CONTENTS

Polar Bears Under Palm Trees: Solutions to Slow Global Climate Change
Brooke Taggart.........................................................4

The Modern Environmental Movement: Finding Meaning in the Mainstream
Stephani Pescitelli.........................................................7

Oil Dependency and its Consequences: The United States’ Need for Alternative Fuels
Ed Stuart .................................................................11

America’s Saving Trends: Time to Reverse Course
Raymond Mills..........................................................14

Diversity and Inclusion in the Workforce: Are We on the Right Path?
Peter Fazio.................................................................17

Defense Spending: More, Not Less
Edward C. Yingling..................................................19

Reforming America’s Healthcare System: A Real Cure for the Real Disease
Jeff Calcagno.............................................................24
The Dialectics: Undergraduate Journal of Leadership, Politics, and Society is a refereed, multidisciplinary electronic publication housed at the Abington College of the Pennsylvania State University. The Journal’s aim is to promote undergraduate discourse and scholarship and to encourage undergraduate students to pursue and engage in thoughtful discourses on topics of societal importance.

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You may also visit the Journal’s website at:
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This issue of *The Dialectics* is dedicated to the memory of Julie Heimowitz Greenbaum, whose generous gift to Penn State Abington supported the journal’s activities this year. Julie Greenbaum was a member of the Abington College Advisory Board, serving from 1999 until her death in November of 2007. An active civic leader, Julie Greenbaum delighted in all aspects of public policy debate and exemplified the engaged citizen and leader in her community. When she heard about *The Dialectics*, she was eager to support it and to encourage students to become deeply thoughtful about public issues. In her last week of life, she made sure that, with her husband’s help, she exerted all her courage and strength to get to the polls to cast her vote on Election Day.

Julie Greenbaum was an alumna of Bryn Mawr College, where she majored in Political Science, graduating *cum laude*. The same year of her graduation, she married Dr. Charles Greenbaum, and they enjoyed 52 years of a supportive and loving marriage. In the words of Dr. Greenbaum, she was “a woman of wide interests.” He continues, “She played the cello in the orchestra in high school, as well as the piano, and maintained her love of music and theatre all her life.” Anyone who knew Julie was quickly drawn into her warm, intelligent, and enthusiastic passion for all learning. She was always striving with a curious and open mind, a natural leader (“from her high school days,” according to her husband), gentle yet strong, compassionate yet ready to set high expectations, and always demanding the best of everyone, especially herself. Julie’s kindness was legendary as was her willingness to take on any challenge in order to nurture and protect our democratic system and the well-being of her neighbors and family.

Julie’s presence on Penn State Abington’s Advisory Board helped our college relate more positively to our neighbors. At the same time, she helped our college move forward so that all parties benefited. The recipient of numerous honors and awards, she never missed a meeting of our Advisory Board; she engaged fully in all the civic activities to which she was elected, invited, or appointed; and she carefully analyzed each issue for its core principles before deciding her position. She would want the same for each of our student contributors and editorial staff. And that is why we dedicate this issue with great affection to Julie Greenbaum, a role model, leader, and friend whom we greatly miss.
A Call for Essays

The Dialectics: Undergraduate Journal of Leadership, Politics, and Society will accept, on a rolling basis, high quality essays on issues of public importance. We search for papers that have a single thesis, are focused, identify significant societal and global issues, and offer creative solutions or specific recommendations for addressing the challenges. Students from undergraduate institutions in the United States or abroad are cordially invited to submit their work for review.

Guidelines

- **Length**: 1,200 to 3,000 words;
- **Cover page**: title, the author’s name, a short biographical sketch, and full contact details;
- **Writing style**: clear, concise, engaging and informal, written for the general public;
- **Citation style**: the American Psychological Association (APA) style, 5th edition;
- **Deadline**: Papers will be reviewed on a rolling basis.

Please submit essays to dialectics@psu.edu in Microsoft Word attachment format, with “Dialectics Submission” in the subject line.

Review Process

The editor and a panel of consulting editors will conduct a rigorous review of the submissions to select the essays for publication. Authors are advised that by submitting their essays to the Journal, they agree to subject their work to substantial editing, should their submission be selected for publication.

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POLAR BEARS UNDER PALM TREES: SOLUTIONS TO SLOW GLOBAL CLIMATE CHANGE

By Brooke Taggart

Standup comedian, Lenny Henry, once said, “The global warming scenario is pretty grim. I’m not sure I like the idea of polar bears under a palm tree” (Henry, 2008). Is this joke humorous? Sure it is. Will a polar bear sitting under a palm tree make a cute greeting card? Sure it will. However, the first half of Henry’s joke holds the truth. Our world’s changing climate is grim. Who would have ever thought that the polar bears living behind the walls of our zoos are the lucky ones, the safest ones? The changing temperatures and patterns that our world is experiencing today, if let go, will continue to cause catastrophic destruction and upset our animals, our land, and ourselves.

Conflicting views and opinions make almost anything difficult to accomplish. And in the 21st century, almost everyone has a stance on almost everything. This includes global climate change. There are those who reject the issue altogether, those who believe but do not act, and those who have made the conscious decision to change. Nonetheless, it is not enough just to change our own ways. The advocates must educate the skeptics. Scientists and environmentalists have done the research for us. The planet is also trying to send us warning signs: excessive flooding, rapidly melting ice caps, and rising sea levels. Many of these effects trigger chain reactions. For example, as the sea temperatures rise, some animals and plants die. Many sea dwellers that depend on corals for their sustenance will not get the nutrients they need, and they will die, too.

It is our responsibility to educate as well as we can. Global leaders have the duty to acknowledge the crisis and pose solutions. As Illinois Senator and presidential candidate Barack Obama recently stated:

All across the world, in every kind of environment and region known to man, increasingly dangerous weather patterns and devastating storms are abruptly putting an end to the long-running debate over whether or not climate change is real. Not only is it real, it’s here, and its effects are giving rise to a frighteningly new global phenomenon: the man-made natural disaster (Obama, 2008).

Such acknowledgement by leaders and the government is exactly what we need. In addition to acknowledgement, we must make specific efforts to protect the climate:

1) Include global climate change in the elementary and high school curricula. The science curriculum in elementary school is fairly bendable. Students are introduced to the world of scientific activity. Because there are no national standards for when specific branches of science must be taught, the flexible schedule would make it very easy to incorporate a lesson on global climate change into the curriculum each year. Since the subjects are broad and global climate change affects a wide range of scientific activity, elementary school is the perfect place to start student education on global climate change. Oftentimes, we underestimate children’s ability to understand and take action. There are many little things that children can do to protect the planet. Whether it is recycling at home or simply being less wasteful, they can make a huge difference. Children are never too young to learn. Even if each elementary classroom spent one
week of the year in science class educating students on climate change, the positive effects would be significant. We must stimulate their minds to be doers.

In high school, students follow a somewhat stricter curriculum. Each grade covers a designated branch of science: biology, chemistry, anatomy, and physics. However, perhaps a week can be taken from the subject each year to have updated, continued education on climate change. The answer to whether or not the climate crisis can be slowed down lies in the future, so why not give our youth the means and the knowledge to shape a positive future for the planet?

2) **Invent and replace.** We have to eliminate much of the greenhouse gas emissions that severely damage our ozone layer. Most people will not stop driving vehicles or stop using refrigerators voluntarily. Therefore, the invention of more eco-friendly vehicles, appliances, and products is necessary. These efforts are certainly underway with the invention of hybrid cars and ecological refrigerators and washing machines. Some consumers will buy these products when their old ones need to be replaced, but some will not. Manufacturers must be given incentives to help protect the planet. We need to phase out products that are harmful to our environment as soon as possible.

3) **Hold a clear global position on the issue and give mandate accordingly.** Ultimately, it all comes down to leadership. People follow by example. If we have a government that ignores climate change as President Bush has up until recently, many people are not going to take it seriously. People put faith in their country and the notion that their leaders know what is best for them. When leaders fail to recognize truths, we all suffer, and so will our planet. The governments of the world have extraordinary means to rally their people together. Some governments’ failure to do so when it comes to climate change is inexcusable. Former British Prime Minister Tony Blair (2005) has addressed climate change as follows:

> The blunt truth about the politics of climate change is that no country will want to sacrifice its economy in order to meet this challenge, but all economies know that the only sensible long term way of developing is to do it on a sustainable basis.

So why not take drastic steps? If the government banned plastic and paper bags from grocery and convenience stores today, people will probably accept it. They will adapt by using cloth bags. It is the government’s responsibility to make the solutions to the global climate change a standard of living; the government must help make it a way of life.

For educational and eco-friendly tactics to work best, the government must intercede. The media in the United States have done a very good job of promoting ecological and biodegradable products. Talk shows and celebrities have responded to and endorsed solutions to the global climate change. Now, it is the governments’ turn to take a serious position and rally the citizens. It is our duty to ensure that our planet is intact for future generations. There is no room for selfishness. After all, we do not own this planet; we are just borrowing it.

References


About the author

Brooke Taggart is a junior at the Pennsylvania State University, with a major in communication arts and sciences and a minor in art history. Upon graduation, she wishes to pursue graduate studies in fashion.
THE MODERN ENVIRONMENTAL MOVEMENT: FINDING MEANING IN THE MAINSTREAM

By Stephani Pescitelli

Green is in. Organic food, the Prius hybrid, natural beauty products, and other alternative consumer goods and services are now considered chic and trendy. Everyone is talking about Al Gore, everyone is upset over gas prices, and everyone is becoming increasingly aware of the science behind sustainability. This widespread trend is an environmentalist’s dream come true; people are interested in “going green,” there is a readiness for change! However, in this celebratory sentiment lies the underlying weakness of the modern American environmental movement. Why is the movement acknowledged and adopted by the mainstream one that is focused on consuming—the very behavior that requires us to be concerned in the first place?

While “the environment” has been gaining more and more attention, the change that is taking place is as unsustainable as the practices and life-style the movement aims to replace. In order to determine how this movement is to be effective, integrated, and long-term, one must analyze the way it is adopted by American culture and identity. The time for tree-hugging hippies of the 1970s has passed, but the emergence of the greenwash consumer is not an identity conducive to progressive social change. Where is the environmental movement headed? Who is the new environmentalist? These questions are possibly among the most important of our times, for in their answers are the possibilities for America’s future.

Before discussion of the proposed definition of the new environmentalist begins, the context of this identity must be considered. American culture—how can one possibly pin down a collective statement of values, beliefs, and customs to describe such a young, diverse, dynamic country? A study conducted with the goal of allowing various citizens to voice their opinions regarding their country’s image and how they fit into it provided answers that seemed as ambiguous as the question addressed. Both negative and positive characteristics of American culture and identity were cited. While the opportunity and ambition to strive for success, political equality, and tolerance of differences were emphasized, so were “excessive commercialism, rampant consumerism” and corrupt political institutions (Merelman et al. 1998). Subjects cited economic opportunity as well as economic inequality, demonstrating a gap between American ideals and reality (Merelman et al. 1998). Most subjects found “the concept of national identity complex and distant from their personal experiences” (Merelman et al. 1998). This feeling resonates with the conclusion that American culture is based less on shared values and more on individualism, lending itself to a personal American identity constructed from various materials including other cultures (Merelman et al. 1998). This flexibility is exciting; we are a people who take what we want from the old and the new, from the secular and the religious, from the mainstream and the alternative to build our own identities and follow our own paths. This freedom is what makes our country great; however, such a concept does not satisfy all of our personal or collective needs.

The American people’s independence and individual freedom is amplified by globalization; according to one writer, we are at a “time in history when ‘Culture’ as a normative social force that inscribes values and regulates behavior is being confronted by the pervasive decentralization of life experience and the dramatic rise of the individual as a personal cultural decision-maker” (Lull 2006). This “Culture” with a capital “C,” described by James Lull as the
“stable, guiding source of belongingness, security, and identity,” is precisely what subjects in the study above were unable to find in American society and everyday life. Culture provides a sense of community and comfort that humans require for sanity, survival, and happiness. With the rapid growth of the self-constructed “culture” (with a lower case “c”) there is a resulting increase in confusion and helplessness (Lull, 2006). This negative effect contributes to current economic insecurity, as well as the severe dissatisfaction and distrust of current government leaders and policies. The situation created by the existing nature of American culture and identity, the global decrease in collective Culture, and the insecurity and urgency of the times may seem dire, but it provides a unique opportunity for beneficial change and renewal.

Now that the landscape for change has been painted, where does the environmental movement fit it? In order for such a cause to be adopted by American culture and to become part of the American identity, the modern environmental movement must speak to the needs of the American people. We are a people who are able to choose our own path and to define ourselves; therefore, motivation to add “environmentalist” to one’s personal American identity must be created by benefits that address our diversity while aiming for unity. Currently, the environmental movement is one expressed by superficial images and consumer choices. Ted Nordhaus and Michael Shellenberger describe this shallow support in their book titled *Break Through: From the Death of Environmentalism to the Politics of Possibility*:

> Outside of giving money and buying green products, few among even the most serious environmentalists ever actually do anything to manifest their environmentalist identities or to recruit others to join them (2007).

Using materialism and consumerism to achieve sustainability is illogical, and the resulting success will be as short-lived as any other consumer trend. These are aspects of American culture and general behavior that are based on an economic system that is inherently unstable, and they are also characteristics that are viewed as negative by the people who possess them. In a time of economic insecurity, it does not make sense to base a campaign on financial issues, and it is equally nonsensical to promote a campaign with involvement of qualities that are subject to general, widespread criticism.

The time has come for the environmental movement to move away from motivations based on resentment and to regain meaning and longevity. Environmentalism should be viewed as a solution to the insecurities and obstacles Americans face rather than as a contributor. These insecurities are amplified by the decrease in collective “Culture;” therefore, the success of environmentalism is related to the movement’s ability to provide the community, purpose, and meaning Americans crave and need. The authors of *Break Through* compare modern environmentalism to growing evangelical Christianity in the United States, observing that “While Christianity is an individual and community experience, Environmentalism is mostly an individual one” (2007). Such a difference does not exist between more radical environmentalists and religious groups. Thomas Dunlap describes aspects of the environmental movement in the United States as a religion in itself, “substituting ecology for theology” and providing followers with an outlet for spirituality, a sacred and pure force larger than self, and an alternative lifestyle to the secular mainstream one (2002). This “quasi-religious” environmentalism began with intellectuals such as Thoreau and Emerson, was renewed by the upsurge of social movements of the 1960s and 70s, and lives on in organizations such as EarthFirst and Greenpeace (Dunlap 2002). Though such a romantic view has inspired great change in our society, it has limited
power in an increasingly informed and rational society. To view nature as a pure, perfect force is unrealistic and unscientific; the nonhuman world does not exist solely for our viewing pleasure, nor is it perfect or benevolent by any means. Not everyone is ready to dedicate his or her mind, body, and soul to save the earth, just as not everyone is willing to attend church or adhere to organized religion.

There is still a place for radical environmentalism with biocentric views; our mainstream politics and culture still require a force to challenge the status quo and push forward vigorously. But a greater range of people can share in this effort if the environmental movement provides the community and purpose we all search for, while also accommodating the diversity of already existing beliefs and dispositions. As James Lull discusses the dichotomy of Culture and culture, he notes, “As technological and cultural landscapes evolve, the sense of belonging and community does not disappear; it changes shape” (2006). What is this new shape? How can we reconcile a shift towards the individual? What is needed is “the construction of new cosmopolitan communities” that inspire togetherness through shared space and effort, requiring emotional involvement and providing a fundamental public place for social interaction (Lull 2006). Creativity and ambition to be innovative and successful will be used to benefit the collective good rather than limited to the advancement of the individual.

The creation of such places will satisfy a gap left by industrialization and globalization: as writers have observed, “the ‘public sphere’ in American doesn’t exist in the way it should. We don’t have a village square anymore where people could come to talk to each other about common problems” (Merelman et al., 1998). Though Internet blogging and online discussion is on the rise, the impersonal, detached nature of such communication and connection makes this technology insufficient to our social and psychological needs. When creating and manifesting something as important as identity or when expressing and practicing something as essential as culture, one needs more than words typed into a computer. In addition to screen-locked fact sharing and faceless dialogue, there needs to be a physical reality to relate to and experience. Community gardens, co-ops, and public parks introduce sustainable places and efforts that all offer the organization of social activity required for productive and important interaction. Participating in an action as simple as growing food for one’s self and one’s neighbors provides a meaningful source of identity construction. A renewal in the celebration of Earth Day and a renewed pride in America’s natural heritage provide meaningful Cultural expression that unites citizens. In a time when pride in nationality and confidence in the government and the economy are faltering, environmentalism will not be accepted by further exploiting current fears and insecurities, but by fulfilling American’s post material needs with collective and optimistic shifts towards a better future (Nordhaus & Shellenberger, 2007).

Where is the environmental movement headed? Who is the new environmentalist? The answers to these questions cannot be answered without addressing the state of American society: our perceived culture, our current economic status, and the ways in which we shape our identities within this society. We are a people who have unrivaled individual freedom, but we are also in search of collective purpose and meaning in an increasingly isolating world. Environmentalism needs to be seen as an answer to the needs created by our shared situation; it needs to provide personal experiences to exemplify a common goal. Environmentalism needs to offer possibilities for the individual to find belonging and stability rather than to implement limits or supply additional superficial consumer choices. It’s true that “a bright new agenda backed by good science, effective marketing, and savvy lobbying will simply not be good enough” (Norhaus & Shellenberger, 2007), but a deeper movement can achieve what environmental policy and
scientific reasoning cannot. This new movement will not be headed by politicians, or even scientists, but by working class citizens involved in an effort that simultaneously benefits the common good and satisfies the soul.

References


About the author

Stephani Pescitelli is a third year student at Eastern Illinois University, double majoring in environmental biology and writing. She has a passion for social justice and hopes to use her degree and the experience she is acquiring to build a career advocating for change.
OIL DEPENDENCY AND ITS CONSEQUENCES: THE UNITED STATES’ NEED FOR ALTERNATIVE FUELS

By Ed Stuart

Two-thirds of the United States oil consumption come from imports (World Factbook, n.d.), making it one of the most dependent nations in the world. And, with the amount of crude oil and fossil fuels left on the planet increasingly on the decline, the United States is in need of alternative fuels. What steps could the United States take in order to reduce or even eliminate oil dependency? Fuel reform, alternative choice, tax cuts, and a global proposal may hold the answer.

The year was 1973 and OPEC, the Organization of Petroleum Exporting Countries, announced that they would no longer ship petroleum to the western world due to the ongoing conflict between Israel, Egypt, and Syria. As a result, the United States saw gasoline prices multiply within a matter of months. Americans were asked to ration their consumption of gasoline by lowering their uses of fuel. In some parts of the country, commuters had to wait in line for hours in order to refuel their motor vehicles. In worst cases, some drivers were left with no gas at all. Those events traumatized the nation. Some 30 years later, the ‘73 crisis still haunts foreign and domestic policy makers (van Doren & Taylor, 2003). Oil and gas are vital to transportation, electricity generation, and home heating. But their continued usage would lead to numerous problems for the United States.

Some expert geologists are expecting oil production to hit its peak somewhere within the next ten years. Some even suggest that as early as 2010—forty years earlier than previously expected—the United States will have a major crisis at hand. The United States’ economy could come to a standstill, causing economic collapse.

Many of the underlying questions about whether the United States can become less oil dependent or even oil free have begun to be answered. Still, total cooperation among citizens and the government will be necessary for this to be accomplished. The following are proposals that could reduce or even eliminate the United States’ dependency on oil:

1) Reform the fuel supply. Few motor vehicles in the United States, out of the total of one quarter billion fleet, currently run on E85 ethanol. The expansion of E85 ethanol usage can lead to drastic cuts in the United States’ oil dependency. Although the number of E85 ethanol pumps is expanding, fewer than 1,000 of the nation’s roughly 130,000 service stations currently have pumps capable of dispensing E85 fuel (Sandalow, 2007). Unfortunately, retrofitting costs of $20,000 per pump and franchising agreements that limit station owners from pumping ethanol on islands with petroleum fuels are barriers to the expansion (Sandalow, 2007). Accordingly, oil companies should mandate that at least half of their branded or owned stations’ pumps carry E85 and make it readily available to the majority of the consumers.

Additionally, the government should address the issue of import taxes on ethanol. Currently, the United States imposes a 54 cents per gallon “secondary tariff” on imports of ethanol (Sandalow, 2007). But the potential for sugar ethanol production in Brazil, the Caribbean, and Central America is considerable (Sandalow, 2007). It is not difficult to imagine the Central and South American region supplying five to 10 billion gallons of ethanol to the United States annually within the decade, with amounts increasing thereafter (Sandalow, 2007).

2) Give Americans a choice. Simply put, we must end oil’s dominance in the U.S. fuel
market. In doing so, we must give American drivers a choice between oil and other types of fuels. From plug-in hybrids to bio-fuels, cleaner and more readily available sources of fuel are within reach. Currently, there are more than 200 million conventional gasoline vehicles on the roads today. We need to find alternative technologies right away (Tonachel, 2007). Plug-in hybrids, for instance, work by a combination of electricity and an internal combustion engine, and bio-fueled vehicles use a mixture of ethanol and gasoline. Electricity can be easily produced by using natural, wind, and even solar energy, and biofuels can be produced using naturally grown vegetation. So far, auto manufacturers have been slow in making eco-friendly vehicles. The U.S. government can jump-start the process by mandating auto manufacturers to produce vehicles that are capable of operating on alternative fuels. The process could also be expedited by allocating federal funds to expand the electricity and bio-fuel industries. If both bio-fueled and electricity powered vehicle options were widely available, Americans would more than likely select such choices of energy over oil.

3) Acclimatize America’s auto fleet. Giving tax cuts to owners of both hybrid and bio-fueled cars could persuade many Americans to purchase eco-friendly vehicles when they next buy an automobile. Funding for such federal tax cuts could come from increasing the gasoline tax. For example, a 20-cent per gallon levy would raise close to $28 billion in the first year—enough to give $6,000 tax credits to the first million purchasers of flex fuel plug-in hybrids, provide tax credits to purchasers of other fuel efficient cars, and capitalize a trust fund to help convert production lines, with funds to spare (Sandalow, 2007).

Some automobile manufacturers have already begun the transformation from “fuel friendly to fuel free.” Giving tax cuts to these companies would also help expedite the process. Pushing auto manufacturing companies to develop and implement new fuel-efficient technologies, while at the same time giving tax cuts for doing so, could sway large companies to focus more of their expenditures on these areas.

4) Call for a global movement. Climate crisis is not just a national issue, but also a global one. The United States must take the initiative to propose a global fuel reform so that all nations can benefit from incorporating new fuel-efficient/eco-friendly technologies. If agreed upon by all nations, the initiative will, in turn, reduce the overall costs in the long run by transforming and implementing new environmentally friendly fuels. The diplomatic task for the United States would be to make room for a large-scale transition to renewable energy (Litovsky, 2007). A global reform on oil would not only fight global warming, but it would also promote global economic growth and begin a new era of energy diplomacy.

With a declining oil supply, our nation must take the necessary actions, starting now, to reduce oil usage and oil dependency. The four steps stated above could be taken immediately to move us in the right direction. There’s no doubt that our nation is addicted to oil. By not hesitating any longer, we can take the necessary steps to overcome this addiction.

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About the author

Ed Stuart is a sophomore at the Pennsylvania State University, Abington College, majoring in secondary education. He aims to teach American history upon graduation.
AMERICA’S SAVING TRENDS: 
TIME TO REVERSE COURSE

By Raymond Mills

The net savings rate of Americans has dropped from more than 26 percent in 1944 to less than 0.5 percent in 2007 (Bureau of Economic Analysis, n. d.). Americans will not be able to prepare for life’s challenges, the future, and retirement if these saving trends continue. As the recent subprime mortgage crisis has shown, many with zero or negative savings have been hit heavily, unable to safeguard against the burden of debt. By consistently borrowing money that they cannot repay, and then delaying payments or amassing an even larger debt, many consumers have become high risk borrowers. Many such borrowers are defaulting on their subprime loans and losing their homes. This has affected the broader economy, where banks are losing money as they are not being repaid on time or at all in order to utilize their capital to invest or loan profitably. Nonetheless, consumers continue to overborrow. The borrowing has led to lowered consumer credit ratings for many, increasing the amount of interest that consumers must pay in order to borrow more money. The increased interest has placed many consumers in a vicious cycle that further burdens them and decreases their personal wealth.

Americans are fond of saying that it is a good idea to “save up for a rainy day.” But, at this time in American history, it is important to save up not just for a rainy day, but for a rainy era. As the congressional budget office has estimated, by 2019, the expenditures for Social Security will exceed the program’s revenue (Congressional Budget Office, n. d.). Accordingly, there is a very real possibility that many baby boomers will see their Social Security benefits reduced. In order to protect against this possibility, it is necessary for all Americans to consider alternative ways of planning for retirement, if not in whole, at least in part, to supplement an income from Social Security, which, at this point, appears to be anything but certain for many future retirees.

In addition to retirement, savings provide a safeguard against possible layoffs or long periods of unemployment. In just the month of March in 2008, the economy lost 80,000 jobs. The overall payroll employment has continuously declined since the beginning of the year, and the unemployment rate has risen sharply. Just between March 2007 and March 2008, the number of unemployed persons increased by 1.1 million (Bureau of Labor Statistics.gov, 2008). If the current trend of job losses continues, finding and keeping a job will become increasingly more difficult.

Clearly, consumers and the government must take action to reverse the trend of negligible savings in this rainy era. Some of the solutions involve the government providing incentives and opportunities for consumers to save. Other plans call on the consumers to act on their own accord.

Prominent politicians have proposed a number of ideas that could help. During her run to become the Democratic presidential candidate, for instance, Hillary Clinton proposed creating an “American Retirement Account.” Under this plan, all middle class Americans could open an account that would provide matching, dollar-for-dollar refundable tax credits on the first $1,000 of savings for married couples making up to $60,000 and 50 percent matching on the same amount of savings for couples making between $60,000 and $100,000 (HillaryClinton.com, 2008). Senator Barack Obama has proposed expanding the existing Saver’s Credit to match 50
percent of the first $1,000 of savings for families who earn under $75,000 and making the tax
credit refundable. In addition, Senator Obama has proposed Automatic Workplace Pensions for
employees, which would be flexible regarding savings levels, portfolios, and contributions. The
advocates of the proposal assert that this program would increase the savings participation rate
among low and middle income workers between 15 to 80 percent (BarackObama.com, 2008).
Senator John McCain, meanwhile, has proposed lowering taxes on dividends and capital gains
and thereby promoting and encouraging savings (JohnMcCain.com, n. d.). The interesting
difference between the Democratic and Republican plans is that the Democratic proposals
generally tend to favor plans that provide direct opportunities to save, while the Republican
proposals generally lean towards indirect methods such as lowering taxes in hopes that citizens
will then save the money they no longer have to pay in taxes. In addition to providing retirement
accounts or cutting taxes or matching savings, it is vitally important for the government to ensure
that it adequately educates citizens on saving. The truth is that there are many saving methods,
but many citizens remain either ignorant of these methods or refuse to employ them.

As with any problem, improving the personal savings rate in America will take more than
just government incentives or plans. Some solutions only involve citizens. It is necessary for
consumers to take the initiative to thoroughly research all their available savings options and
implement the plan that best suits their particular needs. Consumers must simply watch their
spending. For many consumers, reducing expenses might be difficult or even impossible.
However, as unemployment rises, oil skyrockets, and the economy weakens, the only viable way
for saving money and avoiding massive debt is to cut out unnecessary purchases and expenses.

In a country so accustomed to economic prosperity, living semi-frugally will be difficult;
but, in the face of the current economic difficulties, consumers must take matters into their own
hands and make sacrifices in order to prepare for the future. As economic challenges mount, it is
up to the consumer to take the first steps towards creating and maintaining personal financial
security.

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About the author

Raymond Mills is a sophomore at the Pennsylvania State University, Abington College, with a major in economics.
DIVERSITY AND INCLUSION IN THE WORKFORCE: ARE WE ON THE RIGHT PATH?

By Peter Fazio

Diversity and inclusion initiatives in business do more to segregate the workforce than they do to bring people together. Such initiatives would only work in corporate America if presented in the correct manner.

Currently, diversity and inclusion councils are forming throughout the corporate landscape. In an effort to make all employees feel welcome, for instance, the employers are encouraging employees to form groups (Woog, 2008) such as the Women’s Network (WN), Black Action Committee (BAC), Asian Heritage Group (AHG), and the Hispanic Action Network (HAN) (Colgate, 2008). Under such a system, almost any minority group has an organization under the diversity and inclusion umbrella. The ways these councils present their message are not always effective, however. While at these group meetings, the small minority of the workforce may feel welcome, but, at the same time, the vast majority of employees are isolated, and, in effect, segregated.

Keeping diversity scorecards is another practice that has become popular in the corporate arena. After all, if a company is funding the above mentioned groups, it will surely want to track their progress. Here is where a major problem lies. The corporate mindset is that diversity equals more minority hires at all levels of the company. Consequently, the scorecard becomes linked to the hiring manager’s bonus, causing companies to skirt the line of quotas with phrases like “proportional market place representation.” Corporations would best be served hiring the best people for the position by doing a better job in recruiting well-qualified candidates, not just hiring minorities for the sake of diversity.

Affirmative action was a direct result of the Civil Rights Act and has had its time and place in the political and economic venues during the mid to late twentieth century. For better or worse, the practice of holding a percentage of slots for minority applicants in government-funded programs has run its course, and, like most other supplemental programs, has evolved to be more politically correct with phrases such as “plus factor.” With the days of Affirmative Action in our rear view mirror, large corporations look towards the future with new slogans such as “diverse and inclusive workforce.”

America is the land of equal opportunity, a hypothetical melting pot of humanity. Diversity and inclusion can work if used correctly:

Education. Knowledge is power. Employees fear the unknown, as it is human nature. Teaching employees about other cultures, religions and ways of life will eliminate the anxiety of facing a coworker with a different background. The employer must take the responsibility to educate employees continually. This learning must be reinforced with training and with practice.

Training. In corporate policy, a company will train employees and then ask them to sign a paper stating that they have been through the class and that they understand the concepts. This will then shift the responsibility of an employee’s actions away from the employer and place it on the employee. Diversity and inclusion need to be not only taught but practiced and experienced to become effective. A two hour class will not be enough to bring about an inclusive work environment (Harter & Kirby, 2001). Team building activities offer employees the chance to bond and see that their perspective may not be the best one. These group projects can boost
morale by emphasizing the importance of communication (Pirisi, 2007). The importance needs to be reinforced with classroom time and to be supported by the top executives. Finding common ground is an excellent way to bridge the gap and bring employees together as a group. A cancer walk, a food drive, or helping to build a home for those in need in the community can bring all employees together without excluding anyone and also fostering good will in the community.

**Tolerance.** The Civil Rights movement has become somewhat removed from the new generation entering the workforce. The way things were in the mid part of the twentieth century is now partly a history lesson rather than dinner conversation. Terrorism fears are deeply engrained in current generations, and preconceived opinions are abundant for those in our society who look different. Again, human nature has an inherent fear of the unknown. Education, understanding, and training build tolerance. This approach needs to start at an early age and at home and then continue into the classroom and the workplace. The combination of knowledge and practice will pave the way for a more inclusive and productive workplace.

There is no doubt that diversity and inclusion have a place in the workforce. A problem presents itself when diversity for the sake of diversity and segregation on company time upsets the fragile balance of inclusion. America’s population is dynamic and rapidly changing. Corporate America needs to change with the population to keep existing customers and to grow with emerging markets. At this point, diversity needs to be redefined. Customers are diverse; the employees of the companies that serve a given market should mirror the people they serve, not only in appearance but also in idealism. This will create an easy, inclusive, and productive work environment. Diversity for the sake of diversity is not productive and can create animosity in the workplace. The entire workforce must be empowered.

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DEFENSE SPENDING: MORE, NOT LESS

By Edward C. Yingling

Recent events surrounding the fragile economic uncertainty in the United States, due to a variety of factors, have led to criticism over the amount of annual funds appropriated to the defense industry. Combine these conditions with the unpopular attitude towards the war and the presence of U.S. troops stationed in Iraq and Afghanistan, and it is understandable as to why the defense industry has come under such scrutiny. After all, President Bush’s most recent budget proposal for the 2009 fiscal year would mark the eleventh consecutive year of defense spending increases in the United States (Gosselin, 2008). Many citizens and politicians fear that this continued trend of increased spending will only further add to the country’s deficit. Thus, a prevalent belief exists that less money should be spent on the defense industry and that the funds should instead be allocated towards issues and programs that would benefit the citizens within the United States. Further research implicates the real problem with defense spending, however: the United States does not currently spend enough for the defense of the nation. In actuality, defense spending in the United States needs to be increased in order to meet the basic security needs of citizens.

While President Bush’s 2009 budget proposal does call for roughly 10 billion dollars a year in increased funds for the defense industry from Fiscal Year 2009 until Fiscal Year 2013, these figures do not represent the entire issue. Despite the fact that these funds would be incremental increases to the proposed figure of 541.1 billion dollars to be spent on defense in Fiscal Year 2009, the percentage of the Gross Domestic Product (GDP) that these funds represent would steadily drop over the next five years. If this is the amount of money that is approved for defense spending, it is a figure that represents only 3.6 percent of the United States’ GDP. This percentage represents a low for defense spending, one the country has not experienced in the post-World War II era (Spring, 2008). In order to provide for an adequate national defense, it is essential to allocate a minimum of 4 percent of the Gross Domestic Product to the defense industry (Spring, 2007). As the GDP is expected to rise at a higher rate than the 10 billion dollar a year proposed increase for the defense industry, this gap between the total GDP and the amount spent on national defense will only grow larger. Based on the current budget proposal, the defense budget would drop from 3.6 percent to approximately 3.2 percent of the GDP by 2013 (Spring, 2008). This is a trend that the United States cannot allow to continue.

In order to provide at least a 4 percent allocation of the Gross Domestic Product for the defense budget, there are a variety of internal and external factors that need to be reformed with respect to the United States defense industry. A strong defense is necessary in order to defend against the current and future threats to the United States’ national security. Addressing and reforming these issues will allow for the proper allocation of funds to the defense industry without causing massive program cuts that would affect the U.S. population:

1) Reform entitlement programs such as Social Security, Medicare, and Medicaid. Without question, the primary external pressure that affects the amount of money allocated to the defense budget is the amount of money that is given to these entitlement programs. The big three of Social Security, Medicare, and Medicaid currently receive about 8.7 percent of the GDP, a number that is more than double the amount that is spent on the defense industry. The gap between defense spending and entitlement spending will only increase as each of these three entitlement programs are projected to grow at a rate faster than the economy through the year.
2030 (Spring, 2007). With the defense industry already losing the overall funds necessary to maintain and provide for an adequate defense, this task will only become increasingly more difficult as Social Security, Medicare, and Medicaid rise in cost over the next twenty plus years. The primary culprit for these expected increased costs are the baby boomers, the group of people born in the United States in the immediate decades following World War II. The United States experienced the largest birthrate increase in the nation’s history during the years following the war. On the first day of the current year, 2008, the first group of baby boomers became eligible to receive early Social Security benefits. Within the next three years, they will be eligible for Medicare, as well (Riedl, 2008). With such a large section of the population about to enter into eligibility for these programs, in addition to the already declining portion of the GDP that is allocated to the defense industry, it is clear to see the problem that looms on the horizon. Without reforming these three programs, the amount of money spent on entitlement programs is bound to skyrocket, as necessary defense funds will be further dwindled away. Spending for Social Security, Medicare, and Medicaid has “absorbed ever-higher portions of the federal budget since the 1960s” (Spring, 2008). This trend will continue at a more rapid rate if these programs are not soon reformed. While the current rate of the GDP allocated to these three programs is around 8.7 percent, this number is expected to rise by roughly 10 percent over the next two decades (Riedl, 2008). This means that the three major entitlement programs of Social Security, Medicare, and Medicaid will consume almost one fifth of the nation’s Gross Domestic Product. If this occurs, the defense industry will suffer greatly. While already working at a rate that provides less than the necessary funds for adequate manpower and investments in new weapons and technology, it is safe to assume that the skyrocketing costs of these entitlement programs will place increased hardships on the defense industry.

Reforming these programs does not mean that the United States needs to cut them out of the national budget. Thus far, the reform proposals that have been submitted have not recommended that the government cut current spending for the programs. Rather, the proposals have been geared towards limiting the future growth of Social Security, Medicare, and Medicaid (Spring, 2008). Writing for the Heritage Foundation, Brian M. Riedl depicts a clear picture of how this looming crisis could potentially affect United States households:

Without reform, this increased cost would require raising taxes by the current equivalent of $12,072 per household or eliminating every other government program. Funding all of the promised benefits with income taxes would require raising the 35 percent income tax bracket to at least 77 percent and raising the 25 percent tax bracket to at least 55 percent (2008).

Not only would such large tax increases have a crippling effect on United States citizens, but it would also cause problems in nearly every economic sector. The defense industry would undoubtedly be forced to suffer if these figures are to become a reality. By figuring out a feasible solution to limit the future growth of these programs, the United States can work towards increasing defense spending to the necessary 4 percent of the GDP that is required for an adequate national defense.

2) Address internal defense industry pressures by budget reform. By addressing certain issues regarding the manner in which their funds are spent, the United States’ defense industry could better utilize their allotted funds. Doing so would, in effect, relieve some of the internal budget pressures that currently face the military. One of the main budget pressures
facing the military is the increasing costs associated with military personnel. Included underneath this umbrella are costs associated with military pay scales, retirement benefits, and healthcare benefits (Spring, 2008). Military compensation is broken down into two types—cash compensation and noncash compensation. Cash compensation includes a service member’s pay, allowances for food, clothing, housing, and other bonuses, as well as the tax breaks that are given to those who serve time overseas. Noncash compensation, on the other hand, represents other amenities given to military personnel. These include the personnel’s healthcare and retirement benefit packages, as well as other services that include childcare and subsidized housing. Noncash compensation represents approximately 60 percent of a service member’s total military compensation package, while cash compensation only represents about 40 percent of the package (Murray, 2004). Members of the military have little say as to how the money from their noncash compensation is spent. In years past, noncash compensation was more valuable to military service members. Many military personnel would serve overseas tours for longer periods than they do today. Relocating family members was more common, and the noncash benefits that provided for subsidized housing and childcare were more valuable. Nowadays, however, shorter overseas terms and more mobility during enlistments have made cash compensation more appealing to those serving in the armed forces. This factor makes a military dictated benefits package inefficient and hard to manage. Also, with the shift towards 401(k) plans in U.S. culture, it has become the norm among citizens to direct their own retirement plans. The military should follow suit by shifting compensation packages away from noncash compensation and more towards cash compensation (Spring, 2008). In doing so, the Department of Defense would be better utilizing available funds by cutting down on wasted expenses and, in turn, be able to “maintain a larger and even more capable force for the same total cost” (Murray, 2004).

By reforming the way that personnel funds are distributed, the Department of Defense would be freed up to take on another internal budget pressure: the imbalance of fund distribution between the different types of military accounts. Since the 1990’s, funds for military modernization have been decreasing. Funds have been shifted towards the buying of new weapons and equipment, an act known as procurement. Due to the uncertain nature of what the future holds and the terrorist threats facing the nation today, it is important to try to balance the amount of funds allocated to both the procurement and modernization accounts (Spring, 2008). In order to ensure a safer defense for the United States and to better utilize the available defense funds, it is imperative to be committed to research and development of new technologies. Modernization is the key to maintaining a strong national defense. It may be tempting, especially during war times, to shift money from the modernization account to the procurement account. However, doing so jeopardizes the United States’ ability to be prepared for what the future may hold. It is important to reform these internal pressures in order to spend defense dollars more efficiently, especially with the uncertainties of how the projected inflation in entitlement spending will affect the defense industry’s budget in the future.

3) Establish a four percent of income defense spending floor. As previously noted, an allotment of 4 percent of the Gross Domestic Product is considered to be the minimum amount necessary for defense industry funding (Spring, 2007). If the external pressures of Social Security, Medicare, and Medicaid could all be reformed, along with the previously stated internal pressures, a 4 percent GDP minimum could be established for defense industry funding. Taking care of the existing pressures facing the United States would permit more efficient usage of defense funds, which in turn would promote maximum effectiveness in providing for national security. In order to make this number a reality, the necessary steps must be taken. By waiting to
reform the three big entitlement programs, a huge risk is being taken by the United States government. In the unfortunate event of an attack or catastrophe, the current funding for the defense industry would not be sufficient enough to protect the American people. In one author’s opinion, “Current defense expenditures—or even spending equivalent to 4 percent of the GDP—will not jeopardize either the health of the economy or the prosperity of the American people, but a sustained commitment to defense is necessary to sustain liberty” (Spring, 2008). The only way to maintain a strong defense is to correct the internal and external pressures that are preventing adequate funding and to follow up by establishing a floor of 4 percent of the GDP commitment for defense industry spending.

4) **Continue to fund combat operations using supplemental funding.** During President George W. Bush’s tenure in office, funds for the defense industry have been requested separately from funds for combat operations. This is a practice that needs to continue in the future. By using supplemental funds to support the war in Iraq, the United States has been able to resist taking needed funds away from the defense budget in order to support the war effort (Spring, 2008). The proposed 4 percent of the GDP amount is needed for sustaining a strong national defense and also for providing consistent support for modernization through research and development. If the funds for combat operations had to come from the defense industry’s budget, it would be too tempting for leaders to use the money meant for future military production for a pressing critical situation. While this may be an unpopular form of managing defense spending, especially due to the current state of the economy, it is necessary for the United States government to remain committed to this form of budgeting. Not only does it keep the core defense consistent and intact, but it also allows for a much more malleable form of spending in the event of an unexpected occurrence. By keeping spending for current operations separate from the defense budget, the United States can ensure its ability to maintain a strong defense for the American people.

The defense industry is an easy scapegoat for the United States’ economic problems. The current situation with the ongoing war is highly unpopular among a large portion of the population, despite the positive events that have occurred in Iraq in recent months. When more money is requested for the defense budget for an eleventh consecutive year, many will be upset because of the situation on the home front. Accusations of profiteering, as well as moral dilemmas regarding the United States’ foreign involvement have led to an attack on the defense industry. However, further investigation proves otherwise. In the overall scheme of things, this country is projected to spend less each year on its defense over the next several years. That is an alarming factor when one takes into consideration the fact that the United States is already spending less on the defense industry, as a percentage of the GDP, than it has since the end of World War II. This trend simply cannot continue if this country desires to maintain the standard of national security that it has prioritized for over one hundred years.

In order to meet ongoing and potential threats, arriving at the four percent number becomes an imperative task. The road to provide for an adequate defense requires essential reforms and alterations to existing procedures and policies. It best serves the American people if those changes begin to happen sooner, rather than later. The upcoming 2008 Presidential election will undoubtedly play a major role in the direction of the defense industry as well as the United States in general. The candidates on both sides of the political spectrum have remarkably different viewpoints with regards to the Department of Defense, as well as the rest of the defense industry. Americans can only hope that the elected candidate takes the necessary steps to fix the
critical issues facing the country and renders possible the adequate funds necessary to ensure a strong defense for the United States of America.

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REFORMING AMERICA’S HEALTHCARE SYSTEM:
A REAL CURE FOR THE REAL DISEASE

By Jeff Calcagno

Ask anyone on the street to name one major problem in the United States, and you are sure to hear someone say, “Healthcare.” But what is the problem? Americans can get the best healthcare money can buy. Over the last 30 years, 75 percent of all medical innovations have come out of the U.S. healthcare system (Coburn, 2007). Foreigners are flocking to American hospitals for cancer treatment and other maladies. So what is so wrong with the system? The answer is cost. We Americans expect the best medical treatment in the world, but we also pay for it (16.2 percent of our GDP, according to Senator Tom Coburn of Oklahoma).

Healthcare costs in the United States have been rising, and healthcare is becoming less affordable. There are figures that are publicized by every politician looking for votes that say 45 million people don’t have healthcare. This is not exactly an accurate statement. Everyone in America can get emergency medical treatment under the Emergency Medical Treatment and Labor Act (EMTALA). What is more accurate is to say that 45 million people don’t have a health insurance policy (Coburn, 2007). This number is slightly exaggerated because it includes many people who are eligible for Medicaid but don’t get it, as well as many people who can afford health insurance but choose not to buy it for whatever reason, whether it is because they don’t think they need it or because they would rather spend the money on something else. However, even if the number was reduced to a third of that 45 million, it is still too high. To find a workable solution to this problem, the source of the problem must be found.

One major problem leading to higher medical costs is that of malpractice litigation. We live in a lawsuit happy country, and nowhere is this situation more apparent than in the medical malpractice field. In some parts of the country, doctors pay medical malpractice insurance premiums in the hundreds of thousands of dollars. (Some data suggest that medical malpractice insurance accounts for 10 percent of total healthcare costs). Accordingly, many doctors practice defensive medicine for fear of litigation, ordering unnecessary tests and procedures, prescribing unnecessary antibiotics, and referring patients to specialists when not necessary. As an example, in one study of 800 Pennsylvania physicians, 93 percent admitted to practicing some form of defensive medicine (Pate & Hunter, 2006). Some areas of the country that are notorious for litigation are seeing physicians leave, and some are even seeing doctors refuse to perform all non-emergency surgery out of lawsuit fears (Pate & Hunter, 2006).

Meanwhile, as costs increase, insurance companies raise their premiums, and insurance becomes even less affordable. Individuals cannot afford private health insurance because they do not get the same tax benefit as businesses do when providing employer sponsored insurance. This creates an environment where there are a few large insurance companies in the market and no competitive forces to drive down prices. With many factors leading to skyrocketing healthcare costs, real legal reform and free-market strategies must be undertaken to lower costs and to make healthcare affordable to more people. If this is not done and current trends continue, we run the risk of politicians in Washington hijacking the healthcare and insurance industries. Such action would lead to the destruction of the high quality and timely healthcare that we, as Americans, have come to know and expect.
In the current political climate, many people are calling for the United States to adopt a healthcare policy similar to those in Canada and the United Kingdom. To many, these systems are held as pinnacles of healthcare success. Nothing could be further from the truth. In reality, the Canadian and British systems are disasters. But, as the primaries for the 2008 Presidential election have proven, some politicians still propose policies such as universal healthcare and single-payer plans. No matter what it is called, a socialized healthcare plan will always suffer from deficiencies. We can look to the failed Canadian single-payer system and the British universal healthcare system as examples. These systems are both characterized by long treatment lines, substandard technology, government rationing of care, and frustrated doctors and patients (Frogue, 2000). When healthcare is free to people, they do not see the costs and begin to demand more treatment than is needed. This causes demand to exceed supply and results in government rationing of care. With the limiting of supply comes the lengthy waiting lists, some of which are so long that patients literally die while in line. Healthcare policy analyst James Frogue (2000) points to a study by the Cardiac Care Network of Ontario to illustrate this point. In the study, figures were collected for a period of one year on patients waiting for coronary artery bypass grafting, a procedure that is very common in the United States. Out of the 1,514 patients on the waiting list, 71 died while waiting, 121 were permanently removed because they had become medically unfit for surgery, 211 were temporarily removed, and 44 left voluntarily to go elsewhere for treatment. In such government-run healthcare systems, up-to-date and new technologies are not used because they are too expensive. Frogue (2000) observes that doctors, scientists, and other innovators are less likely to attempt new techniques and procedures or invent new technologies because their innovations may take years to be adopted.

Many argue that socialized healthcare gives equal treatment to all patients. This is yet another misconception. Vancouver Grizzlies basketball star Shareef Abdur-Rahim skipped over a 948 person waiting list for an MRI of an injured knee in 1999, and Quebec Premier Robert Bourassa paid for a trip to Washington, D.C. to receive successful cancer treatment (Frogue, 2000). This demonstrates two types of inequality of care. The first is that people of higher stature can somehow avoid the long waits and get treatment, and the second is that those who are wealthy can come to the United States and buy quality healthcare. In Britain, where it is legal to pay out of pocket for healthcare procedures (in Canada it is not), 20 percent of acute care operations, including heart bypass operations and hip replacements, are paid for by individuals (Frogue, 2000). These are the types of problems that the United States would experience if it were to adopt one of the proposed socialized healthcare programs. Even though the American healthcare system has its problems, the Canadian and British healthcare systems are far behind when it comes to providing quality care to most people.

Any real solution to the problems facing the American healthcare system should not be driven solely by the federal government. As the 10th Amendment to the U.S. Constitution states, “The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.” Healthcare reform is a task for individual state governments, and the federal government should rarely be involved. The following are the tasks that the state and federal governments must undertake to reform healthcare.

1) Reform tort laws. Placing caps on damage awards in malpractice suits and protecting doctors from frivolous litigation would dramatically lower the costs to practice medicine. As one study shows, states that have damage award caps have malpractice premiums that are 17.1
percent lower than states without caps (Pate & Hunter, 2006). An environment with low malpractice premiums would also attract more physicians to a given region.

2) Reform tax laws. In many professions, pro bono or charity work is tax deductible. Not so in the medical profession. Allowing physicians and hospitals to take a tax deduction on patients whom they treat for free would have a domino effect in the field, causing many physicians and hospitals to engage in such activities for the financial benefits of the tax deductions. Another tax reform would be the adoption of President George W. Bush’s proposed Standard Deduction for Health Insurance (SDHI). The SDHI would provide deductions on purchasing private health insurance of up to $15,000 for families and $7,500 for individuals. For a family of four, the implementation of the SDHI would decrease the after tax cost of a private health insurance plan from $6,100 to $1,555 (Foster, 2008). The SDHI would also end the tax discrimination between employer-purchased and individually-purchased policies. Currently, tax laws favor the former, causing an insurance gap when an employee on an employer health insurance plan changes jobs.

3) Increase competition. States must help increase the number of choices citizens have in choosing insurance companies, as such choices would create competition, place a downward pressure on price, and increase the number of people who can afford private health insurance policies. Massachusetts’ connector market may serve as a good example for other states. This connector market has the function of having all of the insurance companies in one place and allowing individuals to submit information to all of them in order to find the best policy according to their needs and price range. The system also helps insurance companies avoid the problem of adverse selection by creating a large risk transfer pool. Since the system’s adoption, Massachusetts has seen staggering changes: The number of uninsured has been reduced by 34 percent; the amount the state pays from its uncompensated care pool is down 12.8 percent; and the associated hospital costs are down 9.3 percent. Before the program was implemented, a 37 year old man from Boston could get a $5,000 deductible plan for $335 per month. Now, the same man can get a $2,000 deductible plan for $184 per month (Haislmaier, 2007).

4) Reform Medicaid. Medicaid policies must be relaxed so that states can better help patients. Senator Coburn (2007) has proposed a plan that would allow state governments to use Medicaid funds in order to purchase private care for anyone qualifying for Medicaid. This is essentially the government helping those who cannot afford private health insurance by assisting them in paying their premiums. Such a policy would give Medicaid patients who normally receive substandard care the ability to buy basic private health insurance.

This is an election year, and healthcare, once again, has become one of the major issues facing voters. Some candidates have proposed socialized healthcare, while others have put forward free market solutions. Socialized healthcare would bring about the downfall of healthcare in America, causing long waiting lines for treatment, a shortage of doctors, a declining quality in care, and reduction of innovation in medical technology and treatment. The free market holds the best solutions to our healthcare problems.

References


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Jeff Calcagno is a student at the Pennsylvania State University, Abington College, majoring in business finance. He hopes to attend law school and eventually pursue a career in intellectual property law or securities law.