

[Blake Hudson](#) called my attention to a nice [post](#) on this subject at ProPublica. The post has links to two very interesting documents. The first is to a Census Bureau [report](#) showing that hardly any employers attribute layoffs to regulatory burdens. The other is to a very careful [study](#) by [Dick Morgenstern](#), a highly respected environmental economist, which found a possible small but positive effect of regulation on jobs:

We find that increased environmental spending generally does not cause a significant change in industry-level employment. Our average across all four industries is a net gain of 1.5 jobs per \$1 million in additional environmental spending, with a standard error of 2.2 jobs—an insignificant effect. In the plastics and petroleum sectors, however, there are small but significantly positive effects: 6.9 and 2.2 jobs, respectively, per \$1 million in additional expenditures. These effects can be linked to favorable factor shifts—environmental spending is more labor intensive than ordinary production—and relatively inelastic estimated demand.

I generally try to avoid accusing people of bad faith just because I disagree with them, but I *am* starting to wonder about the motives of the people who are promoting the “regulation kills jobs” message.