

## Waxman-Markey Global Warming Bill

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### Economic Impact by Congressional District

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It has become quite clear over the past several months that placing a cap on carbon emission--via rationing, taxing, and eliminating consumer choice--will have major implications for American families and the economy.

An analysis of the Waxman-Markey bill (as reported out of the House Committee on Energy and Commerce) by The Heritage Foundation found that unemployment will increase by nearly 2 million in 2012, the first year of the program, and reach nearly 2.5 million in 2035, the last year of the analysis. Total GDP loss by 2035 would be \$9.4 trillion. The national debt would balloon as the economy slowed, saddling a family of four with \$114,915 of additional national debt. Families would also suffer, as the bill would slap the equivalent of a \$4,609 tax on a family of four by 2035.[1]

Heritage is not alone in its assessment. The National Black Chamber of Commerce[2] and the Brookings Institution[3] also project huge job losses. Proponents of a national energy tax will quickly point to a recent Congressional Budget Office memo[4] and Environmental Protection Agency[5] analysis suggesting low per family costs. Those estimates are grossly inaccurate, as both the CBO memo and the EPA's analysis contain flaws too serious for use as measures of the economic impact of the Waxman-Markey bill.

While national numbers are startling, many Members of Congress may be tempted to assume that their congressional districts will not be affected because they "cut a deal" or they have an incomplete view of how the American economy functions. Thus, it is crucially important that the Members making decisions, and the people affected by those decisions, understand how their congressional districts will be impacted by Waxman-Markey, or any type of national energy tax.

The table below lays out six congressional district specific data points:

**Gross State Product Loss in 2012:** This number is the amount of economic destruction that will occur in that district in the first year of the cap-and-trade regime.

**Average Gross State Product Loss, 2012-2035:** Same as above, only it is the average economic destruction in the district for the bill's first 24 years.

**Personal Income Loss in 2012:** This number represents the reduction in consumer spending power in a district in the first year of the cap-and-trade regime.

Average Personal Income Loss, 2012-2035: Same as above, only it is the reduction in consumer spending power in the district for the bill's first 24 years.

Non-Farm Job Loss in 2012: Jobs are jobs, and in the first year of the cap-and-trade regime, each district will have significantly less than they otherwise could.

Average Non-Farm Job Loss, 2012-2035: This number is crucially important because it demonstrates that no district gains jobs, even in the long run; the increase in "green jobs" does not outweigh the decrease in jobs elsewhere.

### A Final Note on Jobs

During the "stimulus" debate, White House Press Secretary Robert Gibbs lamented that "more companies [have] announced mass layoffs." [6] The Bureau of Labor Statistics defines mass layoffs as "where private sector nonfarm employers indicate that 50 or more workers were separated from their jobs for at least 31 days." Under Waxman-Markey, on average each congressional district would experience the equivalent of more than 52 mass layoffs.

Although losing several thousand jobs may not seem like a lot to some politicians who are stuck inside the beltway, the mass layoffs resulting from Waxman-Markey should make any politician--and hard working American--cringe.

### Appendix: Table 1

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[1]William  
W. Beach,  
David  
Kreutzer,  
Karen  
Campbell,  
and Ben  
Lieberman,  
"Son of  
Waxman-M  
arkey: More  
Politics  
Makes for a  
More Costly  
Bill,"  
Heritage  
Foundation

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No. 2450,

May 18,

2009, at <http://www.heritage.org/Research/EnergyandEnvironment/wm2450.cfm>.

[http://www.nationalbcc.org/images/stories/documents/CRA\\_Waxman-Markey\\_5-20-09\\_v8.pdf](http://www.nationalbcc.org/images/stories/documents/CRA_Waxman-Markey_5-20-09_v8.pdf) (June 24, 2009).

[http://www.brookings.edu/~media/Files/events/2009/0608\\_climate\\_change\\_economy/20090608\\_climate\\_change\\_economy.pdf](http://www.brookings.edu/~media/Files/events/2009/0608_climate_change_economy/20090608_climate_change_economy.pdf) (June 24, 2009).

<http://blog.heritage.org/2009/06/22/cbo-grossly-underestimates-costs-of-cap-and-trade/>.

[5]Nicolas

D. Loris,

"EPA's

Flawed Cap

and Trade

Analysis,"

The

Heritage

Foundation

, May 22,

2009, at <http://blog.heritage.org/2009/05/22/epas-flawed-cap-and-trade-analysis/>.

[6]Press

release, "Press

Briefing by

Press Secretary

Robert Gibbs,"

the White

House, January

30, 2009, at [http://www.whitehouse.gov/the\\_press\\_office/Press\\_Briefing\\_1-30-09/](http://www.whitehouse.gov/the_press_office/Press_Briefing_1-30-09/)

(June 24, 2009).

[Heritage](#)

<http://www.southernwolf.net/modules.php?name=News&file=article&sid=1454>