



The Daily Dish

## May 7th Edition

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After disappointing jobs numbers in March, [hiring has slowed in April](#) adding just 169,000 jobs to the economy. This is the second straight month of sub 200,000 jobs added. Continuing the poor trend, March's already low numbers were downgraded 14,000 jobs to 175,000.

ICYMI: AAF's Sam Batkins live from the Senate with Senator Lankford. During the Periscope discussion they talked regulations, #CutRedTape, and [RegRodeo.com](#). According to the Senator, "...ground zero, right now, for dealing with the federal government is the regulatory state." Catch the whole talk via the [Periscope app here](#) or on [YouTube here](#).

Even the White House thinks that [Hillary Clinton may want to go too far on immigration](#). During a roundtable talk in Nevada on Tuesday, Clinton said that she would want to go even further than the Obama Administration's executive order on illegal immigration. While the administration is fighting its order in the courts, White House Press Secretary Josh Earnest told reporters that they have gone as far as the law would allow and Clinton would have to supply a legal explanation of which even the White House is unaware.

Don't Forget: AAF is hosting an event on regulations at 9AM today with Senator Lamar Alexander! We'd love to have you so [click here to RSVP or catch the live stream](#). At the event we will also be discussing the AAF Solution "[Targeted Regulatory Reform: Centers for Medicare and Medicaid Services](#)."

### *Eakinomics: Dodd-Frank and Growth*

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) was enacted in 2010. It created new agencies and bureaus, changed capital requirements, revamped securitization rules, changed the oversight of derivatives, imposed the Volcker Rule, and had provisions for corporate governance. Yesterday, AAF released a short [paper](#) in which I looked at the growth impacts of the banking sector's response to these requirements and the compliance burdens. The results suggest that the consequences are significant – roughly \$895 billion in reduced Gross Domestic Product (GDP) over the 2016-2025 period, or \$3,346 per working-age person.

There are three aspects of the results that merit comment. First, how did I arrive at the estimates? Those who follow the link to the paper will probably find it to be unreadable econo-gibberish. An alternative is to watch this short [video](#).

The second dimension is the magnitude of the results. Notice that this amounts to \$89 billion a year in GDP. That is about 0.5 percent of GDP at present. That doesn't seem like a massive impact, but it does add up. Some readers misinterpreted the result as \$895 billion each year. That would be 5 percent of GDP and implausibly large. Similarly, \$335 dollars a year does seem like the kind of money that would come from higher checking fees, ATM fees, and other ways that a banking sector would respond to a tax. At least to my eye, the results pass a laugh test.

The final question is the precision of the estimate. Answer: not at all! The technique is terribly simplified, the scope of Dodd-Frank much broader than that captured by the data, and the law remains only partially implemented. Still, one has to start somewhere.

The paper is a starting point for an economic cost-benefit analysis of Dodd-Frank. But it is certainly not the closing argument.

***From the Forum***

[VIDEO: #Eakinomics: The \\$895 Billion Dodd-Frank Tax](#)

[The Growth Consequences of Dodd-Frank](#) by Douglas Holtz-Eakin, AAF President