

Supply and Demand

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Whether you are talking about oranges, flat screen televisions, legal work or health care, its affordability comes down to supply and demand. The Obama Administration is making the same error that every administration has made since the advent of capitalistic socialism in America. The Europeans have embraced socialism far more than Americans. America has felt a tug toward the truths of socialism, but have also held firm to the reality of capitalism. A successful society must be both productive and compassionate.

Capitalism uses money (the unit of measurement of productivity) to control supply and demand. Socialism posits that money cannot control the supply and demand of certain inalienable rights of a compassionate society and that government is better suited for certain goods and services. Capitalism is far more productive than socialism, and the facts eliminate any room for debate on this issue. Utopian socialism desires to be more compassionate; though human beings can be compassionate to the plight of their fellow man, it is more the exception rather than the rule. Capitalism falters when there is no vehicle for the delivery of goods and services to the truly less fortunate and socialism falters when compassion is doled out on a political basis.

The natural devolution of politics snatches these idealistic truths and exploits them to their own personal desire for power. While one group promising to take from the haves to comfort the have nots, the other group promises the haves they can have as much as they want with little concern for the plight of the unfortunate. Every society will have both those who want without fulfilling responsibilities and those who need despite their determination. Doubtless there are those who have opportunity clearly in their grasp and they choose to squander it on addictive habits, foolish choices and blatant disregard for engaging in a responsible and productive lifestyle. These are also people who politicians often exploit for their own gain. In contrast, there are those who believe they deserve what they have because of their skill, intellect or perseverance leaving them with no compassion for anyone of lesser means. If one were to consider all of the good fortune that fell into place for them to achieve a level of success, then they may be more considerate of the plight of the less fortunate.

The Health Care debate is the most intricate of all in balancing the productivity of society and the compassion of mankind. Fortunately, and sometimes unfortunately, every vote counts. Fortunately, because those with needs without means shall receive; unfortunately, because those who want without care for contribution will also receive. Politicians will fight for this side or that, but the economic law of supply and demand looms over the debate. If you make it mandatory that everyone who cannot afford a flat screen TV shall have one no matter what, then those who buy one with their own money must pay even more for the supply and demand to return to equilibrium. As we make it mandatory for hospitals to care for those with an emergency need, will we disrupt the supply and demand? As Medicaid (medical insurance for the impoverished) and Medicare (medical insurance for those over 65) pay government mandated fees below the cost of service, supply and demand is disrupted.

Band-Aid solutions only make matters worse. Every administration since FDR has tried and failed to place Band-Aids on the severed arteries. President Obama is going to improve information technology in the medical world, but any savings will be quickly sapped from a system that is strained due to supply and demand. The salaries of our medical professionals, which are some of the best and brightest in the world, are being drastically reduced to a small fraction of corporate and financial executives. We should want our medical professionals to be highly compensated, and they deserve to be based on the most difficult and time intensive training of any profession. A system strained seeks all sources of funds to pay for and rebalance the supply and demand equation.

If we want a solution to our health care dilemma, then it must be one built on the principles of supply and demand. We need a system that will encourage productivity with little or no reward to the unproductive, which is what capitalism is all about. We also need a system that shows compassion to the truly less fortunate, which is at the root of socialism. The problem is magnified when a person dies due to lack of access to the same level of health services that a more affluent person may have. The cries of the majority have not rise up against the minority haves, and the process of tinkering with supply and demand begins again.

The solution to health care is an extremely basic level of services to all citizens with private charity providing the remainder of what generosity will support for those in need. Prices paid by government or charity must be fair, arms-length negotiated prices. Lawyers should only be able to sue and collect settlements in egregious cases. Anyone desiring more medical care can buy a better policy and it must be guaranteed issue with some age bracketing. If the government wants to help the infirmed and impoverished elderly pay for their insurance, they should do it through some other indirect means. If someone does not buy and then wants coverage, they must have an extended waiting period and any diagnosed problems while uninsured will stay uninsured.

Ultimately, there will be outcry with either system because the imperfections of both systems are exposed when people die. Both impoverished and wealthy will die. It is time to bring this debate back to the core issue of supply and demand. It is time to encourage a new form of voluntary, compassionate capitalism.