



Occupational Licensing's Effect On Prison Recidivism

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Research Question

How does occupational licensing impact individuals who served time in prison from successfully reentering society?

Background

Though union elections and calls for a higher minimum wage frequently make national headlines, there is a much more prevalent form of labor regulation that often goes unnoticed. Occupational licensure is a form of labor regulation which states that individuals must earn a local, state, or federal license to work in a specific profession, such as cosmetology or medicine. Over the past seventy years, it has increased in popularity dramatically, to the point where it affects more American workers than union membership and minimum wage laws combined.¹

Research shows that licensure may significantly impact the recidivism rate or the rate at which the previously imprisoned commit new crimes and return to prison. Steady employment, on the other hand, has been shown to be one of the best ways for the previously incarcerated to stay out of prison. Therefore, it follows that barriers to enter into the labor force would have the second-order effects of making societal reentry more difficult and increasing prison recidivism.

Literature Review

In conjunction with the Florida Policy Institute, the DMC created an academic literature review in order to develop a comprehensive understanding of what research has been done on occupational licensure, prison recidivism, and the link between the two. What follows is a summation of its findings.

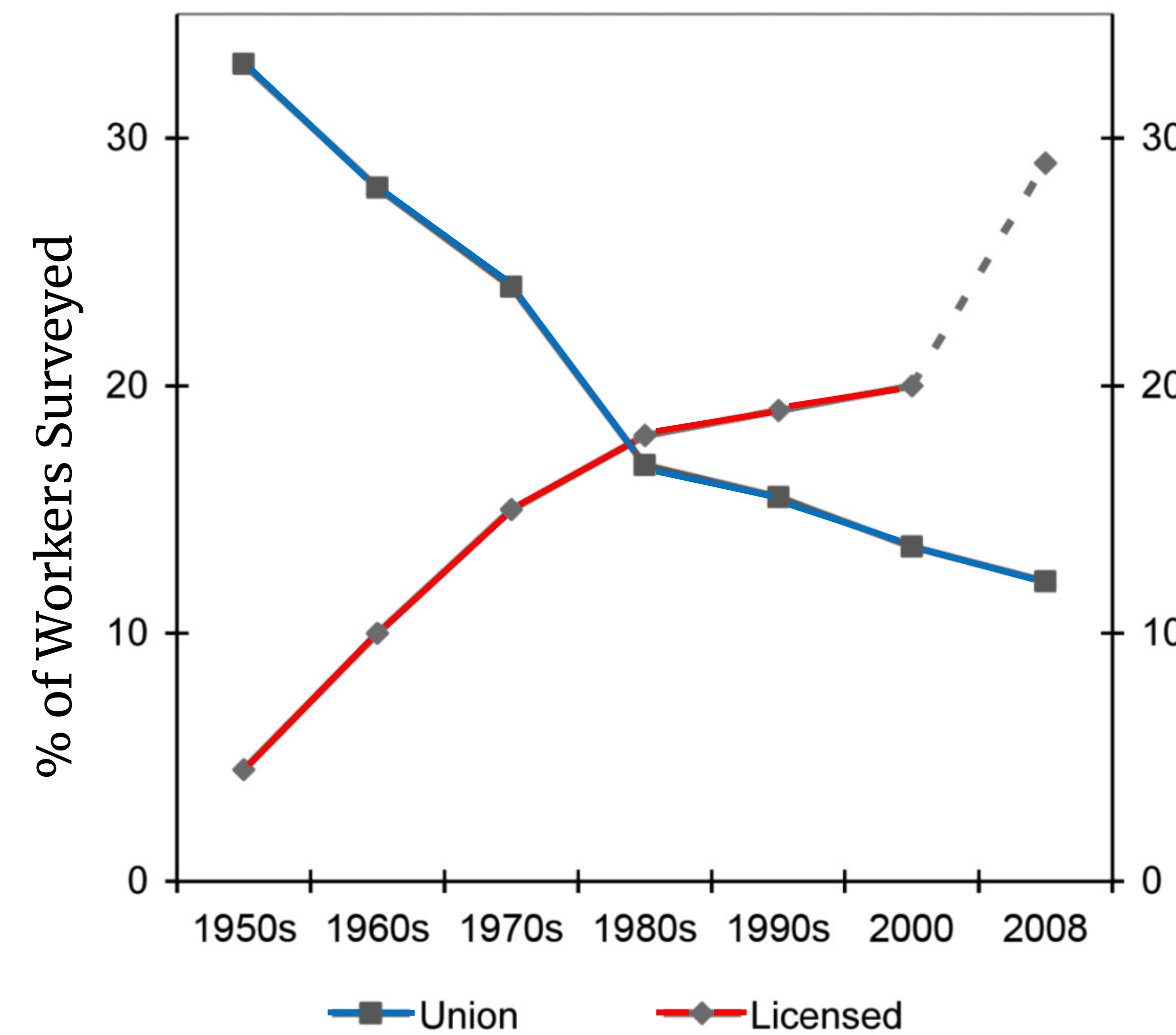


Figure 1: A comparison of licensure rates and union membership rates over time using CPS and survey data.¹

Findings

1. Over a thousand occupations are licensed in at least one state, however less than sixty require licensure nationwide. This indicates that there is not a broadly accepted public safety argument for many of these occupations to be licensed in the first place.²
2. State-level differences affect ex-offenders ability to find work. A longitudinal study of 1,500 previously convicted people returning to society found that the state in which they were released was one of the few driving factors of their ability to find employment. This indicates that statewide differences in labor laws, such as licensure, are likely to blame.³
3. An examination of occupational licensing laws shows that many of these regulations include explicit or implicit bans on workers with criminal records. Some licensure boards have outright bans, while others have "good moral character" requirements that lead to the disqualification of competent and motivated workers.⁴

Policy Recommendations

- Eliminating moral character requirements would allow the previously incarcerated to participate more fully in the labor market and reduce government bureaucracy.
- Questions regarding an applicant's criminal record should be limited only to crimes that are directly related to the licensed occupation at hand.
- Lastly, legislators should re-examine whether each of their state's licensed occupations has a compelling public safety reason to be licensed in the first place.

In sum, occupational licensure in the United States is over-burdensome and frequently acts as an unnecessary barrier for those entering the labor market, particularly the previously incarcerated. However, these reforms will allow the labor market to become freer, more equitable, and more frictionless than its current, highly-regulated state.

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References:

