

**Compliance Costs of Federal Workplace Regulations:  
Survey Results for U.S. Manufacturers \***

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\* The survey was conducted in cooperation with the Human Resources Steering Committee of the National Association of Manufacturers, Washington, D.C.

## **Executive Summary**

In 2000 U.S. manufacturers spent an average of \$2.2 million per firm to comply with federal workplace regulations, or roughly \$1,700 per employee. The costs of complying with workplace regulations equaled 1.6 percent of gross receipts in the typical manufacturer. To place this burden in perspective, the impact of federal workplace regulations on employment, pricing, and output decisions is roughly equivalent to a 1.6 percent excise tax on products manufactured in the U.S. This regulatory burden hinders the international competitiveness of U.S. manufactured products, and constrains the demand for workers in U.S. facilities. As an additional benchmark for comparison, the cost of workplace regulations exceeds by roughly six percent the amount U.S. firms typically spend on retirement income benefits (excluding Social Security) for their employees.

These estimates of the compliance costs of workplace regulations are based on a detailed survey of 100 U.S. manufacturers conducted between June and August of 2001. The survey covers twenty-five statutory acts and executive orders that encompass all significant workplace regulations promulgated by the federal government.

An extrapolation of these survey results to the entire manufacturing sector indicates that workplace regulations cost that sector about \$32 billion in 2000. This estimate includes both recurring and one-time compliance costs. When one-time expenses such as legal settlements and capital expenditures are excluded, the estimated compliance cost was about \$28 billion in 2000. These findings suggest that workplace regulations exceed by at least 75 percent the cost estimates in previous academic and government studies.

The survey provides new information about the distribution of the burden of federal workplace regulations. For example, the burden falls disproportionately on small firms, those employing less than 100 workers. The total compliance costs in small firms amounts to about \$2,500 per employee, which is 68 percent higher than the cost per employee in large firms, those with 500 or more workers.

The survey breaks down the costs of workplace regulations into six broad categories. The two most costly are regulations related to worker health and safety, which account for about one-third of the compliance costs, and regulations related to employee benefits, which account for about one-fourth of the costs. The survey also identifies the most burdensome regulations within each of the six categories. For example, among “Civil Rights” regulations, the Americans with Disabilities Act is the most costly; among “Labor Standards” regulations, the Fair Labor Standards Act is the most costly.

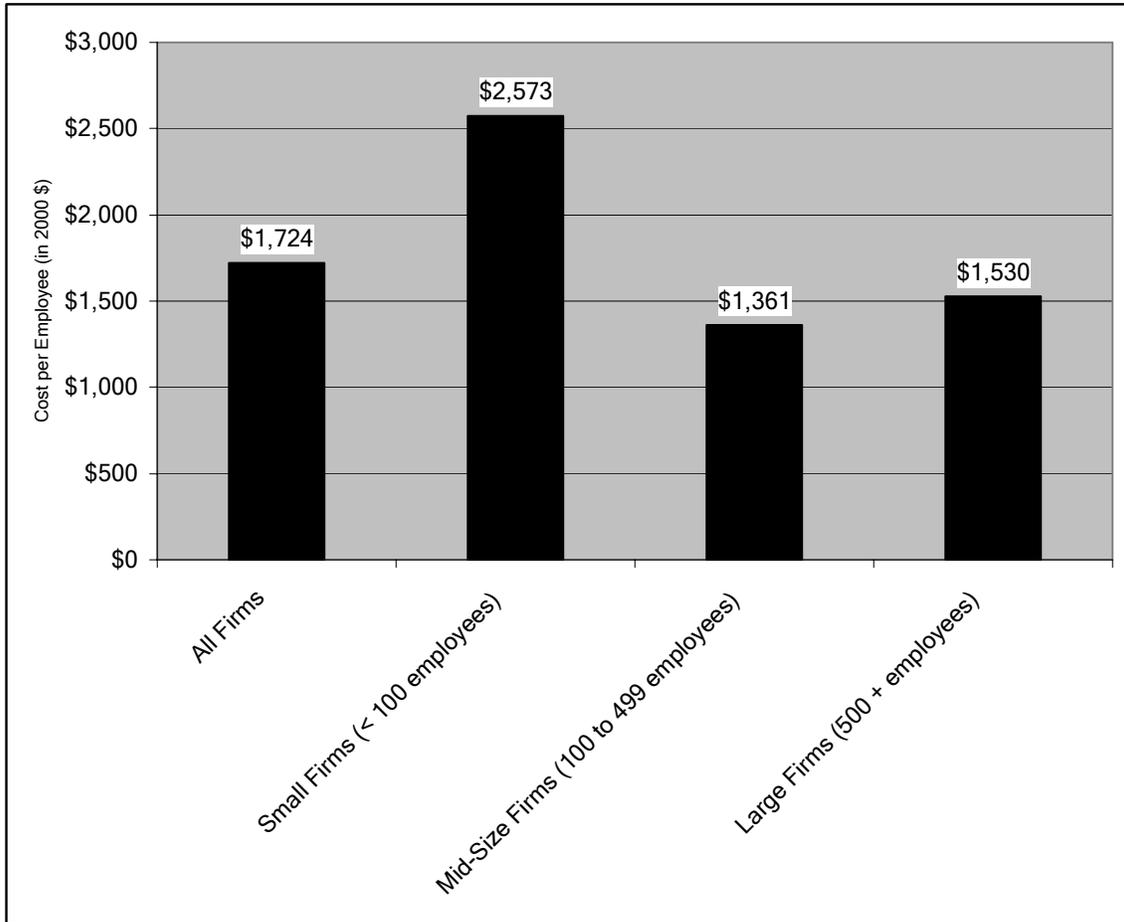
Finally, the survey examines the incidence of compliance costs within manufacturing firms. For large and mid-size manufactures, the largest share of compliance costs are related to traditional human resource functions. For small manufacturers, capital expenditures account for the largest share of compliance costs.

## **I. Total Compliance Costs and the Distribution of Costs by Firm Size**

The survey instrument was mailed to members of the National Association of Manufacturers in June of 2001. One hundred manufacturing firms responded in writing to the survey by the August 31 deadline. The respondents included firms from 19 different SIC codes, and represent a wide range of firm sizes. In terms of employees, the smallest firm employed 7 workers and the largest firm employed 65,400. In terms of annual receipts, the firms ranged in size from \$600,000 to \$15 billion. Appendix 1 provides summary statistics for the 100 manufacturing firms included in the sample.

In the figures and tables of results that follow, we present the main survey findings for all firms, and for three ranges of firm sizes based in the number of employees. “Small Firms” are those with less than 100 employees; “Mid-Size Firms” are those with between 100 and 499 employees; and “Large Firms” are those with 500 or more employees. Not all of the 100 firms responded to all questions in the survey, and the sample size for specific questions varies as noted.

Figure 1 shows the compliance cost per employee of workplace regulations based on all compliance costs, which include both recurring and one-time expenses. These data reflect the average (mean) values for the sample, and the data used in Figure 1 are also reported in Table 1. For all manufacturing firms, the average compliance cost is \$1,724 per employee. The cost in small firms is \$2,573, or 68 percent higher than the cost per employee in large firms, which is \$1,530 per employee. For mid-size firms, the cost per employee is \$1,361, lower than the cost in large firms and small firms.

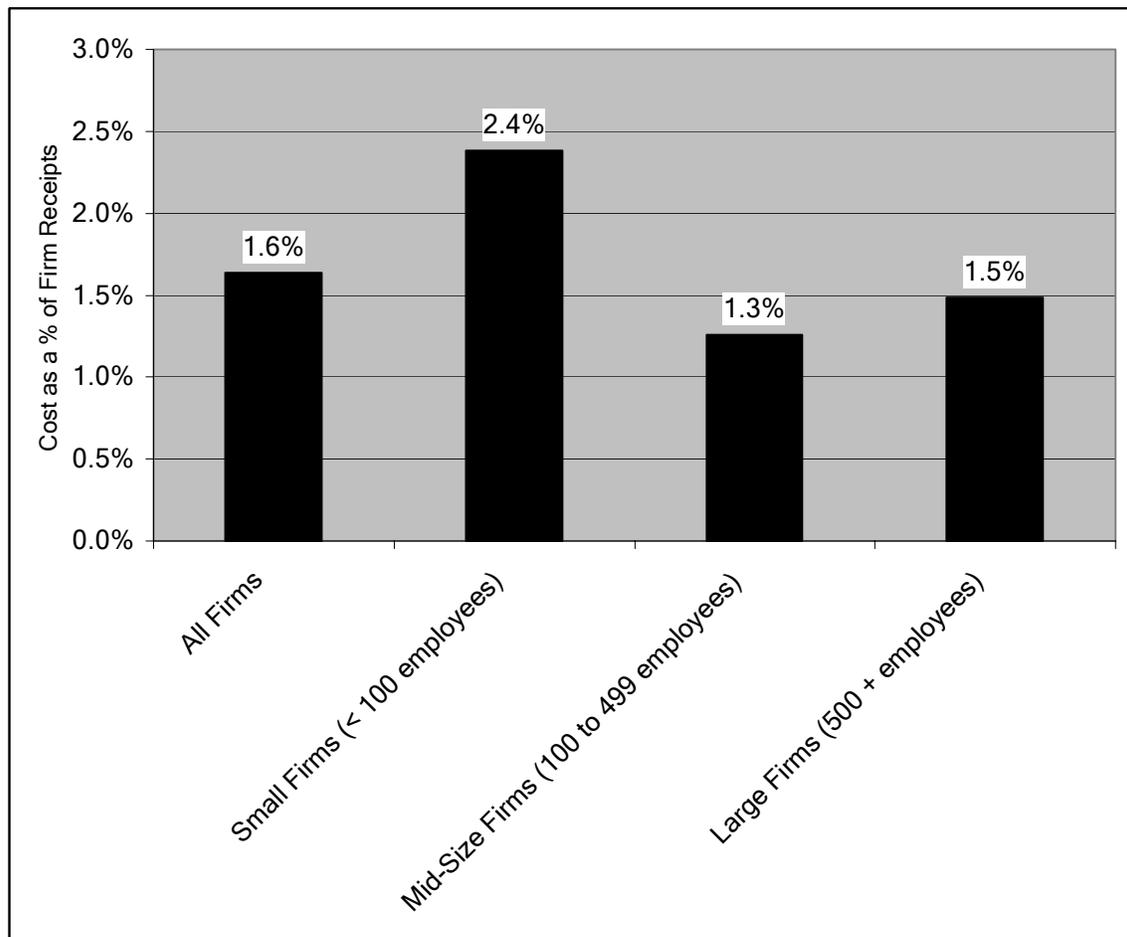


**Figure 1.** Compliance Cost per Employee in 2000  
(Including Recurring and One-Time Expenses)

If we extrapolate these survey findings to all U.S. manufacturing firms (weighted by firm size), the total compliance cost for the entire manufacturing sector in 2000 would be about \$32 billion.

Figure 2 presents the results when costs are denominated as a share of gross receipts. Here again, costs include recurring and one-time compliance expenses. For all firms, the average compliance cost equals 1.6 percent of gross revenues. In small firms compliance costs equal 2.4 percent of receipts, which is considerably higher than the overall sample mean. In large firms compliance costs equal 1.5 percent of gross

receipts, and in mid-size firms the compliance costs equal 1.3 percent. The data used in Figure 2 are also reported in Table 1.



**Figure 2.** Compliance Costs as a Percent of Gross Receipts in 2000 (Including Recurring and One-Time Expenses)

The results shown in Figures 1 and 2 indicate economies of scale in workplace regulatory compliance. That is, compliance costs are clearly higher in large firms and mid-size than in small firms, but these costs appear to rise less than proportionately with respect to firm size. For example, as shown in Table 1, the average compliance cost per firm is \$2.2 million for the full sample. In large firms, the average cost is \$7.3 million,

and in small firms the average cost is \$142,000. While the total compliance costs rise with firm size, the costs per employee decline.

Mid-size firms report compliance costs per employee of \$1,351, which is 89 percent lower than the costs per employee in small firms. However, the costs in mid-size firms are also slightly lower (by \$169 per employee) than the costs in large firms. This suggests that unit costs are relatively high for small firms, but that these unit costs do not continue to decline as a function of firm size.

**Table 1.** Compliance Costs of Federal Workplace Regulations in 2000 \*

Cost Indicator	By Firm Size (Number of Employees)			
	All Firms	Less than 100	100 to 499	500 +
Cost Per Employee	\$ 1,724	\$ 2,573	\$ 1,361	\$ 1,530
Cost as a Percent of Receipts	1.6%	2.4%	1.3%	1.5%
Cost Per Firm	\$ 2,207,000	\$ 142,000	\$ 268,000	\$ 7,312,000
Number of Observations	100	26	46	28

\* **Notes:** Table 1 includes all costs, both recurring and non-recurring costs. Non-recurring costs included such as expenses as one-time legal settlements and capital expenditures. The table reports the mean values for the sample.

Table 2 provides the comparable cost information when only recurring costs are included. These results drop eight responses because they did not indicate whether the reported expenses were recurring or one-time. This leaves a sample size of 92 firms. For these 92 firms, the compliance cost per employee excluding one-time expenses is \$1,510, which is \$214 per employee less than the estimate that includes one-time expenses. Put differently, non-recurring (or one-time) costs account for 14 percent of all workplace compliance costs. Recurring costs as a percent of firm receipts is 1.4

percent, as compared to 1.6 percent when one-time expenses are included. The average compliance cost per firm is \$1.6 million, as compared to \$2.2 million including one-time expenses. If we extrapolate the findings that include only the recurring expenses to all U.S. manufacturing firms (again weighting by firm size), the total compliance cost for the entire manufacturing sector in 2000 would be about \$28 billion.<sup>1</sup>

With respect to the distribution of costs across the three firm size classifications, the pattern observed in Table 2 follows the basic pattern described when all costs are included. Specifically, costs per employee and costs as a percent of receipts are substantially larger in small firms than in mid-size and large firms.<sup>2</sup>

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<sup>1</sup> One-time, or non-recurring costs include such items as capital expenditures, expenditures on information technology systems, the costs of fines, and legal settlements. Under some conditions, one should include non-recurring expenses to gauge the annual compliance costs in a normal year. For example, suppose the one-time expenses reflect costs that firms generally incur every 10 years, and 10 percent of firms reported them this year. This means that, on average, including the one-time costs will reflect a typical year. However, another possibility is that one-time costs reflect the capital costs of property that is depreciating on a firm's books. In that case, including one-time expenses might not reflect expenses that, on average, all firms are paying on an annual basis. Under that possibility, including one-time costs would tend to overstate the compliance costs in a typical year. For these reasons, we report the compliance costs with (Table 1) and without (Table 2) the one-time costs included.

<sup>2</sup> One anomaly in the results reported in Tables 1 and 2 requires brief explanation. The cost per employee for small firms when one-time expenses are excluded is \$2,682 (Table 2). We would expect this estimate to be lower than the estimate that includes one-time costs, but in fact it is about \$100 higher than the value shown in Table 1 (equal to \$2,573 for small firms). The difference occurs because the calculations for Table 2 exclude the responses for three small firms that did not designate whether costs were one-time or recurring. These three excluded small firms happened to have below-average costs, which reduced the mean values in Table 1.

**Table 2.** Recurring Costs of Federal Workplace Regulations in 2000 \*

Cost Indicator	By Firm Size (Number of Employees)			
	All Firms	Less than 100	100 to 499	500 +
Cost Per Employee	\$ 1,510	\$ 2,682	\$ 1,100	\$ 1,149
Cost as a Percent of Receipts	1.4%	2.1%	0.9%	1.3%
Cost Per Firm	\$ 1,647,000	\$ 149,000	\$ 212,000	\$ 5,347,000
Number of Observations	92	23	43	26

*\* Notes: Table 2 includes only the recurring compliance costs, and excludes one-time (or non-recurring) expenses. The table reports the mean values for the sample. The eight respondents that did not indicate whether the expenses were recurring or one-time are excluded from the computations in Table 2, which yields a sample size of 92.*

The survey instrument asked respondents to rate the precision of their compliance cost estimates on a scale of 1 to 5. A rating of “1” indicated a rough guess as to the accuracy of the answer, and a rating of “5” indicated that an answer was based on detailed records. In Appendix 2 and Appendix 3, we replicate the computations shown in Tables 1 and 2 excluding the responses that had low precision ratings. Specifically, these two Appendices drop responses with precision ratings equal to 1 or 2. Interestingly, while we observe some minor variations between the full sample and the “high-precision” sample, none of the differences is statistically significant.

The 100 survey respondents included manufacturing firms from 19 different SIC categories. Appendix 4 and Appendix 5 show the average compliance cost per employee for each of these 19 sectors, ranked from the highest cost to the lowest. Appendix 4 includes recurring and one-time costs, and Appendix 5 includes only recurring costs. While these data are interesting and indicate a wide variation in the compliance costs among the various manufacturing sectors, they are merely suggestive. Because some SIC categories contain only a few observations (in fact, some categories

contain only a single observation) statistical inferences about the cost differences would not be valid.

## **II. Costs by Type of Regulatory Compliance Activity**

The survey instrument requested information about four different types of firm compliance activities. Broadly these were "Internal Costs" (functions performed by company employees), "External Costs" (functions performed by law firms or other outside vendors, legal judgments and settlements), "Capital Expenditures," and "Other Costs." "Internal Costs" were further divided among three major corporate functions: Human Resources (the traditionally defined functions such as employment decisions, employee benefits, and labor standards), Engineering (typically those functions involved with OSHA compliance), and Legal (activities to ensure compliance).<sup>3</sup>

The allocation of costs by type of compliance activity is reported in Table 3 for all firms and for the three categories of firm sizes.

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<sup>3</sup> The survey instrument noted that these categories were designed to reflect internal corporate "functions," and not necessarily which department managed a specific function. For example, some companies have expanded the functions assigned to the Human Resources department to include activities related to worker health and safety (and thus responsible for OSHA-related compliance activities). In other companies, health and safety-related activities are assigned to the Engineering department. In answering the survey questions, we asked respondents to divide their compliance activities by the stated function and not by department. Finally, the survey instrument specifically requested cost data for compliance activities at United States installations only.

**Table 3.** Allocation of Costs by Type of Compliance Activity \*

Type of Activity	By Firm Size (Number of Employees)			
	All Firms	Less than 100	100 to 499	500 +
Human Resources	33%	28%	34%	35%
Capital	25%	38%	21%	19%
External	17%	12%	17%	20%
Engineering	15%	14%	15%	17%
Legal	7%	4%	10%	6%
Other	3%	5%	2%	4%

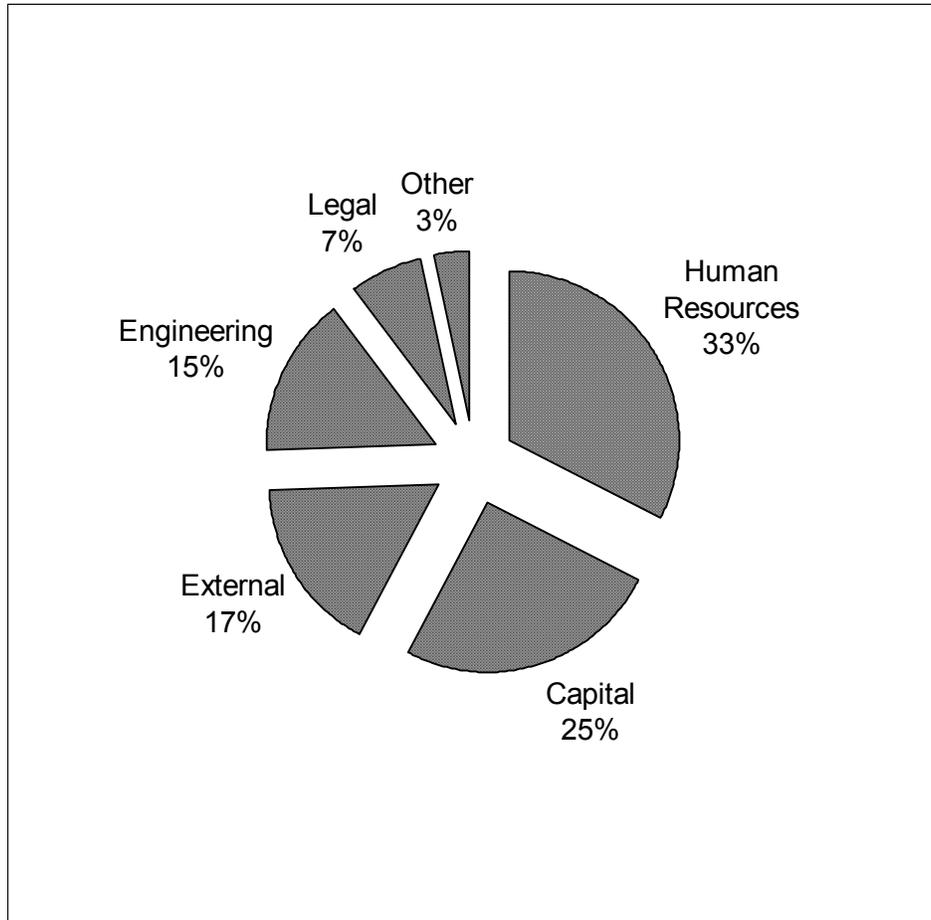
*\* Notes: The percentages in the Table 3 reflect the share of compliance costs within each type of activity. The table reports the mean values for the sample.*

For the full sample of 100 firms, activities related to Human Resources functions accounted for the largest share of compliance costs, exactly one-third of all costs. Capital expenses account for the second largest category, exactly one-fourth of the total.<sup>4</sup> Mid-size and large firms reported this same ranking of the relative importance of the six compliance activities. However, small firms reported that Capital expenses accounted for the largest share, 38 percent of all compliance costs, followed by Human Resources functions, which accounted for 28 percent of compliance costs.

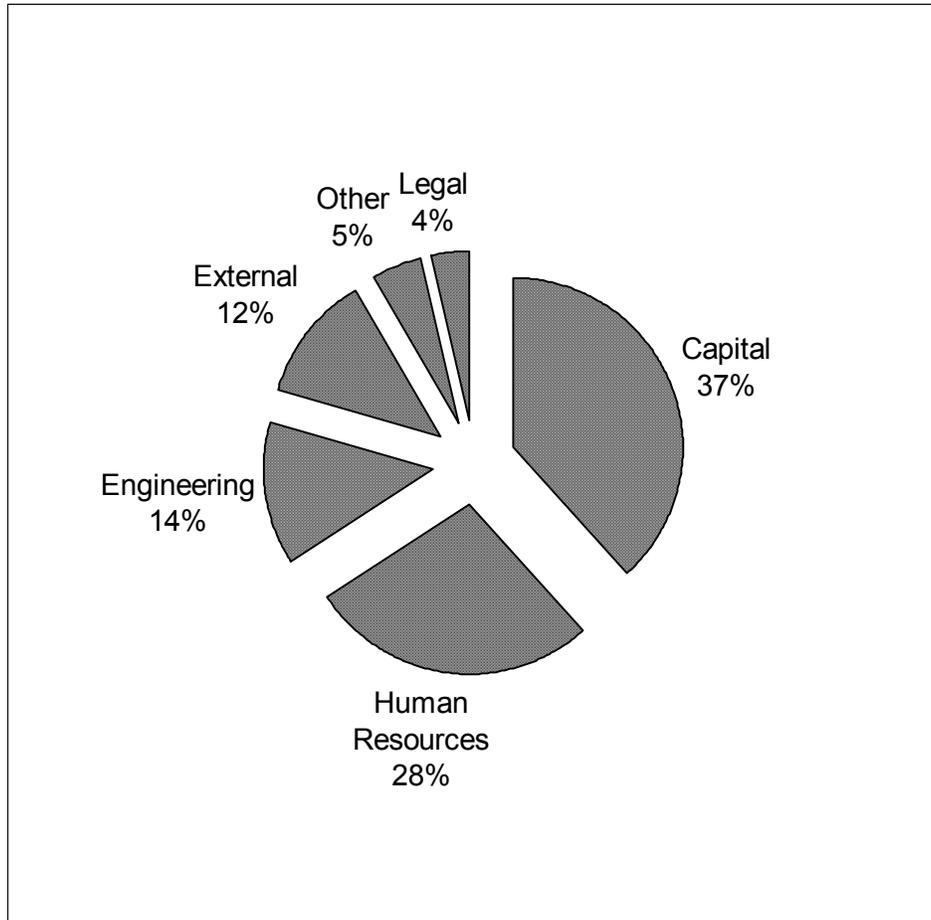
Figures 3, 4, 5, and 6 illustrate these cost allocations in the form of pie charts, for the full sample, and for the three different firm size classifications.

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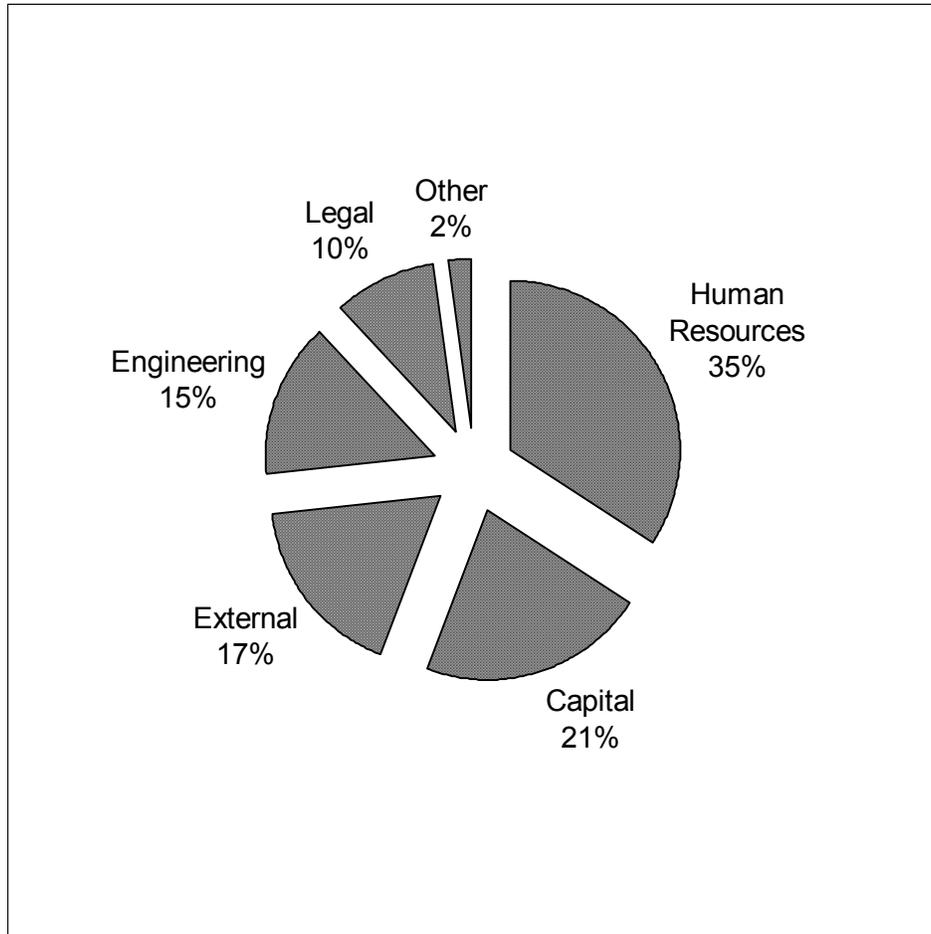
<sup>4</sup> The survey instrument asked respondents to include in “Capital Expenditures” information technology (IT) systems as well as investments in physical facilities to comply for example with the Americans with Disabilities Act and OSHA requirements.



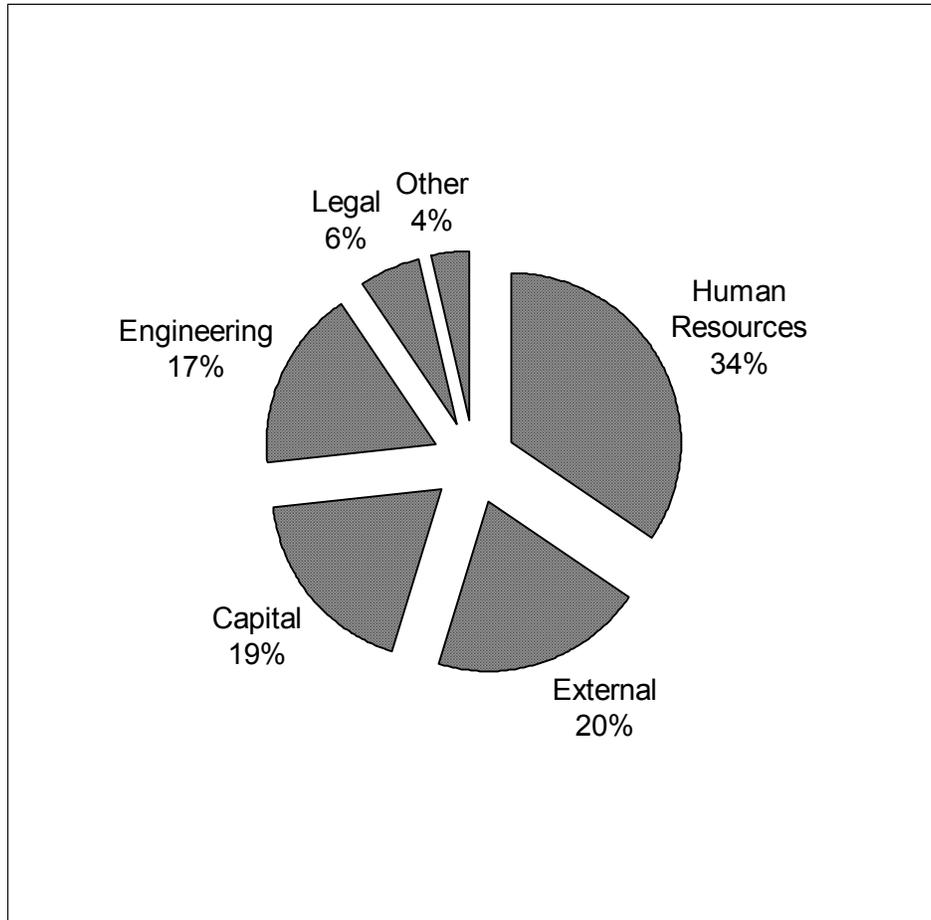
**Figure 3.** Allocation of Costs by Type of Compliance Activity in 2000 (All Firms)



**Figure 4.** Allocation of Costs by Type of Compliance Activity in 2000 (Small Firms)



**Figure 5.** Allocation of Costs by Type of Compliance Activity in 2000 (Mid-Size Firms)



**Figure 6.** Allocation of Costs by Type of Compliance Activity in 2000 (Large Firms)

### **III. Compliance Costs by Type of Workplace Regulation**

The survey instrument grouped the twenty-five statutory acts and executive orders that encompass all significant federal workplace regulations into six categories. These six categories are: Worker Health and Safety, Labor Standards, Employee Benefits, Labor-Management Relations, Civil Rights, and Employment Decisions. The

survey asked respondents to allocate their compliance activity among these six major types.

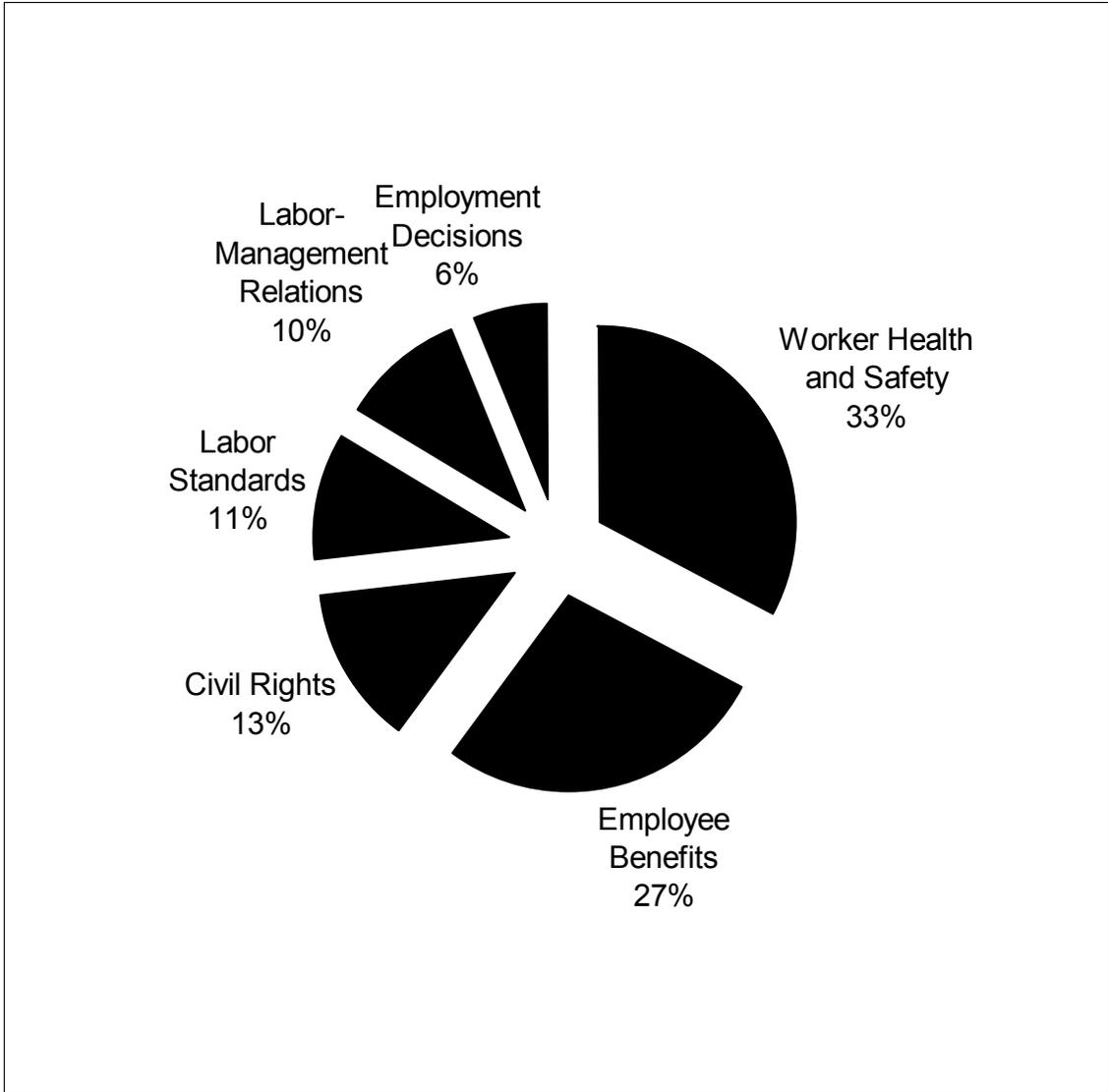
Table 4 presents these results. For the overall sample, Worker Health and Safety regulations account for the largest share of compliance costs, 33 percent of all costs, followed by Employee Benefits regulations, which account for 27 percent of all costs. Combined these two types of workplace regulations account for 60 percent of all compliance costs, based on the full sample. Note that the “Large Firm” sample rated Employee Benefits regulations as the most costly, accounting for a 31 percent of total compliance costs. Large firms reported that Worker Health and Safety regulations account for 21 percent of all costs, closely followed by Civil Rights regulations, at 20 percent. Small firms reported that Worker Health and Safety regulations account for 42 percent of their compliance costs.

**Table 4.** Allocation of Costs by Type of Workplace Regulation in 2000 \*

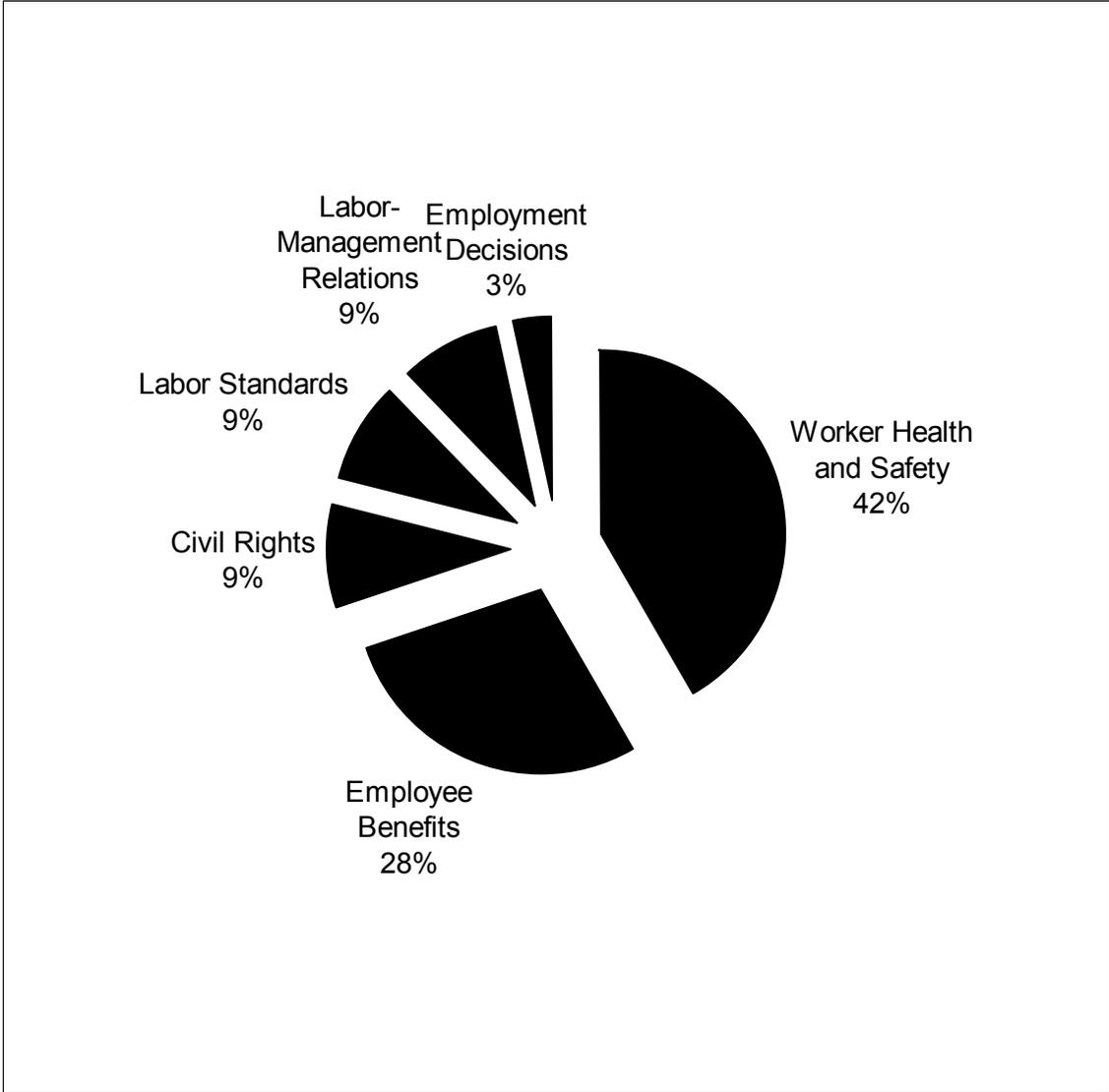
<b>Category</b>	<b>By Firm Size (Number of Employees)</b>			
	<b>All Firms</b>	<b>Less than 100</b>	<b>100 to 499</b>	<b>500 +</b>
<b>Worker Health and Safety</b>	33%	42%	35%	21%
<b>Employee Benefits</b>	27%	28%	24%	31%
<b>Civil Rights</b>	13%	9%	11%	20%
<b>Labor Standards</b>	11%	9%	11%	11%
<b>Labor-Management Relations</b>	10%	9%	12%	9%
<b>Employment Decision Laws</b>	6%	3%	6%	8%

*\* Note: The percentages in the Table 4 reflect the share of compliance costs attributed to each type of regulation. The table reports the mean values for the sample.*

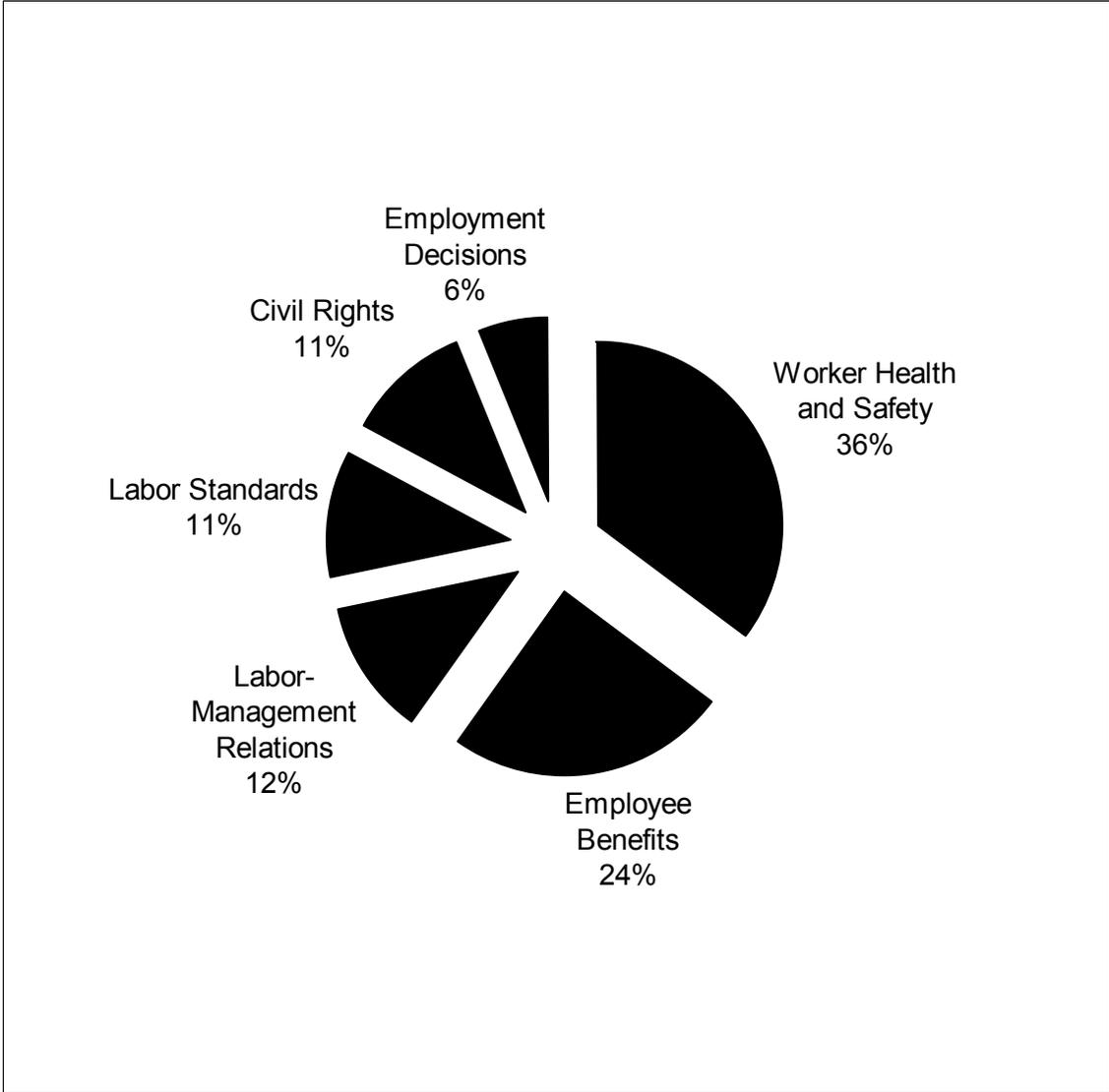
Figures 7, 8, 9, and 10 illustrate these cost allocations in the form of pie charts, for the full sample, and for the three different firm size classifications.



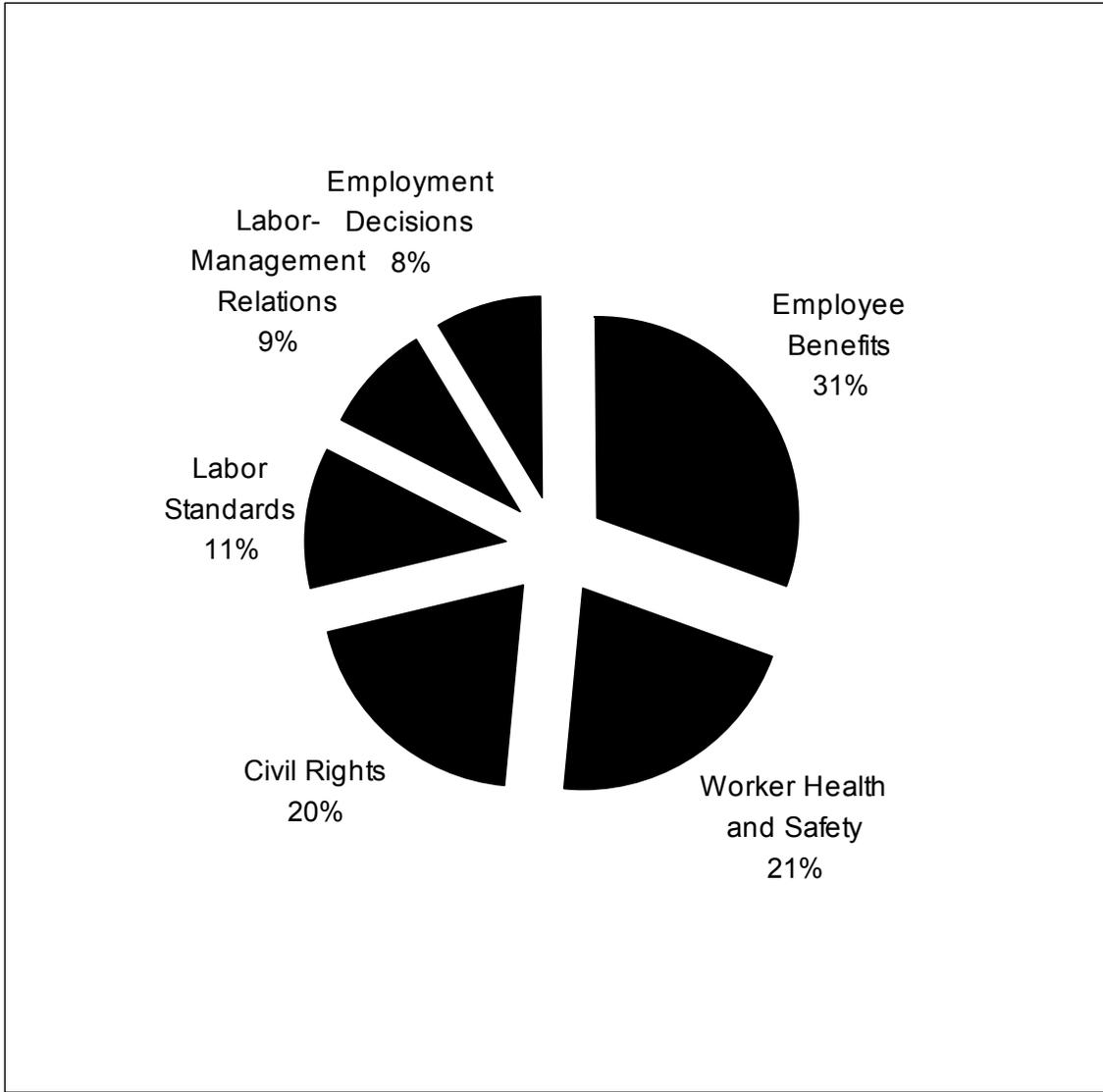
**Figure 7.** Allocation of Costs by Type of Regulation in 2000 (All Firms)



**Figure 8.** Allocation of Costs by Type of Regulation in 2000 (Small Firms)



**Figure 9.** Allocation of Costs by Type of Regulation in 2000  
(Mid-Size Firms)



**Figure 10.** Allocation of Costs by Type of Regulation in 2000 (Large Firms)

Table 5 reports these cost allocations by type of regulation in terms of the cost per employee, including recurring and one-time expenses. Table 6 reports these cost allocations in terms of the cost per employee, including only the recurring expenses.

**Table 5.** Allocation of Costs by Type of Regulation: Cost Per Employee (Recurring and One-Time Expenses)

Category	By Firm Size (Number of Employees)			
	All Firms	Less than 100	100 to 499	500 +
<b>Worker Health and Safety</b>	\$ 567	\$ 1,070	\$ 482	\$ 318
<b>Employee Benefits</b>	\$ 468	\$ 724	\$ 331	\$ 469
<b>Civil Rights</b>	\$ 223	\$ 237	\$ 148	\$ 302
<b>Labor Standards</b>	\$ 183	\$ 231	\$ 151	\$ 175
<b>Labor-Management Relations</b>	\$ 179	\$ 228	\$ 164	\$ 137
<b>Employment Decision Laws</b>	\$ 104	\$ 84	\$ 85	\$ 130
<b>All Costs</b>	\$ 1,724	\$ 2,573	\$ 1,361	\$ 1,530

*\* Notes: Table 5 includes recurring and one-time compliance costs. The values are obtained by multiplying the percentages in Table 4 by the cost per employee data shown in Table 1.*

**Table 6.** Allocation of Costs by Type of Regulation: Cost Per Employee (Recurring Expenses Only)

Category	By Firm Size (Number of Employees)			
	All Firms	Less than 100	100 to 499	500 +
<b>Worker Health and Safety</b>	\$ 497	\$ 1,115	\$ 389	\$ 239
<b>Employee Benefits</b>	\$ 410	\$ 754	\$ 268	\$ 352
<b>Civil Rights</b>	\$ 195	\$ 247	\$ 120	\$ 227
<b>Labor Standards</b>	\$ 160	\$ 240	\$ 122	\$ 131
<b>Labor-Management Relations</b>	\$ 156	\$ 238	\$ 132	\$ 103
<b>Employment Decision Laws</b>	\$ 91	\$ 87	\$ 68	\$ 98
<b>All Recurring Costs</b>	\$ 1,510	\$ 2,682	\$ 1,100	\$ 1,149

*\* Notes: Table 6 includes only recurring compliance costs. The values are obtained by multiplying the percentages in Table 4 by the cost per employee data shown in Table 2.*

The final section of the survey instrument asked respondents to rank the federal workplace regulations in terms of their compliance costs. The twenty-five statutory acts and executive orders were again grouped into the six major categories, and the rankings were applied to regulations with each category.

Table 7 summarizes these results for all firms and for the three firm-size classes. Among the four “Labor Standards” regulations, respondents ranked the Fair Labor Standards Act as the most costly, and the Migrant & Seasonal Workers Act as the least costly. All three firm size classes ranked the four regulations within this category identically. Among the four “Employment Benefits” regulations, each firm size class recorded a different ordering. Within this group, small and mid-size firms considered Unemployment Compensation to be the most costly regulation, while large firms considered the Family Medical Leave Act to be the most costly.

The cost rankings shown in Table 7 are totally consistent for three categories: “Labor-Management Relations,” “Worker Health and Safety,” and “Employment Decision Laws.” However, for “Civil Rights” regulations, the rankings differ considerably across the firm size sub-samples. Small and mid-size firms ranked the Americans with Disabilities Act as the most costly, while large firms ranked Title VII as the most costly. Generally, the six regulations in this category appear to have quite different effects depending on firm size.

**Table 7. Ranking the Cost Burden for Specific Regulations \***

		<b>Rankings (Most to least Costly)</b>			
<b>Labor Standards</b>		<b>All Firms</b>	<b>Less than 100</b>	<b>100 to 499</b>	<b>500 +</b>
Fair Labor Standards Act		1	1	1	1
Contract Work Hours & Safety Standards		2	2	2	2
Federal Contractor Labor Standards		3	3	3	3
Migrant & Seasonal Workers Protection		4	4	4	4
		<b>Rankings (Most to least Costly)</b>			
<b>Employee Benefits</b>		<b>All Firms</b>	<b>Less than 100</b>	<b>100 to 499</b>	<b>500 +</b>
FMLA		1	4	2	1
COBRA		2	2	3	3
ERISA		3	3	4	2
Unemployment Compensation		4	1	1	4
		<b>Rankings (Most to least Costly)</b>			
<b>Labor-Management Relations</b>		<b>All Firms</b>	<b>Less than 100</b>	<b>100 to 499</b>	<b>500 +</b>
NLRA		1	1	1	1
LMRDA		2	2	2	2
		<b>Rankings (Most to least Costly)</b>			
<b>Worker Health and Safety</b>		<b>All Firms</b>	<b>Less than 100</b>	<b>100 to 499</b>	<b>500 +</b>
OSHA		1	1	1	1
Workers' Compensation		2	2	2	2
Drug Free Workplace Act		3	3	3	3
Omnibus Trans. Emps. Testing Act		4	4	4	4
MSHA		5	5	5	5
		<b>Rankings (Most to least Costly)</b>			
<b>Civil Rights</b>		<b>All Firms</b>	<b>Less than 100</b>	<b>100 to 499</b>	<b>500 +</b>
Americans w/Disabilities Act		1	1	1	2
Title VII		2	5	2	1
Age Discrimination Act		3	3	3	4
Equal Pay Act		4	2	5	3
Executive Order 11246		5	6	4	5
Rehabilitation Act		6	4	6	6
		<b>Rankings (Most to least Costly)</b>			
<b>Employment Decision Laws</b>		<b>All Firms</b>	<b>Less than 100</b>	<b>100 to 499</b>	<b>500 +</b>
Immigration Reform & Control Act		1	1	1	1
WARN		2	2	2	2

**Note:** The rankings in Table 7 represent the modal value for the samples. The modal value is the ranking that was the most frequently given response.

#### **IV. Concluding Comments**

Prior estimates of the cost of workplace regulations have inherent limitations that are partially overcome by a survey approach. Primarily, previous cost estimates have relied on regulatory impact analyses and have not included all of the major federal regulations. While a survey approach has its own limitations, such as potential biases by the respondents, the results in this report offer useful insights that supplement the state of knowledge. As the survey results suggest, workplace regulations cost the manufacturing sector between \$28 to \$32 billion in 2000, exceeding by at least 75 percent the cost estimates in previous academic and government studies. This large discrepancy in cost estimates indicates the potential benefits from conducting additional surveys that increase the sample size of manufacturing firms, as well as extending the basic approach to other business sectors.

The survey breaks new ground by providing information about the distribution of the burden of federal workplace regulations. This burden appears to fall disproportionately on small firms, those employing less than 100 workers. However, the relative burden on mid-size firms appears to be slightly lower than the burden on large firms, those employing 500 or more workers. The issue of economies of scale in regulatory compliance thus remains ripe for further study. Again, additional surveys that contain an expanded sample size would shed light on this important question.

## V. Appendices

### Appendix 1. Summary Statistics of 100 Survey Respondents

	<i>Mean</i>	<i>Maximum</i>	<i>Minimum</i>
<b>Number of Employees</b>	2,417	65,400	7
<b>Revenues</b>	\$ 613,593,000	\$15,544,800,000	\$ 600,000

### Appendix 2. Compliance Costs of Federal Workplace Regulations in 2000 \*, Dropping Low Precision Responses \*

<b>Cost Indicator</b>	<b>By Firm Size (Number of Employees)</b>			
	<b>All Firms</b>	<b>Less than 100</b>	<b>100 to 499</b>	<b>500 +</b>
Cost Per Firm	\$ 1,984,000	\$ 108,000	\$ 309,000	\$ 6,584,000
Cost Per Employee	\$ 1,883	\$ 2,440	\$ 1,588	\$ 1,961
Cost as a Percent of Receipts	1.7%	2.0%	1.5%	1.7%
Number of Observations	62	14	31	17
Sample Share		23%	50%	27%

*\* Notes: Appendix 2 reports the mean values for recurring and one-time costs for those responses with a "Precision Value" of 3, 4, or 5. That is, Appendix 2 drops the low-precision rating responses (values of 1 or 2). These results are comparable to those for the full sample in Table 1.*

**Appendix 3. Recurring Costs of Federal Workplace Regulations in 2000 \*,  
Dropping Low Precision Responses \***

<b>Cost Indicator</b>	<b>By Firm Size (Number of Employees)</b>			
	<b>All Firms</b>	<b>Less than 100</b>	<b>100 to 499</b>	<b>500 +</b>
Cost Per Firm	\$ 1,396,000	\$ 106,000	\$ 255,000	\$ 4,643,000
Cost Per Employee	\$ 1,628	\$ 2,371	\$ 1,361	\$ 1,481
Cost as a Percent of Receipts	1.4%	1.8%	1.1%	1.6%
Number of Observations	56	13	28	15
Sample Share		21%	45%	24%

*\* Notes: Appendix 3 reports the mean values for recurring costs for those responses with a "Precision Value" of 3, 4, or 5. That is, Appendix 3 drops the low-precision rating responses (values of 1 or 2). These results are comparable to those for the full sample in Table 2.*

**Appendix 4. Costs per Employee Ranked by Manufacturer SIC Classification  
(Recurring and One-Time Expenses) \***

<b>Manufacturer Type (Standard Industrial Classifications)</b>	<b>Cost per Employee</b>	<b>Number of Employees</b>	<b>Number of Observations</b>
Furniture And Fixtures	\$ 14,010	500	1
Stone, Clay, Glass, And Concrete Products	\$ 12,268	85	1
Primary Metal Industries	\$ 2,964	1,370	10
Chemicals And Allied Products	\$ 2,708	1,695	6
Rubber And Miscellaneous Plastics Products	\$ 1,652	606	8
Industrial And Commercial Machinery And Computer Equipment	\$ 1,642	885	5
Food And Kindred Products	\$ 1,608	175	5
Printing, Publishing, And Allied Industries	\$ 1,566	419	2
Transportation Equipment	\$ 1,350	3,118	7
Heavy Construction Other Than Building Construction Contractors	\$ 1,324	150	1
Construction Special Trade Contractors	\$ 1,324	150	1
Paper And Allied Products	\$ 1,320	145	3
Electronic And Other Electrical Equipment And Components, Except Computer Equipment	\$ 1,300	24,822	3
Fabricated Metal Products, Except Machinery And Transportation Equipment	\$ 1,278	2,799	25
Lumber And Wood Products, Except Furniture	\$ 921	1,162	3
Miscellaneous Manufacturing Industries	\$ 819	1,365	12
Apparel And Other Finished Products Made From Fabrics And Similar Materials	\$ 243	872	2
Textile Mill Products	\$ 213	1,050	1
Measuring, Analyzing, And Controlling Instruments; Photographic, Medical And Optical Goods; Watches And Clocks	\$ 135	100	1

*\* **Note:** Appendix 4 reports the mean values for each SIC category. These data include recurring and non-recurring costs.*

**Appendix 5. Costs per Employee Ranked by Manufacturer SIC Classification  
(Recurring Expenses) \***

<b>Manufacturer Type (Standard Industrial Classifications)</b>	<b>Cost per Employee</b>	<b>Number of Employees</b>	<b>Number of Observations</b>
Furniture And Fixtures	\$ 14,010	500	1
Stone, Clay, Glass, And Concrete Products	\$ 12,268	85	1
Primary Metal Industries	\$ 3,093	1,370	7
Electronic And Other Electrical Equipment And Components, Except Computer Equipment	\$ 1,794	24,822	2
Chemicals And Allied Products	\$ 1,636	1,695	6
Industrial And Commercial Machinery And Computer Equipment	\$ 1,532	885	5
Food And Kindred Products	\$ 1,498	175	5
Printing, Publishing, And Allied Industries	\$ 1,392	419	2
Heavy Construction Other Than Building Construction Contractors	\$ 1,324	150	1
Construction Special Trade Contractors	\$ 1,324	150	1
Paper And Allied Products	\$ 1,232	145	3
Transportation Equipment	\$ 1,207	3,118	7
Rubber And Miscellaneous Plastics Products	\$ 1,185	606	8
Fabricated Metal Products, Except Machinery And Transportation Equipment	\$ 972	2,799	23
Lumber And Wood Products, Except Furniture	\$ 910	1,162	3
Miscellaneous Manufacturing Industries	\$ 756	1,365	11
Apparel And Other Finished Products Made From Fabrics And Similar Materials	\$ 230	872	2
Textile Mill Products	\$ 213	1,050	1
Measuring, Analyzing, And Controlling Instruments; Photographic, Medical And Optical Goods; Watches And Clocks	\$ 135	100	1

*\* Note: Appendix 5 reports the mean values for each SIC category. These data include only recurring costs.*