



Analytics

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Delaware's Occupation License Requirements Harm Workers

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In a May 2012 report the Institute for Justice ranked all the states with regards to barriers to entry to low- and moderate-income occupations. Delaware had the 42nd most burdensome licensing laws and was the 25th most extensively and onerously licensed state.

The report documents the license requirements for 102 low- and moderate-income occupations—such as barber, massage therapist and preschool teacher—across all 50 states and the District of Columbia. It finds that occupational licensing is not only widespread, but also overly burdensome and frequently irrational.

On average, these licenses force aspiring workers to spend nine months in education or training, pass one exam and pay more than \$200 in fees. One third of the licenses take more than a year to earn. At least one exam is required for 79 occupations.

Barriers like these make it harder for people to find jobs and build new businesses that create jobs, particularly minorities, those of lesser means and those with less education. With an unemployment rate hovering around 7%, and even higher for those with less education, these barriers to occupational entry need to be addressed by the state legislature.

Does it make sense that Delaware is one of just eight states to require a license to be a travel agent? Is there a benefit to the public from Delaware requiring licenses for auctioneers, milk samplers, animal breeders and fisher persons? Does a cosmetologist really need 350 days of training and to pass two exams? Or a makeup artist an annual \$143 license and to pass two exams? Why does a travel guide in Delaware have to pay \$100 a year to operate?

There are common sense alternatives to licensure. Voluntary certification through professional associations, for example, can benefit practitioners by enabling them to distinguish themselves, while consumers remain free to choose among all providers and decide for themselves how much value to place on such credentials.

There are also third-party consumer organizations, such as the Better Business Bureau, and more contemporary versions built on new information and communication technologies, such as Angie's List, that enable consumers to hold occupational practitioners accountable for the quality of their goods and services. These organizations already help consumers sort through providers in fields where practitioners are licensed and in those where they are not.

Bottom line, barbers who give bad haircuts will never develop a customer base and disappear. This market system for evaluating occupations has worked well for centuries.

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