The Daily Dish

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President Obama's Affordable Care Act created federal health insurance cooperatives that will now have difficulty paying back millions of dollars in federal loans. The internal government audit found 22 out of 23 of the co-ops lost money last year. According to The New York Times, "Over all, co-ops have received $2.4 billion in federal loans to help pay start-up costs and to meet state solvency requirements."

If you want a job in the Obama economy, you better have a college degree. New research from Georgetown University found that 97 percent of the "good jobs" created since 2010 have gone to college grads. The university identified a "good job" as one paying over $42,700. This study highlights the fact that middle-wage jobs "are still 900,000 jobs below their pre-recession employment levels, according to the report."

After releasing the massive existing power plant rule (costing 125,800 jobs) the administration is showing no signs of slowing down with energy and environmental regulations. The administration announced on Friday that it would seek to decrease landfill methane emissions by a third. According to AAF's RegRodeo.com, since 2009, the EPA has issued nearly $300 billion in regulatory costs.

Eakinomics: China

China dominated the economic news last week, with the leading issue being its new approach to handling its currency. The previous approach was to permit its currency to fluctuate in a 4 percentage point band each day, with the midpoint of the band set by policy. Last week it devalued the midpoint by 1.9 percent overnight. This sparked an outcry and fears of competitive devaluation/currency wars across the globe. This missed the more important development: under the new regime market forces will drive the value of the Chinese yuan (also known as the remnimbi). Specifically, under the new approach, the midpoint of the band will be set equal to the previous day's closing price. After decades of complaints about currency manipulation, China has put its currency on a market footing.

That is the good news out of China. The bad news is that the world's second largest economy is struggling. The government has intervened to prop up the stock market, but the problems run deeper. Growth has slowed markedly, which has cut back China's tremendous appetite for commodities. Commodity prices are down nearly uniformly. At the heart of the slowing economy is weak investment in structures, plants and equipment. If this weakness continues, there will be further downward pressure on an anemic pace of global growth. If it translates into rising unemployment, it will translate into domestic political pressures.

China bears watching closely and represents a significant source of risk in the global economy.

From the Forum

Week in Regulations by Sam Batkins, AAF Director of Regulation

Fact of the Day

Twenty percent of Americans will live in areas with physician shortages by 2024.