



Source: David G. Tuerck, et.al., "The Economic Effects of the FairTax: Results from the Beacon Hill Institute CGE Model," The Beacon Hill Institute at Suffolk University, February 2007.

The above chart shows how much higher the growth in certain economic variables would be under the FairTax than if the current system remained in place, in Years 1,5, and 10 after implementation of the FairTax.

Real GDP would be 8% higher in the first year than under the income tax system, 11% higher in Year 5 and 11% percent higher in Year 10.

Job growth would be 12% higher in Year 1, 10% higher in Year 5 and 8% higher in Year 10. In 2007, total nonfarm employment was 137,983,000. That means in the first year, the FairTax would have created 16 million more jobs than if the current income tax system remained in place.

Investment would be 75% higher in Year 1, 86% higher in Year 5 and 76% higher in Year 10 reflecting the growth due to no taxes on savings and investment income.

Wages would be 10% higher in Years 1, 5 and 10.