



OCCUPATIONAL LICENSING: ASSESSING STATE POLICY AND PRACTICE

**LOW-INCOME, UNEMPLOYED AND
DISLOCATED WORKERS POPULATION
OVERVIEW**

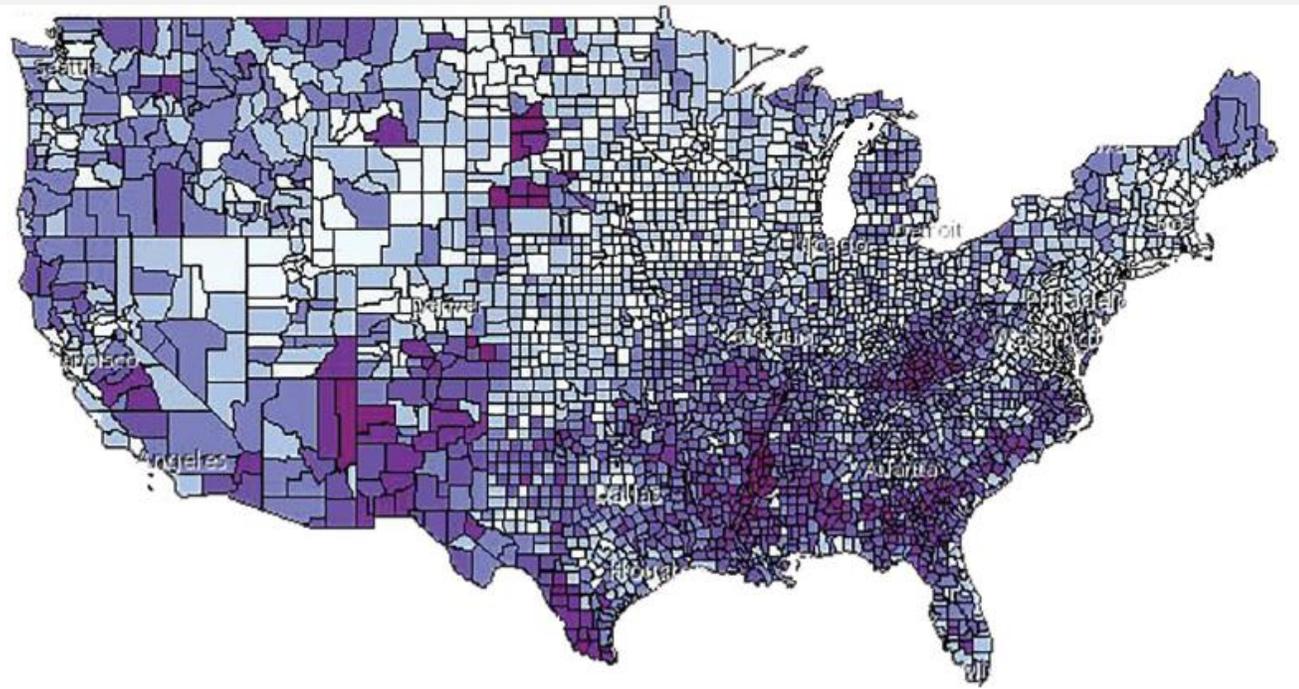
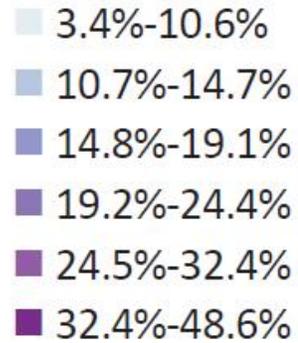
Special Concerns with low-income, unemployed and dislocated workers in occupational licensing.

POPULATION GROUP DEFINITIONS

- **Low-income:** Using Workforce Innovation and Opportunity Act (WIOA) definition, which includes receipt of income-based public assistance, income below the federal poverty level, and/or homelessness.
- **Unemployed:** Jobless but actively looking in the last four weeks and currently available for work.
- **Dislocated worker:** Part of the unemployed population, but meet additional criteria including having been laid off or received lay-off notice, receiving unemployment benefits and unlikely to return to a previous occupation, or being previously self-employed but now unemployed due to economic conditions or natural disaster.

DEMOGRAPHIC
INFORMATION

Poverty Rates by County, 2016



Source: U.S. Census Bureau

Unemployment rate, 25 years and older ⁶	Less than a high school diploma	Some college or an associate degree	Bachelor's degree and higher
Total	6.5	3.8	2.3
Men	6.1	3.6	2.2
Women	7.2	3.9	2.4
White	5.7	3.3	2.1
Black	12.5	5.8	3.6
Asian	4.4	3.2	2.7
Hispanic or Latino ethnicity	5.2	3.9	2.9

Source: Bureau of Labor Statistics

HOW CAN OCCUPATIONAL LICENSING IMPACT POPULATION?

- Likelihood of becoming and remaining unemployed (negatively correlated with possessing an occupational license)
- Wage premiums for licensed workers
- Costs of education and training, testing, and fees
- Potential time constraints for those that need income now
- Work experience requirements
- Geographic mobility considerations
- Potentially increased costs but decreased risks for low-income consumers

POLICY BARRIERS TO EMPLOYMENT

- Licensing requirements and/or other regulatory structures where costs do not exceed public safety and consumer benefits.
- Licensing requirements that are overly burdensome in terms of cost, education and training requirements, and time.
- Varying licensure requirements in the same occupation and/or lack of portability.

POLICY OPTIONS

- Broader reforms such as sunrise and sunset provisions, adjusting governance structures, reciprocity agreements, and altering occupation-specific requirements.
- Reducing or waiving licensing fees.
- Assessing licensing criteria for alignment with consumer protection and workforce needs.
- Reducing education and training requirements.
- Offsetting education and training costs (e.g. through WIOA).

STATE EXAMPLES

- Some occupational licensing fees are reduced or waived for low-income individuals in Arizona, Florida, New Mexico, Texas, and Wisconsin.
- Licensing requirements are specifically limited to those necessary to protect public health, safety, and welfare in Arizona and Tennessee.
- Annual licensing fee studies are conducted to help ensure minimal burdens for workers in Wisconsin.
- Licensing fees factor in an occupation's earning potential and are set lower for initial applicants in Vermont.

CONCLUSION

- The economic burden of paying for occupational licensing is disproportionately felt by low-income, unemployed and dislocated workers.
- Policies that pose undue financial, access, and mobility barriers may particularly disadvantage this population.
- A variety of options are available to policy-makers interested in improving outcomes for their citizens, including through executive branch and legislative actions.

RESOURCES AND CONTACT INFO

- [Barriers to Work Landing Page](#)
- [Improving Access to Licensed Occupations for Low-Income, Unemployed and Dislocated Workers](#)

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