

Summary of the Economic Benefits of the OSHA On-Site Consultation Program

The Occupational Safety and Health Administration (OSHA) published a working paper showing that the agency's On-Site Consultation Program generates national economic benefits of approximately \$1.3 billion per year.

The OSHA On-Site Consultation Program offers no-cost and confidential occupational safety and health services to small and medium-sized businesses in all 50 states, the District of Columbia, and several U.S. territories with priority given to high-hazard worksites. On-Site Consultation services are separate from enforcement and do not result in penalties or citations. Consultants from local agencies or universities work with employers to identify workplace hazards, provide advice for compliance with OSHA standards, and assist in establishing and improving safety and health programs.

OSHA routinely performs rigorous economic analysis of agency regulations. OSHA economists performed a similar analysis of On-Site Consultation, based on established economic principles and widely recognized values, such as the Value of Statistical Injury (VSI).

The economists considered three distinct models for determining the economic contributions of On-Site Consultation:

- A one-time, one-year safety and health management program;
- A hazard-reduction exercise; and
- An OSHA enforcement inspection.

Ultimately, the agency determined that a one-time, one-year safety and health management program most closely aligns with the services provided by the On-Site Consultation Program. Using conservative estimates based on the avoidance of OSHA recordable injuries and illnesses (not including fatalities prevented or prevention of delayed-onset illnesses) and looking at benefits to employers, workers' compensation systems, and the workers themselves, OSHA developed the following breakdown of the benefits the OSHA On-Site Consultation Program provides to the national economy.

Annual Benefits of the OSC Program

Covered Workers	1,260,932
Estimated Injuries per Year	37,828
Injuries Prevented by OSC Program Visits	9,457
Value of Avoided Injury per Injury	\$77,000
Workers' Compensation Cost per Injury	\$30,526
Benefits to Workers from Avoided Injuries	\$728,188,374
Benefits to the Workers' Compensation System from Reduced Claims	\$288,684,134
Benefits to Employers from Avoided Indirect Costs	\$317,552,547
Total	\$1,334,425,056*

*Totals may not sum due to rounding

For the full paper, please see: https://www.osha.gov/dcsp/smallbusiness/2018_Benefits_OSHA_On-Site_Consultation_Program_Economic_Analysis.pdf