

Florida's occupational licenses encourage poverty

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Work is better than welfare, yet Florida continues to make it difficult for those at the bottom of the economic ladder to work their way out of poverty. In particular, onerous occupational licensing requirements block many poor Floridians from getting their first job or starting a small business.

An occupational license is a piece of government paperwork that requires people to test, pay, receive an education and/or have hands-on experience in order to practice a profession. And while some professions genuinely require advanced training and knowledge, occupational licensing primarily serves as a barrier, protecting existing license holders from competition.

By barring new entrants into the market and limiting competition, licensed individuals can charge more for services. That is why licensing regulations often seem illogical or of dubious protection for the public. For example, it takes just 110 hours of training to be an emergency medical technician but over 1,700 hours to become an interior designer.

But while existing license holders reap the benefits, those just starting out pay the price. A study from the [Archbridge Institute](#) shows that Florida's licensing regulations increase inequality by more than 8%, while economic mobility decreases by nearly 4%.

Imagine a single mother trying to get off welfare. Suppose she has a knack for cutting and styling hair. Sounds like an opportunity for her to start on the road out of poverty and dependence – except that to get a cosmetology license she must complete schooling that can cost as much as \$17,000, not counting other expenses. Is it any wonder that she is likely to remain trapped on welfare?

This might seem like an extreme example, but according to a 2017 report from the [Institute for Justice](#), Florida has the fifth most burdensome licensing laws among the 50 states. On average it takes 693 days of training to obtain an occupational license in Florida. A 2019 Cato/YouGov poll found that 45% of welfare recipients reported that the lack of an occupational license had prevented them or someone they knew from getting a job for which they were otherwise qualified.

Florida has taken some modest steps to deregulate its licensing regime. In 2017, the state waived licensing fees for households with incomes of less than 130% of the poverty level. And late last year, [Gov. DeSantis announced a plan](#) to loosen Florida's occupational licensing laws. In doing

so, he would be following the lead of states such as Arizona and Mississippi, which reevaluated their licensing requirements to spur economic growth and create a more inclusive economy.

Reforming occupational licensing will be a steep hill to climb. Those who benefit from the current regulations will fight to preserve their fiefdoms. But if we truly care about increasing opportunity for the most disadvantaged among us, this is a fight we should be willing to take on.

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