

# **Testimony to Congressional Subcommittee on Health, Employment, Labor, and Pensions**

**By Barbara Jane Moores**

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**Tuesday, August 27, 2013**

My name is Janey Moores. I am the President and owner of BJM Staffing, BJM Medical Staffing, and Technitron. These are all employment services that place people in jobs in professional offices, accounting, legal offices, IT professionals, as well as the healthcare field (nurses, medical assistants, allied health professionals, and more). I have placed over 250,000 people in jobs for the last 42 years.

I am honored to be asked to share with this committee my personal business experiences that relate to your hearing today on the “Healthcare Challenges Facing Kentucky’s Workers and Job Creators.” These challenges are indeed major and alarmingly real.

Let me open by sharing with you the phone call that I received last week from my company’s health insurance agent. Our group health insurance plan renews each May, so I was surprised to be receiving her call so soon after just renewing our premium rate a few months ago.

She explained to me that I was receiving the same phone call that she had made to 78 other businesses before she called me. She stated that if we renewed our group before this coming January 1, we would only have a 10% premium increase. If we wait until our standard renewal month of May next year, our renewal rate will have a 92% increase!!!

Once I picked myself up off of the floor and started breathing again, I asked her what in this world could cause our rate to DOUBLE after January 1?! She explained to me that there is a provision in the Affordable Healthcare Act called “community rating” and that it is having a horrific impact on all private health insurance plans. She then reminded me that even if we can get an early renewal date before January 1 that my business is still facing that gigantic premium increase in another 12 months after we get this early renewal. That will no doubt be the death knell for countless businesses in the near future.

As I have spoken with all of our business clients and medical facilities that my business has staffed with good employees for the past 42 years, they are all receiving these same calls and are paralyzed with fear about hiring any employees whatsoever. Can you blame us?

So, I can hear some people asking, “Now how can that be, since the latest unemployment reports from our government claim that our “jobless rate dropped to a more than four-year low of 7.4%.” Really? Then, what is the true unemployment rate in the U.S. now?

On August 22, 2013, the Bloomberg Report had these conflicting statements regarding the most recent Department of Labor’s unemployment report claiming that “U.S. Jobless Claims Fell to Five-Year Low Over Past Month”:

- 1) “The Labor Department revised the previous week’s figure to 323,000 (first-time unemployment claims) from an initially reported 320,000.”
- 2) “The number of people continuing to receive jobless benefits increased by 29,000 to 3+ million in the week ending August 10. The continuing claims figure does not include the number of Americans receiving extended benefits under federal programs.” (This additional number of Americans receiving extended benefits is nearly 2 million recipients.)
- 3) “Twenty-five states (and three U.S. territories) reported a decrease in claims, while 25 states reported an increase (in unemployment claims).”
- 4) “Employers in July added the fewest number of workers in four months, even as the jobless rate dropped to a more than four-year low of 7.4% from 7.6%, the Labor Department reported earlier this month.”
- 5) “Companies trimming their workforce include Cisco Systems, Inc., the largest manufacturer of networking equipment. The San Jose, California-based company on August 14 said it is cutting 4,000 jobs or 5% of its workforce.”
- 6) “Federal Reserve officials are watching the job market along with other economic data to determine when to begin scaling back the central bank’s \$85 billion in monthly bond purchases. In July, policy makers affirmed a pledge to continue the purchase program until they see signs that the outlook for the labor market had ‘improved substantially.’”

Here's how the true unemployment numbers are masked or hidden when American workers are:

- 1) Moved from the unemployment rolls to the social security disability rolls
- 2) Moved from the disability rolls after 2 years into the Medicaid rolls (where they pay no premiums, no deductibles, and no co-pays)
- 3) Moved into Medicare
- 4) Become students, since they can't find full-time work
- 5) Remain in school after graduation because they can't find full-time work
- 6) Never paid into the unemployment insurance fund, so aren't counted if they were:
  - a) Self-employed
  - b) Independent contractors
  - c) Small business owners who have lost their businesses
  - d) Retirees who are forced to leave retirement due to shrinking retirement funds and increasing costs of living
  - e) Students who have graduated, but who still can't find full-time jobs
  - f) People retiring
  - g) People forced into early retirement

The reality in today's economy in America and in Kentucky is:

- 1) There has been a tremendous loss of jobs in America within the last few years. Many of these jobs may have left our country forever. A number of those jobs were here in Kentucky. My own business used to place thousands of people to work each year in some of Kentucky's finest manufacturers. However in a December 21, 2012, report from the Kentucky Center for Economic Policy, Kentucky has lost over a third of all manufacturing jobs in the last ten years—with the largest job loss occurring in the last three years. Accordingly, my company no longer places manufacturing employees.
- 2) America has had a rapid transition from a nation of full-time careers to a nation of part-time jobs. My permanent career placement division has struggled for the past few years. My temporary placement division has seen its lows in the past few years, too. Even now, the longer-term projects have disappeared and we are only asked to send an occasional short-term employee to help only during peak workload periods.

- 3) With so many people unemployed now, the few remaining few jobs offer lower wages.
- 4) There has been an alarming increase in the number of Americans now dependent upon disability payments from our government.

According to a recent NPR report entitled *Unfit for Work: The Startling Rise of Disability in America*: “Every month, 14 million people now get a disability check from the government.” Kentucky ranks as the third highest state for the number of residents receiving social security disability payments with 8.1% of Kentuckians receiving disability payments. Add these 14 million to the 14+ million on unemployment benefits and we have over 28 million Americans not working who are receiving at least one, if not both of these government payments each month. My own business has had a growing number of our employees submitting forms for us to complete for them in order for them to quit working and start receiving disability payments. Once we complete the forms that they bring to us, they pick them up and we never see or hear from them again.

In that same NPR report, the following facts emerged: “The federal government spends more each year on cash payments for disabled former workers than it spends on food stamps and welfare combined. Yet people relying on disability payments are often overlooked...because they are not technically part of the labor force. Thus, they are not counted among the unemployed.

“In Hale County, Alabama, nearly one in four work-age adults is on disability. On the day government checks come in every month, banks stay open late, Main Street fills up with cars, and anybody looking to unload an old TV or armchair has a yard sale.”

- 5) Food stamp recipients in the U.S. now total over 101 million people in August. According to SNAP (the Supplemental Nutrition Assistance Program) that oversees the food stamp program, Kentucky has had over a 3.3% increase in the last year of Kentuckians receiving food stamps—bringing the total to nearly 900,000 Kentuckians now receiving food stamps each month. That is 20% of the state of Kentucky receiving food stamps each month.

6) With over 128 million Americans now receiving government assistance payments each month, my company spends a large and growing amount of our time each week completing and returning our employees' government assistance forms for:

- Food stamps
- Housing assistance
- Child care payments
- Utility assistance
- Disability forms
- Unemployment claims
- Medicare claims forms
- Medicaid claims forms
- And many other government assistance forms

In addition, my business is also forced to spend more and more time responding to our employees' financial problems related to their:

- Mortgage foreclosures
- Wage garnishments for:
  - child support
  - credit card collections
  - school loan garnishments
  - non-payment for additional taxes owed
  - Medicare and Medicaid assistance forms
  - and so many other forms

My business is open 24 hours a day, 7 days a week, 365 days a year trying to find jobs for people, then sending them to work in businesses and medical facilities all over the Central Kentucky area. We are excited whenever we do find a potential job to fill, then are extremely disappointed when we're told:

- Sorry, we decided to wait on filling this position. It costs so much to hire people these days.

- Two of the doctors are taking early retirement now, so our practice doesn't need to hire anyone else. In fact, we'll send you a couple of our employees' resumes who are being let go this week.
- Our law firm is splitting apart and the attorneys will just do their own work, so we don't need to hire anyone now.
- One Northern Kentucky/Cincinnati cab company stated that they are reducing their 20 full-time drivers to part-time schedules and hiring another 20 part-time drivers due to the ObamaCare health law.
- Our pharmacy is reducing the hours we're open and is reducing everyone's hours here in order to save on employee costs.
- Our dental practice is closing because the two dentists here are going to work for the government at the VA Hospital. They were near bankruptcy with too many employee costs and overhead and only patients with emergency dental needs.
- Our hospital isn't hiring any more people because most everything is done on an out-patient basis, then the patients are sent home within a few hours after their baby is born or their surgery is over. We are reducing staff every week.

I have dedicated my life to finding people good jobs. Other than saving a person's soul or saving their life medically, I believe that the most important thing I can do to help people is to get them a good job so they can support themselves and their families.

Over the 42 years that I have been putting people to work, I have seen the job market go up and down from time to time. However in the last few years, the job market has dropped off of a huge cliff and is likely to never return.

What is different now that wasn't a factor over the last few years? No one can deny that the toxic ingredient in today's job market is the so-called Affordable Healthcare Act.

We have an entrenched bureaucracy in the U.S. that is now the fourth branch of our government. It will be the IRS who will ram the Affordable Healthcare Act down everyone

else's throats but their own. I never, ever dreamed that I would live to see the day when my own government would work day and night to put me out of business.

Esteemed members of our United States Congress, you see before you a vanishing species...an independent business owner who has paid millions of dollars in taxes to our government and put over 250,000 Americans to work in first-class careers...only to be threatened with total extinction by a single, albeit unconstitutional law being foisted upon America's hardworking citizens.....WE, the People.

Thank you for your time and your deepest consideration of this most crucial issue that has ever faced America.

### ***Janey Moores***

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## **SOURCES FOR TESTIMONY TO CONGRESSIONAL SUBCOMMITTEE ON EDUCATION AND THE WORKFORCE**

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