

A Snapshot of Occupational Licensing in the District of Columbia

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

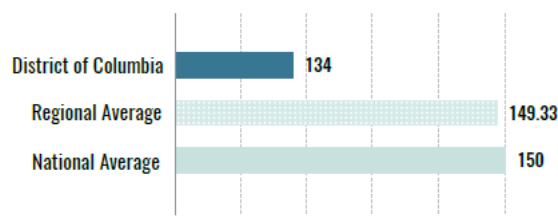
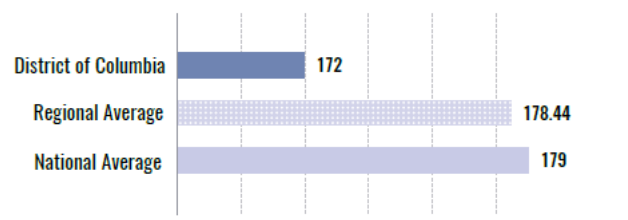
2: Troy University, Alabama

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

District of Columbia's SOLI ranking

In the 2023 SOLI, the District of Columbia ranks 35th nationally (with 1st being the most burdensome). The District of Columbia makes it illegal to work in 172 of the 331 occupations examined. This is 7 less occupations than the national average of 179, but 25 more than Kansas—the state with the fewest legal barriers (147) to working nationally.



Uniquely licensed occupations in District of Columbia

Among the 172 occupations that the District of Columbia establishes minimum entry requirements to begin working, there are 20 occupations that are licensed in 20 states or fewer

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/>

nationally. Table 1 provides a full list of these occupations and there is also a separate excel file with full details for interested readers.

The District of Columbia is one of only 3 states in the country to issue a separate license for dance therapists and interior designers. The District of Columbia is also one of only 5 states to license mold inspectors and one of 8 that licenses hair braider teachers.

Table 1: Uniquely licensed occupations in the District of Columbia

Occupation	Total States
Dance/Movement Therapist	3
Home Interior Designer	3
Apprentice Gas Fitter	5
Home Improvement Salesperson	5
Mold Assessor/Inspector	5
Mold Remediation Contractor	7
Journeyman Gas Fitter	8
Natural Hair Braider Teacher	8
Psychological Associate	8
Home Improvement Contractor	9
Master Gas Fitter	9
Plumbing Apprentice	11
Insurance Administrator License	12
Anesthesiologist Aide/Assistant	14
Professional Fighting Announcer	14
Gas Fitter	15
Polysomnographic Technologist	15
Professional Wrestler	15
Investment Advisor	17
Body Piercing Artist	18

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 172 occupations, and uniquely licensing at least 20 occupations, the District of Columbia 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

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.

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, the District of Columbia 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 District of Columbia citizens.

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.