

FRASE 2021 Technical Documentation

Purpose:

The Federal Regulation and State Enterprise (FRASE) index ranks the 50 states and the District of Columbia according to the impact of federal regulation on the private-sector industries in each state's economy. A ranking of 1 indicates the highest level of impact of federal regulation on a state's economy, whereas a ranking of 51 means the lowest.

Federal regulations can affect each state differently because every state's economy comprises a unique mix of industries. Federal regulations often target a specific industry, which in turn means that the states where that industry is relatively important will be affected more by those targeted regulations. A state's FRASE score represents the degree of impact federal regulations have on a state's economy relative to federal regulations' impact on the national economy.

Content:

Currently, the FRASE Index 2021 has two data series, both of which have data from 1997 to 2017: the FRASE current data series and the FRASE constant data series. The FRASE current score is the main metric in the FRASE Index and is a metric that balances the level of regulation on an industry, the relevance of the industry to the nation, and the relevance of the industry to a particular state. The index is calibrated to have a score of 1 be the national median.

The result is a number that is higher if a state is more regulated by the federal government than other states, and a number that is lower if a state is less regulated by the federal government. For example, if Idaho has a current-basis FRASE score of 1.84, then Idaho's private-sector economy is targeted by federal regulations 84 percent more than the national average.

The FRASE index illustrates the relative impact of federal regulation on a state within a given year. Because the FRASE index is calibrated so that the national score is equal to exactly 1 for every year, it ignores the overall trend in federal regulation over time. This is where the FRASE constant score come into play. This constant-basis FRASE index incorporates both changes in the level of federal regulation and changes in the state and national mix of industries. The steady increase of federal regulations is therefore represented in the constant-basis score. These scores are higher than current-basis FRASE scores since the overall amount of federal regulation has increased since 1997.

Technical Notes:

- The only difference between the first iteration of the FRASE Index and the current 2021 iteration of the FRASE Index is the updated BEA industry GDP data

and the updated RegData data. All past versions of the FRASE Index are completely compatible.

- The BEA releases 3-digit NAICS GDP data at the state level with nearly a multiple year lag, therefore, the 2021 edition of FRASE has data available through the year 2017.
- There is no perfect crossover between the BEA and NAICS industry series. The main issue that arises is a many to one relationship, with multiple BEA industries for certain NAICS industries. We solve this problem at the document level by choosing the industry that has the highest probability of relevance to each document as determined by the industry classifiers we use for the RegData project.
- To learn more about how the FRASE scores are calculated, refer the the [topic page](#) for the FRASE Index.

Citation:

If you use this data, please cite:

McLaughlin and Warlick 2020 FRASE Index, A QuantGov Data Release,
<https://www.quantgov.org/>

Current Version: 2021 Index
Release Date: 1-20-2021

Variable Descriptions:

Dataset	Variable	Description
Full Dataset	state	Name of the state
	year or period code	Year for which the FRASE score has been calculated
	FRASE Current Score	FRASE score of the state measured as the impact of federal regulations on the state relative to their impact on other states in the given year. A score higher than 1 means that federal regulations impact this state in this year more than they do other states in this year, and vice versa for a score lower than 1. This score does NOT allow one to track the changes in the burden of federal regulation on a particular state over time.

	FRASE Constant Score	FRASE score of the state measured as the impact of federal regulations on the state relative to the average impact of federal regulations on all the states in 1997. A score higher than 1 means that the burden of federal regulations on this state is higher than the average burden on all states in 1997. This score DOES allow one to track the changes in the burden of federal regulation on a particular state over time. [Read the "Content" section for more explanation of how the two FRASE scores differ]
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