



Regulation Mythbusters

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Fact: Regulation Benefits and Protects our Economy

Strong regulatory safeguards benefit our economy, in part, by ensuring financial markets are well-regulated and stable – preventing financial market collapses that can lead to individuals losing jobs, homes, and investments.¹ The 2008 financial crisis was due in part to a significant lack of necessary regulation of the Big Banks.² Deposit insurance regulations, for example, have greatly increased stability in the banking industry by protecting the funds of account holders at FDIC-insured banks.³ Furthermore, regulation benefits our economy by enabling competition in the marketplace.⁴

Regulations also prevent environmental disasters, which helps the economy. Regulations that reduce the risk of environmental disasters in turn yield cost savings of millions if not billions of dollars by preventing harmful and costly outcomes.⁵ One such example is the Biden-era FEMA regulation implementing the Federal Flood Risk Management Standard (FFRMS) that protected communities across the country from damage and risk to life caused by flooding.⁶ Trump has rescinded this regulation.⁷ The

¹ Isaac Shapiro & John Irons, *Regulation, Employment, and the Economy: Fears of Job Loss are Overblown* 12 (Econ. Pol’y Inst., Briefing Paper No. 305, Apr. 12, 2011), <https://files.epi.org/2011/BriefingPaper305.pdf>.

² Sam Berger, Coalition for Sensible Safeguards, *Regulations Are a Critical Part of a Functioning Economy* 3 (May 27, 2025), <https://sensiblesafeguards.org/wp-content/uploads/Berger-Regulations-Help-the-Economy-5-22-25-final.pdf>.

³ *Id.* at 4.

⁴ Diane Coyle, 3 ways that regulation benefits economies, World Economic Forum (July 18, 2018), <https://www.weforum.org/stories/2018/07/three-cheers-for-regulation/>.

⁵ United Nations Env’tl. Programme, *By reducing disaster risk, safeguarding nature proves a smart financial investment* (Oct. 13, 2025), <https://www.unep.org/news-and-stories/story/reducing-disaster-risk-safeguarding-nature-proves-smart-financial-investment>.

⁶ See Press Release, U.S. Dep’t Homeland Sec., Biden-Harris Administration Finalizes Rule to Increase Resilience Against Flooding Nationwide (July 10, 2024), <https://www.dhs.gov/archive/news/2024/07/10/biden-harris-administration-finalizes-rule-increase-resilience-against-flooding>.

⁷ Joel Scata, Trump Revokes Federal Flood Protections Again, Nat. Res. Def. Council (Jan. 22, 2025), <https://www.nrdc.org/bio/joel-scata/trump-revokes-federal-flood-protections-again>.

United Nations reported that in 2024, 393 disasters affected 167 million people, resulting in more than 16,700 deaths and over \$240 billion USD in material losses.⁸

Regulations can also drive consumer confidence, which in turn supports industry, as occurred with the passage of the Food Safety Modernization Act of 2010. This law increased consumer confidence by addressing preventable foodborne illness in the global food system, giving consumers peace of mind that steps were being taken throughout the global supply chain to prevent contamination.⁹

Fact: Regulation Creates and Secures Good Jobs

Americans can have both¹⁰ good jobs and commonsense safeguards that protect our wallets, homes, workplaces, and our environment. New standards create jobs¹¹ by encouraging innovation¹² while protecting those who work hard and play by the rules.

For example, the Inflation Reduction Act created wage regulations that simultaneously add union jobs and advance clean energy policy.¹³ The law, in total, is estimated to create more than nine million jobs in the climate and energy sector over the next decade.¹⁴ In fact, environmental regulations have created jobs in coal country, such as jobs in ecological restoration that benefit our environment.¹⁵ Regulations like these create jobs that aren't in polluting industries, which is a win-win for the health of workers and the planet.

⁸ United Nations Env'tl. Programme, *By reducing disaster risk, safeguarding nature proves a smart financial investment*, (Oct. 13, 2025), <https://www.unep.org/news-and-stories/story/reducing-disaster-risk-safeguarding-nature-proves-smart-financial-investment>.

⁹ U.S. Food & Drug Admin., *Food Safety Modernization Act (FSMA)* (last visited Feb. 26, 2026), <https://www.fda.gov/food/guidance-regulation-food-and-dietary-supplements/food-safety-modernization-act-fsma>.

¹⁰ Isaac Shapiro & John Irons, *Regulation, Employment, and the Economy: Fears of Job Loss are Overblown* 12 (Econ. Pol'y Inst., Briefing Paper No. 305, Apr. 12, 2011), <https://files.epi.org/2011/BriefingPaper305.pdf>.

¹¹ Press Release, Econ. Pol'y Inst., Federal regulations are not a significant threat to job creation, new EPI report show (Apr. 12, 2011), https://www.epi.org/press/news_from_epi_federal_regulations_are_not_a_significant_threat_to_job_creat.

¹² Kevin Drum, Mother Jones, *Here's a Surprisingly Simple Reason that New Regulation Might Spur the Creation of More Startups* (Feb. 18, 2015), <https://www.motherjones.com/kevin-drum/2015/02/heres-surprising-simple-reason-new-regulation-might-spur-creation-more-startups/>.

¹³ Press Release, AFL-CIO, AFL-CIO President Applauds New Regulations Ensuring Fair Wages for Clean Energy Jobs (June 26, 2024), <https://aflcio.org/press/releases/afl-cio-president-applauds-new-regulations-ensuring-fair-wages-clean-energy-jobs>.

¹⁴ 9 Million Jobs from Climate Action: the Inflation Reduction Act, BlueGreen Alliance (last visited Feb. 19, 2026), <https://www.bluegreenalliance.org/site/9-million-good-jobs-from-climate-action-the-inflation-reduction-act/>.

¹⁵ Glynn Board, NPR, *In Coal Country, Environmental Regulations Are Creating Jobs* (Apr. 13, 2017), <https://www.npr.org/2017/04/13/522607589/in-coal-country-environmental-regulations-are-creating-jobs>.

The American people know this. For example, a 2023-2024 Pew Research Center survey found that 60% of Americans believe stricter environmental regulations are “worth the cost,” while only 38% say they “cost too many jobs and hurt the economy.”¹⁶

Regulation is also good for union jobs, which means more job security and higher wages. For instance, the National Labor Relations Act (NLRA) gives employees the right to form unions and collective bargaining for higher wages, better working conditions, increased worker protections, and essential job benefits, like paid leave and better health insurance coverage.¹⁷

Fact: Regulations Save Lives, Provide Vast Public Benefits that Far Outweigh Costs

Regulations save lives, prevent injuries, stop consumer rip-offs, protect our environment, and make our economy stronger. For example, the Clean Air Act saved more than 200,000 lives from 1970 to 1990, the 20-year period after its enactment.¹⁸ And a worker-safety regulation requiring employers to lock and put warning labels on powered equipment is credited with preventing 50,000 injuries and 120 deaths per year.¹⁹ Regulations also implement civil rights laws prohibiting discrimination and promote democratic values of public participation and free speech.²⁰

The benefits of regulations far outweigh the costs. For example, in Fiscal Year 2023, the White House Office of Management and Budget reported an estimated net benefit (benefits minus costs) of new regulations between \$18.8 billion and \$39.4 billion.²¹ More so, the benefits of regulations promulgated by agencies such as the Occupational Safety and Health Administration (OSHA) and the Consumer Product Safety Commission (CPSC) far outweigh their costs, as they result in large numbers of lives

¹⁶ Rebecca Leppert, Pew Res. Ctr., *Support for stricter environmental regulations outweighs opposition in a majority of states* (May 19, 2025), <https://www.pewresearch.org/short-reads/2025/05/19/support-for-stricter-environmental-regulations-outweighs-opposition-in-a-majority-of-states/>.

¹⁷ Nat'l Labor Relations Board, *National Labor Relations Act*, <https://www.nlrb.gov/guidance/key-reference-materials/national-labor-relations-act> (last visited Feb. 27, 2026).

¹⁸ U.S. Evtl. Protection Agency, *Highlights from the Clean Air Act 40th Anniversary* (last updated Aug. 5, 2025), <https://www.epa.gov/clean-air-act-overview/highlights-clean-air-act-40th-anniversary>.

¹⁹ Justin Feldman & Taylor Lincoln, Public Citizen, *Regulations at Work: Five Rules that Save Workers' Lives and Protect their Health* 3 (Aug. 2011), <https://www.citizen.org/wp-content/uploads/regulations-at-work-report.pdf>.

²⁰ Sam Berger, Coalition for Sensible Safeguards, *Regulations Are a Critical Part of a Functioning Economy* 3 (May 27, 2025), <https://sensible safeguards.org/wp-content/uploads/Berger-Regulations-Help-the-Economy-5-22-25-final.pdf>.

²¹ See White House Off. Mgmt. & Budget, Off. Info. & Reg. Aff., *Report to Congress on the Benefits and Costs of Federal Regulations and Agency Compliance with the Unfunded Mandates Reform Act* 3 (2025) (Net benefits calculated by subtracting \$30.7 billion from \$11.9 billion and \$49.0 billion from \$9.6 billion to obtain the lowest and highest estimated net benefits range numbers.), <https://bidenwhitehouse.archives.gov/wp-content/uploads/2025/01/FY23-Benefit-Cost-Report.pdf>.

saved. Because of OSHA regulations, worker deaths in America are down from about 38 worker deaths per day in 1970 to 15 per day in 2023.²²

Fact: Regulation Promotes Safety and Choice

Regulations keep us safe from major harms and challenges that no person can prevent or overcome on their own by establishing clear guidelines for individuals and entities including by restricting and punishing corporate wrongdoing. In doing so, regulations prevent companies from making the public worse off as a result of their actions (e.g., air pollution, water pollution, or the risk of financial collapse).

The U.S. Environmental Protection Agency's Lead and Copper Rule issued in 1991 and revised most recently in 2024 requires tap water to contain very low levels of lead and copper.²³ Lead and copper in drinking water is harmful to human health and can cause learning disabilities, impaired blood cell formation and function, and nervous system damage in children.²⁴

Similarly, consumer protection regulations prevent businesses from using unfair and deceptive practices that harm customers. If you wear eyeglasses, for instance, the Federal Trade Commission's Eyeglass Rule allows you to use a prescription from an eye doctor anywhere you can buy glasses.²⁵

Worker health and safety regulations help keep employees safe on the job and provide avenues of redress for workplace-related injuries and health and safety violations.

Contrary to what those opposed to regulation like to say, a society without regulation would result in a loss of autonomy and safety in all areas of everyday life.

Fact: Regulatory Certainty Is Good for Small Businesses

Small businesses do not always oppose regulations or want regulations to be weakened. In fact, small businesses often support regulations because they provide a level playing field on which to compete with corporations that would otherwise dominate

²² Occupational Safety & Health Admin., *Commonly Used Statistics* (last visited Feb. 26, 2026), <https://www.osha.gov/data/commonstats>.

²³ U.S. Env'tl. Protection Agency, *Basic Information about Lead in Drinking Water* (last visited Feb. 19, 2026), <https://www.epa.gov/ground-water-and-drinking-water/basic-information-about-lead-drinking-water>.

²⁴ *Id.*

²⁵ See Fed. Trade Comm'n, *Complying with the Eyeglass Rule* (last visited Feb. 19, 2026), <https://www.ftc.gov/business-guidance/resources/complying-eyeglass-rule>.

the market.²⁶ Additionally, small businesses tend to support agency guidance and policy documents that provide plain-language explanations of what is expected to reduce hazards and avoid citations and penalties.²⁷

Small businesses benefit from regulatory certainty. It makes compliance easier when small businesses know that the regulations on the books will not be weakened or repealed. Furthermore, when regulations remain consistent over time, businesses of all sizes can engage in long-term investments more easily due to the “greater certainty of the economic environment.”²⁸

Myth: the regulatory system can’t be changed.

Buster: pass the **EXPERTS Act** (H.R. 6145, S. 3210) to modernize, strengthen, and improve the federal regulatory process.

²⁶ Letter from Coalition for Sensible Safeguards to U.S. Rep. Roger Williams, Chairman, House Committee on Small Business & U.S. Rep. Nydia Velázquez, Ranking Member, House Committee on Small Business (Nov. 25, 2025), <https://sensible safeguards.org/outreach/css-opposes-the-dump-red-tape-act-of-2025-h-r-4305-2/>.

²⁷ *Id.*

²⁸ Sam Berger, Coalition for Sensible Safeguards, *Regulations Are a Critical Part of a Functioning Economy 5* (May 27, 2025), <https://sensible safeguards.org/wp-content/uploads/Berger-Regulations-Help-the-Economy-5-22-25-final.pdf>.