

Why Generation Z Can Benefit from Regulatory Reform

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It is no secret that young people are struggling in today's economy. Many, like Carmen Hodges¹, a Bethune-Cookman University student, find it difficult to afford housing in the current climate. Carmen doesn't want to burden her parents by asking them to help with rent, but she has also struggled to find a job that can match the cost of her apartment. The median rent in the U.S. has risen nearly eighteen percent² between 2019 and 2022, a trajectory of cost growth that has slowed but continued over the past two years.

Prospects for home ownership are also dismal for many young families. Since 2019, the cost of owning a home has also risen twenty-five percent³—leaving a much higher barrier than for previous generations. Costs like these account for much of younger people's concerns about wealth inequality, especially between themselves and the baby-boomers.

A variety of issues cause the staggering housing prices facing Americans today. However, the factors stopping young people from keeping pace with these costs are well understood.

Few recent grads are familiar with the terms “*certificate of need*,” “*occupational licensing*,” or “*scope of practice*” but most will be affected by at least one in their search for well-paying jobs. Each is a legal barrier to entry into the workforce that serves to benefit older professionals at the expense of newcomers.

A “*certificate of need*”⁴ is a legal requirement many communities have, usually for new healthcare providers hoping to start in their area. Providers must first demonstrate to officials that the community “needs” their services before they can set up shop. The jobs these business would create are delayed by the process, and are even prevented if the application is denied. This, of course, means fewer entry-level jobs for young adults in the healthcare industry, one of the best paying fields in the country.

1. https://www.daytonatimes.com/news/local-college-students-struggling-with-the-high-cost-of-rent/article_1a0ed730-351d-11ef-b6ba-071644baa0ec.html
2. <https://www.pewresearch.org/short-reads/2022/03/23/key-facts-about-housing-affordability-in-the-u-s/>
3. <https://www.pewresearch.org/short-reads/2022/03/23/key-facts-about-housing-affordability-in-the-u-s/>
4. <https://www.ncsl.org/health/certificate-of-need-state-laws>

Similar problems are created by “*occupational licensing*.” These are requirements a person must meet before they are legally allowed to work in a profession. Usually, these requirements include a test, a fee, and many hours of experience in the field. Occupational licensing is usually presented as a way to ensure consumer safety and a high quality of the goods and services provided. However, such licensing’s actual effect is to raise the cost for those attempting to enter the profession, usually young people.

Young people trying to become plumbers, electricians, barbers, or other licensed professions are often pressed for both time and cash. Hundreds of dollars in fees and thousands of hours in training are often reason enough for them to stay remain in low-paying entry level service jobs. Licensing laws protect older professional’s business at the expense of ambitious millennials and gen-Zers by smothering competition before it even enters the marketplace.

A final barrier to work and wealth for today’s youth are “*scope of practice*,” laws. These laws limit the tasks those in a profession can perform at their workplace. For example, an orderly in a nursing home might be legally banned from administering medications to his patient, while his nurse colleague is allowed. Once again, politicians justify these laws as necessary for consumer safety. Many tasks are indeed dangerous to consumers if undertaken without the proper training and experience—especially in the medical field.

Scope of practice laws cut down on the value that entry level workers can provide to their employers. These workers can simply do less of what the businesses need. As a result, business are disincentivized from hiring these workers, paying them highly, or giving them many hours. Young workers, yet again, bear the brunt of the legal costs that their better trained and more experienced colleagues can avoid.

Young adults need, more than ever to before, to be attentive to changes to certificate of need, occupational licensing, and scope of practice requirements. These laws can decide if one is able to sink or swim in today’s fraught economy. The generations now trying to enter the workforce should be active in changing the politics that are holding them back. More gainful employment will benefit the young yes, but also society in general.

As the baby-boomers and gen-Xers age out of the workforce, huge numbers of people will be needed to provide the goods and services they once did. To ensure further gains in quality of life, and the continuation of the standards we currently enjoy, it is important to open the work place to young people. Getting them into well-paying jobs is in the interests of everyone.

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5. <https://www.econlib.org/library/enc/occupationallicensing.html>

6. <https://www.nursingworld.org/practice-policy/scope-of-practice/>