



Insight

# The Forty-Five Billion Hour Question

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***UPDATE:*** *The NCUA has updated this regulation, citing an arithmetic error, after this post drew attention to the regulation. [Read about the correction here.](#) (11/20/13)*

As of today, the total amount of regulatory paperwork imposed by the federal government is [10.3 billion hours](#). Assuming a 2,000-hour “work-year,” that is the equivalent of devoting almost 5.2 million full-time workers exclusively to filling out government forms. Now imagine multiplying that burden five-fold and forcing 22.9 million new employees into red tape compliance.

There is no need to simply imagine such a scenario according to strange [requests](#) from the National Credit Union Administration (NCUA) and the [IRS](#). The agencies have submitted Information Collection Requirement (ICR) requests that estimate an eye-popping figure of 45.9 billion hours of new paperwork.

NCUA is not regarded as an aggressive regulator and one might simply attribute its request for 43.4 billion hours of paperwork an error. However, [an identical notice](#) was published in the Federal Register less than two months ago and now the request has landed at the Office of Information and Regulatory Affairs (OIRA), complete with a [supporting statement](#) outlining NCUA’s calculations. Despite this supporting statement, it is almost unimaginable that an obscure federal agency could quintuple the nation’s regulatory burden with a single notice.

## 45 Billion Hours in Context:

- Equivalent to 5.2 million years, older than our species;
- NCUA currently imposes just 209,373 hours of paperwork, with nine requirements;
- IRS proposal for [2.8 billion hours](#) (net increase of 2.4 billion) of paperwork and \$48 billion in direct costs would make it the largest current tax collection;
- More than four times greater than the current government-wide burden.

NCUA does not even bother to attach a cost figure to so many hours, instead declaring the cost “Inestimable.” If one simply applied the average wage rate of a “compliance officer” (\$31.23 per hour), the burden would total more than \$1.3 trillion (assuming 43.4 billion hours). For perspective, that is nearly one-tenth of the current United States Gross Domestic Product (GDP), and it is more than the U.S. collected in income taxes last year. On the other hand, IRS willingly admits its proposal would impose more than \$48.5 billion in “out-of-pocket” costs. Although the IRS figures are high, they are not as unbelievably high as NCUA’s request.

NCUA states there will be more than 2.6 **trillion** periodic statements, comprising most of the 43.4 billion hour estimate. It expects 6,859 respondents to respond quarterly; that yields 27,436 responses annually. That would mean each response to this requirement would take 1.58 million hours. NCUA's current inventory of paperwork equals a mere 209,373 hours.

Perhaps examining the two previous iterations of this ICR can illuminate the situation. However, rather than shedding further light on the issue, they only create additional questions. The [oldest version of the ICR](#) (from 1994), lists 596.9 million responses and 10.5 million hours. In that estimate, each response takes roughly 30 seconds. The [second iteration](#), in 2005, lists 12 million hours from roughly 9,000 responses. That yields a per-response time of more than 1,300 hours. The trend goes from mere seconds per response, to thousands of hours, to millions. To call that exponential growth is an understatement.

These figures: 45.9 billion hours of new paperwork and at least \$48.5 billion in "out-of-pocket" costs are truly staggering. Our species is only roughly 200,000 years old and now two obscure notices are threatening to add more than 5.2 million years of paperwork. The topline figures are unbelievable, but the lack of oversight and public attention is even more surprising.

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