

BUSINESS AND FINANCE

One Man's Opinion

By Gerry Chong

On September 9, the nation watched President Obama's speech on healthcare which his Communications Director said would be a "game changer," answering everyone's questions about the President's position on each facet of this thorny issue, and bring an end to the heated debate.

The speech failed. It failed to assure the Left that the Public Option would be adopted. It failed to demonstrate an ability to pay for the nearly \$1 trillion program. It failed to convince Seniors that the cuts in Medicare would come totally from removal of waste, and not from reductions in service. It failed to describe a mechanism for keeping illegals from benefiting from the program. It failed to increase competition by allowing the 1,300 health insurance companies around the country to sell their policies across State lines. While beautifully delivered, the speech convinced most that they were listening to a fog machine.

Five days later CNN announced that the AP-gfk poll showed rejection of healthcare reform had risen to 52 percent. On September 18, the Rasmussen poll showed the rejection rate had risen further to 54 percent of the population.

How did such a divisive proposal come to dominate the public consciousness in a heated and uncivil debate? To answer that, let's go back to the days before Obama.

90 percent of the population has medical

insurance and 85 percent are satisfied with their coverage. In poll after poll by the New York Times, Fox News, Rasmussen, Zogby, and Gallup, people rated healthcare as an important issue, but far from the most critical facing the country. Each survey showed healthcare to rank between third and fifth in order of concern; certainly not rising to the level of crisis, requiring a virtual restructuring of the system within a frenetic time schedule.

The rational question then, is why Obama chose to elevate the importance of this issue. The answer is that this all about power and control. For the government to control one-sixth of the economy is a natural progression in the nationalization process, from the automobile, investment banking, banking, and insurance industries. It should be crystal clear that nationalization fundamentally changes the role of government from a regulator of business to THE major owner of business. That distinction is absolutely at the core of our American philosophy that depends on free markets to create our quality of life.

Regarding healthcare, he signaled his intent as early as 2003, when in a speech before the AFL-CIO, he said, "I am an advocate of a single payer system." With that, Obama declared opposition to competition and in favor of a government monopoly. Realizing he could not reach his objective in one fell swoop, he devised the Public Option as an intermediate step to the ultimate goal.

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SHARE WITH OTHERS WHILE YOU'RE STILL AROUND

By Jason Alderman

You've probably already thought about how you'd like to share your assets with relatives, friends and favorite charities when you're gone, whether it's money you've saved, your home, or family heirlooms you want to pass along to the next generation.

But you needn't wait to begin making a difference in people's lives. Plus, you can reap significant tax advantages by distributing a portion of your assets now.

First, make sure you're on track to fund your own retirement, have adequate health insurance, can pay off your mortgage and are otherwise debt-free. You wouldn't want to deplete your resources and then become a financial burden on others.

If your finances are in good shape, consider these options:

Avoid gift tax. You can give cash or property worth up to \$13,000 a year, per individual, before the federal gift tax kicks in. This limit doesn't apply if you're paying someone's tuition or medical expenses, or for gifts to your spouse, charities or political organizations. Read Publication 950 at www.irs.gov for more details.

Pay for education. If college is still far off for your children, grandchildren or others, consider funding 529 Qualified State Tuition Plans for them. Account interest earned is not subject to federal (and in most cases, state) income taxes; plus, many states offer tax deductions for contributions made to their own 529 Plans.

To learn more about the intricacies of 529

Plans, read FinAid's comprehensive overview at www.finaid.org/savings/529plans.phtml. Another good resource for information on the different types of financial aid, grants and loans available to college students is Practical Money Skills for Life, Visa Inc.'s free personal financial management program (www.practicalmoneyskills.com/college).

Roth IRAs for kids. If your minor children or grandchildren earn income, you may fund a Roth IRA on their behalf up to the lesser of \$5,000 or the amount of their taxable earnings. You contribute on an after-tax basis, but the earnings grow, tax-free, until the account is tapped at retirement.

For young people, these earnings can compound tremendously over time. For example, if you made only a one-time \$1,000 contribution for your 16-year-old granddaughter, at 6 percent interest the account would be worth nearly \$20,000 – tax-free – at age 66. If she contributed an additional \$50 a month going forward, it would grow to more than \$210,000 at 66.

Fund someone's benefits. Many people cannot afford health insurance and so forego coverage, putting themselves just one serious illness or accident away from financial disaster. Many also cannot afford to fully fund their 401(k) plan or IRA. Consider applying your tax-exempt gifts mentioned above to help loved ones pay for these critical benefits, greatly increasing their financial self-sufficiency.

Charitable contributions. If you're planning to leave money or property to charities in your will, consider beginning to share those assets now, if you can afford to.

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- ▶ Outstanding New Business
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- ▶ Lifetime Achievement

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