

Occupational licenses cost jobs in S.C.

BY MARK V. HOLDEN

What should South Carolina lawmakers' New Year's resolutions be?

I have a suggestion: Break down barriers to opportunity for the least fortunate.

Elected officials in Charleston City Hall and the state government in Columbia should start by rolling back burdensome occupational licensing regulations, which stand in the way of low-income job-seekers and budding entrepreneurs.

Most people have never heard of occupational licenses, yet they are a growing hindrance to economic mobility both in South Carolina and across the country.

Before you can work in many professions, you are forced to seek permission from your state or local government in the form of an occupational license. To make matters more difficult, you often have to pay a significant sum of money or spend months — and sometimes years — in training before beginning your career.

That wasn't a huge deal when occupational licenses only applied to lawyers, doctors, and airline pilots. But other businesses quickly found they could handicap competitors and innovative start-ups if they licensed their own industries.

In July, the White House released a report detailing how occupational licensing laws have proliferated: "More than one-quarter of U.S. workers now require a license to do their jobs." At the state level, "the share of workers licensed ... has risen five-fold since the 1950s."

One recent academic estimate even puts the number of licensed jobs at nearly one in three.

Today, after years of lobbying campaigns by special interests, occupational licenses apply to hundreds of different entry-level and mid-level professions.

South Carolina is no exception. It's actually the 13th most heavily licensed state in America.



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According to the Institute for Justice, no fewer than 51 of the 100-most common low- and moderate-income jobs in the state require licenses. Barber. Manicurist. Makeup artist.

On the whole, the average South Carolina license costs \$166 and requires 402 days in education or training. Many basic jobs require more training than an emergency medical technician.

And those are just some of the state occupational licenses. There are even more passed by cities like Charleston, which only restrict further an individual's attempt to earn a living.

These laws vary — and conflict — from city to city and state to state, making it that much harder for South Carolinians to find work and make a living.

We're starting to learn just how much harm occupational licenses have caused.

The White House again put it best, saying that licensing can "raise the price of goods and services" and "restrict employment opportunities" for those who need them most.

In fact, a 2011 academic study found that occupational licenses have prevented the creation of nearly 3 million jobs. They also cost consumers a whopping \$203 billion in higher costs every year.

Occupational licenses also turn away potential entrepreneurs, especially in low-income communities. A 2015 study by an Arizona State University researcher found that heavier licensing correlates with an 11 percent lower entrepreneurship rate for people at the bottom of the income scale.

These licenses also harm those who have run afoul of the criminal justice system. Once non-violent ex-offenders pay their debt to society, they should be encouraged to rejoin it by finding a job or starting a business.

Sadly, their own government bars them from pursuing a career that requires a license.

Knocking down these barriers is both morally praiseworthy and economically beneficial. Lawmakers in Charleston and the state government in Columbia should — at the very least — prevent the creation of new occupational licenses.

Better yet, they should roll back those that already exist.

If lawmakers do this, they'll help countless low- and middle-income South Carolinians improve their lives and climb the ladder of opportunity.

Surely that's a New Year's resolution worth making — and keeping.

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