

JARRETT SKORUP

THIS ISN'T WORKING.

*How Michigan's Licensing Laws
Hurt Workers and Consumers*





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This Isn't Working: How Michigan's Licensing Laws Hurt Workers and Consumers

By Jarrett Skorup

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Introduction

The Declaration of Independence lists the “pursuit of happiness” as one of Americans’ “unalienable rights.” For most, this includes the ability to pursue a vocation of their choice. But occupational licensure laws stand in the way of many people trying to exercise this right. For too many people, the right to pursue their dreams has been halted by governments that require them to jump through hoops, pay fees and meet other often arbitrary and inconsistent requirements.

Unfortunately, there has not been a lot of public debate about the impact that these licenses have on workers. Far more attention has been paid to labor issues such as minimum wages and unions than occupational licensing. But, in Michigan, less than 5 percent of workers are paid at or below the federal minimum wage and only about 15 percent belong to labor unions.¹ Compare that to the estimate that about 21 percent of workers in Michigan are required to obtain a license in order to work legally.² Based on these statistics, one could argue that occupational licensing laws have a larger effect on Michigan’s economy than the labor issues most frequently discussed.

And these laws have increased significantly over the past several decades. In 1950, about 5 percent of workers in the United States were required to obtain a license in order to work. Today, nearly 25 percent do.³ In Michigan, that percentage is only slightly lower than the national average. Michigan spends about \$153 million directly managing and enforcing occupational regulations, which includes \$24 million coming right out of the state’s general fund budget.⁴

Occupational licensure is the government mandating that individuals pay fees, obtain training, complete educational programs or pass certain exams — commonly a combination of these requirements — before they can legally perform a job. Michigan requires licenses for about 160 occupations, everything from an animal control officer to a well driller. Many of these licensing requirements are also found in other states around the country — every state requires licenses for doctors, lawyers, dentists and opticians, for example, and have for a long time.⁵ But for other occupations, Michigan is unique in requiring a license or in mandating training and fees that are far higher than those in other states.

This report gathers data on every occupational license in Michigan. It describes the impact and costs of licensure laws, as documented in the empirical research that has been conducted on this issue. It explains how and why licensing requirements are typically created, but also outlines some of the fundamental problems with a broad licensing regime. Finally, it compares Michigan’s licensing requirements to those of other states and makes recommendations for how the state could reform occupational licensure for the benefit of job-seekers and entrepreneurs and for the state’s economy as a whole.

The Effects of Occupational Licensure: A Brief Look at the Research

The following section discusses some of the effects that requiring a state license for a large number of occupations has, including effects to the economy, income distribution and public health and safety.

Economic Impacts

Occupational licensing is costly.

Dr. Morris Kleiner of the University of Minnesota, widely regarded as a leading expert on occupational licensing laws, has found little evidence that these mandates are worth the cost. He writes, “The evidence from the economics literature suggests that licensing has had an important influence on wage determination, benefits, employment, and prices in ways that impose net costs on society with little improvement to service quality, health, and safety.”⁶

He suggests that states conduct a cost-benefit analysis for all proposed licenses as well as for those already on the books. States should reject new proposals and repeal existing licenses and associated rules that do not offer better consumer protection over what competitive market pressure can provide or that can be replaced by less restrictive types of regulation, such as insurance mandates, registration or certification.

Kleiner also recommends reciprocity of licenses across state borders — workers should be allowed to work legally in one state if they have already been working legally in another. The federal government may need to facilitate these best practices, according to Kleiner. In the end, his findings suggest that adoption of these practices at the federal, state and local level would lead to greater employment, lower prices and better access to goods and services for consumers.

A recent paper from the White House Council of Economic Advisers, the U.S. Department of Treasury and the U.S. Department of Labor reviewed the bulk of the economic research literature on licensing laws nationwide and found that they likely cost millions of jobs and artificially raise prices for consumers by over \$100 billion, in the aggregate. The report states:

There is evidence that licensing requirements raise the price of goods and services, restrict employment opportunities, and make it more difficult for workers to take their skills across state lines. Too often, policymakers do not carefully weigh these costs and benefits when making decisions about whether or how to regulate a profession through licensing.⁷

Income Distribution

Occupational licensing exacerbates income inequality.

Research finds that licensing and other occupational regulations redistribute income from lower-earning consumers to higher-earning workers and limit social mobility.* For example, a working paper from Kleiner and Dr. Evgeny Vorotnikov shows that licensing can increase earnings of licensed individuals by an average of 9.6 percent nationwide. But this wage premium is not enjoyed equally across the income distribution — higher-wage earners benefit significantly more than lower-wage earners. They write:

[I]ndividuals in the lowest part of the income distribution — manicurists, for example — are associated with a gain only 3.6 to 5.6 percent due to licensing, but those in the middle of the income distribution gain 7 to 8 percent. Further, those individuals in the top 30 percent of the income distribution gain 11 to 23 percent. ... The results suggest that licensing exacerbates relative income inequality, since higher wage occupations tend to gain more from the regulation relative to lower wage ones.⁸

Many of the occupations that states require licenses for are good employment options for generally unskilled or uneducated workers, who disproportionately make up the lower portions of the income distribution. This means that the government is putting up roadblocks for the very people who have the greatest need of steady employment.

For instance, while barbers in Michigan earn a median annual salary of only \$24,600, the state requires 1,800 hours of education that can cost more than \$13,000, continuing education, and \$240 in fees and exam costs.⁹ Cosmetologists earn a median annual salary of just \$27,800, but are required to complete 1,500 hours of education, continuing training, and pay \$200 for fees and exams.¹⁰ Manicurists and estheticians (skin care specialists) earn a median annual salary of about \$30,000, but first must do 400 hours of training, meet continuing training requirements and pay \$200 for fees and exams.¹¹

Another recent study from the Cato Institute, a nonpartisan, libertarian think tank based in Washington, D.C., found that licensing mandates are particularly harmful to lower-income citizens and affect where people choose to live.

The report notes that more than half of states require licenses for working class occupations which few would describe as dangerous, such as auctioneer, makeup artist, cosmetologist, barber, taxidermist and massage therapist. The authors summarize the evidence which shows that people who work in these (often) lower-income occupations will move when faced with these barriers, though at a pretty significant cost. The authors write:

We find that noncollege-educated residents appear to migrate toward states with fewer occupational licenses. States with a 10 percent lower relative number of occupational

* For examples of research along these lines, see: Abigail Wozniak, "Are College Graduates More Responsive to Distant Labor Market Opportunities?," *Journal of Human Resources* 45, no. 3 (2010): 944–970, <https://perma.cc/762X-T8DR>; Morris M. Kleiner, Robert S. Gay and Karen Greene, "Barriers to Labor Migration: The Case of Occupational Licensings," *Industrial Relations* 21, no. 3 (Sept. 1982): 383–391; Stephen Slivinsky, "Bootstraps Tangled in Red Tape: How State Occupational Licensing Hinders Low-Income Entrepreneurship" (Goldwater Institute, Feb. 23, 2015), <https://perma.cc/XY96-BQZA>.

licensees experience a 6.5 percent higher in-migration rate for individuals without a college education.¹²

Public Health and Safety

According to the research, there are few demonstrable safety or health benefits from occupational licensing laws.

The number of studies that find positive health and safety effects from licensing are very rare. In fact, licensing experts could only point to one study which has found evidence of licensing requirements leading to an improvement in consumer health.* Kleiner said that in all of his research on occupational licensure he has not found any positive effects for public health and safety when it comes to state licensing laws.¹³ And even in the cases where it might, the economic costs of doing so still need to be weighed, and it is likely that many licenses would not pass a cost-benefit analysis.

One recent example of a study that found little benefit to public health and safety from a licensing regime was authored by Dr. Edward Timmons and Anna Mills. They looked at optician licensing from 1940 to 2012 and found that licensed opticians gained a wage premium increase of 0.3 to 0.5 percent annually. But they also looked at optician-related malpractice insurance premiums across the states and found no statistically significant difference in premiums among states that required an optician license and those that did not.¹⁴

This suggests that opticians were no more likely to be sued for malpractice in states that did not require a license than in states that did. If licensing opticians provided a clear health and safety benefit, there should be fewer malpractice suits, and thus lower malpractice insurance premiums in states that require opticians to obtain a state license before they can legally operate.

Another recent study that analyzed the relaxing of licensing requirements and changes to the scope of practice for nurses found no influence on patient health. The report looks at states that allow nurse practitioners to perform a larger set of tasks without having to be under the supervision of a physician. It notes:

We find that when nurse practitioners have more independence in their scope of practice, their wages are higher but physicians' wages are lower, which suggests some substitution between the occupations. Our analysis of insurance claims data shows that more rigid regulations increase the price of a well-child visit by 3–16 percent. However, we find no evidence that the changes in regulatory policy are reflected in outcomes that might be connected to the quality and safety of health services.¹⁵

* That study found that the licensing of midwives from 1900 to 1940 caused a 6-7 percent decline in the mortality of the mother and perhaps a modest reduction in infant mortality. The study compared 22 states which licensed midwives during that time period to the states that were unregulated (though a "license" in some of the states could mean something as simple as receiving basic instruction from a local health professional). It states, "To our knowledge, our study is the first to provide econometric evidence that the adoption of licensing requirements leads to an improvement in consumer health. Whether requiring doctors, dentists and other health professionals to be licensed also leads to better health outcomes is an open, but crucial, question that deserves the attention of future researchers." D. Mark Anderson et al., "The Effect of Occupational Licensing on Consumer Welfare: Early Midwifery Laws and Maternal Mortality," *NBER Working Paper*, no. 22456 (July 2016): 27, <https://perma.cc/G4YP-6VN2>.

In other words, more stringent licensing laws raises the price of medical visits for children without promoting better care.

Arbitrary Licensure Laws

Different licensing requirements in states and across occupations highlight these laws' unreasonableness.

A major issue with occupational licensure laws is that they are not uniformly or strategically implemented. If these licenses really did provide a benefit to the public, they should be applied consistently to the occupations that supposedly require them. Instead what has happened across the United States and within states themselves is that these licensing laws are created arbitrarily. This suggests that what is driving the creation of occupational licenses is not lawmakers' interest in protecting consumers, but rather the interests of those who stand to benefit from these licensing requirements — namely, people already licensed or who are grandfathered in to a license.

A 2012 report from the Institute for Justice, a public interest law firm based in Washington, D.C., examined 102 occupational licenses affecting lower-to-moderate-income workers in all 50 states and Washington, D.C. Of these 102 licenses, only 15 were required in 40 states or more and the average was only 22 states.¹⁶ Similarly, an analysis from the Goldwater Institute found that fewer than 30 occupations are licensed in all 50 states with most of those being in the medical field: dentists, doctors, nurses, therapists, etc.¹⁷ All this goes to show that there is very little consistency among the states concerning which occupations should require a license.

A broader look at all the licenses across the United States finds a total of more than 1,100 occupations subject to licensure in at least one state. But fewer than 60 — or about 5 percent — were used in every state.¹⁸ In addition, even if a license is required in several states, standards vary widely. For example:

- ◆ Cosmetologists in South Dakota need a total of 490 days of education and work experience, must pass three exams and meet age and grade completion requirements to get a license, but those in Massachusetts need only 233 days of education and experience and there are no minimum age or grade level requirements.¹⁹
- ◆ Barbers need more than three years of school or training — 890 days — and must pass four exams in Nevada, but need only six months of training and have to pass just two exams in Wyoming.²⁰
- ◆ Alaska requires emergency medical technicians to obtain a total of 140 days of education and work experience and to pass two exams, but the District of Columbia requires no education or training at all for an EMT license.²¹
- ◆ Amateur pilots need only 40 hours of flight time and commercial pilots typically need about 1,500 hours of total flight time on their way to become legally licensed to fly. Pilots who flew U.S. passengers and cargo needed only 250 hours of flight time until 2013.²² It is unlikely that flying airplanes is considered less dangerous than practicing cosmetology (which requires 1,500 hours of training) or being a funeral director (which requires four years of college and training).

Inconsistencies in Michigan

There are apparent inconsistencies in the way the Michigan has chosen to license certain occupations. For instance, to legally work as a lawyer in Michigan, one must meet requirements that pretty closely align with national norms: lawyers need to receive a juris doctorate degree and pass the state bar exam in order to be licensed, which requires approximately 1,200 hours of classroom education.²³ Michigan barbers, on the other hand, must complete 1,800 hours of coursework, which is well above the requirements found in most other states.²⁴

Since the work that lawyers do has a much higher chance of seriously impacting the quality of life of a client compared to the impact that a barber may have, one would reasonably expect that the educational requirements for a lawyer would be significantly higher. Further, it is unlikely that the extra educational experience Michigan barbers receive compared to those in other states make them discernably better than their peers operating in those states.

There are more example of large disparities between the licensing requirements for workers in Michigan.

For instance, EMTs and paramedics are required to obtain 30 and 45 credits of training, respectively, before they can be licensed.²⁵ Athletic trainers, who typically deal with less severe injuries and almost never confront life-threatening situations, are required to have completed a college degree, which takes 1,460 days of education and training, as well as do an additional 75 hours of continuing education every three years.²⁶

Building contractors and construction workers also are licensed in Michigan in a seemingly arbitrary way. Licensing standards can vary greatly within this industry, even for those doing very similar work. The table below lists construction-related work in Michigan that requires a license and similar construction-related work that does not require a license.

Graphic 1: Licensing Disparities in Construction Work in Michigan

Requires a state license	Does not require a state license
Carpentry	Drywall
Concrete	Asphalt
Excavation	Sewer and septic
Insulation	Plaster
Masonry	Paving (without mortar)
Tile and marble installation	Carpeting
Laying wood floors	Vinyl flooring
Siding	Fencing
Roofing	Awnings
House wrecking	House moving

Source: "Frequently Asked Questions – General Licensing Issues" (Michigan Department of Licensing and Regulatory Affairs, Sept. 24, 2010), <https://perma.cc/UP97-FHRR>.

As shown in the table, if Michiganders want to install wood floors, they need a license, but if they want to install carpet or vinyl floors, none is needed. They can put up drywall without a license, but painting that very same wall requires one. Putting up siding requires educational hours and fees, but putting up a fence does not.

The Rise of Occupational Licensure Laws

Regulatory Capture

The inconsistency and seemingly arbitrary nature of states' use of occupational licensing regulations casts doubts on the idea that all of these rules were created for the purpose of protecting consumers. A better theory exists for why states like Michigan adopt these regulations, and it was proposed by economist and Nobel laureate George Stigler. It is called "regulatory capture" and is an important part of "public choice" theory in economics.*

The theory goes like this: There are benefits to be gained by current workers in an industry if barriers are erected that keep others out, and occupational licensure serves as one of those barriers. Fewer workers in the industry, means less competition among themselves, higher demand and more customers for each licensee and thus higher prices, and, ultimately, larger profits for those in the industry. The regulations that exist for this purpose and produce this type of effect are considered "captured," because, instead of serving the interest of the public, as government regulations are meant to do, they are serving the narrow interests of a particular group, at the direct expense of the public. Stigler believed this to be a common goal for businesses, stating "We propose the general hypothesis: every industry or occupation that has enough political power to utilize the state will seek to control entry."²⁷

A telltale sign of regulatory capture is when participants in a certain industry or business ask to be regulated by government, and when the currently licensed practitioners are the most ardent opponents to reducing or eliminating licensing requirements. Another one is when the boards that are used to oversee these occupational regulations are controlled by people who are active in the regulated industry, as is common.²⁸

The problem of regulatory capture has been known about for a long time — Stigler first described it in detail in an article in 1971.²⁹ And even the connection between this phenomenon and occupational licensure has long been identified, as evidenced by the commentary made in a study from nearly 50 years ago, which lists the "inherent defects in the licensing systems:"

- ♦ The licensing laws are urged by associations who wish to be regulated, and the proposed act actually gives members from that association majority status on the licensing board.
- ♦ The examinations and qualifications tend to become stricter and more demanding over the years, while the original act granted without question — through what are known as "Grandfather Clauses" — licenses to all persons who were then engaged in the profession.

[...]

- ♦ The effects of licensing tend to evolve from first giving the group a social status, then to allowing it to control entry into the occupation, until finally it controls competition within the occupation.

* Public choice theory could be defined, in its simplest terms, as applying economic reasoning to the study of political power. For more information, see: Jane S. Shaw, "Public Choice Theory," in *The Concise Encyclopedia of Economics*, ed. David R. Henderson, 2nd ed. (Library of Economics and Liberty, 2008), <https://perma.cc/G8FZ-5LPF>.

- ♦ Because of [this], licensing is a means for continuing any implied discrimination policies of an association.³⁰

Concentrated Benefits and Diffuse Costs

Reforming occupational licensing laws is difficult for political — not economic — reasons.

This can largely be explained by a concept called “concentrated benefits and diffuse costs.” This standard theory of public choice economics attempts to explain why governments enact and maintain policies that have a net negative impact on the public, as the research suggests occupational licensure does. The theory goes that because one group can receive a large benefit as a result of a particular policy, special interest groups develop and devote significant resources trying to convince policymakers to enact and maintain policies that benefit them specifically. But because the costs of providing this benefit is spread out across a large group (all consumers or taxpayers, for example) and each person is harmed only slightly, these individuals will not organize to oppose these policies. In other words, special interest groups have a strong incentive to create and protect a concentrated benefit, while individuals have very little incentive to prevent or eliminate it.

For example, a highly motivated individual who wants to organize fellow consumers to lobby for policies that promote more competition between firms will soon realize that the cost of just identifying fellow consumers who might join the cause will exceed the benefits this highly motivated individual would receive from the lower prices resulting from increased competition between firms.

This is largely the case with occupational licensure and is demonstrated by the fact that the primary proponents of creating or expanding occupational licensing requirements are groups who already have licenses or who would be grandfathered in to a new licensing regime.

For example, when Alabama became the last state to license barbers in 2013, it was done at the behest of barbers, cosmetologists and others who would be subject to the new license. But the new law exempted current barbers from the educational requirements, grandfathering them in while restricting their potential future competition.³¹

This is not unique to Alabama. In 2006, the Michigan Legislature created a new licensing requirements for dieticians and nutritionists. But because of legal concerns over the wording of the law, this license was never actually established or enforced.³² Despite no one ever being issued a dietician license, when the Michigan House first considered a bill to repeal this dead letter in 2013, a “standing room-only crowd,” mostly made up of practicing dieticians and nutritionists, filled three rooms in opposition.³³

When a bill to repeal Michigan’s barber license was proposed by a state representative in 2012, a barber school representative said he was “in shock” that something so dangerous would be considered. “It does have a lot to do with public health,” Michigan Barber School Director Darryl Green said. “I’m not saying we are as important as doctors, but we are the closest you can get. We are turning this into the Wild, Wild West. ... I’d like to see them get a haircut in a barber shop five years from now. It will be like rolling the dice.”³⁴

Barber schools gain significantly from Michigan’s licensing requirements as it provides a guaranteed source of income in the form of new students and tuition revenue. Michigan’s barber mandates are among

the strictest in the nation, with a mandate to attend one of the state's five private barber schools and previously requiring a total of 2,000 hours of education — more than it takes to be a lawyer. Legislators eventually trimmed the mandated hours to 1,800.³⁵

Another recent licensing reform in Michigan demonstrates the concentrated benefits and diffuse costs at work in occupational licensure. A proposal was introduced in 2013 that would allow nurse practitioners to write a limited amount of prescriptions for patients. Currently, only doctors can write prescriptions. And it was doctors, not representatives of the general public, health advocates or others concerned with public safety, who most vocally opposed this licensing reform.³⁶

Nurse practitioners are allowed to operate almost totally independently in 21 “full practice” states, while 17 states provide a “reduced practice” license. Only 12 states, including Michigan, impose a “restricted practice” licensing regime for nurse practitioners, meaning they can provide far fewer services to patients than their peers in other states.³⁷ According to Dr. Constance Creech and Dr. Thomas Hemphill of the University of Michigan-Flint, 40 years of research suggests that there is no measurable difference between medical care provided by a nurse practitioner and care provided by a physician.

For almost every license Michigan has considered rolling back or eliminating in recent years, the current beneficiaries of these licenses have argued in opposition. It is representatives of the building and construction industry who most actively defend requiring licenses for carpenters and others engaged in that industry.³⁸ Landscape architects are the first to defend licenses for landscapers, with one representative claiming, “Without licensure, we simply cannot compete and our businesses cannot function.”³⁹ And it is the electricians union that vocally opposes any modifications to the current licensing requirements for electricians, claiming that these licenses are needed “to avoid the type of workplace accidents and fatalities that are all too common in this dangerous workplace.”⁴⁰

Licensing represents a case where the regulated are the main proponents of regulation. In most cases, there is little opposition to these rules as the costs are diffuse, meaning legislators face few obstacles when establishing new licenses, but many when they try to repeal this type of regulation.

How Michigan Compares to Other States

Michigan's licensing burden is generally seen as about average when compared to other states. Michigan required licenses for 42 of the 102 “moderate-income” occupations looked at in the 2012 study by the Institute for Justice, which was 26th most in the country.⁴¹ Wyoming required the fewest licenses with 24 and Louisiana had the most with 71.⁴² When factoring in the number of licenses required in a state and the average fees and training required for licenses, IJ ranked Michigan 21st overall in terms of the burden of licensing requirements. The report found that Michigan requires an average of \$198 in fees, 256 days of education or experience, and one exam to receive a license.⁴³

Another study, using information from the U.S. Bureau of Labor Statistics and a polling firm, ranked Michigan 34th out of the 50 states and the District of Columbia in the percentage of the workforce that is licensed. The report estimated that 20.6 percent of the workforce in Michigan requires a state license (and another 3.3 percent needing certification).⁴⁴

A broader review of every license in Michigan statutes finds a total of 164 occupations requiring some sort of license before it is legal to partake in an activity. This approach considers an occupation to be licensed if the state mandated fees and an exam or some level of education or training. According to this analysis, the average licensing fee costs \$123 in Michigan and the average test costs \$257. There were 26 occupations where the fee was higher than \$500 and 11 where the cost was more than \$1,000. The highest fee — \$2,450 — was for a mortgage broker while the highest total cost — fees and exam costs — was for chiropractors — \$3,460.⁴⁵ A full list of these occupations can be found in Appendix B.

Occupational Licensing Requirements Unique to Michigan

Though ranked near the middle of the pack among the states for the prevalence of occupational licensure, Michigan has many licensing requirements that are considerably out of proportion when compared to national norms. There are two main ways to judge proportionality: occupations where Michigan mandates a license when a majority of states do not and by the amount of fees, tests and other requirements Michigan mandates compared to the average in other states.

Of the 42 low- and middle-income occupations that the state licenses — and highlighted in the IJ study — 14 of them are rarely licensed in other states. The following table lists these licenses and the number of states (and the District of Columbia), including Michigan, that require a similar license.

Graphic 2: Licenses Michigan Requires that Most Other States Do Not

Occupation	Number of states requiring a license
Terrazzo contractor	8
Cement finishing contractor	9
Glazier	9
Floor sander	9
Painter	10
Insulation contractor	10
Cabinet maker	10
Mason contractor	10
Chauffeur	12
Animal control officer	17
Slot key person	21
Casino cashier	22
Gaming supervisor	23
Gaming card dealer	24

Source: Dick M. Carpenter II et al., "License to Work: A National Study of Burdens from Occupational Licensing" (Institute for Justice, May 2012), <https://perma.cc/CD5E-T3HG>.

Other licensing requirements seem inconsistently applied, especially from the perspective of protecting public health and safety. For instance, "maintenance and alteration" contractors — carpenters, concrete workers, masons, excavators, insulators, painters, roofers, floorers and more — are required to take 60 hours of classes (which costs around \$650), pass an exam and pay \$200 in fees.⁴⁶ But auto mechanics have no educational mandates and simply have to pass a \$6 test and pay \$25 in license fees.⁴⁷ It is unlikely that

the contractors listed above are doing work that is significantly more dangerous or relevant to the health and safety of the public than the work that auto mechanics do.

The Cost of Occupational Licensure in Michigan

There are three main economic harms that occur as a result of occupational licensure laws: a reduction in job opportunities, higher consumer prices and a misallocation of resources.

There have been a few attempts to estimate these costs nationally. Morris Kleiner and Alan Krueger estimated that the approximately 38 million licensed workers in the United States reduce employment by about 2.8 million jobs and impose \$203 billion in higher prices on consumers.⁴⁸

Kleiner also made an estimate for Michigan. Working with Evgeny Vorotnikov, Kleiner estimates that licensing laws could increase the average wage of a licensee in Michigan by as much as 30 percent. In 2013, Michigan had 830,639 licensed workers who made average earnings of \$50,054. These licenses cost the state an estimated 125,480 jobs.⁴⁹ If this estimated 30 percent wage premium for licensees was entirely the result of the monopoly benefit of locking out competition, as opposed to productivity gains, Kleiner and Vorotnikov's work suggests that the annual cost to consumers could be as high as \$10.4 billion annually, or \$2,700 per household in Michigan.⁵⁰

Recent Reforms in Michigan

Shortly after he took office in 2011, Michigan Gov. Rick Snyder established the Office of Regulatory Reinvention, which established an occupational licensing advisory rules committee. The mission of this new department was "to ensure that Michigan's regulatory environment is simple, fair, efficient, and conducive to business growth and job creation." The committee's purpose was to recommend changes to Michigan's occupational licensing regime.⁵¹

In February 2012, the agency released a report calling for reforms to state licensing laws. It suggested changes to these laws based, among other things, on whether a license protected consumers from harm, required specialized skills or training and was aligned with state and national standards. It recommended several ideas, including matching the total revenue from fees charged to licensees to the costs the state incurs in overseeing a licensed occupation, reviewing the continuing education requirements and reviewing licensing boards on "necessity, authority and proper functions."⁵²

ORR's report outlined a strategy for lawmakers when considering creating new occupational licenses. It recommended that licensing should "only be considered if it will offer added protection for the health and safety of the public" and that "provisions of the law should not exceed the minimum level of regulation necessary to protect the public." Further, it warned against the adverse effects of stifling competition through licensure, advising to avoid regulations that "unreasonably diminish competition" or that are not conducive to job growth.⁵³

The report reviewed 87 occupations and called for the elimination of 22 licenses. They are listed below:

- ♦ Auctioneers
- ♦ Community planners
- ♦ Forensic polygraph examiners
- ♦ Foresters
- ♦ Immigration clerical assistant
- ♦ Interior designers
- ♦ Landscape architects
- ♦ Ocularists
- ♦ Personnel agents
- ♦ Security guards
- ♦ Residential property managers
- ♦ Security alarm contractors
- ♦ Proprietary school solicitors
- ♦ Vehicle protection product warrantors
- ♦ Acupuncturists
- ♦ Dieticians and nutritionists
- ♦ Occupational therapists
- ♦ Respiratory therapists
- ♦ Sanitarians
- ♦ Speech pathologists
- ♦ Insurance solicitors
- ♦ Underground storage tank consultant

The report also recommended rolling back some requirements of residential builders, plumbers, electricians, barbers, cosmetologists, morticians and eliminating a variety of occupational boards.

In 2013, the Michigan Legislature followed some of the recommendations of this report and many bills were proposed to roll back occupational licensing requirements. During the 2013-2014 legislative session, the state fully delicensed dieticians and nutritionists, auctioneers, community planners, ocularists, school solicitors and immigration clerical assistants.⁵⁴ They also repealed a voluntary list of interior designers that was maintained by the state, got rid of the carnival ride board, and cut the mandated education hours for barbers.⁵⁵ Other bills were introduced that would have delicensed landscape architects, polygraph examiners, foresters and elevator installers.⁵⁶

In light of how many licenses Michigan requires this may seem like only a small amount of reform. But according to a working tally from the Institute for Justice, this is more licensing reform than any state has made in at least the past decade and perhaps going back even further.

In March 2015, Gov. Rick Snyder sent a letter to the leaders of the House and Senate reiterating his principles for regulatory reform. He wrote, “Going forward, we need to continue to exercise diligence and caution in determining whether to impose new regulations or requirements on any occupations — whether previously unregulated or not — and we should enact new restrictions only when they are absolutely necessary to protect the public welfare.”⁵⁷ However, no other licensing repeals have been enacted since 2013.

Licensing and Criminal Justice

It is typical in Michigan to require a person to be of “good moral character” in order to be eligible for an occupational license. According to state law, good moral character means “the propensity on the part of the person to serve the public in the licensed area in a fair, honest, and open manner.”⁵⁸ Although this term has been used as a standard for doctors going back centuries, it has recently come under legal challenges for its imprecision and subjective nature.⁵⁹ A recent analysis summarizing this criticism states:

There is widespread criticism of the use of good moral character as a licensing standard or a deportation standard. Critics complain the term places too much discretion in officials to exercise their individual whims and prejudices. These critics argue that the phrase fails to give helpful guidance to license applicants and license holders. They argue that the standard forces those to whom it is applied to speculate about the course of conduct to which they must conform their behavior to become eligible for, or to retain, a professional or occupational license.⁶⁰

In Michigan, many occupations have provisions in state statute that automatically prevent people from getting a license if they have committed any of a wide variety of crimes. This includes, health occupations, school employees (except with special permission from the superintendent and school board), insurance agents, law enforcement, private investigators, security guards, and more.⁶¹

For other occupations, the state's office of Licensing and Regulatory Affairs has the authority to evaluate whether a felony conviction or civil crime is "not likely to serve the public as a licensee in a fair, honest, and open manner."⁶² So a criminal conviction can prevent someone from obtaining a state license, but the head of the state's licensing apparatus is able to intervene and allow a person to work.

Though the state and licensing boards are not supposed to consider a criminal record that is unrelated to an individual's ability to serve the public fairly, in practice regulators can deny anyone from obtaining a license if they fail to meet the subjective moral character standard. This applies even for civil crimes or misdemeanors, which may appear on someone's record for missing a child care payment or causing minor property damage.⁶³

The National Employment Law Project looks at how states treat people who have criminal records when it comes to licensing. Nearly all states prevent people with a criminal record from getting some occupational licenses. Many states prevent people from ever getting a license again if they have a criminal record, even if it is unrelated to the area of work they seek a license for. NELP gives Michigan a "minimal" grade because it has a "blanket ban" on some people from ever gaining a state license, has a vague standard concerning statutes of limitation and does not make it easy for a person to demonstrate that they have been sufficiently rehabilitated.⁶⁴

These blanket bans on licensing for anyone with a criminal record is important because of the close connection between employment and recidivism rates. A first-of-its-kind study by Dr. Stephen Slivinski of the Center for the Study of Economic Liberty at Arizona State University compared state occupational licensing barriers and the effects on ex-offenders. He writes:

This study estimates that between 1997 and 2007 the states with the heaviest occupational licensing burdens saw an average increase in the three-year, new-crime recidivism rate of over 9 percent. Conversely, the states that had the lowest burdens and no such character provisions saw an average decline in that recidivism rate of nearly 2.5 percent.⁶⁵

An ex-offender is much less likely to reoffend if he is gainfully employed. By refusing to consider giving licenses to people with a criminal record, Michigan increases its recidivism rate. Unless a person has been found guilty of a crime directly related to the area they want to work in, the state should not stand in their way of obtaining a license to work legally.

Licensing at the Local Level: Detroit

In Michigan, there is no local pre-emption law when it comes to licensing, which means that municipalities may impose their own requirements. A review of Michigan's largest cities finds that most cities create few occupational licenses, but Detroit is a major exception. It imposes a significant number of licensing requirements on people trying to work legally in the city.

Detroit licenses approximately 60 occupations. About half of these are already licensed by the state of Michigan — in these cases, the city simply mandates extra fees and requirements above and beyond what is already required by the state.⁶⁶ Some examples include plumbers, electricians, fire alarm technicians, elevator repairmen and more.⁶⁷

The other half of the occupational licenses Detroit requires are for jobs that the state does not require licenses for. Some examples of these include awning erectors, window washers, movers, auctioneers, sign erectors, landscape gardeners, snowplowers, among others.⁶⁸

Detroit emerged from bankruptcy in 2014 and is in particularly need of job creation. A low-cost way for the city to create jobs is to roll back these occupational licensing requirements and make it easier for residents find employment opportunities. At the very least, the city should repeal the jobs it licenses at a higher level than the state.

Recommendations for Reforms

Based on the findings from economic research and the arbitrariness of licensing laws, Michigan should take an entirely different approach to occupational licensure. It should thoroughly review all of its current licensing requirements and establish new standards for creating an occupational license. For all current licensing requirements, the state should review them based on three criteria: demonstrable impact on public health and safety, how they compare to national norms and the state costs associated with managing these licensing requirements. If a license cannot be shown to protect the public from harm, is regulated above national norms, or is subsidized by the state, it should be repealed or rolled back.

A license should be considered for elimination if it cannot be demonstrated with hard evidence that it improves public health and safety. If Michigan requires a license for an occupation that most other states do not, the license should be considered for elimination. Likewise, if the requirements for obtaining a license differ significantly from national norms, those requirements should be rolled back to more closely match most states. Finally, all licenses should pay for themselves. The fees for some occupations should not be subsidizing the costs of licensing other occupations. If the revenue generated from a license is not enough to cover the cost of enforcing it, it should be simplified or eliminated.

The Office of Regulatory Reinvention makes a similar suggestion concerning revenue from licensing requirements:

The occupational fee structure for all licensees or registrants should be financially self-supporting so that fees cover the cost of regulatory oversight. ... [S]tatutory language

should be amended to allow for licensing and application fees to cover the actual administrative costs of regulating the occupation.

If the risk of public harm is great enough to warrant government regulation of an occupation, the resources should be available to properly administer the regulation without dipping into other sources.⁶⁹

Lawmakers should also create new standards for creating licensing requirements. First and foremost, any new license should meet the three criteria outlined above: they should improve public health and safety, be similar to national norms and pay for themselves. Further, any new license should include an automatic, periodic review — every five years, for instance. This would help Michigan's licensing regime stay relevant to current economic trends.

Using this test, it is clear that many of Michigan's current licensing laws would be repealed — some outright, while others would be replaced with lower levels of regulation. For example, since fewer than 10 states license occupations subject to Michigan's low-level maintenance and alteration licenses, those would be repealed. Moreover, the test will help Michigan avoid proposals that other state legislatures have dealt with in recent years, including the proposed licensing of music therapists, for example.⁷⁰

Alternatives to Occupational Licensing

Subjecting all current licensing requirements to this type of review would no doubt result in removing a significant number of licenses in Michigan. But repealing a license does not necessarily mean the state could no longer provide any type of regulatory oversight — there are numerous alternatives to mandatory licensing. Michigan could, for instance, have optional certification, subject certain industries to health inspections, require an insurance bond before work could be performed, give the attorney general more power when investigating fraud, and more. Whatever concern that is raised when it comes to a discussion of repealing a license, there are many options available that could add consumer protections without locking people out of work.

The Legislature should implement a “sunrise and sunset” process by empowering a committee or independent board to analyze new licenses before they are implemented and existing licenses on a continual basis. This review committee would be charged with finding the least restrictive means of regulating an occupation. The executive branch could also be authorized to actively supervise current licensing boards to prevent overly broad and restrictive rules.

Specifically, to increase opportunities and rationalize occupational regulations, Michigan should use the least restrictive type of regulation. The inverted triangle below shows the array of alternatives that lawmakers could use to regulate an occupation. When considering a new regulation or evaluating an existing license, policymakers should start at the top of the inverted pyramid to select the first level of regulation sufficient to address the state's specific interest in protecting consumers.

Graphic 3: Regulatory Alternatives to Occupational Licensing

Lawmakers should only move to a lower level — more restrictive — regulation if there is an identifiable market failure. The idea behind this inverted triangle is to prevent restrictions on competition and work by jumping immediately to the most harmful regulatory option.

If the government is concerned about people in an occupation deceiving or defrauding customers — for example, with a roofer promising to shingle a house but not delivering the service — they should not jump right to licensing. Instead, law enforcement could be empowered to prosecute fraud or deceptive trade practices (in most cases, they have this power already).

If lawmakers are worried about cleanliness — for example, a dirty barber shop — they could mandate inspections. For restaurants, the state does not require licenses for cooks or waitresses, but rather attempts to ensure food safety through regular health inspections. The same could be done for other businesses and could potentially provide better health protections for consumers than licensing does.

If these measures don't address the concerns, the state could move to the next level. For contractors, a stated concern is that without a license, people would be more likely to cause property damage. But if that is the worry, the state could require those working in that occupation to purchase insurance, rather than forcing them to get a license.

The next level down is registration. Under this regulation, the state would not mandate qualifications, but instead workers in some occupations would register their business with the state. This could help prevent fraudulent providers, while not overly restricting everyone else.

One key point made by advocates of licensing is that if a person is not licensed, there is no way to know if they are good at their job. In other words, the consumer is at a disadvantage by having less information than the providers of a service. This fear is overstated — the arbitrariness of licensing suggests it doesn't provide much valuable information to consumers — but if it is a genuine issue, it can be addressed by the next level of regulation: certification.

Certification would allow individuals who went through the state's required education, training, and tests to be granted the privilege of using the title "certified." For example, anyone could work as an interior designer, but only those who met the state's qualifications could call advertise themselves as a "certified interior designer." This would not block entry for people wanting to work, but does signal to consumers which providers have completed some sort of state-sanctioned certification process.

If all of these alternatives are deemed insufficient, then and only then, should the state consider creating a license. This should be needed only for a small group of occupations, as is suggested by the shape of the inverted triangle.

Additional Reforms

In order to allow people with criminal records to find work, and lower the recidivism rate, the state should also roll back its rules regarding the licensing of ex-offenders. Unless a person is trying to get a license for a job directly related to a crime they have been convicted of — say, a person who committed a sex crime who wants to work in a daycare — the state should not stand in their way.

Finally, local licensing regimes are in need of reform as well and the state should create a pre-emption restriction. If the state licenses the occupation, local municipalities should be prohibited from creating their own licensing requirement for that job. There is no good reason why someone who is qualified to do plumbing in Oakland County should not be legally able to do the same work in Detroit.

The state of Michigan should only mandate a license if it is to directly protect health and safety and there are no other alternatives. A license is a type of government-imposed monopoly and it should only be done as a public interest regulation. Today, much of licensing is better described as special interest regulation — and the "solution" is more harmful than the problem.

With help from the Institute for Justice, we have drafted model legislation that would codify many of these suggestions into law.⁷¹ Bill language specific to Michigan has been added to the appendix of this report.

Conclusion

Over the past several decades and often under the pretense of improving public health and safety, states like Michigan have added into law dozens of new occupational licensing requirements. Economic theory and recent empirical studies suggest, however, that most of these laws do not improve public health and safety, but instead create harms that can slow economic growth. Simply put, these laws make it more difficult for Michigan residents to deploy their skills, serve others, earn income and pay taxes. And because those who benefit from these restrictions on market competition tend to be higher in the income distribution, occupational licensing requirements also exacerbate income inequality.

In light of these facts, Michigan should take a different approach to occupational licensure. The state should thoroughly review all the current licenses on the books and eliminate those that cannot be shown to improve public health and safety. Policymakers should also establish a criteria for creating new licenses, so that new licenses must meet strict standards before they are written into law.

The economic research suggests that these types of reforms would have a positive effect on Michigan's economy — creating jobs, boosting entrepreneurial opportunities, reducing prices and growing incomes. In the end, the economic damage and arbitrariness of occupational licensing laws can no longer be ignored. Gov. Snyder has been a consistently strong leader on this issue, and state lawmakers should consider making his recommendations a reality. Removing the needless barriers standing in the way of Michiganders pursuing their dreams and providing for their families is a necessary step to reinventing this state's economic prospects.

About the Author

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Skorup is a graduate of Grove City College with degrees in history and political science. He also studied economics and religion. While there, he was captain of the college's wrestling and ultimate frisbee teams. He was a student fellow at the Center for Vision & Values, the school's research and scholarship think tank.

His work has been featured in The Wall Street Journal, Fox News, MLive, Detroit Free Press, Detroit News, and many other newspapers and outlets across the country.

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Appendix A: Model Legislation — Occupational Licensing Reform Act

A bill for an act relating to occupational regulations; establishing the state policy for the regulations of occupations, creating a process to review criminal history to reduce offenders' disqualifications from state recognition; and proposing coding for new law as _____, chapter _____.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MICHIGAN:

100.01 Policy. Where the State Legislature finds it is necessary to displace competition, the State will use the least restrictive regulation to protect consumers from present, significant and substantiated harms that threaten public health and safety.

100.02 Definitions.

Subdivision 1. **Scope.** For the purposes of this chapter, the words defined in this section have the meaning given.

Subd. 2. **Certification.** “Certification” is a voluntary program in which (a) a private organization or (b) the state government grants nontransferable recognition to an individual who meets personal qualifications established by (a) the private organization or (b) the legislature. Upon approval, the individual may use “certified” as a designated title. A non-certified individual may also perform the lawful occupation for compensation but may not use the title “certified.”

Subd. 3. **Lawful occupation.** “Lawful occupation” means a course of conduct, pursuit or profession that includes the sale of goods or services that are not themselves illegal to sell irrespective of whether the individual selling them is subject to an occupational regulation.

Subd. 4. **Least restrictive regulation.** “Least restrictive regulation” means, from least to most restrictive,

1. market competition,
2. third-party or consumer-created ratings and reviews,
3. private certification,
4. specific private civil cause of action to remedy consumer harm,
5. deceptive trade practice act,^{*}
6. regulation of the process of providing the specific goods or services to consumers,
7. inspection,[†]
8. bonding or insurance,[‡]
9. registration,[§]

^{*} Deceptive trade practices acts are an effective means to protect consumers from fraud.

[†] Periodic inspections protect consumers from unsanitary facilities.

[‡] Requiring insurance protects third parties from externalities.

[§] Registering with the secretary of state or other agency protects against fly-by-night providers.

10. government certification,*
11. specialty occupational license for medical reimbursement,† and
12. occupational license.

Subd. 5. Occupational license. “Occupational license” is a nontransferable authorization in law for an individual to perform exclusively a lawful occupation for compensation based on meeting personal qualifications established by the legislature. In an occupation for which a license is required, it is illegal for an individual who does not possess a valid occupational license to perform the occupation for compensation.

Subd. 6. Occupational regulation. “Occupational regulation” means a statute, rule, practice, policy or other state law that allows an individual to use an occupational title or work in a lawful occupation. It includes registration, certification and occupational license. It excludes a business license, facility license, building permit, or zoning and land use regulation except to the extent those state laws regulate an individual’s personal qualifications to perform a lawful occupation.

Subd. 7. Personal qualifications. “Personal qualifications” are criteria related to an individual’s personal background and characteristics including completion of an approved educational program, satisfactory performance on an examination, work experience, other evidence of attainment of requisite skills or knowledge, moral standing, criminal history and completion of continuing education.

Subd. 8. Registration. “Registration” means a requirement to give notice to the government that may include the individual's name and address, the individual's agent for service of process, the location of the activity to be performed, and a description of the service the individual provides. “Registration” does not include personal qualifications but may require a bond or insurance. Upon the government’s receipt of notice, the individual may use “registered” as a designated title. A non-registered individual may not perform the occupation for compensation or use “registered” as a designated title. “Registration” is not transferable.

Subd. 9. Specialty occupational license for medical reimbursement. “Specialty occupational license for medical reimbursement” means a non-transferable authorization in law for an individual to qualify for payment or reimbursement from a government agency for the non-exclusive provision of medical services based on meeting personal qualifications established by the legislature. A private company may recognize this credential. Notwithstanding this specialty license, it is legal for a person regulated under another occupational regulation to provide similar services as defined in that statute for compensation and reimbursement. It is also legal for an individual who does not possess this specialty license to provide the identified medical services for compensation but the non-licensed individual shall not qualify for payment or reimbursement from a government agency.

100.03 Statutory interpretation. For the purposes of this chapter, the following statutory interpretations apply.

* Certification is a voluntary signal that addresses the concern of asymmetrical information.

† Specialty licenses allows for medical reimbursement without disputes over scope of practice.

Subdivision 1. The terms “certification” and “registration” are not synonymous with an “occupational license” in this chapter.

Subd. 2. The use of the words “certification” and “certified” in other statutes to mean requiring an individual to meet certain personal qualifications to work legally (e.g., a certified public accountant must become certified before working legally) shall be interpreted for the purposes of this chapter as requiring an individual to meet the requirements of an “occupational license.”

Subd. 3. The use of the words “registration” and “registered” in other statutes to mean requiring an individual to meet certain personal qualifications to work legally (e.g., a registered nurse must become registered before working legally) shall be interpreted for the purposes of this chapter as requiring an individual to meet the requirements of an “occupational license.”

100.04 Petition for Review of Criminal History

Subdivision 1. The fundamental right of an individual to pursue an occupation includes the right of an individual with a criminal history to obtain an occupational license, specialty occupational license for medical reimbursement, government certification or any state recognition of the individual's personal qualifications (hereafter “state recognition” in this section).

Subd. 2. An individual with a criminal history may petition the responsible licensing board agency or department (hereafter “board” in this section), at any time, including before obtaining any required education or paying any fee, for a determination of whether the individual's criminal history will disqualify the individual from obtaining state recognition.

Subd. 3. Notwithstanding any other statute or rule, the board is authorized to determine whether the individual's criminal history disqualifies the individual from obtaining state recognition.

Subd. 4. The board may find the individual's criminal history disqualifies the individual from obtaining state recognition only if:

- a. the individual has a felony conviction;
- b. the type of felony for which the individual was convicted is expressly codified as a disqualifying offense in the relevant occupational license's statute; and
- c. the board concludes the state has an important interest in protecting public safety that is superior to the individual's right. The board may make this conclusion only if it determines, by a clear and convincing evidence at the time of the petition, that (1) the specific offense for which the individual was convicted is substantially related to the state's interest, (2) the individual, based on the nature of the specific offense for which the individual was convicted and the individual's current circumstances, is more likely to reoffend by virtue of having the license than if the individual did not have the license, and (3) that a re-offense will cause greater harm than it would if the individual did not have the license.

Subd. 5. The board shall issue its determination within 90 days after the board receives the petition. The determination shall be in writing and include a finding of facts and a conclusion of law.

Subd. 6. If the board determines the state's interest is superior to the individual's right, the board may advise the individual of actions the individual may take to remedy the disqualification.

Subd. 7. The individual may appeal the board's determination as provided for in the state's administrative procedure act.

Subd. 8. The individual may submit a new petition to the same responsible licensing board at any time two years after final judgement in the initial petition. If the new petition is submitted on the ground that the individual has undertaken the actions the board has advised him will remedy the disqualification, then the individual may submit a new petition at any time six months after final judgment in the initial petition.

Subd. 9. The Board may rescind its determination at any time in the future if the individual is convicted of an additional offense that the Board determines meets the elements in subdivision 4.

Subd. 10. The board may charge the individual a fee to recoup its costs not to exceed \$100 for each petition.

100.05 The Legislature's Analysis of Occupational Regulations

Subdivision 1. **Legislature's analysis of occupational regulations.** The Speaker of the House of Representatives and the Senate Majority Leader will establish a position in the Legislative Service Bureau to analyze occupational regulations.

Subd. 2. **Sunrise reviews.** (a) The position is responsible for reviewing legislation to enact or modify an occupational regulation to ensure compliance with the policy in section 100.01.

(b) The position may require the legislation's proponents to submit evidence of present, significant and substantiated harms to consumers in the state. The position also may require information from others knowledgeable of the occupation, labor economics or other factors.

(c) The position will determine if legislation meets the state policy of using the least restrictive regulation necessary to protect consumers from present, significant and substantiated harms.

(d) The position will evaluate the effects of legislation on opportunities for workers, consumer choices and costs, general unemployment, market competition, governmental costs, and other effects.

(e) The position will compare the legislation to whether and how other states regulate the occupation.

(f) The position will issue a report to relevant committees about legislation on a timely basis.

Subd. 3. **Sunset reviews.** Starting on January 1, 20__ , the position will review annually approximately 20 percent of the state's occupational regulations to improve consistency with section 100.01. The position will review all occupational regulations over a period of five years. The position may require information be submitted by a board, its members, and others.

Subd. 4. **Sunset reports.** Starting on January 1, 20__ , the position will report annually the findings of its reviews to the Speaker of the House of Representatives, the President of the Senate and the Attorney General. In its report, the position will recommend the legislature enact new legislation that (a) repeals

the occupational regulations, (b) converts the occupational regulations to less restrictive regulations as defined in section 100.2 subd. 4, (c) instructs the relevant licensing board or agency to promulgate revised occupational regulations or (d) reflects other recommendations to the legislature. The position also may recommend that no new legislation be enacted.

Subd. 5. **Cost Allocation.** The office may assess its costs for the sunset reviews and reports on each board. Each board may recoup the assessment by increasing the fees paid by license holders.

100.07 Effective date. This chapter is effective on _____.

Appendix B: Full List of Michigan Licenses

OCCUPATION	EXAMS	COST	EDUCATION AND TRAINING
Acupuncture	1	\$575	Certification by the National Certification Commission for Acupuncture and Oriental Medicine
Airport Manager	1	\$0	None
Animal Control Officer	none	\$0	100 hours
Architect	7	\$1,535	Professional degree, 3 years of training
Athletic Trainer	1	\$570	Bachelor's degree
Audiologist	1	\$390	Master's degree, 1,260 hours of supervised clinical experience
Auto Mechanic	1	\$31	Repair test
Bail Bondsmen	1	\$40	Insurance producer license, 24 hours of continuing education per year
Barber	1	\$241	1,800 hours
Basement Waterproofing	1	\$295	60 hours
Boiler Inspector	1	\$180	3 years of experience
Boiler Installer	1	\$180	5 years of experience
Boiler Operator	1	\$180	2 years of experience (1 year for low pressure)
Boiler Repairer	1	\$180	5 years of experience
Building Inspector	none	\$25	4 years of experience
Butter Grader	1	\$0	MDARD training with USDA butter graders
Carpentry	1	\$285	60 hours
Certified Public Accountant	4	\$890	Bachelor's degree, 1 year of experience
Chauffer	none	\$35	Segments 1 and 2 of drivers education
Child Care Provider	none	\$50	GED, 10 hours of continuing education per year
Chiropractor	1	\$3,460	Graduate from accredited chiropractic educational program
Concrete	1	\$295	60 hours
Cosmetologist	1	\$200	1,500 hours
Cosmetology Instructor	1	\$154	500 hours, 3 years of experience
Counselor	1	\$500	Master's/doctorate, 2 years of experience
Counselor (insurance)	1	\$65	Complete exam within 6 months of application submission
Courier Service	none	\$100	Certificate of authority by the Motor Carrier Division, Commercial Drivers License
Court Reporter	1	\$65	GED, Michigan Electronic Court Reporters Association CER Workshop
Debt Collector	1	\$56	6 months
Dental Assistant	1	\$100	Dental assisting program
Dental Hygienist	1	\$1,420	Dental hygiene program

OCCUPATION	EXAMS	COST	EDUCATION AND TRAINING
Dental Specialist	1	\$45	Dentist license, CODA/ADA accredited dental specialty program
Dentist	1	\$3,070	DDS or DMD
Doctor (medical)	1	\$2,180	Medical school, 2 years of training
Driver Education Instructor	1	\$45	Drivers education instructors program
Electrical Contractor	1	\$400	Master electricians license or hire a full time master electrician
Electrical Inspector	1	\$125	2 years as electrical journeyman or a licensed master electrician
Electrical Journeyman	1	\$140	8,000 hours
Electrician (master)	1	\$150	12,000 hours
Electrologist	1	\$200	400 hours
Electrology Instructor	1	\$154	500 hours, 3 years of experience
Elevator Contractor	1	\$200	5 years of experience
Elevator Inspector	1	\$125	4 years of experience
Elevator Journeyperson	1	\$140	3 years of continuous employment
EMT	1	\$110	EMT training course, 30 hours of continuing education per year
EMT (specialist)	1	\$230	AEMT/Specialist training course, 36 hours of continuing education per year
Engineer	1	\$650	Bachelor's or master's degree, 4 years of experience
Esthetician	1	\$200	400 hours
Esthetician Instructor	1	\$154	500 hours, 3 years of experience
Excavator	1	\$295	60 hours
Field Person (certified)	1	\$150	Inspect 25 farms matching 80 percent or better
Fire Alarm Contractor	1	\$400	Fire alarm specialty technician license
Fire Alarm Specialty Technician	1	\$150	National Institute for Certification in Engineering Technology associate engineering technician level II certification, 2 years of experience
Fire Suppression Installation	1	\$150	Mechanical contractors license
Firefighter Training Instructor	none	\$0	Fire fighter II certification, NFA Fire Service Design Course, 5 years service, Instructor I certified, Fire Officer level III
First Responder	1	\$120	MFR training course, 15 hours of continuing education per year
Forester	none	\$90	Associate's/bachelor's degree, 2 years of experience
Funeral Director	3	\$701	3 years of college, 1 year of experience
Guidance Counselor	1	\$235	Master's degree, 30 graduate hours, 600 hour internship, Michigan teaching certificate
Gutters	1	\$295	60 hours
Hearing Aid Dealer	1	\$328	GED, 2.5 years of experience

OCCUPATION	EXAMS	COST	EDUCATION AND TRAINING
House Wrecking	1	\$495	60 hours
Inland Pilot's License	1	\$265	Vessel Inspections
Insulation Work	1	\$295	60 hours
Insurance adjuster	1	\$60	None
Insurance Producer	1	\$55	40 hours
Insurance Solicitor	1	\$65	Varies depending on line of authority
Intern, Health Care (i.e. resident)	none	\$135	Doctoral degree
Interpreter for Deaf / Hard of Hearing	1	\$155	Varies based on the standard leave chart
Investment Adviser	1	\$200	Pass CSCL exam, continuing education requirements
Investment Adviser Representative	1	\$230	Pass Series 65 exam, continuing education requirements
Landscape Architect	1	\$2,190	Professional degree, 3 years of experience
Librarian	none	\$0	GED, beginning workshop, 1 year of full-time employment
Maintenance and Alteration Contractor	1	\$295	60 hours
Manicurist	1	\$200	400 hours
Manicurist Instructor	1	\$154	500 hours, 3 years of experience
Marriage and Family Therapist	none	\$85	Bachelor's degree, 1,000 hours
Masonry	1	\$295	60 hours
Massage Therapy	1	\$290	GED, massage therapy supervised curriculum
Mechanical Contractor	1	\$150	3 years of experience
Mechanical Inspector	none	\$25	Mechanical license for not less than 1 year in 3 or more categories
Midwife	1	\$804	Graduate degree, registered nurse, certification by American Midwifery Certification Board
Milk Hauler	1	\$50	Pass written exams and inspections
Modular Homes Builder	1	\$295	60 hours
Mortgage Broker, Lender, and Servicer	2	\$2,429	20 hours, 8 hours of continuing education per year
Mortgage Loan Originator	1	\$360	20 hours, 8 hours of continuing education per year
Mortician	2	\$451	3 year course in mortuary science, 1 year of experience
Mortuary Science Resident Trainee	none	\$45	GED
Natural Hair Culturist Instructor	1	\$154	500 hours, 3 years of experience
Nurse	1	\$254	Degree from registered nursing school
Nursery Dealer	1	\$93	Pass random audits
Nursery Dealer (Not purely Michigan grown)	none	\$158	Pass biennial inspections
Nursery Grower	none	\$153	Pass inspections

OCCUPATION	EXAMS	COST	EDUCATION AND TRAINING
Nursing Home Administrator	1	\$640	Nursing home administration course, 36 hours of continuing education per year
Occupational Therapist	1	\$790	Occupational Therapist Educational Program
Optometrist	1	\$2,345	Optometry program, 20 hours of continuing education per year
Osteopathic Physician	1	\$2,130	Osteopathic medical school
Painting & Decorating	1	\$295	60 hours
Paramedic	1	\$285	Paramedic training course, 45 hours of continuing education per year
Personnel Agent	1	\$126	400 hours
Pest Control	2	\$75	Generalized and specialized exam
Pharmacist	none	\$60	Pharmacy educational program, 1,600 hour internship, 30 hours of continuing education per year
Physical Therapist	1	\$535	Physical therapist educational program
Physician Assistant	1	\$565	Physician assistant education program
Plan Reviewer	none	\$25	4 years experience (2 years as electrician; 1 year in 3+ categories as mechanical license; 2 years as plumber)
Plumber (journeyman)	1	\$215	3 years experience
Plumber (master)	1	\$475	4,000 hours in not less than 2 years
Plumbing Contractor	1	\$400	Master plumbers license or employ a master plumber
Plumbing Inspector	none	\$25	2 years experience as journeyman plumber or be a licensed master plumber
Podiatrist	1	\$2,820	Podiatry school, 1 year residency
Police Officer	1	\$68	GED, basic police academy
Polygraph Examiner	1	\$151	Bachelor's degree (15 hours in the social/behavioral sciences), internship training program
Private Investigator	none	\$750	GED, 3 years of experience
Property Manager	1	\$219	90 hours, 3 years of experience
Psychologist	1	\$838	Doctoral degree, doctoral/postdoctoral internship, 2,000 hours of experience
Real Estate Appraiser	1	\$496	375 hours, 3,000 hours of experience
Real Estate Broker	1	\$383	90 hours, 3 years of experience
Residential Builder	1	\$295	60 hours
Residential Builder Salesperson	1	\$281	Pass examination
Respiratory Therapist	1	\$295	Respiratory therapy educational program
Roofer	1	\$295	60 hours
Sampler	1	\$50	Pass examination
Sanitarian	1	\$487	NEHA REHS/RS credential

OCCUPATION	EXAMS	COST	EDUCATION AND TRAINING
School Bus Driver	1	\$175	Commercial Drivers License with passenger and school bus endorsement
Securities Agent	1	\$190	Series 63 exam
Security Guard	none	\$0	GED, 3-4 years of experience
Service Person	2	\$300	Certifications for all field standards (test equipment) intended for use
Sewage Plant Operator	1	\$102	6 months of experience
Siding	1	\$295	60 hours
Sign Specialist	1	\$140	Training courses, 4,000 hours of experience
Sign Specialty Contractor	1	\$300	Sign specialist license
Social Work	1	\$270	Master's degree, 4,000 hours of work over 2 year period
Solar Heating Installer	1	\$150	3 years of experience
Speech-Language Pathology	1	\$215	Master's/Ph.D., 9 months experience
Stationary Engineer 1st	1	\$430	Second class engineer, 1 year experience
Stationary Engineer 2nd	1	\$380	Third class engineer, 1 year experience
Stationary Engineer 3rd	1	\$330	High pressure operator, 1 year experience
Stockbroker	1	\$495	Series 63 exam, yearly company training, continuing education requirements
Substance Abuse Counselor	1	\$315	Master's degree (180 hours specific to substance abuse), 2,000 hours of experience, 300 supervised hours
Surveyor	3	\$756	Bachelor's/master's degree, 4 years of experience
Swimming Pools	1	\$295	60 hours
Tax Assessor (advanced)	none	\$175	MAAO Program, 16 hours of continuing education per year
Tax Assessor (certified)	none	\$175	MCAO Program, 16 hours of continuing education per year
Tax Assessor (master)	none	\$175	MMAO Program, 16 hours of continuing education per year
Tax Assessor (technician)	none	\$50	MCAT Course, 16 hours of continuing education per year
Taxi Driver	1	\$50	Segment 1 and 2 of drivers ed
Teacher	1	\$50	Bachelor's degree, Michigan Test for Teacher Certification (provisional education certificate); 3 years experience (professional education certificate)
Tile and Marble	1	\$295	60 hours
Towing Service	1	\$200	Commercial Drivers License
Truck Driver	1	\$20	Commercial Drivers License
Truck Driver (commercial)	1	\$175	Commercial Drivers License
Used Vehicle Dealer (Class B)	none	\$105	Established place of business, pass inspections, proper servicing facilities

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