



The Daily Dish

July 30th Edition

DOUGLAS HOLTZ-EAKIN | JULY 30, 2015

[Speaker Boehner is calling](#) to end the decades old crude oil exports ban. The ban is a relic of an era when people wore bellbottoms. [AAF research found](#) that if the ban is lifted, it would add \$21 billion to the U.S. economy. According to the Speaker, “Lifting the ban would create an estimated 1 million jobs here at home, jobs that frankly would be created in every state.”

LAST CHANCE TO RSVP: Today at noon, AAF will be hosting a lunch event on the gig economy featuring FTC Commissioner Maureen Ohlhausen. There will also be a panel including Rodan+Fields’s Lori Bush, Economist Alan Krueger, and WeWork’s Carl Pierre. The panel will be moderated by the Wall Street Journal’s Eric Morath.

[The White House has promised that it “will not back down”](#) on the costly power plant rule. The final rule is expected anytime during August. When reviewing the proposed rule, [AAF found that](#) it would close 93 power plants, costing 296,000 jobs.

Eakinomics: The Gig Economy

Today AAF has an [event](#) on the “gig economy” and the increasing use of independent contractors, which builds on a recent [paper](#) designed to shed light on the magnitude of these labor force developments. For those new to the area, there are three interrelated phenomena: (1) the gig economy – workers with alternative work arrangements, (2) the online gig economy – workers who utilize new technologies, markets and platforms for alternative work arrangements, and (3) the “sharing economy” – goods and services that employ under-utilized assets via online marketplaces or decentralized networks. Some of the companies commonly associated with this phenomenon are Uber, Lyft, Airbnb and WeWork. Of course, the gig economy has been around for a long time in the form of direct seller companies like Rodan & Fields, Avon and others. Today, these more traditional gig economy players are employing technology and innovation to reach new customers and empower entrepreneurs.

AAF found that the number of workers in the gig economy grew between 8.8 and 14.4 percent from 2002 to 2014 — more than the overall employment increase of 7.2 percent. One form of gig workers are independent contractors (recently under [attack](#) from the Department of Labor); they grew by 2.1 million workers from 2010 to 2014, accounting for 28.8 percent of all jobs added during the recovery. The online gig economy has experienced significant growth as well. Faster growth in taxis and boarding rooms since the arrival of companies like Uber, Lyft, and Airbnb indicates that online gig jobs are transforming the labor force. In particular, the data suggest that the ride sharing industry has helped bring in an additional \$519 million in economic activity from 2009 to 2013, and created 22,000 jobs in the sector.

Nobody has a great feel for the overall magnitude of these developments, but they arise from fundamental economic forces. Thus, it is important for regulators and others to permit labor and product market innovations by exercising restraint in their desire to force the future labor market relationships to mirror those of the past.

From the Forum

[*Don't Kill the Independent Contractor*](#) by Sam Batkins, AAF Director of Regulatory Policy

[*Independent Contractors and the Emerging Gig Economy*](#) by Will Rinehart, AAF Director of Technology and Innovation Policy; and Ben Gitis, AAF Director of Labor Market Policy

[*Medicaid Accounts for 16 Percent of All Health Care Spending in U.S.*](#) by Tara O'Neill Health Care Policy Analyst

Fact of the Day

The Obama Administration has added \$35 billion in costs and 75 million paperwork burden hours on states and local governments.