



# Florida's Occupational Burden – A License to Kill... Jobs

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America is waking up to a troubling prospect. For millions of Americans, particularly located at the lower end of the income scale, opportunity is diminished, economic mobility is scarce and hope is fleeting. Reversing the fortunes of this forgotten class of Americans can't happen overnight, but government can remove and reform unnecessary barriers

to entry in the job market that hinder opportunity and prevent Americans from making a bet on themselves.

Occupational licensing laws, or state permission slips to work in certain regulated professions, impact millions of workers in the United States -- about one of every four workers. In order to start work as a cosmetologist or a massage

therapist, for instance, states have instituted licensing laws that require a prospective worker to accomplish minimum training requirements, pass exams, meet age and grade requirements, and pay fees to the state. Moreover, licensing laws are far from uniform. Each state determines which professions require a license and the accompanying regulations and requirements will often differ from state to state, resulting in a broad and unreasonable red tape spectrum.

Consider the story of Illona Holland, a licensed massage therapist with 600 hours of training who moved from Maryland to Nebraska with her husband. According to The Platte Institute for Economic Research, Nebraska law required Holland to accrue 400 more training hours in order to practice massage therapy in her new home. Knowing full well the cost in time and money, Holland was forced to move her business across the Missouri River to Iowa, where she could legally practice massage therapy in a state with similar licensing requirements to Maryland. Nebraska had gained a resident, but lost a worker and a new business.

The unreasonable and confusing patchwork of licensing requirements state to state results in a real drag on employment. New York and Massachusetts, aspiring cosmetologists are required to complete 1,000 hours of training. But, in Florida, cosmetologists need 1,200 hours. In Wisconsin, cosmetologists are required to complete 1,550 hours and in Oregon 2,300 hours. This a difference of a 9-month curriculum in New York and Massachusetts versus a 16-month curriculum in Oregon. These extreme inconsistencies exist without

any empirical evidence of increases in quality or safety depending on whether someone is getting a haircut in Manhattan, Miami, or Madison.

To further illustrate how this entire system results in unreasonable costs, a study from the Wisconsin Institute for Law & Liberty (WILL) evaluated how licensing regulations impact employment for 10 low- and moderate-income professions across the country. Using publicly available data from the Institute for Justice and the Bureau of Labor Statistics, this peer-reviewed study ranked each state according to a Red Tape Index which measured how burdensome each state's licensure regulations are in relation to one another.

This study examined ten low- and moderate-income professions and measured how the 50-state patchwork of licensing requirements, fees, and training hours impact employment. The professions include:

- Aesthetician
- Athletic Trainer
- Cosmetologist
- Emergency Medical Technician
- Locksmith
- Manicurist
- Massage Therapist
- Pest Control Worker
- Private Detective
- Veterinary Technician

Using an econometric analysis, each state was ranked with a score according to WILL's Red Tape Index, which measures how burdensome a state's regulations are for these occupations. The findings were crystal clear: states with more burdensome



licensing requirements had significantly lower employment.

When looking specifically at Florida, licensing hurdles present significant opportunity for policymakers to enact reforms that can expand access to employment for Floridians across the income spectrum. Florida currently licenses 9 of the 10 professions listed above (all except locksmith). The Sunshine State is the 4th-most burdensome state for the ten professions studied and regulation in Florida exceeded the national average for Pest Control Workers, Athletic Trainers, Aestheticians, and Veterinary Technicians. With modest reforms, Florida could increase employment in these professions by 7.6 percent if regulations matched the least burdensome state, and 2.9 percent if regulations simply matched the national average.

For a tangible example, Florida need only look across their northern border. According to the Institute for Justice's 2012 report, both Georgia and Florida require Pest

Control Workers to acquire a license and pass a test. But Florida requires more than three years of experience in order to earn a license. Georgia has no experience requirement. In addition, Florida's licensing fees are well over \$300 while Georgia's are under \$100. Without eliminating the license, Florida could enact relatively simple reforms that could expand opportunity for aspiring Pest Control Workers.

The trend in the states, until relatively recently, has been near-uninterrupted growth in licensing laws, rules and regulations. Policymakers, both Republican and Democrat, have contributed towards the creation of this web of red tape. It's not a red state or blue state problem. Illustrating the need for reform among free-market conservatives, 7 of the 10 most burdensome states have full Republican control of both houses of the legislature and the governor's mansion.

Occupational licensing is ultimately a balancing act. On the one hand is the need to protect public health and safety. On the other is the responsibility to foster an economic climate of freedom and opportunity. For too long, licensing advocates have convinced lawmakers that the current system needed more regulation, typically under the guise of public safety. It is now time for opportunity advocates to make their case that the current system has overcorrected and increasingly serves to cripple the dreams and aspirations of real people.