



UNIVERSAL LICENSING RECOGNITION: AN AMERICA FIRST POLICY FOR WORKERS

Rachel Wallen Oglesby | September 29, 2023

Occupational Licensing is a Barrier to Employment



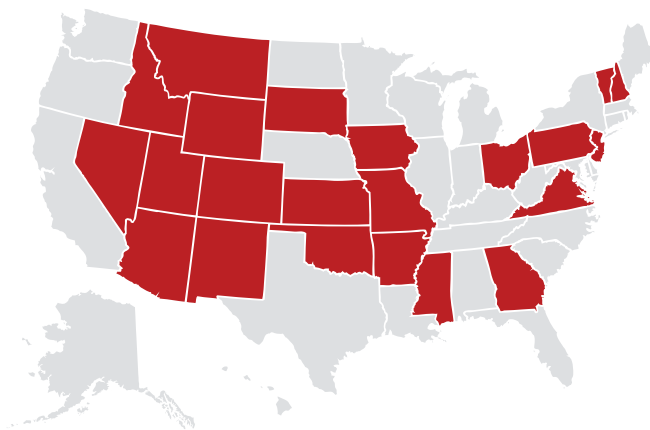
now work in an occupation **that requires a license**—up from 1 in 20 in the 1950s

Every state requires people who want to work certain jobs to receive an occupational license to do so. Commonly licensed professions include electricians, nurses, and cosmetologists, among many others. States differ on which occupations they license and what they require from workers in order to earn a license, but most require hundreds of hours of training, minimum education levels, exams, and fees.

UNIVERSAL LICENSING RECOGNITION EASES THIS BURDEN

Universal licensing recognition allows workers to have their occupational license recognized by other states without needing to complete duplicative training, exams, or education. Requiring licensed workers to redo training not only costs workers time and money, but also exacerbates workforce shortages.

22 states have implemented some form of universal licensing recognition.



5 BENEFITS OF UNIVERSAL LICENSING RECOGNITION

- ★ **Easier to Move:** States that have passed universal licensing recognition have experienced a nearly 50% increase in interstate migration.
- ★ **Increased Economic Growth:** By allowing new residents to begin working more quickly, states make it easier for businesses to expand, encourage entrepreneurship, and grow their economies. Reducing red tape also improves labor productivity.
- ★ **Stronger Workforce:** Occupational licensing costs the U.S. economy nearly two million jobs annually. When states enact universal licensing recognition, they experience increased labor market participation and a decline in unemployment.
- ★ **Lower Prices:** Excessive licensing rules cost consumers more than \$200 billion annually in the form of higher prices. Universal licensing recognition helps alleviate this burden.
- ★ **The Same High-Quality Workers:** Universal licensing recognition does not cause any difference in worker quality.