



## **Only licensed applicants need apply**

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What do a barber, interior designer and plumber have in common?

Many workforce experts believe that's indeed a riddle, since the answer — that all are occupations requiring a license in some states — reflect a confusing, often impractical maze of licensing requirements.

A 2015 White House report found that some 1,100 occupations are regulated in at least one state, but only about 60 occupations require licensing in each state.

"Licensing requirements can be severe and costly, so an aspiring worker will need to know about those in advance so as to prepare most effectively," says Dick Carpenter of the Institute for Justice, Arlington, Virginia, a non-profit law firm that has challenged some licensing regulations.

Typically, licensing involves fees and goes beyond requiring a degree or educational certificate, notes Carpenter. "It's common that states require completion of at least one examination."

These are usually administered by the state or some third-party.

"It always makes sense when thinking about job opportunities to consider how difficult it might be to land such a job [if it requires licensing]," notes Brink Lindsey of the Cato Institute, Washington D.C., a libertarian think-tank.

Ideally, according to the White House report, states should ensure that occupational licensing rules are designed to safeguard consumers, while at the same time not putting an unfair burden on workers.

The wellbeing of consumers may not be the aim of many licensing rules, contends Lindsey. Rather, some aim to protect existing providers from competition.

Indeed, earnings for licensed workers are about "ten to 15 percent more than unlicensed individuals," all else being equal, like the need for workers in the job and characteristics needed for the job, notes, according to Morris Kleiner, a University of Minnesota labor economist.

The U.S. Department of Labor has an online database of state licensing requirements at <http://bit.ly/joblicense>.

Some occupations, like electrician or plumber, may be regulated at the local level, Lindsey says.