

Regulators' Budget from Eisenhower to Obama

An Analysis of the U.S. Budget for Fiscal Years 1960 to 2017

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Highlights

This report provides a measure of regulatory activity from 1960 to 2017 by tracking the budget outlays and staffing devoted to developing and enforcing federal regulations.

In the final year of the Dwight D. Eisenhower administration (FY 1960), regulatory agencies employed a little more than 57,000 people and spent \$533 million (equivalent to \$3 billion in 2009 dollars). President Barack H. Obama recently submitted his final budget to Congress. It proposes expenditures of \$70.0 billion (\$61 billion in 2009 dollars) on regulatory activities in FY 2017, and a staff of almost 279,000. In the 58 years tracked in this report, fiscal outlays for administering regulation have increased more than 20-fold (after adjusting for inflation) and staffing has increased by a factor of five.

In real, inflation-adjusted terms, President Obama's FY 2017 regulators' budget is 8.9 percent higher than in FY 2016. The Budget also requests increases in federal regulatory agency personnel of 1.9 percent in FY 2017, after an estimated 2.9 percent increase in FY 2016.

Since President Obama's first budget, the regulators' budget has increased by 18.8 percent in real terms, and staffing has increased by 8.4 percent. This is significantly less than the 54.4 percent growth in outlays and 51.4 percent increase in personnel during President George W. Bush's term.

In Eisenhower's day, 34 percent of the regulators' budget was devoted to economic forms of regulation (controlling price and quality, entry and exit), while the remainder addressed social regulatory issues (related to environment, safety and health). Over the 58 years since then, outlays for economic regulatory programs have grown, but at a much slower rate than those for social regulatory programs (a factor of 11, compared to a factor of 25). Personnel in economic regulatory agencies are 2.5 times greater than in 1960, while staffing at social regulatory agencies is six times larger. By 2009, only 15 percent of the regulators' budget focused on economic regulation.

This trend away from economic regulation appears to be changing, as the bulk of the increase during President Obama's two terms accrued to agencies engaged in economic regulation; their outlays in FY 2017 are expected to be 40.0 percent larger than FY 2009 levels. The social regulatory agencies' budgets have grown 14.9 percent between 2009 and 2017. Staffing at economic regulatory agencies has increased by 30.1 percent, while employment at agencies involved in social regulations has increased by 5.0 percent.

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