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COMMENTARY



"WELCOME TO TONIGHT'S TOWN HALL MEETING ON HEALTH CARE REFORM..."

Cap and trade: The new boogeyman in America

We've seen the raucous town-hall meetings on health-care reform. But there's another policy debate where strong language is the norm: cap and trade. Rush Limbaugh says it's based on hoaxes. Sean Hannity calls it a "job killer." Others call it socialism. Are they right? Should we fear cap and trade?

Known more formally as emissions trading, cap and trade (C&T) is a tool for regulating pollution. Since the mid-1990s, a successful C&T program has regulated sulfur dioxide, the main ingredient of acid rain. The current controversy is whether to apply C&T to the carbon emissions behind global warming and climate change.

Economists generally love C&T. In economics, pollution is a problem because there's no incentive for anyone to reduce it. Under C&T, the government corrects this by establishing a market for pollution permits or allowances. A polluter, whether a power plant or a manufacturing facility, can emit the pollutant in question only if it owns sufficient permits. Because permits are tradable and hence have value, using them comes with a cost, and there's your incentive not to pollute.

Of course emissions can be reduced by other policies, including explicit mandates. The particular benefit of C&T is that it achieves a given reduction for the lowest possible cost to society. In other words, among anti-pollution programs, C&T is the *least* likely to be a job killer.

It's also difficult to take seriously the claim that C&T is a socialist scheme. Not only does C&T harness the efficiency of markets, but it was first implemented by a Republican president and advocated in the 2008 campaign by John McCain. When the C&T program for acid rain was being debated in the early 1990s, the biggest skeptics were liberal environmentalists, who you'd think would love socialism.

One of the key details of C&T is how the permits are distributed. In the acid-rain program, most are given out for

free, which means that it's possible for companies able to cut emissions to profit by selling permits.

The carbon C&T bill passed by the House of Representatives in June would also give away most of the permits. Some early opposition grew out of the Obama administration's desire to auction off the permits. C&T with auctioned permits leads to the same outcome but generates revenue for the government. It's roughly equivalent to a carbon tax, though C&T is superior in that there's less uncertainty about the resulting level of emissions.

What about the scary predictions that C&T will wreck the economy? There will be costs, after all, including higher energy prices. The Congressional Budget Office did an analysis of the impact the House bill would have in 2020, by which time the economy will have adjusted to the program. The CBO projects that carbon C&T will cost the average household \$165 per year (in 2010 dollars), or about 0.2 percent of after-tax income. Poorer households could actually benefit.

Given that unchecked climate change is projected to cost the U.S. from 1 to 2 percent of GDP per year, C&T could be a good deal.

Until now, I've made no mention of many conservatives' persistent belief that human actions have nothing to do with climate change. It's a belief that ignores the findings of mainstream science, and my guess is that this explains much of the vehement opposition to carbon C&T.

C&T is the sort of program conservatives should at least tolerate, but it's become the political shorthand for an environmental problem that many conservatives believe doesn't exist.

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Elder care needs more attention in the workplace

The decline of an elderly loved one may occur suddenly through a massive stroke or disabling accident. Or it may unravel slowly, like watching a train wreck coming your way in slow motion. I fell into the latter category with my mother.

The first sign was her phone being disconnected. She insisted, "They changed the name of the company. I didn't see the bill." Two years after it had become Verizon she was still using that excuse. She repeated the same stories over and over. When she couldn't find something, she was sure my brother had stolen it. She drove her car through her garage door. "It was just an accident," she said.

Finally, she became confused when she went shopping and had to call the police. They wouldn't let her drive. Her license, insurance, registration and inspection had expired. She never drove again. All the while she insisted she was fine and would not go into assisted living. Her hoarding ballooned to sickening proportions. Even if we paid someone to visit her, where would they sit? If she agreed to move, how could she let go of all of her stuff?

She managed to survive through the kindness of neighbors and Meals on Wheels. I was in New York City freaking out. My brother was in Greensboro praying to the Lord. She was in Richmond getting angrier and looper by the day. I started praying, too.

Variations of this scenario are played out every day and will only become worse as baby boomers age. Its impact goes far beyond those immediately affected. American businesses lose as much as \$34 billion each year due to employees' need to care for loved ones 50 years of age and older. Ten percent of employed family caregivers go from full-time to part-time jobs because of their caregiving responsibilities. And if an elderly person's home falls into disrepair and sells for a lot less than it should, it brings down the value of all the houses in the neighborhood.

My crisis, fortunately, had a happy ending. I moved to the Triad, was able to do some work from home, and thanks to divine intervention (there's simply no other way to describe it) downsized my mother's house and moved her in with me. I not only discovered a vibrant new life here, but a loving relationship with my mother and brother that I never had. It was, however, all-consuming and unbelievably stressful. As her health declined, my sense of helplessness and grief escalated. There was no way I could have worked a full-time job outside the home.

Most businesses have clearly defined parameters for family emergencies and maternity leave. But elder care can go on for years. If you are an employer, have patience and compassion if an employee is dealing with this. If you are in this situation, search "senior resources" on the Internet or in the Yellow Pages. Many are free. I used the Adult Center for Enrichment and a local church that provided elder day care.

For professional help in downsizing a house, turn to the National Association of Senior Move Managers for someone with experience in this delicate process. If you're an outsider, help in whatever way you can from home repairs to sitting with the elderly person while the caregiver runs errands. It may be far more interesting than you thought if you listen to their stories.

In the end, that's all that we have.

JO MAEDER, who lives in Oak Ridge, is the author of "When I Married My Mother" (Da Capo Press), which was released in May and available in bookstores and online, or visit www.jomaeder.com.



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