

## A Snapshot of Occupational Licensing in Vermont

Edward Timmons<sup>1</sup>, Conor Norris<sup>1</sup>, and Noah Trudeau<sup>1,2</sup>

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

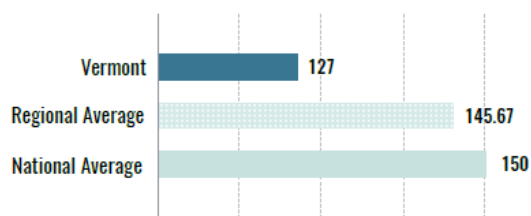
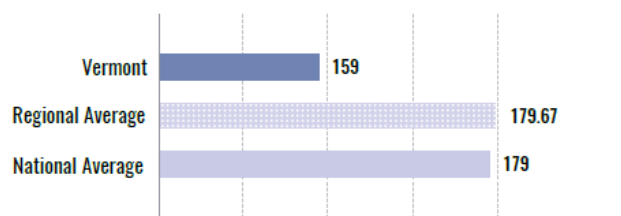
2: Troy University, Alabama

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.<sup>1</sup>

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.<sup>2</sup> The SOLI database focuses on 331 occupations that are available in the Knee Center licensing database.<sup>3</sup>

### Vermont's SOLI ranking

In the 2023 SOLI, Vermont ranks 46<sup>th</sup> nationally (with 1<sup>st</sup> being the most burdensome). Vermont makes it illegal to work in 159 of the 331 occupations examined. This is 20 less occupations than the national average of 179, but 12 more than Kansas—the state with the fewest legal barriers (147) to working nationally.



### Uniquely licensed occupations in Vermont

Among the 159 occupations that Vermont establishes minimum entry requirements to begin working, there are 13 occupations that are licensed in 20 states or fewer nationally. Table 1

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

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

<sup>3</sup> <https://csorwvu.com/>

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

Vermont is one of only 8 states in the country to issue a separate license for a motor vehicle physical damage appraiser. Vermont is also one of 5 states to license foresters and one of 16 states that licenses milk weighers and samplers.

Table 1: Uniquely licensed occupations in Vermont

Occupation	Total States
Dental Therapist	2
Special Electrician	5
Motor Vehicle Physical Damage Appraiser	8
Insurance Administrator	12
Nail Technician Apprentice	13
Anesthesiologist Aide/Assistant	14
Certified Real Estate Evaluator	15
Forester	15
Milk Weigher/Sampler	16
Polygraph Examiner Intern/Trainee	17
Body Piercing Artist	18
Optician Apprentice/Trainee	18
Behavior Analyst Assistants	20

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 159 occupations, and uniquely licensing at least 13 occupations, Vermont is imposing cost on its citizens.

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

<sup>4</sup> President Obama White House, Occupational Licensing: A Framework for Policymakers, [https://obamawhitehouse.archives.gov/sites/default/files/docs/licensing\\_report\\_final\\_nonembargo.pdf](https://obamawhitehouse.archives.gov/sites/default/files/docs/licensing_report_final_nonembargo.pdf), July 2015.

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

<sup>6</sup> 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.>

Although licensing may have historically resulted in some benefits to consumers<sup>7</sup>, 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.<sup>8</sup>

In summary, Vermont currently places many 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 Vermont citizens.

---

<sup>7</sup> 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.

<sup>8</sup> 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.