



The Daily Dish

## June 18th Edition

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Due to their view that the economy is still fragile, the [Federal Reserve is in no rush](#) to raise interest rates. Federal Reserve Chair Janet Yellen expressed concerns that the jobs market has still not recovered, wages are still “subdued,” and inflation is still below their 2 percent target. Until those two concerns are alleviated, they will not raise interest rates.

[The House Appropriations committee approved](#) an amendment to temporarily block the FCC’s regulation of the Internet under Title II. Rep. Ander Crenshaw says there is no question “about the desire for a free and open Internet.” The amendment is to find a way to obtain that goal, but without the onerous regulations of Title II. [AAF found that last time the FCC tried to impose Title II](#), it cost over \$7 billion in lost investments.

### *Eakinomics: The Best Jobs Supreme Court God Ever Created?*

Donald Trump has [declared](#) that he would be the “best jobs president God ever created.” I’ll let the voters be the judge. However, it may surprise Dish readers — and the populace more generally — that the Supreme Court will imminently announce a decision with vast labor market implications. For those awaiting the decision in *King v. Burrell* — and the polling evidence suggests that well under 40 percent of Americans are aware of the case — a decision to invalidate the distribution of subsidies in the federal exchange (i.e., a finding for *King*) is typically evaluated strictly in terms of the number of individuals who will lose their subsidies in the absence of a new law.

AAF has [pointed out](#), however, that there are a large number of consequences. Subsidies would be lost and insurance could be unaffordable, but the individual mandate would disappear for 11.1 million individuals — saving them an average tax penalty of \$1,200. (The mandate is waived for those who do not have access to “affordable” insurance.) At the same time, the adverse labor participation incentives would be reversed and 1.3 million Americans would return to the labor force.

One might think the impacts stop there, but there are large implications for employers as well. An employer is penalized if his or her employee receives exchange subsidies — the “stick” that enforces the employer mandate. With no subsidies, no stick — and *de facto* no employer mandate. Employers across the land (see the newly released AAF [map](#) here) would have improved incentives to hire, pay more, and move workers from part-time to full-time status. If nothing was changed after a ruling for *King*, the data suggest that 262,000 establishments would create 237,000 new jobs and pay a total of \$13.6 billion more. At the same time, there would be 3.3 million part-time workers for whom the barrier to more hours would be lowered.

*King v. Burrell* is a critical health policy decision. But because of the sweeping nature of Obamacare, it is an equally important moment for the U.S. labor market.

### *From the Forum*

[How Businesses Are Impacted by King v. Burwell](#) by Ben Gitis, AAF Director of Labor Market Policy

[Congressional Testimony: FCRA vs. Fair Value Accounting: A Comparison and Recommendation](#) by Douglas Holtz-Eakin, AAF President