

WHAT ARE

OCCUPATIONAL LICENSES?

Occupational licenses are state regulations that set requirements for individuals to practice a specific trade or profession. These function as a permit to work, prohibiting individuals from practicing without holding a license.

DID YOU KNOW?

- Today, 30% of U.S. jobs require a license, compared to less than 5% in the 1950s.
- Licensing requirements have a profound impact on reducing labor supply in markets and create persistent labor shortages.
- The licensing requirement greatly reduces labor supply in the markets and creates persistent labor shortages.
- When the government imposes onerous burdens on people to work or stimulate entrepreneurs, many resort to providing their services in the informal economy.
- 21 States have enacted universal recognition for license holders from other states and jurisdictions in the United States, and 39 States plus the District of Columbia have amended their occupational licensing laws to make it easier for people with criminal records to enter occupations that require licensing.



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OCCUPATIONAL LICENSES IN PUERTO RICO THAT DO NOT EXIST IN ANY U.S. STATE:



Professional
Agronomist



Chemist



Recreational Leader
for the Community



Professional
Draftsman



Tire
Importer



Recreational Leader
for Older Adults



Health
Educator



Naturopathic
Practitioner



Physician
Authorized to
Prescribe Cannabis



Planner
in Training



Assistant
Condominium
Administrator Permit



Public Events
Promoter



Public Relations
Specialist

GENERAL OCCUPATIONAL LICENSING STATISTICS:



11% to 27% reduction in total employment in the regulated sectors.



9% increase in recidivism rate in States that prohibit occupational licenses from individuals with criminal records.



50% increase in inbound migration, among licensed individuals, to States with universal recognition.



3% to 6% increase in prices for services that require occupational licenses.

MYTHS AND REALITIES OF OCCUPATIONAL LICENSING:

1 Occupational licensing increases the quality of services.

A report published under the Barack Obama administration argues that, in general, empirical research has not found substantial improvements in quality, health and safety through stricter licensing.

2 Reforming occupational licensing on the Island will cause worker migration.

On the contrary, jobs increase by almost one percentage point among workers in the affected occupations, 67,000 new U.S. jobs are attributed to it.

3 Occupational licensing helps workers

It is estimated that occupational licensing negatively affects **1 in 5 workers** and discourages them from changing careers or moving for fear of going through the same process of obtaining a license.

STATUS OF OCCUPATIONAL LICENSES IN PUERTO RICO:

131

total occupations in Puerto Rico that require a state license to practice.

34

occupational licenses in Puerto Rico exist in four states or less.

54

occupations require licenses in less than half of the States.

588 vs. 93

days of education and experience required in Puerto Rico for an interior designer vs. an emergency medical technician.

233 vs. 2

days of education and experience required for a manicurist in Puerto Rico vs. in Alaska.

RECOMMENDATIONS TO THE CURRENT LEGISLATION AND PROMOTE ECONOMIC PROGRESS IN PUERTO RICO.

- Eliminate occupational licenses that fail to pose an evident risk to public health and safety, especially within those that 46 States or more do not have.
- Establish a commission to review and evaluate existing occupational licenses as well as new ones as they arise.
- Adopt universal recognition of occupational licenses.
- Mitigate restrictions for persons with a criminal record.

