

A Snapshot of Occupational Licensing in Iowa

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1: Knee Center for the Study of Occupational Regulation, West Virginia University

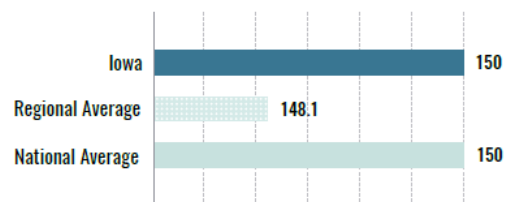
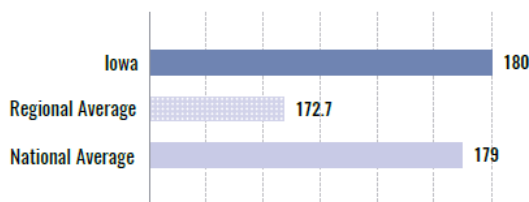
2: Troy University, Alabama

Occupational licensing makes it illegal to work in an occupation before meeting state-mandated entry requirements that often include minimum levels of education and training, paying fees to the state, and passing exams. Nationally, 21% of workers are licensed.¹

Licensing requirements for the same profession vary significantly across states. The 2023 State Occupational Licensing Index (SOLI) ranks states by the number of occupations that are licensed.² The SOLI database focuses on 331 occupations that are available in the Knee Center licensing database.³

Iowa's SOLI ranking

In the 2023 SOLI, Iowa ranks 26th nationally (with 1st being the most burdensome). Iowa makes it illegal to work in 180 of the 331 occupations examined. This is 1 more occupation than the national average of 179 and more than 30 more than Kansas—the state with the fewest legal barriers (147) to working nationally.



Uniquely licensed occupations in Iowa

Among the 180 occupations that Iowa establishes minimum entry requirements to begin working, there are 23 occupations that are licensed in 20 states or fewer nationally. Table 1

¹ Data on certifications and licenses (CPS), Bureau of Labor Statistics, <https://www.bls.gov/cps/certifications-and-licenses.htm>, January 25, 2023.

² Noah Trudeau and Edward Timmons. State Occupational Licensing Index 2023. Archbridge Institute, <https://www.archbridgeinstitute.org/state-occupational-licensing-index-2023/>, March 20, 2023.

³ <https://csorwvu.com/>

provides a full list of these occupations and there is also a separate excel file with full details for interested readers.

Iowa is one of only 2 states to license certified prevention professional advanced and electrical sign installers. Iowa is also one of only 10 states to license animal breeders and one of 12 to license cemetery salespersons.

Table 1: Uniquely licensed occupations in Iowa

Occupation	Total States
Air Conditioning Electrician	2
Certified Prevention Professional Advanced (CPPA)	2
Electrical Sign Installer	2
Plumbing Technician	2
Backflow Prevention Tester	5
Specialist/Specialty Electrician	5
Septic Tank Cleaner	8
Mortgage Banker	9
Gas Fitter Trainee/Apprentice	10
General Commercial Contractor	10
Public Health Dental Hygiene Practitioner	10
Animal Breeder	10
Pedorthist	11
Plumbing Apprentice	11
Cemetery Salesperson	12
Certified Sewage/Septic Inspector	12
Public Accountant	13
Gas Fitter	15
Orthotist	15
Polysomnographic Technologist	15
Paraprofessional/Teacher's Aide	16
Prosthetist	16
Milk Weigher/Sampler	16

Sources: State Occupational Licensing Index 2023 Master File and Knee Center Occupational Licensing Database.

Why Licensing Reform is Important

By making it illegal to work in 180 occupations, and uniquely licensing at least 23 occupations, Iowa is imposing significant cost on its citizens.

Existing economic research suggests that occupational licensing raises prices by as much as 16%.⁴ Licensing also reduces employment by as much as 27% by making it more difficult to begin working in licensed professions.⁵ Nationally, it is estimated that occupational licensing results in 2 million fewer jobs being created each year.⁶

Although licensing may have historically resulted in some benefits to consumers⁷, there is little evidence that it is helping consumers in the present. Recent work finds little evidence that occupational licensing is improving the quality of services provided to consumers in the US and Europe.⁸

In summary, Iowa currently places unique restrictions on its citizens to begin working. These restrictions are very costly and generate little to no measurable benefits for consumers. Following the lead of the majority of other states and choosing less restrictive ways to regulate and protect consumers would be in the best interest of Iowa citizens.

⁴ President Obama White House, Occupational Licensing: A Framework for Policymakers, https://obamawhitehouse.archives.gov/sites/default/files/docs/licensing_report_final_nonembargo.pdf, July 2015.

⁵ Peter Blair and Bobby Chung, (2019), How Much of Barrier to Entry is Occupational Licensing?. *British Journal of Industrial Relations*, 57: 919-943

⁶ Evgeny Vorotnikov and Morris Kleiner, (2018), At What Cost? State and National Estimates of the Economic Costs of Occupational Licensing., Institute for Justice, <https://ij.org/report/at-what-cost/#:~:text=By%20a%20conservative%20measure%20of,reach%20%24184%20billion%20or%20more.>

⁷ D. Mark Anderson, Ryan Brown, Kerwin Kofi Charles, and Daniel I. Rees, (2020), Occupational Licensing and Maternal Health: Evidence from Early Midwifery Laws., *Journal of Political Economy*, 128(11): 4337-4383.

⁸ Morris Kleiner and Maria Koumenta (Eds.). (2022). Grease or grit? International case studies of occupational licensing and its effects on efficiency and quality. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research.