

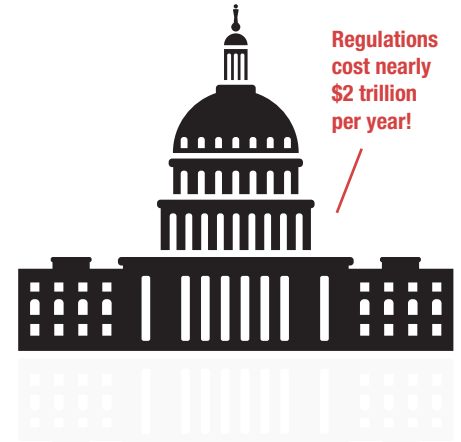
# KITCHEN TABLE ECONOMICS

## WHAT DOES A REGULATION DO TO YOUR PAYCHECK?

Government has two main tools it uses to accomplish its goals: Taxes and regulations.

Most people understand taxes, because everyone pays some form of taxes. Government takes that money and spends it on government services such as the military, courts, roads and so forth.

Regulations are not as easy to understand. Government tells businesses what they can and cannot do, yet few Americans really see these orders given or carried out. But government regulations are very expensive - really a hidden form of taxation. And regulations cost jobs and take a bite out of paychecks.



Regulations cost large businesses about \$8,000 per employee and small businesses \$11,000 for each worker.

Each year, the new healthcare law will add 127 million hours of paperwork rules on Americans.



According to the U.S. Small Business Administration the cost of regulation on Americans and our businesses is close to \$2 trillion per year. That's a huge number, almost as big as Federal taxes, which were \$2.7 trillion in 2013.

These are expensive rules to follow. A regulation burden of \$2 trillion on Americans is as costly as the entire economy of California. It's as much as the entire economies of Canada or India - two of the largest economies on Earth.

Government creates new regulations every year, making that cost higher.

The new healthcare law is estimated to add 127 million man hours of paperwork rules on Americans each year. For comparison, the Empire State Building required 7 million man hours to build. So just the new regulations from the health care law are as costly as requiring Americans and businesses to create 18 Empire State Buildings per year. (And that's just the paperwork!)

This directly hits the bottom line of all kinds of businesses, hurting paychecks of workers and job growth. The Small Business Administration says regulations cost large businesses about \$8,000 per employee. For small businesses, it's nearly \$11,000 for each worker.

Small businesses create most new jobs, and a regulation price tag of nearly \$11,000 per worker makes it hard to hire new people. It also takes away wages and benefits that could be paid to current employees.

We would have a more competitive economy with more jobs if all Americans and the media demanded politicians take seriously the true cost of new regulations, and held elected officials accountable for reducing the huge cost burden of old regulations.