



Written by [Michael Tennant](#) on January 24, 2011

White House “White Board” Hawks ObamaCare White Elephant

The obvious lesson to be gleaned from the last election is that Americans are unhappy with the policies of the Democratic Party in general and President Barack Obama in particular, especially in regard to Obama’s monumental federal takeover of the healthcare system. To a typically egocentric politician such as Obama, however, the problem lies not with his policies themselves but with those doltish voters who just don’t understand and appreciate the blessings his policies are bestowing upon them.



Thus, rather than admit defeat, “the White House is stepping up efforts to thwart a Republican attempt to repeal health care reform,” [the Washington Examiner reported](#). Those efforts include a taxpayer-funded propaganda blitz to convince Americans that ObamaCare — an unsightly conglomeration of mandates, [taxes](#), spending, [bureaucracy](#), and [invasion of privacy](#) — will, despite all evidence to the contrary, improve their lives.

A [video](#) featuring Stephanie Cutter, an assistant to the President for healthcare reform, fires one of the latest salvos in the direction of those considering supporting Republican efforts to repeal or defund ObamaCare. Cutter’s presentation, one of a series of “White House White Board” videos, argues that repealing ObamaCare would both increase health-insurance premiums and result in significant job losses over the next nine years.

Side A of the white board purports to show the premium costs for a family of four in the individual market in 2014. Cutter maintains that a family with an annual income of \$33,075 will pay about \$1,500 in premiums that year, with premiums increasing based on income so that a family with an income of \$99,225 will pay about \$9,000. On the other hand, she says, if ObamaCare is repealed, all families will pay approximately \$11,000 in premiums in 2014, regardless of income.

There are a number of problems with Cutter’s assertions. First is the fact that no one can possibly know what insurance premiums will be three years in the future. ObamaCare’s mandates are already [driving premiums higher](#) than would otherwise have been expected, and the multitudinous tax increases and regulations resulting from the law will almost certainly accelerate that trend. [The Federal Reserve’s continual inflation](#) of the money supply is likely to have a similar effect.

Second, the only reason that premiums will be correlated with income under ObamaCare is that [the government will be subsidizing them](#): the lower one’s income, the greater the subsidy. The lower



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premiums, then, do not reflect ObamaCare's alleged reductions in healthcare costs but merely redistribution of wealth from richer taxpayers to poorer ones. In the absence of ObamaCare, premiums might be higher, but taxes would also be correspondingly lower.

Third, Cutter is addressing only purchases in the individual health insurance market. According to a [2008 Census Bureau report](#), only nine percent of Americans obtain their insurance individually. Cutter's premium estimates, therefore, do not apply to the overwhelming majority of Americans.

Flipping to side B of the white board, Cutter displays a graph showing estimates of job losses from 2011 to 2019 if ObamaCare is repealed. In 2011, she says, the United States will lose between 50,000 and 100,000 jobs if the law is repealed, with job losses increasing each year until, in 2019, 500,000 to 800,000 jobs are lost. With losses averaging 250,000 to 400,000 year, according to Cutter, all told the country will lose 2.5 million to 4 million jobs over the next nine years if ObamaCare is put to rest.

This is, of course, based on even wilder speculation than the figures on side A, which at least are only for three years from now and are based on known trends. The job loss numbers, says Cutter, are drawn from a January 2010 study by "a Harvard economist." An email from White House Office of Health Reform Director Nancy-Ann DeParle touting Cutter's video refers to this person as "Harvard economist David Cutler." What neither Cutter nor DeParle mentions is that "Cutler was the key architect of President Barack Obama's campaign health-care plan and was a member of the transition team's health-care policy working group," [as the Washington Post describes him](#). He therefore was naturally inclined to provide data to support the Obama approach.

[Cutler's study](#) argued that, owing to expected cost savings under the healthcare reform bill then under consideration, 250,000 to 400,000 jobs would be created each year on average (the specific annual estimates are also the same as in Cutter's presentation). *Ipsa facto*, if ObamaCare is repealed, these jobs will not be created.

This speculative scenario Cutter is trying to spin into actual job losses. To most people the phrase "job losses" means that existing jobs will be eliminated when, in fact, all it means in this context is that jobs in the imagination of the left-wing economist who dreamed up ObamaCare will not be created — as if they ever would.

Even assuming Cutler is correct that these jobs would be created under ObamaCare's alleged cost reductions, those cost reductions are themselves extremely unlikely to materialize. The program on which ObamaCare is modeled, the Massachusetts healthcare law, has greatly increased the cost of healthcare in the Bay State, with insurance premiums rising at a rapid clip (40 percent between 2003 and 2008) and government healthcare assistance growing at about the same rate. The amount of red tape with which ObamaCare has infested the healthcare system will necessarily increase costs astronomically; and as those costs increase, not only will Cutler's pipe-dream jobs disappear into thin air but actual, existing jobs will be lost.

Cutter's video, then, is nothing more than the same old fairy tale of the imagined wonders that the latest government monstrosity is sure to bring to the people forced to pay for and live under it — little different, one imagines, from the propaganda used decades ago to promote Josef Stalin's latest doomed five-year plan. It does, however, demonstrate that the administration is very worried that Americans may get that for which they voted: stopping ObamaCare dead in its tracks.

Graphic: Video featuring Stephanie Cutter, an assistant to the President for healthcare reform.



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