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## New Congress Can Limit Occupational Licensing

An Interview With: Representative Mark Meadows

By Jared Meyer

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There is a growing consensus that occupational licensing has gotten out of hand. Government-required training and fees can make it prohibitively time consuming and costly for many individuals—especially those with low incomes—to find work, pursue better career opportunities, and start businesses. Though licensing is primarily controlled by state and local governments, Washington has taken notice of its growth.

To combat the problems posed by excessive occupational licensing, Congressman Mark Meadows (R-NC) introduced the Alternatives to Licensing that Lower Obstacles to Work (ALLOW) Act last Congress.

The ALLOW Act would reform occupational licensing in the District of Columbia and on other federal property, such as military bases and certain national parks. A companion bill in the Senate was sponsored by Senators Mike Lee (R-UT) and Ben Sasse (R-NE). The bills acknowledge that requiring the government's permission to work should be reserved only for occupations that pose real threats to the public.

In the following interview, Representative Meadows explains what the 115th Congress can do to lead the way on occupational licensing reform.

**Jared Meyer:** What made you decide that something about occupational licensing had to change?

**Representative Meadows:** There are too many barriers to entry for employment in some federal government jobs—let alone the workforce in general—and that reduces economic growth and opportunity. Licensing is a clear example of a government-imposed barrier to opportunity. In the 1950s, only five percent of the nation's workforce worked in occupations requiring a government license. In 2015, that number had grown to at least 25 percent—a 500 percent increase.



Take the District of Columbia, the focus of the ALLOW Act, where licensing requirements are now imposed on entry-level interior designers, travel guides, auctioneers, cosmetologists, and pest control workers, to name just a few.

These costs have little correlation to the public safety risks posed by an occupation. For example, an aspiring interior designer in D.C. must have six years of education and experience, pay \$925 in fees, and pass an exam to work legally in this field. A cosmetologist at a D.C salon is required to study for 350 days and pass two tests, while an emergency medical technician is not required to go through any formal training. Clearly EMTs have a greater effect on public safety than do interior designers or cosmetologists.

These inconsistent, time consuming, and often expensive requirements keep millennials, recent graduates, and Americans trying to climb the economic ladder or change careers stuck. Simply put, occupational licensing blocks choice and opportunity for people looking to support themselves and contribute to society.

**JM:** Because of technological advances, today's consumers have unprecedented access to information. I argue that this lowers the need for consumer protection regulations because government licensing is far from the only way to ensure quality in the age of Yelp, Google Reviews, and Angie's List. Yet, even as the market has grown more pro-consumer, licensing has increased in both scope and scale. Why do you think this has happened?

**Representative Meadows:** I agree with you and that is why the ALLOW Act makes licensing what it is supposed to be—the last resort of regulators. But special interest groups work against that ideal and encourage excessive regulation, which in turn discourages competition and innovation. They drive regulators to believe that licensing is necessary and should be imposed so long as an occupation poses any kind of danger to the public. Unfortunately, this leads to bureaucrats—who are focused on maintaining the status quo—preventing services from being provided, which makes them less accessible and more expensive for consumers.

**JM:** So how would the ALLOW Act reform occupational licensing?

**Representative Meadows:** First, we wanted to make sure the bill would provide an example to states on how they could adopt less restrictive licensing requirements.



The ALLOW Act accomplishes this by:

- Limiting the creation of occupational license requirements in the District of Columbia
- Promoting less restrictive requirements, such as voluntary public or private certifications
- Creating a dedicated office in the District Attorney General's Office, or within each relevant District agency, responsible for the active supervision of occupational boards
- Providing legislative oversight with a "sunrise review" when considering new proposed licensing requirements to evaluate the possible negative impacts on workers and economic growth, along with possible less-restrictive regulations
- Establishing legislative "sunset review," which applies the same analysis of net benefits and possible alternatives to existing occupational licensing laws in the District, with the goal of reviewing all such laws and proposing appropriate modifications over a five-year period

**JM:** During my testimony before the Joint Economic Committee on the need for licensing reform, I got pushback from some representatives and senators who said this was purely a state and local issue. Moving beyond the ALLOW Act, do you think there is any other role for the federal government when it comes to state and local licensing laws? I know that Representative Tim Walberg (R-MI) had a plan to free up federal funds for state licensing reform.

**Representative Meadows:** What I think the federal government can and should do, the ALLOW Act does. It models an idea that emphasizes certification as an alternative approach to licensure by eliminating the need to obtain government approval for certain jobs.

But there is more that we need to be doing. The country's labor force participation rate during the Obama administration declined to 62.7 percent. Many discouraged and marginally attached workers who would like to work have given up on searching for jobs.

We are trying to give Americans who feel like the workforce has turned its back on them another shot. This critical effort must extend beyond occupational licensing, but licensing reform clearly needs to be a part of any economic opportunity package. Additionally, people on both the left and the right agree that it is time to take a closer look at the costs and benefits of licensing regulations, and why they were enacted in the first place.



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