Industry Size and Regulation: Evidence from US States

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Abstract

What explains variation in the degree of regulation across US states and industries? We examine cross-sectional variation in state government regulation facing 81 3-digit North American Industry Classification System industries by matching novel data on regulatory restrictions at the state-industry level with data on state-industry characteristics. For most states, an increase in industry size is positively correlated with the extent of regulation. Additionally, for most industries, there is also a positive correlation between industry size and the degree to which state governments regulate that industry. When we control for unobserved heterogeneity at the state and industry levels, we find the extent of industry-level regulation is robustly correlated with the size of the industry. However, other industry factors, like average wages, average establishment sizes, or the distribution of establishment sizes, are uncorrelated with the extent of regulation. Taken as a whole, our findings are consistent with hypotheses for regulation that emphasize the fixed costs of establishing regulation or the salience of large industries and are inconsistent with hypotheses that suggest that regulation is influenced by firm size or industry-level concentration of establishment sizes.

JEL codes: K20, K23, L50, L51, D7

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I. Introduction

What explains variation in the degree of industry-level regulation across US states? The public interest theory points to market failures as a key determinant of the extent of regulation (Pigou 1920). Special interest theories, in contrast, suggest that the extent of regulation depends on pressure from interest groups and politicians who mold regulation to advance their private objectives (Stigler 1971; Peltzman 1976; McChesney 1987). Other hypotheses argue that the fixed costs of establishing a regulatory regime (Mulligan and Shleifer 2005) or the political salience of an industry (Gormley 1986) affects the extent of regulation. While a vast literature has examined these hypotheses by studying the adoption of laws that govern individual sectors or industries, very few scholars have attempted to analyze the full cross-state and cross-industry variation that exists in industry-level regulation in the United States. This is likely because it is difficult to compare the extent of industry-level regulation across different states.

We take a step toward filling this void. Using a novel dataset that measures the restrictiveness of regulation faced by each of 81 3-digit North American Industry Classification System (NAICS) industries in 44 states plus the District of Columbia (DC) in 2020, we show that there is substantial variation in the extent to which different jurisdictions regulate the same industry, as well as in the extent to which a given jurisdiction regulates different industries. We match these data on state-industry regulatory restrictiveness with data on industry characteristics to examine the determinants of regulation, with a specific focus on the role of industry size. For most states, we find a positive correlation between the size of an industry and the degree to which a state regulates that industry. For most industries, we find a positive relationship between

the size of the industry at the state level and the extent to which it is regulated. Holding constant unobserved heterogeneity at the state and industry levels, we document a positive correlation between industry size and the extent of regulation but no statistically significant relationship between regulatory restrictiveness and average wages, average establishment sizes, or the concentration of employment in different establishment sizes.

While our findings do not furnish a direct test of the public interest or special interest theories, they do provide evidence in favor of regulatory hypotheses that emphasize the fixed costs of establishing regulation. Mulligan and Shleifer (2005) argue that because setting up a regulatory regime involves fixed costs, larger polities have more regulation. While the focus of their analysis is a political jurisdiction, the same argument may apply at the industry level. To the extent that industry size is a proxy for political salience, our findings are also supportive of hypotheses for regulation that focus on the role of political salience as a determinant of regulation (Gormley 1986). Finally, we argue that our findings are inconsistent with special interest theories that emphasize industry concentration as a predictor of regulatory influence.

The remainder of this paper is structured as follows. We start by describing our dataset, with a focus on State RegData 2.0, our source of information on regulatory restrictiveness at the industry-state level, and we also review related literature that uses RegData. We then document variation in regulation at the state-industry level. This is followed by an econometric analysis of the relationship between industry characteristics and the extent of regulation in which we examine variation across states and industries and combine state and industry variation in a fixed-effect regression framework. We conclude with a discussion of the implications of our findings for different theories of regulation.

II. Data and Related Literature

We use the Mercatus Center's RegData project for information on regulatory restrictiveness at the state level. Originally developed by Al-Ubaydli and McLaughlin (2017), the RegData project uses machine learning and artificial intelligence techniques to analyze the text of government regulations and laws. Essentially, the RegData project counts words like "shall," "must," "may not," "required," or "prohibited" in regulatory text, uses machine learning and artificial intelligence to compute the likelihood that these words apply to each NAICS industry group, and then calculates the number of such regulatory restrictions that are likely to apply to each industry group. Initially applied to the *Code of Federal Regulations*, the RegData project was expanded to include state-level laws and regulations in the United States as well as Canadian provinces and Australian states. One of the updated databases, State RegData 2.0, is the source from which we draw our data on industry-state regulation.

State RegData 2.0 includes information on the total number of state government regulatory restrictions faced by each 3-digit NAICS industry in 2020. In terms of jurisdictions, it covers Washington, DC, plus every US state except Alaska, Arkansas, Connecticut, Hawaii, New Jersey, and Vermont, which did not have regulatory texts that were publicly available or machine readable. We matched this regulatory information with data from the 2019 *County Business Patterns* on industry characteristics at the industry-state level. Specifically, we gather data on the number of establishments, the number of employees, annual payroll, and the distribution of employment by different establishment sizes. Our resulting dataset includes 81 3-digit NAICS industries across 44 states plus DC for a total of 3,454 industry-state observations (not every industry is represented in every state).

Several papers have used various iterations of the Mercatus Center's RegData project to analyze aspects of federal and state regulation. Most of this literature treats regulation as the

independent variable and examines the impact of regulation on economic outcomes using temporal variation in federal RegData at the industry level.[1] For instance, Bailey and Thomas (2017) and Bailey, Thomas, and Anderson (2019) examine the impact of regulation on outcomes like the birth of new firms, employment, and wages using panel data at the national industry-year level. They find that more regulated industries experience fewer new-firm births, slower employment growth, and slower wage growth. Lucas and Boudreaux (2020) combine federal industry-level RegData with state-level economic freedom indices to examine the impact of regulation on local-level employment in a panel data setting. They find that increases in federal industry regulation reduce job growth in states with a low level of economic freedom but not in high-economic-freedom states, suggesting that state-level policies ameliorate the impact of federal regulation. Febrizio (2018) uses an early iteration of State RegData to examine the impact of government regulation on economic outcomes at the 2-digit NAICS level in a cross-sectional setting. He finds that stricter industry regulation at the state government level is associated with subsequent declines in the number of establishments as well as the level of employment.

Unlike these studies, our study treats regulation as the dependent variable and seeks to explain why regulation varies. In this regard, our paper is most closely related to Bailey, Broughel, and McLaughlin (forthcoming), who use State RegData to examine the determinants of cross-sectional variation in the total quantity of regulation across US and Australian states as well as Canadian provinces. They find regulation to be positively correlated with population at the state or provincial level, controlling for other factors—a result that is consistent with the fixed-cost hypothesis for regulation but could also be driven by unobserved heterogeneity across

[1] Federal RegData are available annually from 1970 onward. At present, State RegData are available only as a cross section.

jurisdictions in the demand for regulation. Our paper builds on Bailey, Broughel, and McLaughlin (2021) by disaggregating US state government regulation to the 3-digit NAICS level. In addition to extending the analysis of regulatory restrictiveness to the industry level, our approach allows us to control for unobserved heterogeneity at the state and industry levels that may influence the level of regulation.

III. Variation in Regulation across States and Industries

We begin our analysis of the data by documenting the extent of variation across US states and industries. As discussed earlier, State RegData 2.0 provides information on the restrictiveness of state government regulation at the industry level in 2020. Our data therefore encompass two sources of variation: variation in the extent of industry-level regulation within states, and variation in the extent of industry-level regulation across states. Column (1) of table 1, which reports the average number of restrictions per industry for each state and its standard deviation, provides evidence of the first source of variation. For each state, the standard deviation in the average number of restrictions is large (roughly twice as large as the average), which indicates that within each state there is substantial variation in industry-level regulation. Across states, the mean restrictiveness across industries also varies substantially. California and New York have the highest number of regulatory restrictions per industry (3,537 in CA and 2,685 in NY, with standard deviations of 5,190 and 3,866, respectively), while South Dakota and Idaho have the fewest (177 for SD and 359 for ID with standard deviations of 262 and 730, respectively). Column (5) shows the number of 3-digit NAICS industries within each state, which varies between 62 and 81.

Evidence of variation in regulatory restrictiveness across industries is provided in column (2) of table 2, which displays the average number of state-level regulatory restrictions for each

3-digit NAICS industry in our dataset as well as its standard deviation. For most industries, the standard deviation is large relative to the average. The most highly regulated industry at the state level is NAICS 813 (religious, grantmaking, civic, and professional organizations), with an average of 9,883 restrictions (standard deviation of 5,607). NAICS 561 (administrative support services) is next, with 8,600 restrictions (standard deviation of 6,676). Most manufacturing industries are also highly regulated at the state level. For instance, petroleum and coal products manufacturing (NAICS 324) and chemical manufacturing (NAICS 325) each face roughly 5,440 regulatory restrictions (with standard deviations of 4,246 and 3,976, respectively). In contrast, except for food and beverage services (NAICS 445), retail industries are lightly regulated at the state level.

IV. Industry Size and Regulation: State-by-State and Industry-by-Industry Analyses

What industry characteristics are correlated with regulation? We now turn to the relationship between regulation and one key industry characteristic, industry size. Our focus on size is motivated by Mulligan and Shleifer (2005), who emphasize the role of fixed costs in limiting the quantity of regulation. Specifically, we ask (1) for each state, what is the relationship between the size of an industry and the extent of regulation; and (2) for each industry, what is the relationship between the size and regulation? To address the first question, we use variation across industries within each state; and to address the second, we use variation across states within each industry. We examine the relationship between industry size and regulation across each state and each industry separately to see if the relationship holds across states that differ dramatically in terms of their preferences for regulation, as well as across industries that differ in terms of the market failures they generate and/or the extent to which they are politically organized to lobby for or against regulation.

For this analysis, we measure regulatory restrictiveness as the natural log of the number of regulatory restrictions faced by a given industry in a given state (ln(*restrictions*)), while to measure industry size we use the natural log of the total number of employees (i.e., workers) in a given industry in a given state (ln(*workers*)). Our overall findings are robust to whether we measure industry size using total employment, establishments, or annual payroll. To conserve space, in this section we present only the results using employment.

Figure 1 is a scatterplot of the relationship between regulation and industry size for all industry-state observations in our dataset. There is a clear positive relationship between industry size and regulatory restrictiveness. Because the overall level of regulation varies substantially across states (see Mulligan and Shleifer 2005, as well as Bailey, Broughel, and McLaughlin, forthcoming), we also present the corresponding scatterplots for three states (Florida, Maine, and Oregon) representing different regions of the United States (see figures 2–4). Each of these figures shows a positive relationship between industry size and regulation.

For each state, we estimated a separate regression with ln(*restrictions*) as the dependent variable, and ln(*workers*) and a constant term as the independent variables. Column (3) of table 1 presents the coefficient estimate on ln(*workers*) for each of these regressions. For 25 of the 45 jurisdictions, the coefficient is positive and statistically significant at conventional levels. The magnitude of the coefficient varies substantially across states, with a low of –0.03 for Indiana to a high of 0.28 for Montana. A 10 percent increase in the number of workers in an industry is therefore correlated with an increase in the extent of regulation of anywhere between –0.3 percent and 2.8 percent. The R-squared (R^2) statistics for these regressions fall between 0.0 and 0.1, implying that, within each state, variation in employment across industries explains up to 10 percent of the variation in industry regulation. Strikingly, the

relationship between industry size and regulation holds across states in all regions of the United States, as well as states that are ideologically different.

Scatterplots of the relationship between ln(*restrictions*) and ln(*workers*) for four different 3-digit NAICS industries (hospitals, forestry and logging, educational services, and chemical manufacturing) that represent different sectors of the economy are shown in figures 5–8. Once again, there is a positive relationship in each graph. Additionally, we estimated a regression of ln(*workers*) and a constant term on ln(*restrictions*) separately for each 3-digit NAICS. For 68 of the 81 industries in our sample, the coefficient estimate on ln(*workers*) is positive and statistically significant (see column [4] of table 2). We find the largest point estimate for utilities, where the coefficient is 0.5. The R^2 statistics from these regressions range from 0.0 to 0.3; variation in employment can explain up to 30 percent of the variation in regulation, depending on the industry. Finally, it is also worth noting that the relationship between size and regulation holds across a wide range of resource extraction, manufacturing, and service industries that likely vary considerably in terms of the presence of market failures and the level of political organization.

V. Regulation and Industry Characteristics: State-by-Industry Analysis

We now combine variation across states and variation across industries to analysis the relationship between industry characteristics and the extent of regulation. Our regression model is as follows:

$$\ln(restrictions)_{is} = \beta \ln(size)_{is} + X_{is}\delta + \gamma_i + \lambda_s + \varepsilon_{is}.$$

In this model, the dependent variable is the natural log of the number of restrictions facing industry i in state s; $\ln(size)_{is}$ is the natural log of industry size (measured by the number of workers, the number of establishments, or annual payroll) for industry i in state s; X_{is} is a vector of other state-industry controls; γ_i is a fixed effect for industry i; λ_s is a fixed effect for state s; and

ε_{is} is an error term. By including fixed effects for state and industry, we control for unobserved heterogeneity at both the state level and the industry level that influences the extent of regulation. In other words, the fixed effects allow us to control for the fact that some industries are more heavily regulated owing to factors specific to the industry (for instance, the market failures that the industry generates, or the level of special interest rent seeking associated with an industry) and that some states regulate more heavily than others (perhaps because they are more populous, as Mulligan and Shleifer [2005] have argued, or because they have different preferences for government intervention). Our key coefficient of interest is β, which is the magnitude of the relationship between the size of an industry and regulation, holding constant state and industry. To show the extent to which unobserved heterogeneity at the state and industry levels influences our estimates, we estimate this model for all possible combinations of the state and industry fixed effects.

Table 3 displays descriptive statistics for each of our regression variables, in levels and in natural logs. Columns (1)–(4) of table 4 present our key results on the relationship between industry size and regulation, with each panel reporting the estimates using a different measure of industry size. Each column in each panel of table 4 represents a separate regression. In the first four columns, the natural log of industry size is the only right-hand side variable that varies across states and across industries. We report standard errors, clustered by industry and state, in parentheses below the point estimates.[2]

We find a positive and statistically significant relationship between industry size and the extent of regulation for all measures of industry size, and across (almost) all four specifications.

[2] To allow for the possibility of correlated errors within states in the same geographic region or correlated errors across similar industries, we also clustered the standard errors by census region and by 2-digit NAICS. Our findings are qualitatively similar regardless of how we cluster. We also estimated the model using fixed effects for each census region and 2-digit NAICS industry and found roughly similar results.

Focusing on the results that use employment to measure industry size (see panel A), we estimate that a 10 percent increase in industry size is correlated with (1) a 1.9 percent increase in regulation if no fixed effects are included (column [1]); (2) a 1.4 percent increase in regulation if only state fixed effects are included (column [2]); (3) a 2.3 percent increase in regulation if only industry fixed effects are included (column [3]); and (4) a 0.5 percent increase in regulation if both state and industry fixed effects are included (column [4]).[3] We find the same qualitative pattern for each measure of industry size. In addition, the economic significance of industry size is similar regardless of which measure we use. Across these four specifications, the adjusted R^2 statistic rises from 0.06 to 0.17, to 0.72, and finally to 0.83. Relative to controlling only for industry employment, controlling for unobserved heterogeneity at the state level increases the explanatory power of the regression by 11 percent, while controlling for unobserved heterogeneity at the industry level increases explanatory power by 66 percent. Most of the variation in state-level industry regulation is therefore due to unobserved factors that vary across industries.

It is possible that the relationship between industry size and the extent of regulation is nonmonotonic. One might imagine that beyond some size threshold, regulatory restrictiveness might decrease, perhaps because very large industries are resistant to regulation, or because politicians are reluctant to impose heavy regulatory burdens on industries that are economically important. To allow for this possibility, we reestimated the full fixed-effect model with industry size and its square as regressors. Coefficient estimates on industry size and its squared term (using the three different measures of industry size) are shown in column (5) of table 4. While the magnitude of the industry size coefficient remains similar regardless of the measure of

[3] Bailey, Broughel, and McLaughlin (forthcoming) estimate that a 10 percent increase in state population increases the quantity of state government regulation by 2.2–3.3 percent. However, their data do not allow them to include fixed effects to control for unobserved heterogeneity at the state level. It is worth noting that when we do not include any fixed effects, a 10 percent increase in industry size increases industry-level regulation by 1.9 percent, which is close to the low end of their estimate range.

industry size we use, the coefficients on the squared terms are statistically and economically insignificant. Accordingly, the extent of regulation does not decline for very large industries.

Table 5 presents additional fixed-effect regression results when we include additional controls for industry characteristics that vary at the industry-state level. We find that neither the natural log of the average wage (column [1]) nor the natural log of the average number of workers per establishment (column [2]) bears a statistically significant relation with the extent of regulation. Worker pay and establishment size are not correlated with the extent of industry-state regulation. However, when we control for these factors, the coefficient on industry size remains positive and statistically significant. Regardless of whether we use employment or establishments to measure industry size, we find that a 10 percent increase in industry size is correlated with an 0.8 percent increase in the extent of regulation (see columns [3] and [4]).

Finally, we examine the relationship between industry-level concentration of employment in establishments of different sizes and regulatory restrictiveness. Employment concentration is measured by computing the fraction of total employment at the industry-state level in establishments representing 9 mutually exclusive size categories: fewer than 5 employees, 5–9 employees, 10–19 employees, 20–49 employees, 50–99 employees, 100–249 employees, 250–499 employees, 500–999 employees, and 1,000 employees or more. We call these variables *Share <5*, *Share 5–9*, *Share 10–19*, *Share 20–49*, *Share 50–99*, *Share 100–249*, *Share 250–499*, *Share 500–999*, and *Share > 1000*. As shown in column (1) of table 6, none of these variables has a statistically significant relationship with the extent of regulation in our fixed-effect regression framework. When we group industry employment shares into broader categories (*small*, defined as fewer than 50 workers; *medium*, defined as between 50 and 249 workers; and *large*, defined as 250 workers or more), we still find no statistically significant relationship

(see column [3]). Industry size, however, continues to retain its positive and statistically significant relationship with regulation; additionally, the magnitude of its coefficient remains similar (see columns [2] and [4]).

VI. Implications and Conclusions

What do these results, taken as a whole, imply for different theories of regulation? As discussed earlier, Mulligan and Shleifer (2005) argue that if setting up a regulatory regime entails fixed costs, the supply of regulation is limited by the extent of the market. Accordingly, in their model, the total quantity of regulation within a political jurisdiction is an increasing function of its size, and reductions in the fixed costs of establishing a regulatory regime also increase the extent of regulation. If the fixed costs of establishing a regulatory regime are specific to an industry, the supply of regulation governing a given industry in a state might also be limited by the size of the industry within that state. Regulating an industry like petrochemical manufacturing, for instance, likely requires an entirely different bureaucratic apparatus than that for regulating hospitals in terms of personnel and human capital, facilities, enforcement technologies, and so forth. The degree to which it is efficient for a state to make such investments may well depend on how large the industry is in that state. The robust positive correlation that we uncover between industry size and regulatory restrictiveness is therefore consistent with the fixed-cost hypothesis applied at the industry-state level.

Other theories of regulation emphasize the role of political salience in determining the extent of regulation. Gormley (1986), among others, argues that regulation is more likely when an issue or industry is politically salient. If, for instance, voters perceive an industry to be important, politicians may be incentivized to enact additional legislation regulating that industry or to push the bureaucracy to regulate that industry more stringently. Ringquist, Worsham, and Eisner

(2003) provide evidence that is consistent with this perspective, using media coverage of an industry as a proxy for political salience. While we do not directly measure the political salience of an industry, it seems possible that salience is an increasing function of industry size, either across different industries within a given state or across different states in the same industry, simply because larger industries are more visible to voters and politicians.[4] Accordingly, the correlation between industry size and regulation that we document is also consistent with the salience hypothesis.

Since we do not measure the extent of market failure at the industry-state level, our findings do not provide direct evidence on the public interest theory, which posits that regulation should be an increasing function of the degree of market failure. If market failures are an increasing function of industry size—negative externalities like pollution, for instance, may be more prevalent and more costly the larger the industry—our findings could be interpreted as consistent with the public interest theory, but we hesitate to draw this inference since the correlation between industry size and regulation is robust across a wide range of industries that vary significantly in the degree to which externalities or other market failures may be present (see column [3] of table 2). The fact that the industry fixed effects explain the bulk of the variation in regulation at the state-industry level could also be taken as evidence for the public interest theory; the prevalence of market failures undoubtedly across industries and the industry fixed effects control for this as a source of unobserved heterogeneity. However, it

[4] It is possible that the political salience of an industry depends on how important it is *relative* to other industries instead of its absolute size. Accordingly, we reestimated our regression models with an industry's share of state employment as a regressor. In none of the specifications is this variable statistically significant.

could equally be taken as evidence of the special interest theory since the degree of rent seeking for stricter or looser regulation also varies across industries.[5]

Additionally, because we do not directly measure state-industry-level political activity, we cannot directly test the special interest theory of regulation. If an industry's political support for regulation increases with industry size, then our findings could be consistent with the special interest theory. However, there are reasons to be skeptical of this view. First, the fact that the positive correlation between industry size and state-level regulation holds across a wide range of industries that likely vary substantially in their desire for regulation or degree of political influence suggests that industry size is not capturing political influence per se (again, see column [3] of table 2). Second, at least at the national level, there is no clear relationship between the size of an industry and industry lobbying expenditures, one measure of industry-level political activity.[6] Third, even if larger industries wield more political influence, it is not obvious that they should use that influence to obtain *more* regulation. Indeed, it seems equally plausible that industries use their political clout to push for *less* regulation. If regulation establishes entry barriers that insulate incumbents from potential competitors, industry may seek more of it (Stigler 1971; Peltzman 1976); but if regulation is perceived to be excessively burdensome, industry may instead pressure government for deregulation (Vogel 2018).[7]

Our findings do, however, speak to those versions of the special interest theory that emphasize firm size or industry concentration as a predictor of regulation. It is often argued that large firms

[5] McLaughlin, Smith, and Sobel (2019) use RegData to analyze the impact of industry lobbying expenditures on federal industry-level regulation. However, they do not incorporate industry size into their analysis.

[6] While there is evidence that firm size is a determinant of lobbying expenditures (see, for instance, Hill et al. 2013), the relationship between industry size and lobbying expenditures is nuanced and depends on factors like whether an industry is regulated, the industry's ability to overcome collective action problems, and the presence of trade associations. See de Figueiredo and Richter (2014) for a review of the literature.

[7] In fact, Carpenter (2021) notes that in many instances, including pharmaceutical approval regulation and environmental regulation, industry has typically opposed most new regulations, even if the regulations established entry barriers that may have benefited large incumbent firms.

are an important source of political pressure for or against regulation, partly because they have more to gain or lose from regulation, but also because they are better able to solve their collective action problem and supply lobbying effort (Olson 1965). One might therefore expect average firm size or the concentration of employment in large firms to be correlated with the extent of regulation. The evidence we accumulate is not consistent with this hypothesis. Holding constant unobserved heterogeneity at the industry and state levels, we find no statistically significant correlation between the average firm size in an industry (proxied by the number of workers per establishment) and the number of regulatory restrictions (see column [2] of table 5). Nor do we find a statistically significant relationship between the degree of regulatory restrictiveness and the concentration of employment in large establishment size categories, another measure of the dominance of large players within an industry (see table 6). While we cannot rule out the possibility that the extent of regulation reflects industry pressure, it does not appear to operate through the influence of large firms or higher levels of industry concentration.

In summary, we uncover a robust positive relationship between industry size and regulation, a result we take to be supportive of the hypothesis that establishing a regulatory regime to govern an industry entails fixed costs, and that the extent of regulation of a given industry is therefore limited by industry size. However, there exist other channels through which industry size might increase the extent of industry-level regulation (for instance, political salience), so we remain agnostic about precisely why industry-level regulation increases with industry size. Future work should focus on identifying the specific mechanism through which industry size matters. Additionally, by incorporating other industry-state covariates into the analysis—for instance, industry-state measures of unionization or lobbying expenditures—future studies might identify other factors that play a role in determining the extent of regulation.

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Table 1. Industry size and regulation by state

	Restrictions (per industry) (1)	Workers (per industry) (2)	ln(*workers*) (3)	R^2 (4)	*N* (5)
Alabama	1,020.07	21,755.16	0.15	0.03	80
	(1,784.882)	(31,617.48)	(0.09)		
Arizona	420.18	32,326.69	0.14*	0.04	80
	(839.01)	(51,466.31)	(0.07)		
California	3,537.71	191,568.7	0.09	0.01	80
	(5,190.26)	(301,347)	(0.09)		
Colorado	1,961.75	30,559.47	0.13*	0.03	80
	(3,493.75)	(49,010.39)	(0.08)		
DC	949.06	8,507.69	0.18**	0.08	62
	(1,694.20)	(18,319.38)	(0.08)		
Delaware	1,574.37	5,307.68	0.17**	0.04	80
	(2,927.31)	(7,950.59)	(0.08)		
Florida	1,323.67	108,149.9	0.18**	0.07	81
	(2,368.14)	(243,529.20)	(0.07)		
Georgia	1,501.34	49,875.03	0.25***	0.08	80
	(3,237.49)	(75,418.14)	(0.08)		
Idaho	358.85	7,825.42	0.12	0.03	78
	(730.79)	(10,914.19)	(0.09)		
Illinois	2,878.76	67,426.57	0.12	0.02	81
	(4,413.45)	(97,391.01)	(0.07)		
Indiana	951.11	35,073.11	–0.03	0.00	80
	(1,559.76)	(47,120.37)	(0.07)		
Iowa	1,481.09	17,565.87	0.11	0.03	78
	(2,452.65)	(21,415.8)	(0.08)		
Kansas	641.35	15,101.81	0.13**	0.04	79
	(1,264.59)	(19,750.12)	(0.06)		
Kentucky	848.85	20,301.26	0.18**	0.06	80
	(1,314.80)	(27,519.92)	(0.07)		
Louisiana	1,550.46	21,281.13	0.21**	0.05	80
	(2,557.65)	(30,224.15)	(0.10)		
Maine	1,392.29	6,608.00	0.14	0.02	78
	(2,425.1)	(8,765.56)	(0.10)		
Maryland	935.49	29,789.76	0.15**	0.05	79
	(1,367.02)	(50,665.71)	(0.07)		
Massachusetts	1,689.19	41,873.84	0.19**	0.07	80
	(2,810.98)	(64,312.48)	(0.08)		
Michigan	721.80	49,329.96	0.08	0.01	80
	(1,274.27)	(73,2191.97)	(0.09)		
Minnesota	1,292.79	34,194.30	0.19**	0.05	79
	(2,231.736)	(44,570.09)	(0.09)		
Mississippi	1,395.66	11,841.58	0.10	0.01	80
	(3,187.86)	(16,659.55)	(0.10)		

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Table 1. Industry size and regulation by state (*continued*)

	Restrictions (per industry) (1)	Workers (per industry) (2)	ln(*workers*) (3)	R^2 (4)	*N* (5)
Missouri	933.03	31,158.26	0.13	0.03	81
	(1,505.30)	(43,119.73)	(0.08)		
Montana	709.76	4,812.71	0.28***	0.07	77
	(1,241.29)	(6,823.30)	(0.10)		
Nebraska	796.54	10,880.74	0.07	0.01	78
	(1,544.32)	(14,571.26)	(0.08)		
Nevada	607.46	16,020.95	0.06	0.01	78
	(1,308.59)	(30,664.68)	(0.08)		
New Hampshire	1,290.27	7,960.70	0.12	0.02	77
	(3,022.50)	(11,037.96)	(0.09)		
New Mexico	1,115.47	7,987.63	0.12	0.03	80
	(1,807.61)	(13,031.16)	(0.08)		
New York	2,684.96	106,383.30	0.20***	0.08	80
	(3,865.54)	(162,597)	(0.07)		
North Carolina	955.14	48,566.74	–0.02	0.00	80
	(2,053.19)	(68,682.47)	(0.09)		
North Dakota	578.30	4,604.29	0.15*	0.03	76
	(1,475.98)	(5,627.98)	(0.08)		
Ohio	1,823.89	60,054.85	0.10	0.02	81
	(3,778.58)	(84,441.81)	(0.06)		
Oklahoma	1,631.09	18,071.06	0.17*	0.03	77
	(2,600.35)	(25,068.23)	(0.10)		
Oregon	1,813.46	20,552.61	0.17**	0.05	79
	(3,138.39)	(27,739.66)	(0.08)		
Pennsylvania	1,087.16	67,920.58	0.14*	0.03	81
	(1,793.43)	(91,258.94)	(0.07)		
Rhode Island	1,004.06	5,877.85	0.12	0.02	75
	1,520.33)	(8,430.67)	(0.10)		
South Carolina	1,325.41	24,412.86	0.17	0.03	79
	(2,938.95)	(40,732.93)	(0.10)		
South Dakota	177.10	4,501.71	0.01	0.00	79
	(261.49)	(6,004.13)	(0.07)		
Tennessee	1,567.66	33,424.26	0.24***	0.10	80
	(3,030.49)	(49,199.93)	(0.07)		
Texas	2,923.5	135,585.60	0.23**	0.07	81
	(5,491.36)	(204,427.9)	(0.10)		
Utah	960.01	16,985.05	0.18**	0.05	80
	(1,704.16)	(25,337.06)	(0.09)		
Virginia	(1,727.411	42,290.74	0.22**	0.06	81
	(3,040.90)	(74,675.22)	(0.10)		
Washington	1,658.75	35,872.75	0.16**	0.05	80
	(2,959.15)	(48,682.99)	(0.08)		
West Virginia	1,211.86	7,238.58	0.15	0.03	80
	(1,968.22)	(10,679.98)	(0.10)		

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Table 1. Industry size and regulation by state (*continued*)

	Restrictions (per industry) (1)	Workers (per industry) (2)	ln(*workers*) (3)	R^2 (4)	*N* (5)
Wisconsin	1,784.283	32,765.2	0.13*	0.03	79
	(3,112.86)	(39,091.06)	(0.08)		
Wyoming	602.20	2,629.83	0.18**	0.05	78
	(1,150.20)	(3,440.86)	(0.08)		

Notes: Column (1) reports the average number of regulatory restrictions per industry in each state (standard deviation in parentheses). Column (2) reports the average number of employees per industry in each state (standard deviation in parentheses). For each state, we estimated a regression with the natural log of restrictions per industry as the dependent variable and the natural log of workers per industry and a constant term as the independent variables. Column (3) reports the coefficient estimate on ln(workers) (robust standard errors in parentheses), while column (4) is the R^2 statistic from that regression. Column (5) is the number of 3-digit NAICS industries per state (as well as the number of observations in each regression). ***, **, and * denote statistical significance at the 1 percent, 5 percent, and 10 percent levels.

Table 2. Industry size and regulation by industry

	NAICS (1)	Restrictions (per state) (2)	Workers (per state) (3)	ln(*workers*) (4)	R^2 (5)	*N* (6)
Forestry and logging	113	295.28	1,170.81	0.16**	0.12	42
		(307.86)	(1,408.36)	(0.07)		
Fishing, hunting, and trapping	114	302.86	172.31	0.29***	0.18	39
		(375.82)	(296.13)	(0.09)		
Support for agriculture and forestry	115	169.32	2,308.76	0.22**	0.11	44
		(152.24)	(4,290.89)	(0.01)		
Oil and gas extraction	211	732.48	3,026.25	0.25***	0.24	36
		(813.28)	(8,667.23)	(0.01)		
Mining (except oil and gas)	212	3,109.42	3,851.68	0.30**	0.13	44
		(2,960.43)	(3,286.85)	(0.12)		
Support for mining	213	326.14	8,139.12	0.13*	0.09	41
		(354.67)	(26,696.67)	(0.07)		
Utilities	221	2,556.93	13,579.48	0.50***	0.24	44
		(2661.64)	(12,999.23)	(0.14)		
Building construction	236	734.43	30,647.04	0.28*	0.09	45
		(574.00)	(35,133.85)	(0.14)		
Heavy and civil engineering construction	237	168.12	22,161.51	0.04	0.00	45
		(124.41)	(31,524.04)	(0.13)		
Specialty trade construction	238	329.23	96,310.67	0.33***	0.17	45
		(280.60)	(109,352.40)	(0.11)		
Food manufacturing	311	926.77	33,008.76	0.23***	0.12	45
		(818.42)	(32,024.43)	(0.08)		
Beverage and tobacco	312	1,001.43	5,465.51	0.20*	0.07	45
		(707.85)	(9,035.35)	(0.10)		

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Table 2. Industry size and regulation by industry (*continued*)

	NAICS (1)	Restrictions (per state) (2)	Workers (per state) (3)	ln(*workers*) (4)	R^2 (5)	*N* (6)
Textile mills	313	118.71	2,226.34	0.08	0.05	41
		(67.50)	(4,750.16)	(0.05)		
Textile product mills	314	86.05	2,293.11	0.14*	0.09	44
		(57.16)	(3,865.96)	(0.07)		
Apparel manufacturing	321	794.42	9,090.14	0.11	0.02	44
		(746.00)	(7,383.58)	(0.11)		
Leather and allied products	322	4,191.46	7,972.95	0.22**	0.14	41
		(3,062.64)	(7,014.41)	(0.10)		
Printing and related support	323	233.55	8,955.53	0.18*	0.06	45
		(268.24)	(9,087.88)	(0.10)		
Petroleum and coal products manufacturing	324	5,441.33	2,372.48	0.18*	0.08	43
		(4,246.31)	(4,046.46)	(0.10)		
Chemical manufacturing	325	5,416.56	17,497.14	0.38***	0.27	44
		(3,976.26)	(18,532.29)	(0.11)		
Plastics and rubber products	326	301.51	17,302.61	0.05	0.01	44
		(251.48)	(17,2676.58)	(0.10)		
Nonmetallic mineral products	327	932.04	8,562.89	0.31*	0.07	45
		(1,072.80)	(8,364.34)	(0.17)		
Primary metal manufacturing	331	1,237.68	8,428.46	0.30**	0.10	44
		(1,562.07)	(10,517.63)	(0.13)		
Fabricated metal manufacturing	332	672.72	31,062.69	0.27***	0.16	45
		(940.80)	(33,120.87)	(0.10)		
Machinery manufacturing	333	111.74	23,513.14	0.16*	0.08	44
		(88.17)	(22,716.23)	(0.09)		
Computer and electronics manufacturing	334	252.53	17,143.73	0.28**	0.15	44
		(275.75)	(25,839.46)	(0.12)		
Electrical equipment, appliance, and parts manufacturing	335	287.08	7,299.60	0.06	0.02	45
		(260.71)	(7,790.10)	(0.10)		
Transportation equipment manufacturing	336	1,142.6	35,687.41	0.06	0.01	44
		(859.06)	(42,614.44)	(0.10)		
Furniture and related products	337	139.17	7,920.51	0.20***	0.19	45
		(84.02)	(8,379.39)	(0.06)		
Miscellaneous manufacturing	339	500.94	11,675.44	0.20	0.12	45
		(596.53)	(13,922.88)	(0.12)		
Merchant wholesalers (durables)	423	367.79	73,886.93	0.24**	0.12	45
		(425.99)	(87,989.37)	(0.11)		
Merchant wholesalers (nondurables)	424	360.16	48,163.29	0.22	0.10	45
		(394.41)	(59,566.79)	(0.14)		

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Table 2. Industry size and regulation by industry (*continued*)

	NAICS (1)	Restrictions (per state) (2)	Workers (per state) (3)	ln(*workers*) (4)	R^2 (5)	*N* (6)
Wholesale electronic markets and agents/brokers	425	259.17	5,581.31	0.21*	0.12	45
		(363.60)	(6,540.85)	(0.11)		
Motor vehicle and parts dealers	441	858.23	42,612.51	0.18	0.06	45
		(702.14)	(43,230.45)	(0.15)		
Electronics and appliance stores	443	63.82	6,159.18	0.32***	0.3	45
		(43.52)	(7372.38)	(0.07)		
Building materials, garden equipment, and supplies	444	92.65	28,098.93	0.28***	0.25	45
		(51.26)	(26,251.55)	(0.10)		
Food and beverage services	445	2,488.59	64,795.20	0.52***	0.34	45
		(1,916.44)	(72,715.07)	(0.11)		
Health and personal care stores	446	228.03	21,316.24	0.27***	0.18	45
		(211.46)	(23,634.6)	(0.09)		
Gasoline stations	447	345.95	21,051.42	0.37*	0.11	45
		(434.50)	(18,212.85)	(0.22)		
Clothing and clothing accessories stores	448	189.24	34,639.13	0.30***	0.26	45
		(133.19)	(45,430.95)	(0.08)		
Sporting goods, hobby, music, and books	451	258.89	10,030.56	0.27***	0.13	45
		(176.74)	(9,824.36)	(0.09)		
General merchandise stores	452	615.50	57,517.51	0.29***	0.19	45
		(563.99)	(55,729.27)	(0.09)		
Nonstore retailers	453	105.31	16,124.62	0.33***	0.4	45
		(63.67)	(16,297.66)	(0.07)		
Air transportation	454	225.19	16,264.96	0.31***	0.16	45
		(273.63)	(19,759.42)	(0.10)		
Rail transportation	481	1,305.60	10,322.07	0.12**	0.08	45
		(1,224.89)	(15,244.80)	(0.05)		
Water transportation	483	541.26	1,613.97	0.19**	0.19	35
		(923.09)	(3,143.44)	(0.08)		
Truck transportation	484	218.46	33,127.89	0.13*	0.04	45
		(209.82)	(31,941.01)	(0.07)		
Transit and ground passenger transportation	485	296.20	10,412.57	0.30***	0.20	45
		(346.77)	(14,993.01)	(0.09)		
Pipeline transportation	486	731.09	1,084.43	0.26***	0.15	44
		(670.15)	(2,344.63)	(0.10)		
Scenic and sightseeing transportation	487	230.61	529.74	0.28*	0.14	43
		(494.43)	(859.46)	(0.14)		
Support activities for transportation	488	1,252.49	16,720.76	0.21*	0.07	45
		(997.12)	(23,445.83)	(0.11)		

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Table 2. Industry size and regulation by industry (*continued*)

	NAICS (1)	Restrictions (per state) (2)	Workers (per state) (3)	ln(*workers*) (4)	R^2 (5)	*N* (6)
Warehousing and storage	493	227.07	21,315.42	0.02	0	45
		(181.18)	(26,093.65)	(0.07)		
Publishing industries (except internet)	511	140.12	21,708.91	0.24***	0.27	45
		(78.43)	(34,515.68)	(0.05)		
Motion picture and sound recording	512	894.60	7,038.8	0.31***	0.19	45
		(1,034.97)	(17,373.60)	(0.09)		
Broadcasting (except internet)	515	2,416.14	5,542.44	0.24**	0.11	45
		(1,720.41)	(9,334.95)	(0.10)		
Telecommunications	517	829.01	22,398.56	0.12	0.03	45
		(759.76)	(24,638.89)	(0.11)		
Data processing, hosting, and related services	518	63.35	11,589.76	0.22***	0.33	45
		(32.21)	(16,217.76)	(0.04)		
Other information services	519	340.11	7,286.96	0.12	0.05	45
		(399.50)	(22,065.76)	(0.08)		
Monetary authorities	521	247.91	1,435.14	–0.09	0.02	7
		(126.37)	(887.72)	(0.19)		
Credit intermediation and related activities	522	2,146.67	60,525.36	0.40***	0.22	45
		(1,841.63)	(62,548.49)	(0.11)		
Securities, commodity contracts, and other financial investments	523	1,829.73	19,217.82	0.30***	0.33	45
		(1,379.71)	(32,474.28)	(0.06)		
Insurance carriers and related activities	524	3,557.34	56,783.47	0.48***	0.32	45
		(5,168.08)	(59,502.17)	(0.12)		
Funds, trusts, and other financial vehicles	525	1,035.49	176.63	0.17*	0.11	45
		(1,038.20)	(386.64)	(0.1)		
Real estate	531	207.41	35,337.49	0.33***	0.16	45
		(203.90)	(47,937.53)	(0.11)		
Rental and leasing services	532	106.13	11,061.22	0.28***	0.22	45
		(79.96)	(14,068.56)	(0.08)		
Professional, scientific, and technical services	541	8,097	194,412.10	0.27***	0.25	45
		(4,949.64)	(239,309.80)	(0.08)		
Management of companies and enterprises	551	54.29	73,539.71	0.26***	0.34	45
		(35.16)	(81,381.46)	(0.05)		
Administrative support services	561	8,600.15	258,281.8	0.29***	0.17	45
		(6,675.58)	(386,821)	(0.11)		

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Table 2. Industry size and regulation by industry (*continued*)

	NAICS (1)	Restrictions (per state) (2)	Workers (per state) (3)	ln(*workers*) (4)	R^2 (5)	*N* (6)
Waste management and remediation	562	6,629.92	9,149.71	0.37***	0.28	45
		(4,174.65)	(9,609.26)	(0.12)		
Educational services	611	2,726.60	79,234.69	0.32***	0.12	45
		(2,334.96)	(100,470.60)	(0.12)		
Ambulatory health care services	621	3,857.45	163,030.70	0.25***	0.13	45
		(2,634.26)	(186,818.30)	(0.08)		
Hospitals	622	498.47	127,368.00	0.61***	0.33	45
		(481.07)	(124,808.60)	(0.11)		
Nursing and residential care facilities	623	748.41	73,660.04	0.44***	0.17	45
		(722.73)	(70,720.47)	(0.15)		
Social assistance	624	2,664.70	71,154.20	0.32***	0.24	45
		(1,570.26)	(82,936.28)	(0.09)		
Performing arts, spectator sports, and related activities	711	121.92	11,520.69	0.22***	0.22	45
		(68.98)	(17,369.27)	(0.07)		
Museums and historical sites	712	1,163	3,377.27	0.28***	0.19	45
		(984.93)	(4,288.59)	(0.11)		
Amusement, gambling, and recreation	713	79.46	37,758.16	0.28***	0.31	45
		(41.12)	(47,251.30)	(0.06)		
Accommodations	721	244.08	44,791.78	0.43**	0.19	45
		(622.11)	(53,964.59)	(0.21)		
Food services and drinking places	722	311.39	260,174.5	0.50***	0.29	45
		(394.06)	(294,812.10)	(0.10)		
Repair and maintenance	811	365.14	27,610.82	0.50***	0.30	45
		(434.36)	(31,297.67)	(0.14)		
Personal and laundry services	812	2,509.12	31,750.82	0.24**	0.08	45
		(2,288.77)	(38,225.01)	(0.10)		
Religious, grantmaking, civic, and professional organizations	813	9,882.51	58,652.67	0.31***	0.29	45
		(5,607.44)	(58,355.59)	(0.09)		

Notes: Column (1) is the 3-digit NAICS. Column (2) shows the average number of restrictions per industry (standard deviation in parentheses). Column (3) shows the average number of employees per industry (standard deviation in parentheses). For each industry we estimated a regression with the natural log of restrictions as the dependent variable and the natural log of the number of workers and a constant term as the independent variables. Column (4) reports the coefficient estimate on ln(workers) (with robust standard errors in parentheses). Column (5) reports the R^2 statistic from each regression, and column (6) reports the number of observations in each regression (which is also the number of states with each industry).

Table 3. Summary statistics

Panel A. In levels

	Mean	St. Dev.	Minimum	Maximum	*N*
Restrictions	1,326.08	2,683.34	9.54	32,756.35	3,454
Workers	35,011.46	89.938.13	2.00	1,930,622.00	3,454
Establishments	2091.49	5,781.01	3.00	132,596.00	3,454
Annual payroll (in thousands of dollars)	1,955,516	5,709,282	32.00	142,201,758.00	3,454
Average wage (in thousands of dollars)	56.64	34.20	8.00	884.80	3,454
Workers per establishment	37.47	107.12	0.37	1675.43	3,454

Panel B. In natural logs

	Mean	St. Dev.	Minimum	Maximum	*N*
Restrictions	5.98	1.54	2.26	10.40	3,545
Workers	8.95	2.07	0.69	14.47	3,545
Establishments	6.06	1.92	1.10	11.76	3,545
Annual payroll	12.85	2.10	3.47	18.77	3,545
Average wage	3.90	0.52	2.08	6.79	3,545
Workers per establishment	2.88	1.02	–1.00	7.42	3,545

Notes: Each observation is at the state-industry level. Data on restrictions are taken from State RegData 2.0. All other data are from the 2019 *County Business Patterns*.

Table 4. Regulation and industry size with and without industry and state fixed effects

Panel A. Using employment to measure industry size

	(1)	(2)	(3)	(4)	(5)
ln(*workers*)	0.19***	0.14**	0.23***	0.05**	0.05*
	(0.05)	(0.07)	(0.05)	(0.02)	(0.02)
$(\ln(workers))^2$					0.00
					(0.00)
State fixed effect (FE)	No	Yes	No	Yes	Yes
Industry FE	No	No	Yes	Yes	Yes
Adjusted R^2	0.06	0.17	0.72	0.83	0.84
N	3,545	3,545	3,545	3,545	3,545

Panel B. Using establishments to measure industry size

	(1)	(2)	(3)	(4)	(5)
ln(*establishments*)	0.18**	0.12	0.31***	0.09**	0.08*
	(0.07)	(0.90)	(0.07)	(0.04)	(0.04)
$(\ln(establishments))^2$					0.00
					(0.00)
State FE	No	Yes	No	Yes	Yes
Industry FE	No	No	Yes	Yes	Yes
Adjusted R^2	0.05	0.16	0.73	0.84	0.84
N	3,545	3,545	3,545	3,545	3,545

Panel C. Using annual payroll to measure industry size

	(1)	(2)	(3)	(4)	(5)
ln(*payroll*)	0.22***	0.17***	0.22***	0.05**	0.06
	(0.05)	(0.07)	(0.05)	(0.02)	(0.05)
$(\ln(payroll))^2$					–0.00
					(0.00)
State FE	No	Yes	No	Yes	Yes
Industry FE	No	No	Yes	Yes	Yes
Adjusted R^2	0.09	0.18	0.73	0.84	0.84
N	3,545	3,545	3,545	3,545	3,545

Notes: Each column is a separate regression. The dependent variable in each regression is the natural log of the number of regulatory restrictions at the industry-state level. Two-way clustered standard errors are shown in parentheses. ***, **, and * denote statistical significance at the 1 percent, 5 percent, and 10 percent levels, respectively.

Table 5. Regulation, industry size, average wage, and average establishment size

	(1)	(2)	(3)	(4)
ln(*workers*)			0.08**	
			(0.03)	
ln(*establishments*)				0.08**
				(0.03)
ln(*wage*)	0.14		0.09	0.09
	(0.09)		(0.08)	(0.08)
ln(*workers/establishments*)		0.04	–0.07	0.01
		(0.03)	(0.05)	(0.03)
State FE	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes
Adjusted R^2	0.84	0.84	0.84	0.84
N	3,545	3,545	3,545	3,545

Notes: Each column is a separate regression. The dependent variable in each regression is the natural log of the number of regulatory restrictions at the industry-state level. Two-way clustered standard errors are shown in parentheses. ** denotes statistical significance at the 5 percent level.

Table 6. Regulation, industry size, and the share of employment by establishment size

	(1)	(2)	(3)	(4)
ln(*workers*)		0.08**		0.07***
		(0.03)		(0.03)
Share <5	–0.20	0.10		
	(0.12)	(0.15)		
Share 5–9	0.22	0.27		
	(0.25)	(0.24)		
Share 10–19	–0.25	–0.24		
	(0.24)	(0.24)		
Share 20–49	0.16	0.12		
	(0.20)	(0.18)		
Share 50–99	0.01	–0.09		
	(0.14)	(0.10)		
Share 100–249	0.20	0.06		
	(0.11)	(0.11)		
Share 250–499	0.00	–0.19		
	(0.20)	(0.21)		
Share 500–999	0.06	–0.14		
	(0.17)	(0.18)		
Share >1000	–0.05	–0.27		
	(0.15)	(0.16)		
Small (<50)			–0.03	0.05
			(0.12)	(0.12)
Med (51–249)			0.15	0.01
			(0.11)	(0.09)
Large (>250)			–0.01	–0.19
			(0.12)	(0.12)
State FE	Yes	Yes	Yes	Yes
Industry FE	Yes	Yes	Yes	Yes
Adjusted R^2	0.84	0.84	0.84	0.84
N	3,545	3,545	3,545	3,545

Notes: Each column is a separate regression. The dependent variable in each regression is the natural log of the number of regulatory restrictions at the industry-state level. Two-way clustered standard errors are shown in parentheses. *** and ** denote statistical significance at the 1 percent and 5 percent levels.

Figure 1. Regulation and Industry Size, all 3-digit NAICS

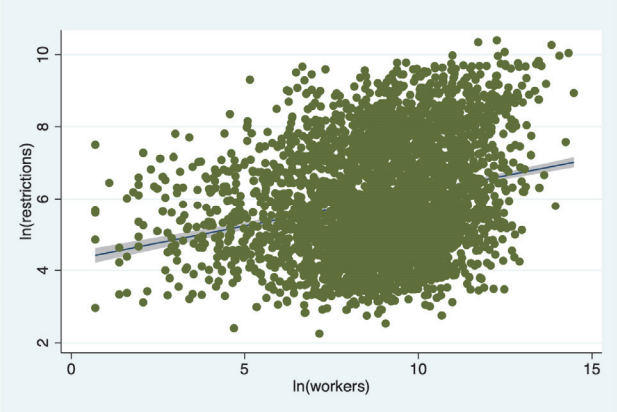

Figure 2. Regulation and Industry Size, Florida

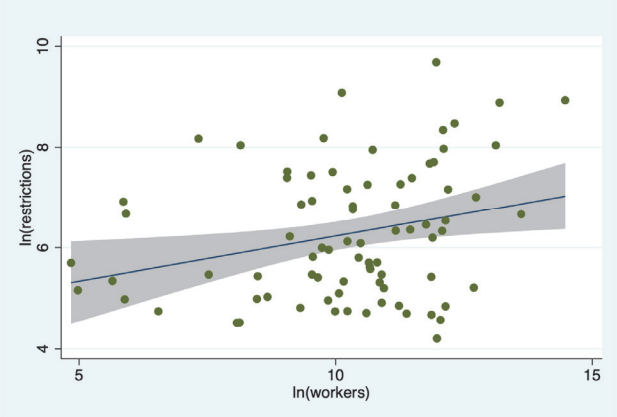

Figure 3. Regulation and Industry Size, Oregon

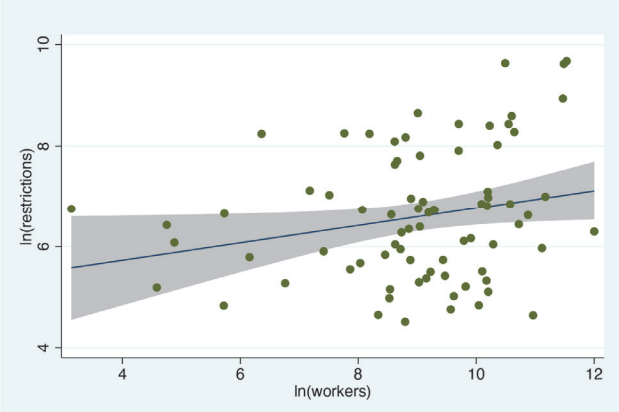

Figure 4. Regulation and Industry Size, Maine

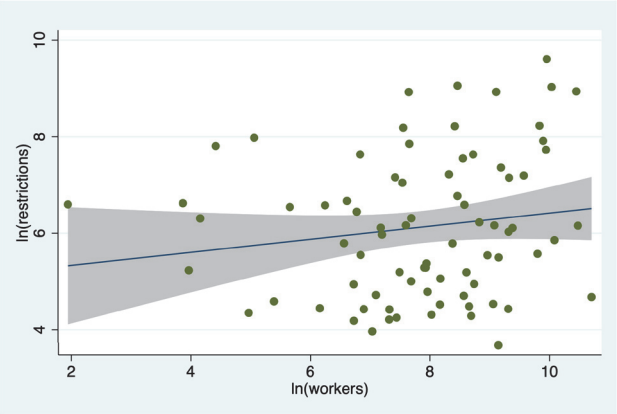

Figure 5. Regulation and Industry Size, Hospitals (NAICS 622)

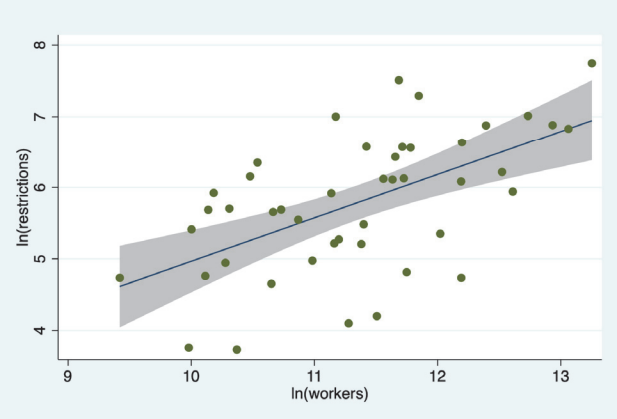

Figure 6. Regulation and Industry Size, Forestry (NAICS 113)

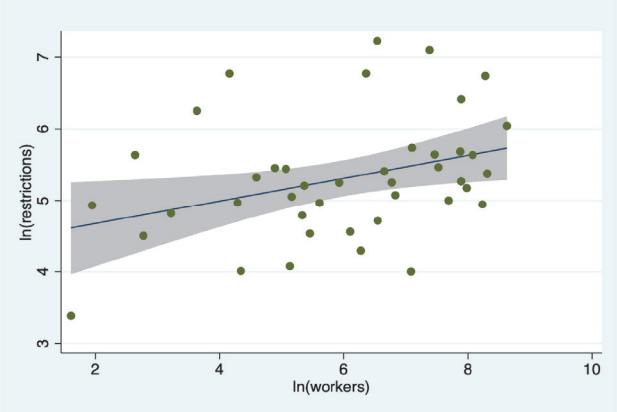

Figure 7. Regulation and Industry Size, Educational Services (NAICS 611)

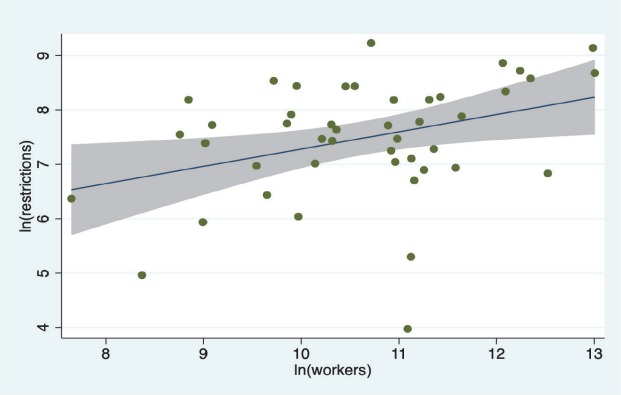

Figure 8. Regulation and Industry Size, Chemical Manufacturing (NAICS 325)