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

Source: The Council of State Governments (1952); Greene (1969); Kleiner (1990); Kleiner (2006); and Kleiner and Krueger (2013), Westat data; CEA Calculations.
Inter-State Mobility Has Declined...

Source: Molloy, Smith, and Wozniak (2014).
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.
...And Licensing Is One Factor That Has Contributed

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.
Employment Has Grown in Heavily-Licensed Professions

But Two-thirds of the Increase in Licensing Is Driven by
More Professions Being Licensed


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 contained in the Integrated Public Use Microdata Series version of the Current Population Survey.
Licensing Has Expanded into New Sectors

Share of AllLicensed 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

Percent of Workforce Licensed by State

Percent Licensed
- 20 or less
- 20 - 25
- 25 - 30
- 30 or more

States Also Differ in the Requirements for their Licenses

Source: Institute for Justice analysis, reported in Carpenter (2012).
Only Some States Have Standards Governing the Relevance of Conviction Records

Source: Legal Action Center.
Only Some States Have Sunrise and Sunset Review Processes for Licensing Laws

The White House report released in July provides policymakers with information and best practices.

The President’s FY2016 Budget includes $15 million in new discretionary funding at the Department of Labor to identify and address areas where licensing requirements create barriers to labor market entry or labor mobility.

The Military Credentialing and Licensing Task Force has helped service members to earn civilian occupational credentials and licenses through partnerships with national certifying bodies.

First Lady Michelle Obama and Dr. Jill Biden issued a call to action to governors to streamline State licensing for service members, veterans and their spouses.
1. Ensure that Licensing Restrictions are Closely Targeted to Protecting Public Health and Safety, and Are Not Overly Broad or Burdensome
   - Remove certain blanket exclusions for the formerly incarcerated
   - Consider replacing some licensing requirements with less restrictive alternatives, such as State certification

2. Establish or Strengthen Sunrise Review Processes
   - Subject new licensing proposals to cost-benefit analysis

3. Reduce Licensing’s Barriers to Inter-State Mobility
   - Form new inter-State compacts that apply to a range of professions
   - Harmonize licensing requirements across State lines