Testimony Before the Subcommittee on Antitrust, Competition Policy and Consumer Rights

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The Share of Workers Licensed at the State Level Has Risen Five-Fold Since the 1950s

Figure 1
Share of Workers with a State Occupational License

Source: The Council of State Governments (1952); Greene (1969); Kleiner (1990); Kleiner (2006); and Kleiner and Krueger (2013), Westat data; CEA Calculations.
Around Two-Thirds of the Increase in Licensing Is Driven by More Professions Being Licensed

Figure 2
Percent Licensed Over Time: Estimated and Counterfactual

Percent of the Workforce

Note: To make the adjustment, we use Kleiner and Krueger’s estimates of the shares of State-licensed workers in each occupation in 2008, and adjust for changes in occupational mix back to 1968, taking advantage of a historically consistent occupational classification system in the Integrated Public Use Microdata Series version of the Current Population Survey.
Licensing Has Expanded into New Sectors

Figure 3
Share of All Licensed Workers in the 12 Occupations with the Most Licensed Workers

- Health Care Practitioners
- Education
- Transportation
- Sales
- Management
- Construction
- Personal care
- Protective Service
- Health Care Support
- Installation and Maintenance
- Business and Financial
- Production

Occupation's Share of All Licensed Workers (Percent)

Licensing Is Very Uneven Across States

Figure 4

Percent of Workforce Licensed by State

States Also Differ in the Requirements for their Licenses

Figure 5

Average Education or Experience Required for License by State for Selected Occupations

Source: Institute for Justice analysis, reported in Carpenter (2012).
Licensing Decreases Mobility Across State Lines

Figure 6
Difference in Migration Rates of Workers in Most vs. Least Licensed Occupations

Source: Census Bureau, American Community Survey 2010-2013; CEA Calculations.
Note: Number is calculated from an OLS regression controlling for race, citizenship, sex, citizenship, number of children, marital status, education, income, year, and state. Ages 25 to 65 were included.
Only Some States Have General Standards Governing the Relevance of Conviction Records

Figure 7

Standards Governing Relevance of Conviction Records of Applicants for Occupational Licensure

Source: National Association of Criminal Defense Lawyers; Legal Action Center; UST and CEA tabulations.
Only Some States Have Sunrise and Sunset Review Processes for Licensing Laws

Figure 8
States with Sunrise and Sunset Legislation
