



**President Barack Obama Shows His Biases for Government and Against the Private Sector
July 19, 2016**

In an [interview in Bloomberg Businessweek](#) in the June 27-July 3 issue, President Obama made several interesting statements in response to questions. Two answers in particular caught my attention, as the answers revealed quite a bit about how President Obama views the world. You can read the full interview at the hyperlink above.

Here is the first excerpted exchange:

What do you think is the ideal minimum wage? You said \$12 before, but how high can it go?

Obama: Think about how difficult it is right now for a young, idealistic person who wants to go into teaching to figure out how they're going to live a middle class life as a teacher.

According to the Pew Research Center, a [middle class income ranged from \\$42,000 to \\$125,000](#) in 2014. The National Center for Education Statistics shows that the estimated average annual salary of teachers during the 2012-2013 school year ranged [from a low of \\$39,580 in sparsely populated South Dakota to a high of \\$75,279 in heavily populated New York](#). The National Education Association – certainly not a group likely to understate salaries – listed the starting salaries for first year teachers five years ago during the 2011-2012 school year [from a low of \\$27,274 in inexpensive Montana to a high of \\$51,539 in the expensive District of Columbia](#), which ironically has the worst performing schools in America.

The U.S. Bureau of Labor Statistics' Occupational Outlook Handbook listed median salaries in 2015 for teachers as:

Kindergarten and Elementary School:	\$54,550
Middle School:	\$55,860
High School:	\$57,200

For accountants and auditors with a bachelor's degree, the [median salary in 2015 was \\$67,190](#). For lawyers who, in addition to a bachelor's degree, must obtain a three-year law degree and pass a bar examination (versus just a bachelor's degree to become a teacher or accountant), the [median salary for lawyers in 2015 was \\$115,820](#). For doctors who have to obtain a four-

year medical doctorate on top of their bachelor's degree, partake in a low-paying residency program for another three-to-six years, and become board certified, the [median salary in 2015 was \\$187,200](#).

None of the salaries listed above account for cost of living adjustments. More importantly, none of the salaries account for the generous benefits teachers receive like a pension and health care largely paid for by school districts. Accountants, lawyers, and doctors mostly cover their own retirement in a 401(k) plan and their health care expenses. Unlike teachers who typically have post-undergraduate degrees subsidized by their school district during their employment and whose grades in those programs have no negative impact on their jobs or salaries, lawyers and doctors must pay for their law and medical degrees before receiving any job offers and jobs are tied to their grades and the caliber of the schools they attended.

A Forbes article in 2011 looked at data from the BLS that accounts for the nine-month teaching year and the work teachers do after the school day ends. The [total compensation per hour came in at \\$56.59](#) for public school teachers, which exceeded the rate for non-management professionals in the private sector by nearly \$10.00 per hour and almost equaled the rate for private business and financial managers at \$58.44 per hour. For a typical 2,080 work year, the \$56.59 hourly rate translates to a **compensation package totaling \$117,707.20 – near the top end of a middle class income.**

So, contrary to President Obama's belief that an idealistic young person would have a hard time figuring out how to scratch out a middle class existence as a teacher, the only real hurdle for that individual is getting hired by a public school. The salary and benefits she will receive upon getting hired will put her in the middle class the day she is hired or a few years later depending on where she lives and works. Plus, tenure will ensure she never has to worry about losing her job because of a recession. There is a reason no one talks about teachers receiving food stamps or living in Section 8 housing.

Beyond the tired claim of the underpaid teacher, President Obama's quote is more revealing for what it says about how he sees the world. Specifically, given the thousands of jobs in America where the minimum wage is really an issue, he chose to cite teachers. Think about it for a minute. He cited teachers who are employed by government (versus greedy CEOs), represented by labor unions (who bargain aggressively for their compensation), and free of the global competitive forces impacting much of the private sector (like manufacturing). He could have cited a barista at Starbucks, a housekeeper in a hotel, a server at a restaurant, or laborer in landscaping or construction. Instead, he cited a unionized government worker.

Though he may have been referring to parochial and charter school teachers who make substantially less than public school teachers, we know he wasn't; rather, it reveals that his worldview was and remains **of government**. He can't get his mind off of government and making it bigger and more expensive. It goes without saying that the teachers' union is one of most politically active groups in America that spends tens of millions every year on electing liberal-progressive policymakers.

Here is the second excerpted exchange:

Do you have any desire to run a company yourself?

Obama: Well, I've said this before and, I think, surprised a lot of people, but if I think about what would stir my passions had I not gone into politics, it'd probably be starting some kind of business. The skill set of starting my presidential campaigns—and building the kinds of teams that we did and marketing ideas—I think would be the same kinds of skills that I would enjoy exercising in the private sector.

Let's review President Obama's career before he went into politics in 1997 when he was elected as a State Senator in Illinois. He graduated from Columbia University in 1983. He went to Harvard Law School from 1988 to 1991. Other than a one-year stint at the Business International Corporation in 1983-1984, President Obama worked as a community organizer, a teacher in a law school, or a lawyer for a small law firm (though not much exists about his legal practice). He spent eight years in the Illinois State Senate, followed by four years in the U.S. Senate. As I wrote in 2008, [President Obama possessed the thinnest resume of any presidential nominee in modern history.](#)

Despite showing no entrepreneurial interests over the last thirty-four years, because he raised a lot of money and admittedly headed an excellent presidential campaign in 2008 and 2012, he believes he could be an entrepreneur. It goes without saying that asking people to donate to a political campaign is a far cry from asking investors to invest in a business where they expect a financial return on their investment. A candidate can promise donors a whole host of things and, even if he wins, doesn't have to fulfill many of those promises. His failure to make good on his promises won't force him into bankruptcy or jail. Heck, he can just cite the opposing party for his failures. An entrepreneur who makes promises can be sued and prosecuted for those promises.

Most telling about President Obama's comment is how easy he seems to think it is to start and run a successful business. That sentiment is consistent with his comments indicating that people on Wall Street or CEOs didn't "build that" or truly earn their compensation. Heck, if it is as easy as he intimates to start and run a real business, the pay shouldn't be that great, right? The fact of the matter is that starting and running a business is incredibly hard work. Here are just a few aspects of it:

- First, you have to come up with an idea that will sell.
- Next, you have to raise capital to turn the idea into a good or service.

- Then, you have to find talented people to build and market your good or service. You also need to find the back-office staff to do the paperwork for all of the laws and regulations politicians like President Obama pile on the private sector. Don't forget, you'll need to hire outside lawyers and accountants to ensure you comply with all laws, compile and file your tax document, and if you are unlucky, defend you in legal actions.
- As the business grows, you'll have to make decisions on improving your good or service or adding other goods and services or expanding into new markets. These decisions require more capital and allocation of resources.
- Finally, if your idea really takes off, you'll have to fight for market share as competitors enter the space to take part of your pie.

President Obama has never wrestled with financial statements, had to manage profits and losses, dealt with regulators or bureaucrats (except election officials), fired a good employee because business was bad, or countless other decisions entrepreneurs and business leaders face every day.

His comment reveals he understands very little about the private sector.

As president, he surely makes tough decisions on national security. On financial matters, however, he makes decisions with an entity that doesn't have to balance its budget, can run deficits year-after-year, print new money if it deems it necessary, continue to fund "product lines" that fail, use executive power without any board of directors to keep him in check, and has no competition for business or talent. Running a political campaign may feel like it is similar to running a business, but it simply isn't even a close comparison.

President Obama's comments on teachers and running a business show he has a bias towards government and against the private sector. Perhaps these biases are why Americans have spent the last eight years with stagnant incomes, tepid job growth, growing national and personal debts, and the weakest economic recovery in history. President Obama's continual push for more laws, regulations, and taxes following the Great Recession represent a policy failure of the first order.

America needs policymakers who truly understand the private sector – how it really works, what entrepreneurs face every day, and how more government rarely leads to more jobs, higher pay, and greater prosperity. President Obama is simply a man of government. America needs leaders who will reduce the burdens government is placing on the private sector, push power and money out of Washington, and, when they think of Main Street America, imagine the countless men and women who truly experienced financial losses over the last two decades, not teachers with good pay, great benefits, and job security.