are split about evenly – 39 percent favor fracking while 43 percent are opposed. By contrast, liberal Democrats oppose fracking by a 64 percent to 26 percent margin.

Released March 19, 2012. Authorization to reprint from Mary Pat Clark, Administration Manager, Pew Research Center for the People and the Press on March 22, 2012, <<http://www.people-press.org/2012/03/19/as-gas-prices-pinch-support-for-oil-and-gas-production-grows/>>.

Young People Hit Hardest by Obamacare - The Projections in Indiana

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On average, individual-market premiums will increase by 75 percent to 95 percent. However, these increases will be greatest for young healthy males due to the fact that the ACA eliminates premium rating based on gender and health status, and restricts premium rating based on age.

- Young healthy males at 250 percent of the federal poverty level (FPL), or \$28,000 a year, can expect to experience almost a 100 percent premium increase even after the application of the premium tax credit.

- Young healthy males at higher income levels — 400 percent of the FPL and above, or about \$45,000 a year — can expect to realize premium increases over 250 percent in 2014.

The bad news doesn't end there: Women over age 55 with incomes for a single person of

\$45,000 are expected to experience premium-rate increases of more than 100 percent. And all carriers that offer child-only policies have been forced to leave the state, largely because of Obamacare's impossibly restrictive rules and regulations.

The state faces costs of between \$2.5 and \$3.1 billion between the years 2014 and 2020 because of the Obamacare mandate to expand eligibility for Medicaid. This does not include any increased payments to providers and likely will force more cost-shifting to commercial patients, driving up premiums for all Hoosiers.

And to add to the frustration of Governor Mitch Daniels (Republican), the United States Department of Health and Human Services (HHS), headed by Kathleen Sebelius (Democrat), is refusing to answer his request to

use his popular and successful Healthy Indiana Plan (HIP) as the basis for the Medicaid expansion. HIP currently provides coverage to 40,000 Hoosiers through an innovative consumer-driven program.

While the Indiana legislature, on a bipartisan basis, called for HIP to be the coverage vehicle for the new Medicaid program, HHS has yet to respond to the state's request.

Originally published in National Review Online's Healthcare Blog on March 21, 2012, and reprinted with permission of the author.

Ms. Turner is President of the Galen Institute, a not-for-profit, free-market research organization devoted to health policy, founded in 1995 to promote a more informed debate over individual freedom, consumer choice, competition, and diversity in the health sector.

Not Quite So, Mr. Budowsky

by Sabrina L. Schaeffer, Executive Director,
The Independent Women's Forum

In an opinion piece for *The Hill* last November, Brent Budowsky, a political writer who previously worked for Senator Lloyd Benson (D-Texas) argued that Hillary Clinton would “win big in 2012” because she represents the traditional brand of the Democrat Party and would stand up for the “disempowered.” Specifically, he points to Hillary’s “woman power” — her unwavering commitment to women at a time when he claims Republicans have become openly hostile toward the second sex.

Budowsky scrambles together a number of policies and issues — equal pay, Social Security, and the gender gap — that he thinks demonstrate Republicans’ aggressive stance toward women. Instead, he misrepresents reality, Republicans, and free-market ideas. Budowsky claims, “Many Republicans aggressively oppose pay equity for women.” Democrat lawmakers, national women’s organizations, and liberal pundits embrace the idea that equal-pay legislation — like the 2010 Paycheck Fairness Act — would bring an end to gender discrimination and the infamous wage gap.

It’s true Republicans reject gender protection legislation; but not because they don’t believe in equal pay. The fact is, there are serious consequences to legislation like this that will

stymie job creation and economic growth. Rather than help women, gender protection laws skew the labor market, increase liability and the potential of lawsuits for employers, and ultimately increase the cost of hiring women.

Perhaps equally important, the research doesn’t back up the myth of the wage gap. The default notion on the left is that gender discrimination — rather than personal choices — is the primary reason for a disparity in wages between men and women. But when researchers control for any number of variables — from choice of college major to time taken off — the wage gap largely disappears.

As for Social Security, feminists and Budowsky need to move beyond the antiquated view of Social Security as the best we can do for women. Social Security was designed to fit a 1935 family, in which the husband was the sole breadwinner. Today this no longer reflects a modern American family, in which more women work outside of the home, marry later, and divorce more often than a century ago. Nevertheless, Social Security has remained largely static and as a result highly regressive.

The solution is not more “wealth distribution;” rather, women need a retirement plan that reflects the changing roles of women in the 21st century.

Individual retirement accounts are a step toward giving women more control over their savings and yielding higher returns. What perhaps Budowsky forgets is that women want the same thing men want — the freedom to save and invest in a way that reflects the needs of their family and plans for the future.

Finally, Budowsky points to the “tidal wave of support from female voters” that he anticipates will help re-elect President Obama. While it’s true women have favored Democrats over Republicans for the two decades since analysts started keeping records, this all changed during last year’s midterm elections, when women closed the gender gap.

President Obama and Democrats believe that by playing gender politics they can win the hearts and votes of women. But unless Democrats start addressing the issues that really matter to women — the size and scope of government, repealing and replacing

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**Public Interest Institute
at Iowa Wesleyan College
600 North Jackson Street
Mount Pleasant, IA 52641-1328**

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ObamaCare, tax and regulatory reform to encourage growth of new businesses — they can kiss the faithful women’s vote goodbye.

Liberals are promoting the misguided notion of the Republican “war on women.” But what’s at the heart of this “war” is the notion that what’s good for women and their families is not more government spending, but robust economic growth. In the end, the worst thing lawmakers can do to ensure equality for women is to pay more attention to “women’s issues.”

Reprinted with permission of the author, originally published November 7, 2011, in The Hill, <<http://thehill.com/blogs/pundits-blog/presidential-campaign/192121-not-quite-so-mrbudowsky>>.

*** “Downfall of Democracies,” from page 1**

Although the origin of the “Downfall of Democracies” is attributed to Alexander Tytler, a Scottish history professor (University of Edinburgh) who lived in the 1800s, the material may also be attributed to Alexander Tyler, Arnold Toynbee, or Lord Thomas Macaulay.

The quote continues, “The average age of the world’s greatest civilizations from the beginning of history, has been about 200 years. During those 200 years, these nations always progressed through the following sequence:

Bondage to Spiritual Faith;
Spiritual Faith to Courage;
Courage to Freedom;
Freedom to Abundance;

Abundance to Selfishness;
Selfishness to Complacency;
Complacency to Apathy;
Apathy to Fear;
Fear to Dependency;
Dependency to Bondage.”

The quote is actually most attributable to Henning Webb Prentis, Jr., President of the Armstrong Cork Company, used in a speech entitled “Industrial Management in a Republic,” during the 250th meeting of the National Conference Board in March 1943.

Source: “The Truth about Tytler,” by Loren Collins, <<http://www.lorencollins.net/tytler.html>>.

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