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EPA's toxics rule no threat to job growth, new EPI study finds

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A new study by the Economic Policy Institute (EPI) finds that new regulations on mercury, arsenic and other toxic air pollution from power plants proposed by the Environmental Protection Agency (EPA) in March would not provide a drag on the current economic recovery and would in fact have a slightly *positive* impact on job growth in coming years. While the “toxics rule” would primarily benefit the economy through large improvements to health and quality-of-life, it has been opposed by those claiming it would hamper job growth; today’s study finds that this is not true.

[*A lifesaver, not a job killer: EPA's proposed "air toxics rule" is no threat to job growth*](#) by economist Josh Bivens is a comprehensive evaluation of the effect the toxics rule would have on the labor market. It looks at more channels through which the toxics rule would affect the labor market than does the EPA’s Regulatory Impact Analysis (RIA), which was not designed to be a complete review of the job-market impacts of the rule.

A lifesaver, not a job killer assesses the EPA’s judgment of the labor-market impacts of the specific channels it studies and finds them to be well within the predictions of the best peer-reviewed literature. It then examines the effect on employment the rule would have through other important channels – such as the increased demand for labor stemming from the construction and installation of pollution abatement and control (PAC) equipment, both directly and through supplier jobs. It analyzes the effect that rising energy costs could have on demand for labor by pushing up energy costs across industries. Finally, the paper examines the re-spending effect of net job creation or destruction resulting from the rule.

“This report shows reducing toxic emissions is not only required to protect our health and the environment, but will also play a part in America’s progression to the clean energy economy,” said David Foster, Executive Director of the BlueGreen Alliance. “We must also invest in advanced technologies and infrastructure, building the clean energy capacity and workforce to meet our present and future needs. If we are truly going to dig ourselves out of this jobs crisis, we need to secure smart strategies that grow our economy for advanced technologies and infrastructure. There is only one way to ensure that America remains competitive in a 21st century economy, which is to build the industries of the 21st century right here in the United States.”

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The study finds that:

- The toxics rule would have a modest positive net impact on overall employment, likely leading to the creation of 28,000 to 158,000 jobs between now and 2015. (This estimate reflects the specific findings that follow below.)
- The employment effect of the toxics rule on the utility industry itself could range from 17,000 jobs lost to 35,000 jobs gained.
- The toxics rule would create between 81,000 and 101,000 jobs in the pollution abatement and control industry (which includes suppliers such as steelmakers).
- Between 31,000 and 46,000 jobs would be lost due to higher energy prices leading to reductions in output.
- Assuming a re-spending multiplier of 0.5, and since the net impact of the above impacts is positive, another 9,000 to 53,000 jobs would be created through re-spending.

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