

OCCUPATIONAL LICENSING – GOVERNMENT SHOULDN'T DETERMINE A WORKER'S FUTURE



Reducing barriers will provide:

- **New opportunities for workers**
- **Attract new people to Iowa**
- **Create a more competitive business environment.**

Among Iowa policymakers and business leaders, a consensus exists that a major problem for the state's economy is a shortage of skilled workers. In fact, this need for workers often overshadows Iowa's low unemployment rate. One area of regulatory reform that could address this need is changes to our occupational licensing requirements. Reducing barriers for workers will not only provide

new opportunities for Iowans, but it will also attract new people to our great state, helping create a more competitive business environment.

During the 1950s in America, 1 in 20 workers needed a license to work. Today 6 in 20 workers need some form of occupational license to earn a living in this country. The Institute for Justice [identifies](#) Iowa as one of the states that license a large number of occupations and impose more burdensome requirements. Only 11 states require more of its lower-income individuals attempting to pursue a career than Iowa does.

Occupational licensing reform does not mean that all licenses should be repealed nor does it mean that a "free-for-all" economy should be created. Consider just these three additional alternatives that protect the public without unnecessarily hindering workers and businesses from providing goods and services. Each of them likely protects the consumer more than requiring the provider to obtain a permission slip from the government:

Days of Training to Become Licensed



Emergency Medical Technicians 26

Barbers & Hair Stylists 490



The industry of barbers and hair stylists may be over-regulated in Iowa. To put those requirements into context, individuals wanting to become barbers and stylists must "[demonstrate](#) 2,100 hours (roughly 490 days) of experience, while EMTs need only demonstrate 110 hours (roughly 26 days) to become licensed." This means that EMT's, who are often the first line of defense for saving lives and providing emergency medical care, are required to obtain only a small fraction of the training hours as those working in hair salons.

1. Professional Certification:

Numerous businesses have industry-specific certification that isn't provided by the government. Auto repair shops, for instance, will often tout the certification of their mechanics.

2. Bonding and insurance:

Knowing financial protection from damage or theft is in place offers consumers a level of confidence before proceeding with major repairs or renovations.

3. Inspections:

Restaurants and food-related businesses are subject to regular health inspections to ensure that the public is protected from unsanitary conditions.

“Bureaucrats shouldn’t determine a worker’s future. His or her career should be defined by their skills, talents, abilities, and hard work.”

- Rea Hederman, Jr., The Buckeye Institute

Dr. Laura Ebke, Senior Fellow for Job Licensing Reform at the Platte Institute and a former Nebraska state legislator who authored the occupational reform legislation in that state, has described some of the specifics that should be considered:

- A public need for licensing of the occupation, which includes verifiable examples of harm done to individuals or the public which would not have been as likely had proposed licensing been implemented, must be demonstrated.
- Constant consideration of whether--if some sort of regulation is deemed necessary for the public good/safety--it could be done in a less restrictive fashion.
- A review of what other states are doing. From a labor competition standpoint, it’s important to know what surrounding states are doing--but we should also be careful not to jump on the “us, too” train. Policymakers should focus on what’s necessary to protect the public.

By following these principles, Iowa can make it easier for those in our state to enter or advance in the workforce, and we can roll-out the red carpet for skilled workers considering a move here. Economic liberty is a principle that allows all to benefit. *The Des Moines Register* is [correct](#) that Iowa “has many arcane licensing laws that thwart business growth,

Rank	State	Number of 102 Lower-Income Occupations Licensed	Avg. Fees	Avg. Est. Calendar Days Lost	Avg. Exams	Avg. Min. Grade	Avg. Min. Age
1	California	76	\$486	827	2	1	15
2	Nevada	75	\$704	861	2	2	15
3	Arkansas	72	\$246	642	1	2	7
4	Arizona	68	\$612	765	2	1	16
5	Hawaii	63	\$438	988	2	1	16
6	Louisiana	77	\$360	202	2	1	7
7	Virginia	68	\$291	620	1	1	14
8	Oregon	69	\$335	537	1	1	13
9	Washington	77	\$209	163	1	1	6
10	Rhode Island	72	\$223	326	1	1	14
11	New Mexico	66	\$266	520	2	2	14
12	Iowa	71	\$178	288	1	2	5

Only 11 states require more of its lower-income individuals attempting to pursue a career than Iowa does.

Source: Institute for Justice, License To Work

make it more difficult for people to find work, limit competition, and hurt our economy.” Rea Hederman, Jr., who serves as Executive Director of the Economic Research Center and Vice President of Policy at The Buckeye Institute, [sums](#) it up simply, “Bureaucrats shouldn’t determine a worker’s future. His or her career should be defined by their skills, talents, abilities, and hard work.”

Iowa “has many arcane licensing laws that thwart business growth, make it more difficult for people to find work, limit competition, and hurt our economy.”

- Des Moines Register



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