

Expanding Opportunities for Skilled Workers in Washington

Bobby Chung

Research Affiliate, Knee Regulatory Research Center, West Virginia University

Edward Timmons

Director, Knee Regulatory Research Center, West Virginia University

House Consumer Protection & Business Committee

January 19, 2024

Chair Walen, Vice Chair Reeves, and all distinguished members of the House Consumer Protection & Business Committee:

Thank you for allowing us to testify regarding licensing reform in Washington. We are both researchers with the Knee Regulatory Research Center at West Virginia University.

The main takeaways of our comments are the following:

1. Washington currently has a shortage of skilled workers
2. Our research shows that opening pathways for undocumented workers to obtain licenses increases employment within licensed professions
3. Further, our research shows that granting undocumented workers the ability to obtain licenses does not reduce employment of existing licensed workers

The State of the Washington Labor Market

Like most states in the US, Washington currently has a shortage of workers. According to a recent report from the US Chamber of Commerce, Washington has 189,000 job openings, but only approximately 146,000 job seekers.¹ This leaves as many as 43,000 jobs unfilled.

If businesses cannot recruit the necessary workers, consumers and small businesses in the state suffer. Economic growth and prosperity slow down. It is critical that existing policy does not create barriers for workers to enter the labor market and contribute to Washington's economy.

¹ <https://www.uschamber.com/workforce/the-states-suffering-most-from-the-labor-shortage?state=wa>

Opening Pathways for Undocumented Workers

Washington will not be going out on a limb if it allows undocumented workers to obtain occupational licenses. California passed this reform in 2014.² Nevada passed a similar reform in 2019.³ Eight additional states passed this reform for select professions.⁴

Recently published research that we authored estimates the effects of this reform for California.⁵ We find that passage of the reform increased employment of undocumented workers in licensed professions. Our work also shows that existing workers should not be threatened by the reform—we find little evidence that California’s reform displaced existing workers. Washington can benefit in the same way and not be left behind these other states.

With the current state of Washington’s labor market, it is important to reevaluate existing regulations that may be hindering employment and reducing access to skilled workers. Our research shows that providing pathways for undocumented workers to obtain licenses increases employment. Washington can look to other states, such as California and Nevada, for guidance on how to improve the labor market with commonsense occupational licensing reform.

² https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140SB1159

³ <https://www.leg.state.nv.us/App/NELIS/REL/80th2019/Bill/6498/Overview>

⁴ <https://www.cliniclegal.org/sites/default/files/2019-12/Professional-Occupational-licenses-for-immigrants2019.pdf>

⁵ Chung, B.W. Effects of occupational license access on undocumented immigrants evidence from the California reform. *J Regul Econ* (2023).