



Reason Foundation
DeVoe L. Moore Center,
Florida State University
Policy Brief No. 131
February 2016

Occupational Licensing in Florida: Unnecessary Licenses Are Killing Jobs

By Matthew Laird, Dr. Adrian Moore and Dr. Samuel Staley



Reason Foundation



Reason Foundation's mission is to advance a free society by developing, applying and promoting libertarian principles, including individual liberty, free markets and the rule of law. We use journalism and public policy research to influence the frameworks and actions of policymakers, journalists and opinion leaders.

Reason Foundation's nonpartisan public policy research promotes choice, competition and a dynamic market economy as the foundation for human dignity and progress. Reason produces rigorous, peer-reviewed research and directly engages the policy process, seeking strategies that emphasize cooperation, flexibility, local knowledge and results. Through practical and innovative approaches to complex problems, Reason seeks to change the way people think about issues, and promote policies that allow and encourage individuals and voluntary institutions to flourish.

Reason Foundation is a tax-exempt research and education organization as defined under IRS code 501(c)(3). Reason Foundation is supported by voluntary contributions from individuals, foundations and corporations. The views are those of the author, not necessarily those of Reason Foundation or its trustees.

DeVoe L. Moore Center



The DeVoe L. Moore Center is an academic and applied policy research center in the College of Social Sciences and Public Policy at Florida State University focusing on state and local government, land use, growth management, and regulation. Since its founding in 1998, the Center has sponsored research leading to 25 conferences, ten books, and nine special issues in leading academic journals, nurtured more than 60 business plans for social enterprises, helped establish social enterprises in Florida, Africa, Asia, and the Caribbean, and funded more than 30 dissertation research fellows. The Center's programming has established nationally recognized research programs on topics such as impact fees, housing foreclosures, and housing affordability.

Reason Foundation

Occupational Licensing in Florida: Unnecessary Licenses Are Killing Jobs

By Matthew Laird, Dr. Adrian Moore and Dr. Samuel Staley

“Occupational licensing” requires aspiring workers and entrepreneurs to secure government permission to enter a particular field. Through a combination of educational and experience requirements, as well as exams and fees, occupational licensing attempts to protect consumers from malpractice and ensure that practitioners are sufficiently skilled. While only one in 20 U.S. workers was required to obtain licensure in the 1950s, nearly one in three workers is required to do so today, with the average occupation requiring nine months of training, \$209 in fees, and an exam.¹

Florida requires a license for 326 professions and businesses.² Many of those requirements do not protect consumers from any obvious harms, but do reduce jobs and competition and raise prices. Florida may need to reconsider some occupational licensing requirements.

Few of the occupations for which Florida requires licenses are licensed in all states. Many other states have not seen consumer harms in many occupations that would justify licensing requirements. For example, Table 1 lists some occupations for which Florida requires a license but at least 10 other states do not.

¹ Dick Carpenter II, Lisa Knepper, Angela Erickson, John Ross, “License to Work: A National Study of Burdens from Occupational Licensing,” Institute for Justice, May 2012, <http://ij.org/report/license-to-work/>

² The list of professions and businesses for which Florida requires a license are listed at <http://www.myflorida.com/licensee/>. However, while the page says it is the official list of licensed activities, that list contains some items that do not appear to be occupations, have broken links, or are simply unclear, so the number may be closer to 300.

Table 1: Occupations for which Florida Requires Occupational Licensing and at Least Ten Other States Do Not

Occupation	Description	Number of States that Do Not Require License
Farm Labor Contractors	Recruit and hire seasonal or temporary agricultural laborers. May transport, house and provide meals for workers.	42 Including Georgia, Texas, Illinois and Pennsylvania
Epidemiologists	Investigate and describe the determinants and distribution of disease, disability or health outcomes. May develop the means for prevention and control.	38 Including Texas, Illinois and Pennsylvania
Interior Designers	Plan, design and furnish interiors of residential, commercial or industrial buildings. Formulate design which is practical, aesthetic and conducive to intended purposes, such as raising productivity, selling merchandise or improving lifestyle. May specialize in a particular field, style or phase of interior design. Excludes “Merchandise Displayers and Window Trimmers” (27-1026).	47 Including Georgia, California, New York, Illinois and Pennsylvania
Dietitians and Nutritionists	Plan and conduct food service or nutritional programs to assist in the promotion of health and control of disease. May supervise activities of a department providing quantity food services, counsel individuals or conduct nutritional research.	11 Including New York and Texas
Medical and Clinical Laboratory Technologists	Perform complex medical laboratory tests for diagnosis, treatment and prevention of disease. May train or supervise staff.	39 Including Georgia, Texas, Illinois and Pennsylvania
Pharmacy Technician	Prepare medications under the direction of a pharmacist. May measure, mix, count out, label and record amounts and dosages of medications according to prescription orders.	26 Including Georgia, New York, Texas and Pennsylvania
Opticians, Dispensing	Design, measure, fit and adapt lenses and frames for client according to written optical prescription or specification. Assist client with inserting, removing and caring for contact lenses. Assist client with selecting frames. Measure customer for size of eyeglasses and coordinate frames with facial and eye measurements and optical prescription. Prepare work order for optical laboratory containing instructions for grinding and mounting lenses in frames. Verify exactness of finished lens spectacles. Adjust frame and lens position to fit client. May shape or reshape frames. Includes contact lens opticians.	28 Including Illinois and Pennsylvania
Animal Control Workers	Handle animals for the purpose of investigations of mistreatment of or control of abandoned, dangerous or unattended animals.	38 Including Georgia, New York and Pennsylvania
Security Guards	Guard, patrol or monitor premises to prevent theft, violence or infractions of rules. May operate x-ray and metal detector equipment. Excludes “Transportation Security Screeners” (33-9093).	17 Including Pennsylvania
Funeral Attendants	Perform a variety of tasks during funeral, such as placing casket in parlor or chapel prior to service, arranging floral offerings or lights around casket, directing or escorting mourners, closing casket, and	38 Including Georgia, New York,

Table 1: Occupations for which Florida Requires Occupational Licensing and at Least Ten Other States Do Not

Occupation	Description	Number of States that Do Not Require License
	issuing and storing funeral equipment.	Texas and Pennsylvania
Makeup Artists, Theatrical and Performance	Apply makeup to performers to reflect period, setting and situation of their role.	11 Including Georgia, California and Texas
Childcare Workers	Attend to children at schools, businesses, private households and childcare institutions. Perform a variety of tasks, such as dressing, feeding, bathing and overseeing play. Excludes “Preschool Teachers, Except Special Education” (25-2011) and “Teacher Assistants” (25-9041).	13
Bill and Account Collectors	Locate and notify customers of delinquent accounts by mail, telephone or personal visit to solicit payment. Duties include receiving payment and posting amount to customer’s account, preparing statements to credit department if customer fails to respond, initiating repossession proceedings or service disconnection, and keeping records of collection and status of accounts.	20 Including Georgia, California, New York, Texas and Pennsylvania
Police, Fire and Ambulance Dispatchers	Operate radio, telephone or computer equipment at emergency response centers. Receive reports from the public of crimes, disturbances, fires, and medical or police emergencies. Relay information to law enforcement and emergency response personnel. May maintain contact with caller until responders arrive.	17 Including California

This list is based on the subset of licensed professions compared across all 50 states in William Ruger and Jason Sorens, *Freedom in the 50 States*, 2013, <http://freedominthe50states.org/>. All descriptions in column 2 are from the Bureau of Labor Statistics, “Occupational Employment and Wages, May 2014,” March 25, 2015.

If so many other states have found ways to protect consumers of professions like interior designers, security guards, childcare workers and make-up artists without requiring licenses, Florida might consider doing the same. The quality of providers of many of these professions, is easily judged by consumers. It is unlikely that haircuts, interior design and catering are fundamentally better in Florida, because the state licenses those professions, than they are in other states that don’t require licenses. Or, put another way, it seems unlikely that consumers are suffering in all of those states that do not require occupational licenses for these and other professions, and somehow that suffering stays out of the media and away from the attention of that state’s legislators.

Indeed a 2015 White House report on occupational licensing summarized the research on the effects of licensing on consumers (Table 2) and concluded:

Overall, the empirical research does not find large improvements in quality or health and safety from more stringent licensing. In fact, in only two out of the 12 studies was greater licensing associated with quality improvements.³

Paper	Licensed Occupation	Type of Licensing Restriction Studied	Measurement of Quality/Health/Safety	Impact
Larsen (2015)	Teaching	Stricter licensing requirements in high-income districts	Student test scores and teacher qualifications	Increase in quality in both measures
Larsen (2015)	Teaching	Stricter licensing requirements in high-income districts	Student test scores	No effect
Kane, Rockoff, and Staiger (2008)	Teaching	Licensing versus alternative certification or no license	Student test scores	No effect
Angrist and Guryan (2007)	Teaching	Mandated teacher testing to obtain license	Teacher educational background	No effect
Kane and Staiger (2005)	Teaching	Certification requirement	Student test scores	No effect
Kleiner and Petree (1988)	Teaching	Stricter licensing requirements	Student test scores	Unclear effect
Powell and Vorotnikov (2012)	Real estate	Continuing education component	Complaints to the real estate licensing board	No effect
Kleiner and Kudrie (2000)	Dentistry	Tighter requirements	Dental health (dental deterioration and amount of repair needed)	No effect
Holen (1978)	Dentistry	Stringency of entry requirements	Adverse outcomes such as cavities and broken or chipped teeth; general dental health	Increase in quality
Klee (2013)	Legal, Accounting, Cosmetology, Teaching	Stricter licensing requirements	Vocational training enrollment	No effect or modest increase in quality
Carpenter (2012)	Floristry	Licensing requirement	Rating of floral arrangement by florist-judges	No effect
Healey (1973)	Lab technicians	Restrictions on assistance in clinical labs	Quality of output (as measured by proficiency testing)	No effect
Maurizi (1980)	Building Contracting	Increases in number of schools offering courses to help contractors pass their exam (proxy for higher pass rate)	Consumer complaints about licensees	Modest reduction in quality

Source: The White House, *Occupational Licensing: A Framework for Policymakers*, July 2015, https://www.whitehouse.gov/sites/default/files/docs/licensing_report_final_nonembargo.pdf, Appendix 1.

³ The White House, *Occupational Licensing: A Framework for Policymakers*, July 2015, https://www.whitehouse.gov/sites/default/files/docs/licensing_report_final_nonembargo.pdf

Licensing as a response to real, consistent and documented harms to consumers that the market has failed to resolve might make sense, but that is not the case with a great many of the occupations for which Florida requires licenses. Instead, many of the licensing requirements are often proposed by the licensed industries themselves (this is true nationwide) and their most obvious effect is to restrict competition and raise prices—benefiting those already in the business, not consumers.

As stated in the *Concise Encyclopedia of Economics*:

*Occupational regulation has limited consumer choice, raised consumer costs, increased practitioner income, limited practitioner mobility, and deprived the poor of adequate services—all without demonstrated improvements in the quality or safety of the licensed activities.*⁴

Even the Obama administration’s official White House report agrees:

*[T]he current licensing regime in the United States also creates substantial costs, and often the requirements for obtaining a license are not in sync with the skills needed for the job. There is evidence that licensing requirements raise the price of goods and services, restrict employment opportunities, and make it more difficult for workers to take their skills across State lines. Too often, policymakers do not carefully weigh these costs and benefits when making decisions about whether or how to regulate a profession through licensing. In some cases, alternative forms of occupational regulation, such as State certification, may offer a better balance between consumer protections and flexibility for workers.*⁵

Occupational licensing reduces jobs and raises consumer costs and so should be a last resort for resolving problems in a market. By licensing so many jobs, Florida lawmakers have created high hurdles young Floridians must clear to enter careers, and disincentives for skilled workers from other states who might come here and provide competition, better services and lower prices to consumers. Another important group this affects are military families, as the White House report notes:

⁴ David Young, “Occupational Licensing,” *Concise Encyclopedia of Economics*, <http://www.econlib.org/library/Enc1/OccupationalLicensing.html>

⁵ The White House, *Occupational Licensing: A Framework for Policymakers*.

About 35 percent of military spouses in the labor force work in professions that require State licenses or certification, and they are ten times more likely to have moved across State lines in the last year than their civilian counterparts. These military spouses may have difficulty acquiring a new license each time they move or meeting different license requirements in their new State.⁶

The effects of Florida's licensing requirements are even greater because they are so severe. A study comparing the burden of occupational licensing requirements in each state—as measured by fees, training, tests and limitations—ranks Florida the fourth most burdensome in the nation.⁷ Florida, which prides itself on being job-friendly, puts far more burdens on would-be professionals than New Jersey, New York, California and Massachusetts!

Florida needs to take a hard look at its licensing requirements. In many instances licensing requirements can be replaced with consumers exercising choice among competing providers, which serves consumers well in so many other states. Allowing and encouraging voluntary certification by professional groups and independent ratings by business and consumer groups also can be valuable and quickly remove bad actors from the market. And requiring insurance for some occupations to cover claims by consumers if they are harmed may also provide protections in some instances.

When looking at occupations from which to remove restrictions, policymakers should consider:

- Are there well-documented and consistent complaints from, and harm to, consumers from unlicensed providers?
- Is there a less restrictive option than licensing that would rein in bad acting?
- Are there other states that don't license this occupation and yet don't have consumer problems?

⁶ Ibid.

⁷ Dick Carpenter, et al, *License to Work: A National Study of Burdens from Occupational Licensing*, Institute for Justice, 2015, <http://ij.org/report/license-to-work/>

Examining the list of licensed occupations in Florida, some low-hanging fruit stands out. It is hard to see how limiting competition and raising prices is the best way to protect consumers of services like:

Auctioneer	Barber	Caterer	Check Casher
Cosmetologist	Interior Designer	Hair Wrapper	Landscape Architect
Massage Therapist	Mediator	Nail Specialist	Plumbing Contractor
Pool Contractor	Security Officer	Talent Agency	Yacht Salesman

Useful Documents

License to Work: A National Study of Burdens from Occupational Licensing, Institute for Justice, <http://ij.org/report/license-to-work/>

Occupational Licensing: Ranking the States and Exploring Alternatives, Reason Foundation, <http://reason.org/files/762c8fe96431b6fa5e27ca64eaa1818b.pdf>

Occupational Licensing: A Framework for Policymakers, The White House, https://www.whitehouse.gov/sites/default/files/docs/licensing_report_final_nonembargo.pdf

About the Authors

Matthew Laird is a student in Economics and Mathematics at Florida State University. He has worked on development projects in Rwanda and as an intern in the Florida House of Representatives.

Dr. Adrian Moore is vice president of policy at Reason Foundation. He received his Ph.D. in Economics from the University of California, Irvine. Moore has authored many policy reports and academic journal articles on economic and policy issues and been appointed to policy advisory boards at local, state and federal levels. Prior to working at Reason Moore served 10 years in the U.S. Army.

Dr. Samuel Staley is director of the DeVoe L. Moore Center at Florida State University, and Research Fellow with the Reason Foundation. He received an M.S. in Social and Applied Economics from Wright State University and Ph.D. in Public Administration from Ohio State University. He conducts and publishes research on a wide range of policy issues and is the author of several books.



5737 Mesmer Ave.
Los Angeles, CA 90230
310-391-2245
reason.org

Reason



150 Bellamy Building
Florida State University
Tallahassee, FL 32306-2220
850-644-3848
coss.fsu.edu

