



INSTITUTE FOR JUSTICE

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Carol Rowan
BLS Clearance Officer
Division of Management Systems, Bureau of Labor Statistics
Room 4080
2 Massachusetts Avenue NE
Washington, DC 20212

Ms. Rowan:

I write in support of a proposal to add to the Current Population Survey (CPS) three questions on occupational licensure.

In recent years, occupational licensing has grown to be one of the most significant contemporary issues in labor economics, far exceeding the number of Americans who are union members or earn the minimum wage. State governors and legislators have launched efforts to examine and potentially reform licensing laws in their states. Representative Paul Ryan has proposed reducing the number of state occupational licenses. The U.S. House Joint Budget Committee issued a report calling for the review and perhaps reform of occupational licensing. President and Mrs. Obama have called on states to reduce licensing barriers imposed upon military spouses.

Unfortunately, important discussions and debates about licensing suffer from a comparative dearth of research. Although the extant research by Professors Morris Kleiner, Alan Krueger, David Harrington, and others is helpful, there is simply too little of it, particularly on several key topics. This stems largely from a lack of quality data. Adding questions to the CPS would significantly address this problem and would unquestionably aid researchers, government agencies, and other interested organizations in analyzing and understanding the scope and effects of licensure.

For example, what are the costs and benefits of licensing? What occupations are most and least regulated by licensing? Are there disproportionate effects of licensure across demographic groups? Is the amount of licensing still growing, or is it declining? Do states regulate the same or similar occupations differently? The answers to such questions are particularly important to policy makers, but a lack of systematic, comprehensive, consistent, longitudinal data have made reliable answers few.

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I note that the addition of these questions to the CPS will require the removal of three others on educational attainment, but given that the latter are largely already gathered in other related questions, it seems a rather small price to pay for the addition of questions that would yield data collected by no one else in a manner anywhere similar to the CPS.

Thus, I commend without reservation the proposal to add these three questions on occupational licensing to the CPS.

Sincerely,

A handwritten signature in black ink, appearing to read "Dick M. Carpenter II", with a large, stylized initial "D" and a long horizontal flourish extending to the right.

Dick M. Carpenter II, PhD
Director of Strategic Research
Institute for Justice