February 23, 2021

<div align="center">Testimony of **Jennifer Hunt**, Professor of Economics
Hearing of the General Law Committee on HB 6445</div>

Thank you for the privilege of testifying in a state I called home for 9 years. I am a professor of economics at Rutgers University specializing in the labor market. My testimony is based on my reading of academic studies of the economic effects of occupational licensing, as well as conversations with stakeholders while I was the DAS for Microeconomic Analysis at the US Department of the Treasury in the Obama Administration. These stakeholders included national umbrella organizations for licensed professions, state legislatures and executive offices, and state departments of labor and workforce development.

For many occupations, appropriately designed and implemented licensing benefits both practitioners and consumers. The most important goal of occupational licensing is to ensure safety in situations where consumers are unable to judge training and quality for themselves. For example, the licensing of medical practitioners in the United States in the late nineteenth century eliminated the harm done by unscrupulous practitioners.

However, it is not the case that Americans are best served by the most restrictive possible licensing requirements. Excessive restrictions raise wages for those gaining entry to the occupation, but also raise prices for consumers and limit opportunity for other workers in terms of both wages and employment. They may not increase safety, and could even reduce safety if the higher prices lead the consumer to do the work him or herself without using a professional.

One restriction relevant to this hearing concerns workers with a criminal record. By contrast to some other states, Connecticut does *not* have unreasonable barriers to workers with a criminal record, and the proposed changes aim to equalize opportunity by making this better known.

The second relevant restriction concerns workers who seek to move to Connecticut from out of state. Like most states, Connecticut makes transferring an out-of-state license very difficult in most licensed occupations. Yet the COVID pandemic has allowed a glimpse of the benefits of cross-border movement: medical practitioners from across the US came to New York and Connecticut in the dark days of the spring of 2020, their desperately needed help made possible only by the suspension of licensing rules. In normal times, the benefits to Connecticut of allowing skilled workers to move to Connecticut to practice their profession are less dramatic, but still considerable. What would be most beneficial to Connecticut and the United States would be for all U.S. states to lower mobility barriers, thus also opening new opportunities for Connecticut workers interested in leaving the state. Fortunately, some states such as Florida and Missouri have indeed recently done so, and changes in Connecticut would encourage more states to follow suit. Naturally, not all occupations require identical knowledge in different regions of the United States, and for this reason the proposed changes envisage an examination to establish competence according to Connecticut norms and standards. But it is vital to move towards occupational licensing policies that, while still protecting public health and safety, impose fewer barriers on qualified workers.

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