

Hillary or Obama

What Pittsburgh can expect if a Democrat leads the administration

With his slogan, "It's The Economy, Stupid," political operative James Carville helped catapult a relatively unknown Arkansas governor into the Oval Office. And just as it was back then, the economy and health care reform are big issues as the 2008 presidential race kicks into high gear.

And those same issues will be of particular concern for Pittsburghers.

For a moment, let's pretend. Imagine a Pittsburgh after 3 1/2 years of a Democratic presidency.

I can see the president curled up in his private study next to the Oval Office with a late-night no-caff double-shot skinny latte and the latest report on Western Pennsylvania's economy.

By then, the president will be looking toward re-election, so the report card on Pennsylvania's second-largest city will be important to him. Only California, New York, Florida and Texas have more electoral votes than our commonwealth's 23.

From an economic standpoint, what might Pittsburgh look like under a Democratic administration? We can surmise this future based on the candidates' economic platforms as featured on the non-partisan www.ballot-proof.com. The site claims most of the data comes from the candidates' Web sites, speeches and debates.

Regardless of the candidate — Clinton or Obama — there are consistent themes that will help us see this Pittsburgh future.

TRANSPORTATION

Probably in response to the Oklahoma Interstate 40 bridge disaster last summer, a Democrat in the Oval Office will mean funding new bridges. And this will be good for Pittsburgh, which has 944 of them.

A Democrat will also push significant infrastructure funding projects to ease commuter traffic congestion. The biggest local project in that category is the North Shore Connector, part of our Light Rail Transit System (LRT). Eighty percent of the budget for the \$435 mil-

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lion project is coming from the Federal Transit Administration. If we keep our fingers crossed, the North Shore Connector should be completed and operational in 2011. That is, if the money holds out. A Democratic administration just might keep the trains running on time.

SOCIAL SECURITY

Social Security is called “the third rail of American politics” because, like the electrified third rail in a subway, politicians who touch it are dead. In my mind, though, Social Security is more like an invisible fence for politicians — cross the line and you'll get zapped good.

Regardless of the dire metaphors, a Democrat in the White House will definitely study changing Social Security. One possible outcome would be eliminating the earnings cap. According to the Economic Policy Institute, currently, all earnings up to \$90,000 are taxed at 12.4 percent to fund Social Security. Each dollar earned above this cap is exempt from Social Security taxes. That could change. Subjecting earnings above \$90,000 to Social Security tax would virtually eliminate the projected funding shortfall for Social Security.

Of course, that would mean less income for people making over \$90,000 a year, but in a relatively older region such as Greater Pittsburgh, it would also mean more peace of mind for a lot of Baby Boomers.

TRADE

Trade relations with other countries, such as China and India, will be a key issue, and most of what you hear from Democrats is “Get Tough!”

Free trade, however, is important to Pittsburgh and the commonwealth. The U.S. Department of Commerce ranked Pennsylvania 10th nationally in exports with more than \$26 billion in 2006. Chemicals and machinery lead the pack.

A Democrat president will support the

North American Free Trade Agreement (NAFTA) with some modifications and also our agreements with the World Trade Organization (WTO). Such a president, however, would likely seek labor and environmental protections.

A NEW MINIMUM

A Democrat at the helm also would likely mean an increase in the minimum wage from the current \$5.85 per hour for nonexempt employees. While Pennsylvania's \$6.25 per hour is already higher, a federal increase could force the commonwealth to boost its rate. If you're making that wage, then increasing it is good for you.

A Democratic president also would help the chronically unemployed by strengthening temporary jobs and job-training programs, including prisoners-to-work programs. In Pittsburgh, where unemployment has just topped 5 percent, such programs would help the unemployed while also enlarging the labor pool for employers.

We'd also see more home loans in key areas and more federal money for affordable housing, which would be welcome news in many Pittsburgh neighborhoods.

HEALTH CARE REFORM

The Democrats also have ambitious plans for health-care reform, and that could affect Pittsburgh more than any other element of the party platform. The reforms could be sweeping.

Ideas range from universal health care to an affordable insurance plan similar to that offered to Congress. Those who can't afford or get group health-care coverage and self-employed small business people would qualify.

Those who don't qualify for Medicare or CHIP could buy from a government insurance pool. There would also be funding for employers related to catastrophic illness.

Employers not offering health insurance would be required to pay into the system. Small businesses would get either an exemption or a tax credit to begin offering coverage.

Cost transparency would also be a key element, including disclosure of administrative costs, with the goal of making sure that more dollars go toward treatment. In addition, private plans with above average premiums would have to be justified.

While it's likely that a Democratic administration would look at the profits at UPMC and the surpluses at Highmark, the biggest impact would be on the entrepreneur and small business person.

Many people decide not to start a business because they can't afford to provide health insurance. Unless you are a member of a trade association, such as the SMC Business Councils or the Pittsburgh Technology Council, these costs are onerous. (According to a recent survey by Mercer Health and Benefits, only 61 percent of firms with fewer than 200 employees offered health insurance locally.)

A big part of any plan is likely to be boosting preventative treatment incentives — something that would be great for the working people of Pittsburgh.

Wellness programs and preventative medicine would keep deductibles, claims and, hopefully, rates, lower. Such programs would be great for Pittsburgh — the 14th most sedentary city in America according to Forbes magazine.

How to pay for these programs? Eliminating the Bush tax cuts would pay for a great deal of a health-care program.

So while a Democratic President may think he's “Got A Friend in Pennsylvania,” those friends likely won't be living in Sewickley or Fox Chapel. PQ

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