

LICENSE TO WORK

A National Study of Burdens from Occupational Licensing



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Executive Summary

An “occupational license” is, put simply, government permission to work in a particular field. To earn the license, an aspiring worker must clear various hurdles, such as earning a certain amount of education or training or passing an exam. In the 1950s, only one in 20 U.S. workers needed the government’s permission to pursue their chosen occupation. Today, that figure stands at almost one in three.

This study is the first to examine the scope of licensing laws for low- and moderate-income occupations across all 50 states and the District of Columbia, as well as the first to measure how burdensome those laws are for aspiring workers.

In documenting the license requirements for 102 occupations nationwide, this report finds that these laws can pose substantial barriers for those seeking work, particularly those most likely to aspire to these occupations—minorities, those of lesser means and those with less education. Moreover, about half the occupations studied offer the possibility of entrepreneurship, suggesting that these laws hinder both job attainment and creation.

Key findings include:

- The 102 occupational licenses studied require of aspiring workers, on average, \$209 in fees, one exam and about nine months of education and training.
- Thirty-five occupations require more than a year of education and training, on average, and another 32 require three to nine months. At least one exam is required for 79 of the occupations.

• Interior designer is the most difficult occupation to enter, though it is licensed in only three states and D.C. Taking into account how many states license an occupation, cosmetology trades (cosmetologist, barber, skin care specialist and manicurist), truck and bus drivers, and pest control applicators are among the most widely and onerously licensed occupations.

• Louisiana licenses 71 of the 102 occupations, more than any other state. Arizona licenses 64, California 62 and Oregon 59. Wyoming, with a mere 24, licenses the fewest, followed by Vermont and Kentucky at 27. On average, states license 43 occupations.

• Hawaii has the most burdensome average requirements for the occupations it licenses, while Pennsylvania’s average requirements are the lightest.

• Arizona and California rank as the most widely and onerously licensed states, with a large number of licensed occupations and burdensome requirements.

The data also reveal the arbitrary and irrational nature of licensure:

- Most of the 102 occupations are practiced somewhere without government permission and apparently without widespread harm: Only 15 are licensed in 40 states or more, and on average, the 102 occupations are licensed in just 22 states—fewer than half. This includes a number of occupations with no self-evident rationale for licensure, such as interior designer, shampooer, florist, home entertainment installer and funeral attendant.

- Licensure burdens often vary considerably across states, calling into question the need for severe burdens. For instance, while 10 states require four months or more of training for manicurists, Alaska demands only about three days and Iowa about nine days.

- The difficulty of entering an occupation often does not line up with the public health or safety risk it poses. For example, 66 occupations have greater average

licensure burdens than emergency medical technicians. The average cosmetologist spends 372 days in training; the average EMT only 33.

Such inconsistencies give good reason to doubt that many licensing schemes are necessary. These inconsistencies may reflect not the relative public health and safety risks of occupations but instead the lobbying prowess of practitioners in securing laws to shut out competition.

State policymakers should review current and proposed licensure schemes to determine whether they truly serve the public or instead fence out competition. As millions of Americans struggle to find productive work, one of the quickest ways legislators could help would be to reduce or remove needless licensure burdens.

To view the full report, go to www.ij.org/licensetowork.