

Macro Roundup Article

Headline: [The Cost of Regulatory Compliance in the United States](#)

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Tweet: Between 2002 and 2014, regulatory costs averaged 1.34% of firms' wage bills in the United States @xftrebbi @rainozhang @NBER

Summary: We quantify firms' regulation compliance costs from 2002 to 2014 in terms of their labor input expenditure to comply with government rules. Detailed establishment-level occupation data, in combination with occupation-specific task information, allow us to recover the share of an establishment's wage bill owing to employees engaged in regulatory compliance. Regulatory costs account, on average, for 1.34% of the total wage bill of a firm but vary substantially across and within industries and have increased over time. We investigate the returns to scale in regulatory compliance and find an inverted-U shape, with the percentage of regulatory spending peaking for an establishment size of around 500 employees.

Primary Topic: Regulation

Topics: Regulation

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