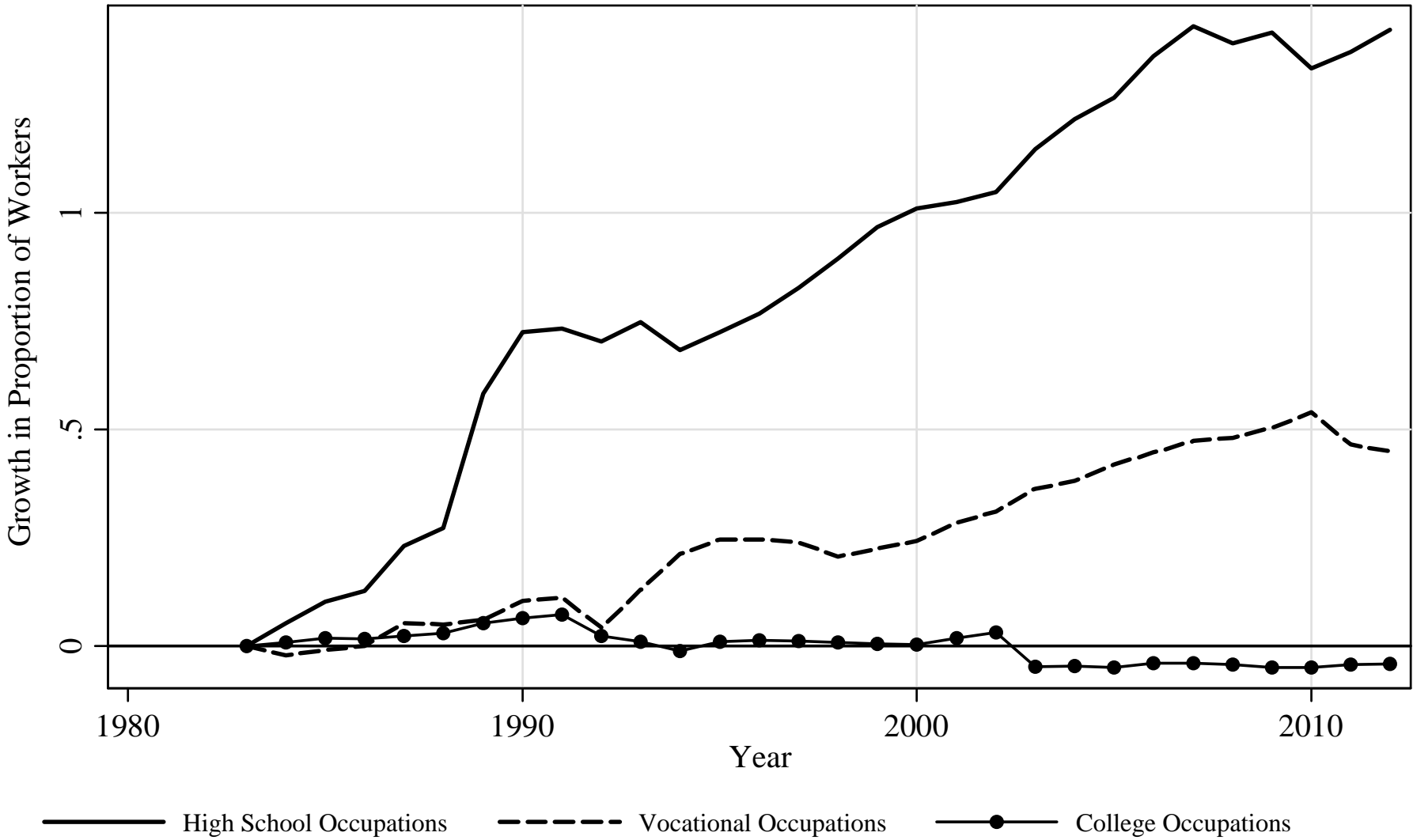


Occupational Licensure and Changing Barriers to Immigrant Workforce Incorporation

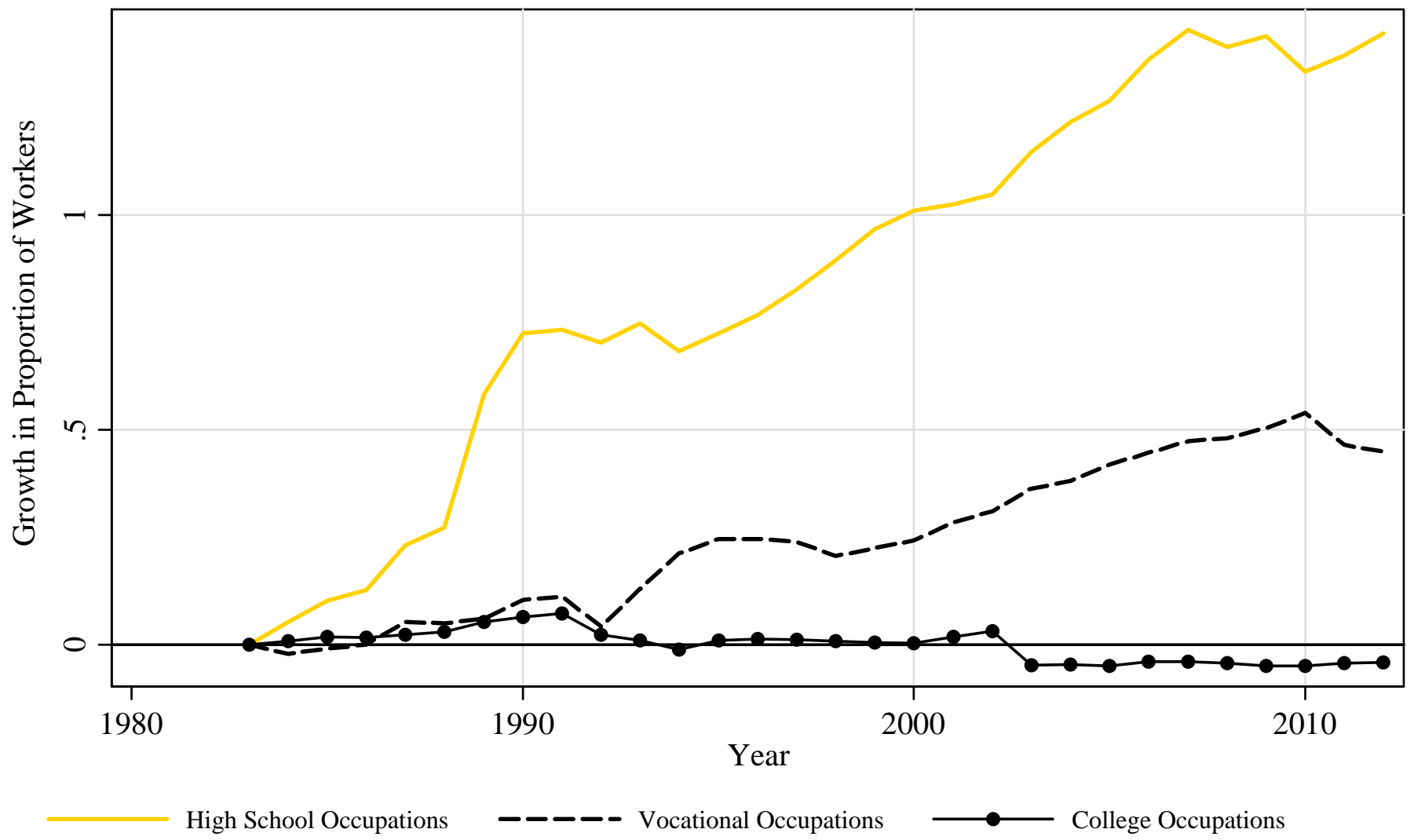
Koji Chavez & Beth Red Bird

STANFORD UNIVERSITY

Licensing has grown substantially over the last 30 years



Especially in lower skilled sectors



California licenses a broad range of occupations, including:

Appraisers

Engineers

Paralegals

Teachers

Nutritionists

Nurses

Security Guards

Hairstylists

Insurance Agents



Bill Collectors

Electricians

Cement Masons and Pavers

Pipelayers

Locksmiths

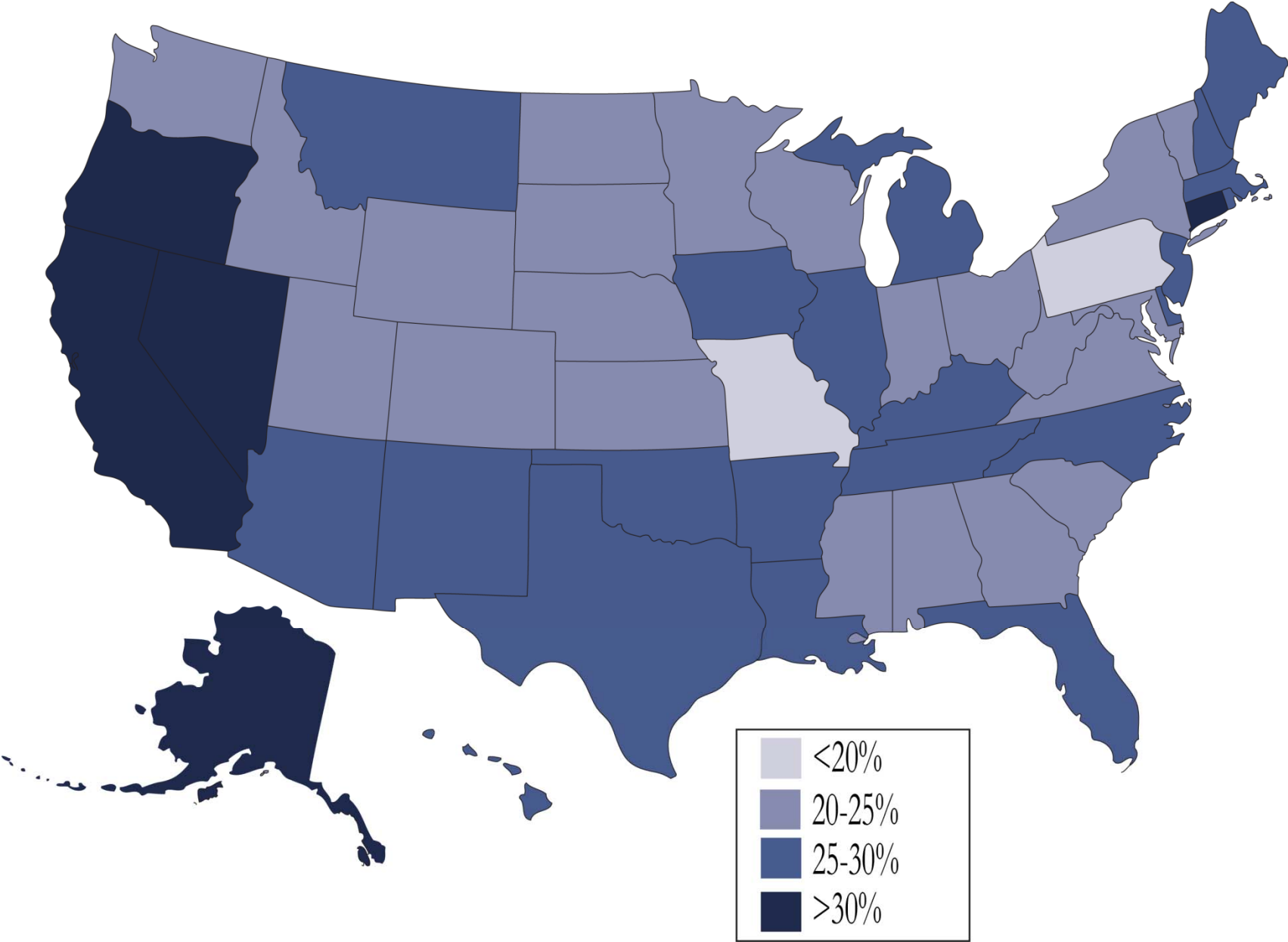
Water Treatment Workers

Bus Drivers

Waiter

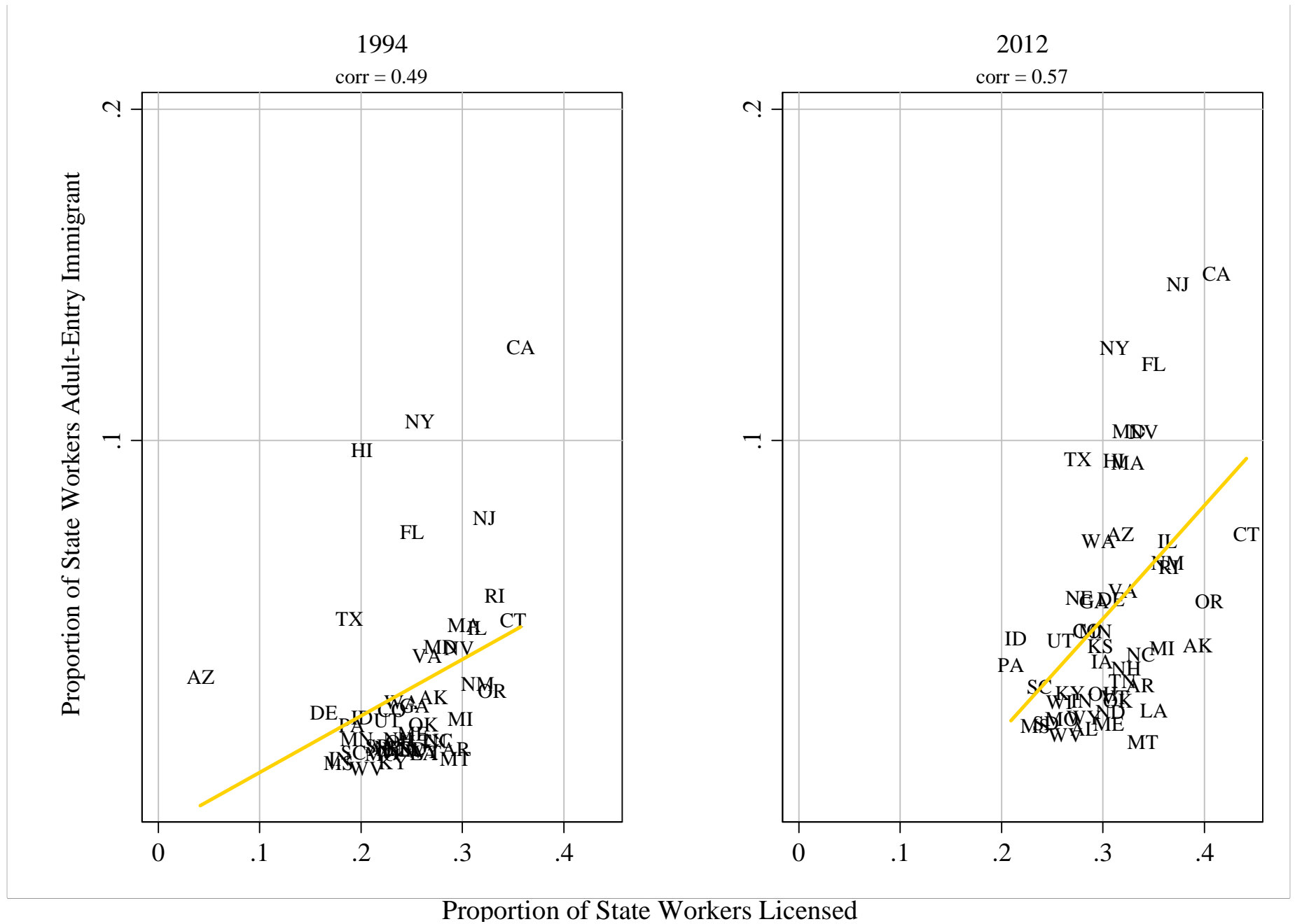
Vending Machine Maintenance

Levels of occupational licensing differ by state



Percentage of occupations licensed in the state, 2012.

Licensing is most prominent in immigrant heavy states



Licensing is the strictest form of occupational closure

Requirements may include:

- (1) professional or academic educational requirements;
- (2) on-the-job apprenticeship or tenure;
- (3) formal examination;
- (4) good moral character;
- (5) citizenship or residency; and
- (6) registration with the state.

Violation may result in civil and criminal penalties.

Licensing may be most difficult for immigrants

- Access to resources
 - ▶ Educational requirements
 - ▶ Filing fees and costs

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- Specific residency requirements

Most licensing research focuses on scarcity of supply

Licensing can help with incorporation

A tale of two paralegals...

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- Delineates, codifies, and publicizes uniform ‘color-blind’ standards

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- Credibility and legitimacy

Analyses use nationally representative data

- Current population survey (1994-2012)
- Comprehensive census of licensing legislation

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 - ▶ Cross-state occupational fixed-effects

Helps control for time-constant occupational differences

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- Current population survey (1994-2012)
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- Two types of analyses

- ▶ Cross-state occupational fixed-effects

Helps control for time-constant occupational differences

- ▶ Pre/post enactment longitudinal

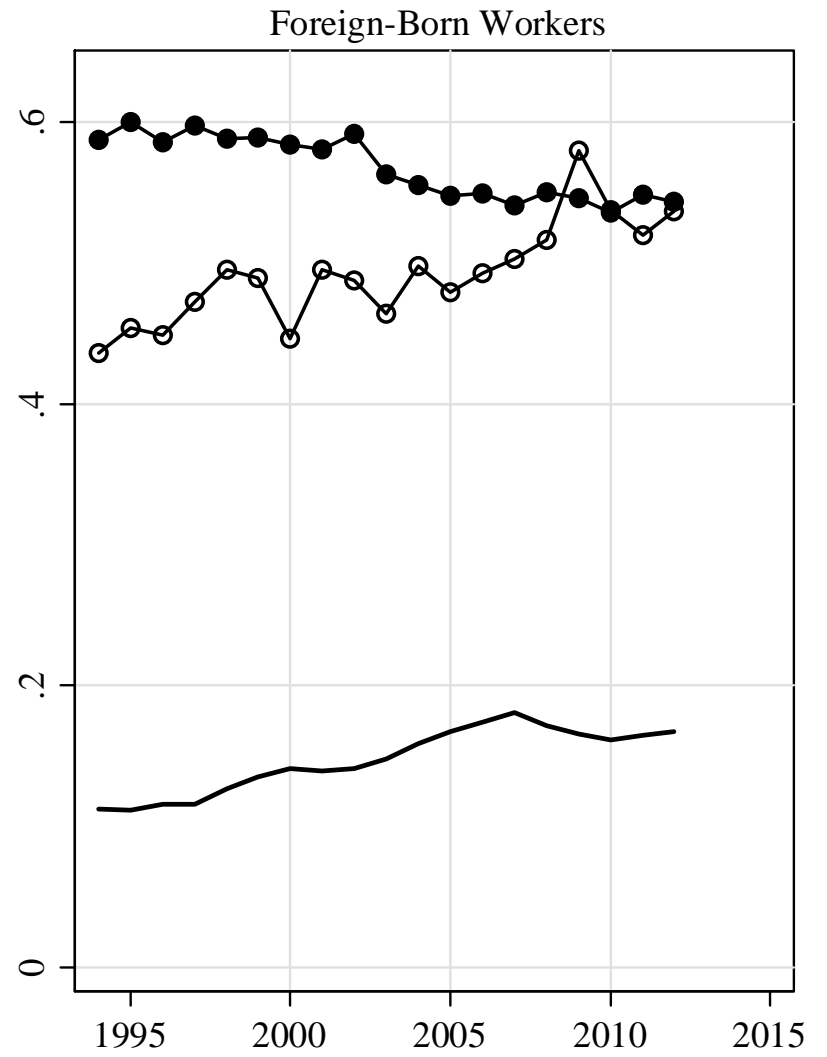
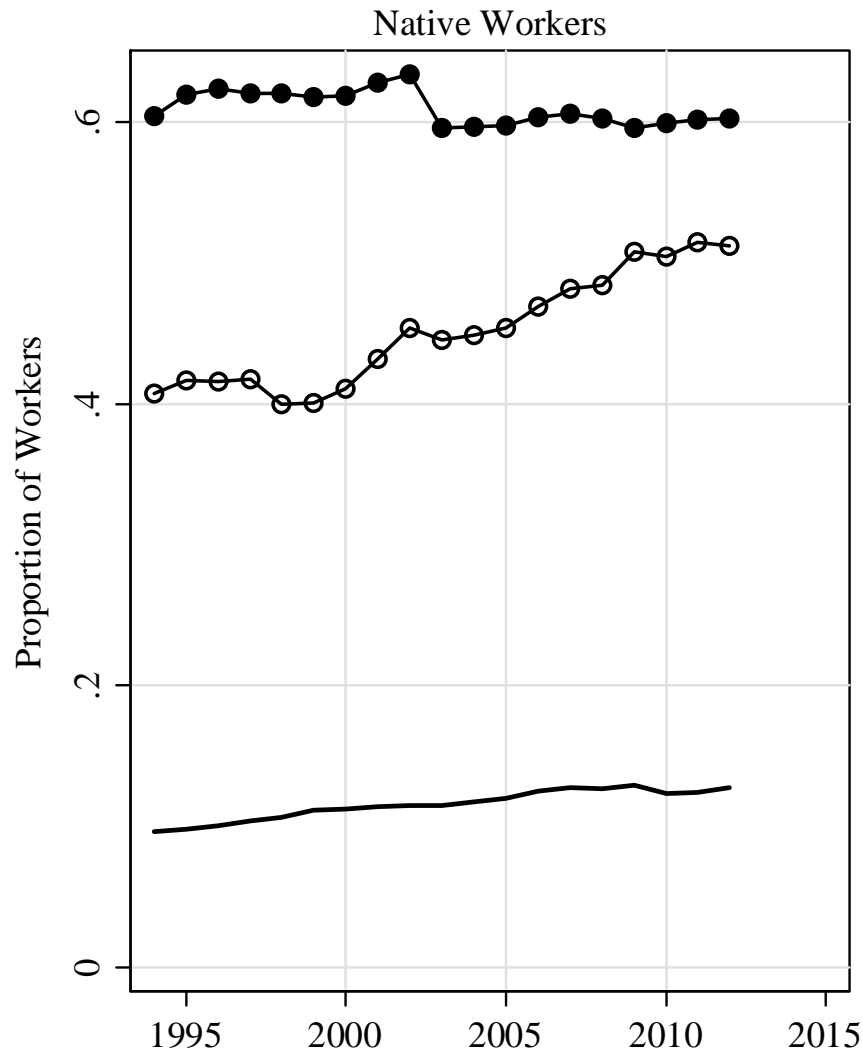
Helps address endogeneity

Final Sample

DESCRIPTIVE STATISTICS

	Unlicensed Occupations	Licensed Occupations	Full Sample
Individual-Level Variables			
Foreign-Born	0.125	0.106	0.119
Adult-Entry (of all Foreign-Born)	0.394	0.394	0.394
Recent-Entry (of all Foreign-Born)	0.176	0.136	0.165
Occupational Education Requirement			
High School Occupation	0.784	0.256	0.628
Vocational Occupation	0.031	0.063	0.040
College Occupation	0.185	0.681	0.331
<i>Number of Respondents</i>	<i>2,126,313</i> <i>(70.52%)</i>	<i>888,845</i> <i>(29.48%)</i>	<i>3,015,158</i>

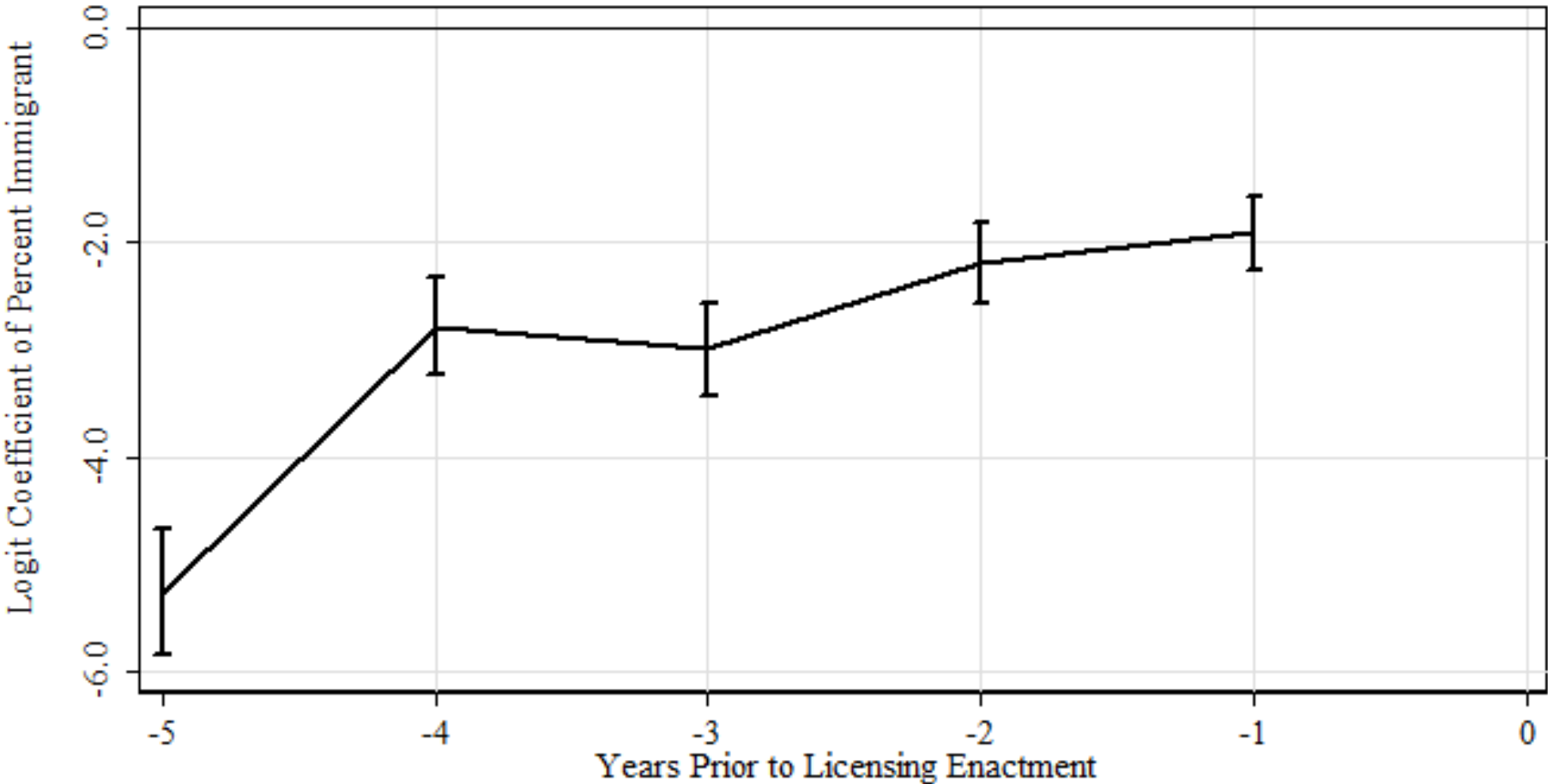
Licensure is increasing the fastest among immigrants



— High School Occupations —○— Vocational Occupations —●— College Occupations

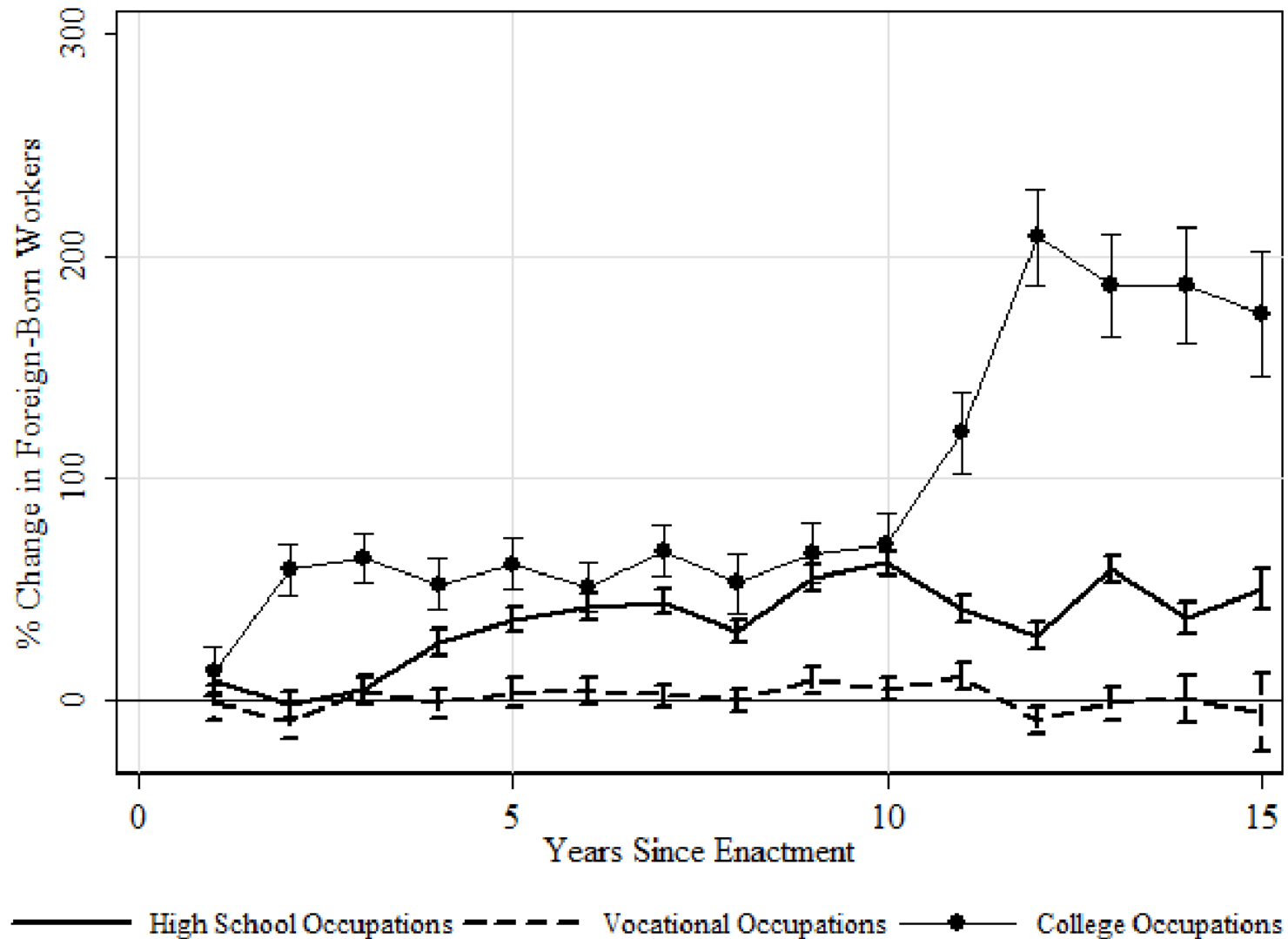
Proportion of workers holding a license.

Licensed occupations are not immigrant heavy



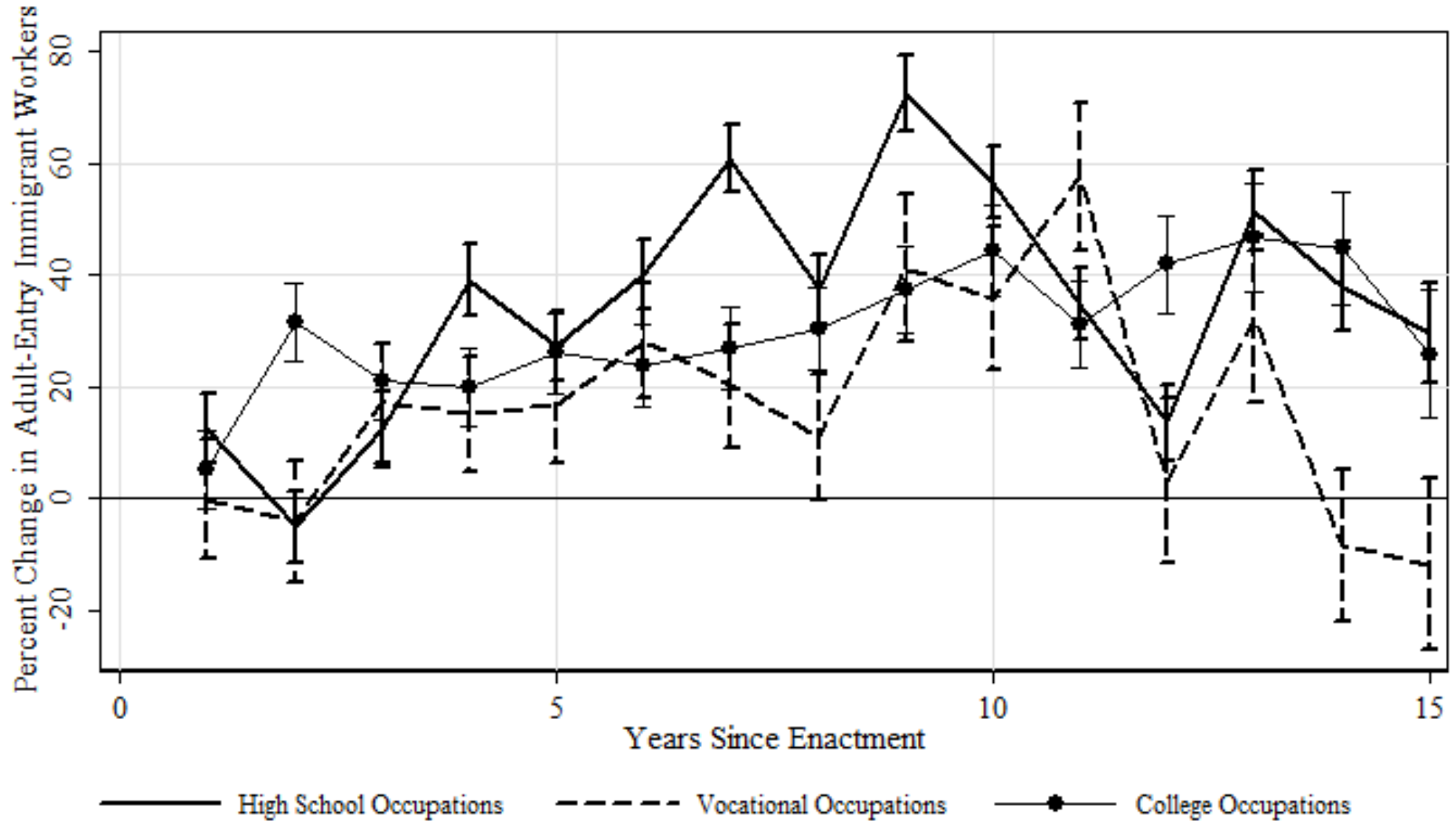
Immigrant composition in years before enactment.

After enactment, entry increases dramatically in skilled occupations



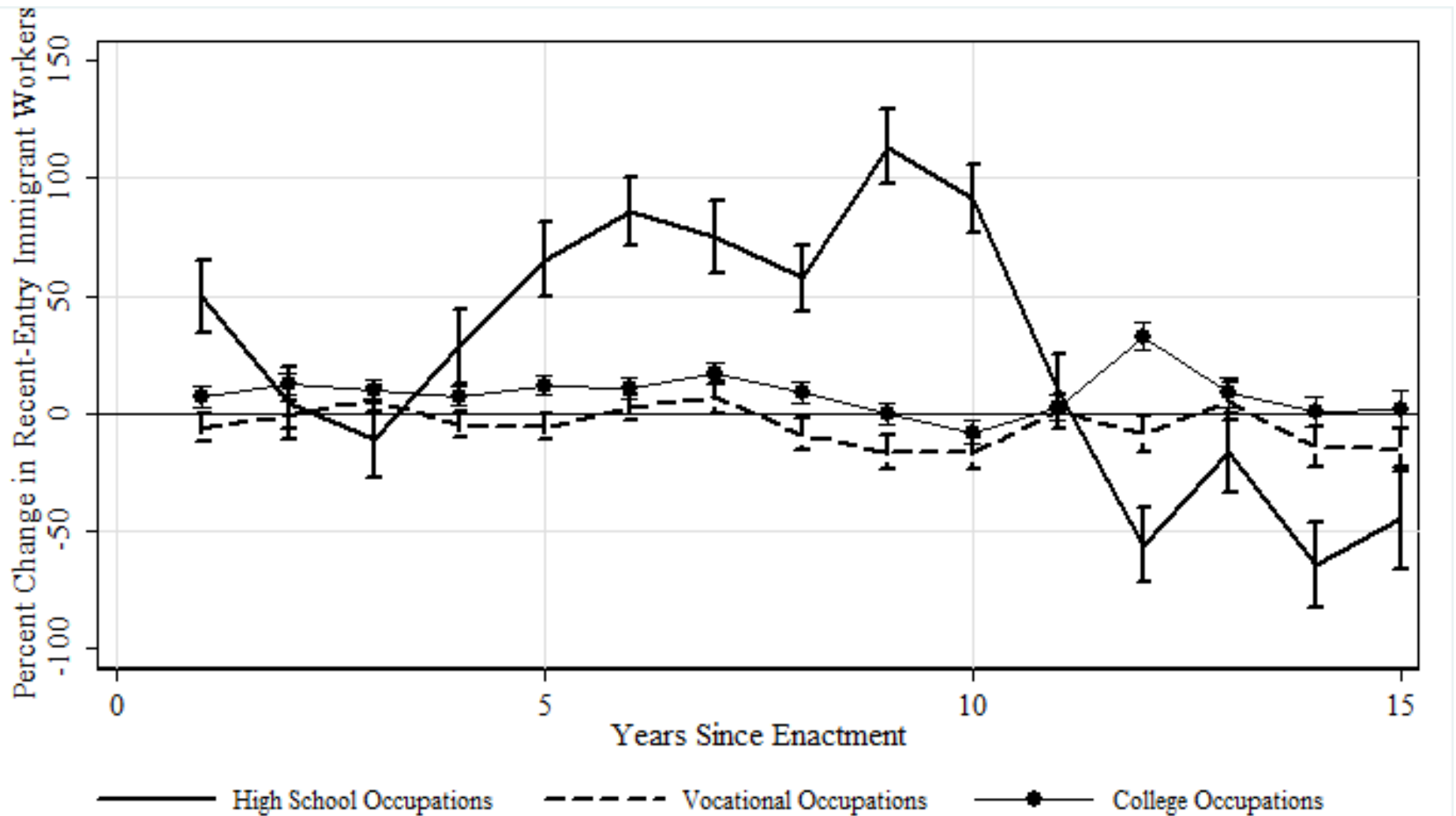
Percent change in immigrant entry after enactment.

Adult-entry immigration increase also increases



Percent change in adult-entry immigrant composition after enactment.

Licensure facilitates incorporation for recent-entry immigrants only in lower-skilled occupations



Percent change in recent-entry immigrant composition after enactment.

Thank you.
