The Daily Dish

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Shot: After years of defending Obamacare at all costs, repeal of the "Cadillac" tax seems to have a chance. A bill has now been proposed by Democrats in the Senate to repeal the tax on premium health care plans offered by companies to their employees. The legislation differs from past Republican efforts for repeal, but shows the bipartisan support to repeal. AAF's Weekly Checkup found that eventually the "Cadillac" tax would tax the equivalent of even silver plans on the individual market.

Chaser: But don't get too excited, there are also plans in the works by progressives to expand Obamacare. Click here to read why the plans promise higher premiums for all, leave too many unanswered questions, and will likely expand the budget.

A new Fox News poll shows that the majority of Americans feel the U.S. will be less safe after the Iran Nuclear Deal. According to the poll, "By a 37-point margin, independents feel the agreement makes the U.S. less safe." AAF research found that included in the $140 billion windfall for Iran from the deal, $3.1 billion would go towards terror financing.

Eakinomics: "Recovery" Update

By the numbers, the Obama recovery has been a disappointment. Inflation-adjusted Gross Domestic Product has grown at an average annual rate of only 2.1 percent (George W. Bush's recovery averaged 2.4 percent until the Great Recession hit; Ronald Reagan averaged a whopping 4.3 percent). While unemployment has fallen, average monthly job creation has been so weak that the fraction of the population that is employed has fallen by 1.3 percentage points to 61.4 percent. And the labor market distress is most visible in the 0.5 percent average annual growth in real, average hourly earnings. This, in turn, contributes to the anemic 0.1 percent annual growth in the real median family income. While there has been a great sales campaign to sell this as a "new normal," the reality is that it is weak from stem to stern.

So it was disappointing yesterday to find that "core" (non-defense orders excluding the volatile aircraft category) orders for capital goods fell in August. Core capital goods orders are a key predictor of future business investment expenditures, a component of overall demand that is normally central to recovery from a recession but which has been missing in action after the Great Recession. Granted, the August decline came on the heels of a very good July, but that is partly the point: business investment has looked promising from time to time but has never really caught fire.

The progressives economic playbook — super-easy money and stimulus — simply has not succeeded; it probably never had a chance compared to the increase in taxes, attacks on the few rapidly-growing sectors (oil and gas, internet), oppressive regulation, large federal debt, and emphasis on redistribution over growth. A new, pro-growth policy regime is long overdue.

From the Forum

Effect of a Tax Credit for Out-of-Pocket Medical Costs on Federal Spending by Douglas Holtz-Eakin, AAF President; and Jonathan Keisling, Health Care Data Analyst

How Expanding Obamacare Drives Up Health Care Costs & Government Spending by Gordon Gray, AAF Director of Fiscal Policy; and Brittany La Couture, AAF Health Policy Counsel

Regulators Made 1,829 Errors Since 2001 by Sam Batkins, AAF Director of Regulatory Policy

Fact of the Day

Ambulatory Surgical Centers, or outpatient facilities, are 75 percent cheaper than hospitalization.