

PRESS RELEASE

San Juan, February 13, 2023

Institute for Justice includes Puerto Rico for the first time in its study on occupational licensing

The report indicates that many lower-income occupations regulated on the Island have higher requirements than in other jurisdictions.

The Institute for Justice recently released the report [*License to Work: A National Study of Burdens from Occupational Licensing*](#). This edition provides an updated snapshot of licensing's breadth and burdens for 102 lower-income occupations across all 50 states, the District of Columbia, and, in a first for this edition, [Puerto Rico](#). It also presents an overview of major changes in licensing requirements for the 102 occupations have been tracked since the 2017 edition.

Occupational licenses are permits issued by a government or regulatory entity for a person to work in a certain field. These licenses typically require the applicant to meet several education and experience requirements, as well as pass exams and pay fees. These demands are considered a burden for lower-income individuals, since the combination of effort, time, and cost can be a barrier for them to work in a trade or profession.

Despite widespread acknowledgment of this reality, this study shows that licensing burdens remain high and pervasive. In Puerto Rico, there are 129 occupational licenses (not counting licenses for sports occupations), of which 49 were part of the sample examined in *License to Work*. The burden for these 49 licenses was 144 days of required education and experience, at least one exam, and \$228 in fees, on average. This does not include burdens from required schooling.

Five years after the second edition, and 10 years after the first, the third edition of *License to Work* finds licensing continues to be widespread, burdensome, and—frequently—irrational; but it also found some good news: Since 2017, states have eliminated more licenses than they created, and nearly 20% of licenses became less burdensome. Still, there remains much room, and need, for improvement, and *License to Work* also provides a roadmap for meaningful reform.

“Reductions in licensing and licensing burdens from the past five years show reform is possible—but much more remains to be done,” said IJ Senior Director of Strategic Research Lisa Knepper. “Decades of research has found licensing imposes substantial costs on workers, consumers, and the economy at large, often with little public benefit. Yet we found that for lower-income Americans, licensing remains both burdensome and widespread, and often simply doesn’t make sense.”

“Occupational licenses are thought to be necessary to protect consumers from unsafe or substandard services; but the evidence indicates that these licenses do not accomplish this, since they are only based on meeting certain requirements and not on demonstrating the person’s competence. Instead, many end up limiting opportunities to find work or open a business,” said Dr. Ángel Carrión-Tavárez, director of Research and Policy at the Puerto Rico Institute for Economic Liberty.

Among the occupational licenses in Puerto Rico whose education requirements are well above the minimum requirements in the United States, the following stand out: manicurists: 1,000 hours vs. 12 hours in Alaska; skin care specialists: 1,000 hours vs. 220 hours in Florida; electrical helpers: 500 hours vs. 0 in the only three states that have this license; and pharmacy technicians: An associate degree and a 1,000-hour supervised internship, requirements that exceed those of all other jurisdictions.

“In Puerto Rico there are cases of occupational requirements that do not correspond to the risk; for example, almost eight months of preparation for cosmetology are required, including shampooers and makeup artists; while three months are required for an emergency medical technician to care for people in life-or-death situations. This leads us to question whether licenses are really designed to protect health and safety or guarantee the quality of a service,” added Carrión-Tavárez.

The most direct way to free workers and entrepreneurs from licensing red tape is to repeal licenses that are not needed and reduce barriers that are too steep. Lawmakers should also exempt services that are perfectly safe and prevent new licenses from getting on the books. The report’s state-by-state results and online “[Compare States](#)” feature are resources available to lawmakers and others interested in reforming occupational licenses in Puerto Rico.

The inclusion of the Island in *License to Work* was the result of a study carried out by the University of Puerto Rico and the collaboration of the Institute for Economic Liberty, Institute for Justice, and Knee Center for the Study of Occupational Regulation at West Virginia University. “The results of this study and the *License to Work* report demonstrate that there is room to improve the occupational license legislation in Puerto Rico, for the benefit of society in general,” Carrión-Tavárez concluded.

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About the Puerto Rico Institute for Economic Liberty

Created in 2019, the Instituto de Libertad Económica para Puerto Rico (ILE) is a non-profit, non-governmental organization registered 501(c)(3) and (1101.01 (a)(2)(B), non-partisan entity. In its role as a developer of ideas, ILE has the goal of identifying and removing barriers in the public sector, to provide greater opportunities for progress to the residents of Puerto Rico and enable the prosperity of all in a market economy. Through dialogue and collaboration with different sectors, ILE seeks to develop economic policy supported by scientific research; support ideas and initiatives based on free-market principles; provide the government with solutions to problems and situations that interfere with the individual’s freedom and potential for innovation and entrepreneurship; and educate and engage the people of Puerto Rico in reforms that create opportunity. Learn more about us at www.institutodelibertadeconomica.org or on Facebook, Instagram, and LinkedIn at @ilepuertorico.