



The Daily Dish

## April 3rd Edition

DOUGLAS HOLTZ-EAKIN | APRIL 3, 2014

New AAF insight- [Administration Compliance with the Congressional Review Act](#): “Under the Congressional Review Act (CRA), Congress has the right to review and rescind 'major' federal regulations, rules with an annual economic impact of \$100 million or more. However, during the Obama Administration, there are likely several rules that impose substantial economic burdens, but instead were labeled 'non-major,' including the individual and employer mandates under the Affordable Care Act. In total, these regulations have imposed more than \$1 billion in costs and 25,000 paperwork burden hours.”

Sam Batkins explains in “[When A Major Regulation Isn't Major, Or Is it?](#)”, how the same regulation may be listed in different spots on federal websites marked as 'major' in one place and 'non-major' in another. “To call this process somewhat convoluted is a gross understatement.” The regulatory system has become so difficult that AAF created its own [searchable database](#) of thousands of regulations. “We would all be better served with a simplified and transparent way to obtain information on federal regulations.”

ICYMI Video- [Doug Holtz-Eakin Discussing the future of Medicare on Fox Business](#)

### *Eakinomics: The Value of Growth*

Ethan is a fictional 19 year old, and one of the 16,000 unemployed who represented Arkansas' teenage unemployment rate of 31.6 percent in 2013. That's not 7.4 percent — the national average for 2013 — or even the national teen (16-19 year olds) average of 22.9 percent. It is nearly one in every three young people in Arkansas. Ethan understands that times have been tough — the scars of the Great Recession are spread across the land. But since leaving school he has endured hardship after hardship.

Where does Ethan go from here?

The businesses in Ethan's community are faced with a number of hurdles today which make it harder and harder to hire him. The least transparent and perhaps most damaging hurdle is an ever-growing regulatory burden, increasing business' overhead costs on a daily basis, and making it more difficult to plan for the years ahead. Businesses are also facing the Affordable Care Act head on. Stuck with mandates and higher costs, hiring one more “Ethan” may be the financial burden that puts them out of business. Potential changes to minimum wage laws make it harder for businesses to anticipate their labor costs. If, like some other states, Arkansas' minimum wage were higher, it may mean the difference between no job for Ethan and a job that pays *something*. (Recent [research](#) suggests raising the minimum wage would harm his chances of getting a job significantly.)

There are underground businesses that don't comply with federal laws, or face regulatory rulemakings, or health care mandates that may make Ethan an offer. He might eventually get weary of being rejected from job after job, and turn to the social safety net.

But what if we weren't still climbing out of a recession we supposedly left 5 years ago? What if businesses weren't afraid of the growing cost of the Affordable Care Act? Or whether or not their vending machine was

compliant?

In an era of rapid growth, Ethan has hope. With stronger demand, businesses may be able to withstand labor investments. Ethan might be able to find a part-time job sweeping the floors of the mom and pop corner store. That income might just afford him the accounting classes at his local community college. The skills learned in school might open the door to a management position at another store. And on it goes.

Poor policies mean poor growth. Poor growth has consequences. The thousands of unemployed suffer these consequences.