

EXECUTIVE ORDERS

# Executive Order on Increasing Economic and Geographic Mobility

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By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 305 of title 5, United States Code, and section 301 of title 3, United States Code, it is hereby ordered as follows:

Section 1. Policy and Principles. As expressed in Executive Order 13777 of February 24, 2017 (Enforcing the Regulatory Reform Agenda), it is the policy of the United States to alleviate unnecessary regulatory burdens placed on the American people. Overly burdensome occupational licensing requirements can impede job creation and slow economic growth, which undermines our Nation's prosperity and the economic well-being of the American people. Such regulations can prevent American workers and job seekers from earning a living, maximizing their personal and economic potential, and achieving the American Dream. The purpose of this order is to reduce the burden of occupational regulations in order to promote the free practice of commerce, lower consumer costs, and increase economic and geographic mobility, including for military spouses.

My Administration is committed to continuing this important work by partnering with State, local, territorial, and tribal leaders throughout the country to eliminate harmful occupational regulations, which are frequently designed to protect politically connected interest groups. To this end, in October 2019, my Administration announced the establishment of the Governors' Initiative on Regulatory Innovation, which works with State, local, and tribal leaders to advance occupational licensing reforms, better align State and Federal regulations, and eliminate unnecessary regulations that drive up consumer costs.

Occupational regulations can protect practitioners from competition rather than protect the public from malpractice. Unfortunately, the number of occupational regulations has substantially increased over the last few decades. Since the 1950s, the percentage of jobs requiring a government-mandated occupational license has increased from less than 5 percent to between 25 and 30 percent. By requiring workers to acquire new licenses when they move to a new jurisdiction, occupational regulations reduce worker mobility, disproportionately harm low-income Americans, and are particularly burdensome to military spouses who must relocate to support the service members committed to keeping our country safe. Additionally, blanket prohibitions that prevent individuals with criminal records from obtaining occupational licenses may exacerbate disparities in employment opportunity and increase the likelihood of recidivism, particularly as regulatory barriers to enter lower- and middle-income occupations are associated with higher recidivism rates. Licensing requirements unnecessary to protect consumers from significant and demonstrable harm also frequently impose expensive educational requirements on potential job seekers, even for occupations with limited future earnings potential. According to recent research, licensing requirements have cost our country an estimated 2.85 million jobs and over \$200 billion annually in increased consumer costs.

Therefore, it is the policy of the United States Government to support occupational regulation reform throughout the Nation, building on occupational licensing reforms enacted most recently in Arizona, Florida, Iowa, Missouri, and South Dakota, guided by six principles:

Principle 1. All recognized occupational licensure boards should be subject to active supervision of a designated governmental agency or office.

Principle 2. All occupational licensure boards recognized by a State, territorial, or tribal government that oversee personal qualifications related to the practice of an occupation should adopt and maintain the criteria and methods of occupational regulation that are least restrictive to competition sufficient to protect consumers from significant and demonstrable harm to their health and safety. The policies and procedures of such boards should be designed to protect consumer and worker safety and to encourage competition.

Principle 3. State, territorial, and tribal governments should review existing occupational regulations, including associated scope-of-practice provisions, to ensure that their requirements are the least restrictive to competition sufficient to protect consumers from significant and demonstrable harm. State, territorial, and tribal governments should also regularly review and analyze all occupational regulations, including associated personal qualifications required to obtain an occupational license, to ensure the adoption of the least restrictive requirements necessary to protect consumers from significant and demonstrable harm.

Principle 4. Individuals with criminal records should be encouraged to submit to the appropriate licensure board a preliminary application for an occupational license for a determination as to whether the criminal record would preclude their attainment of the appropriate occupational license.

Principle 5. A State, territorial, or tribal government should issue an occupational license to a person in the discipline applied for and at the same level of practice if the individual satisfies four requirements:

- (a) the individual holds an occupational license for that discipline from another jurisdiction in the United States and is in good standing;
- (b) the individual verifies having met, as applicable, the minimum examination, education, work, or clinical-supervision requirements imposed by the State, territory, or tribe;
- (c) the individual:
  - (i) has not had the license previously revoked or suspended;
  - (ii) has not been disciplined related to the license by any other regulating entity; and
  - (iii) is not subject to any pending complaint, allegation, or investigation related to the license; and
- (d) the individual pays all applicable fees required to obtain the new license.

Principle 6. Accommodations should be made for any applicant for an occupational license who is the spouse of an active duty member of the uniformed services and who is relocating with the member due to the member's official permanent change of station orders.

Sec. 2. Review of and Report on Authorities, Regulations, Guidance, and Policies. The head of each executive department and agency (agency) shall, within 90 days of the date of this order and every 2 years thereafter:

- (a) review the agency's authorities, regulations, guidance, and polices to identify changes necessary to ensure alignment with the principles set forth in section 1 of this order; and
- (b) submit a report to the Director of the Office of Management and Budget (Director of OMB), the Assistant to the President for Domestic Policy, and the Assistant to the President and Director of Intergovernmental Affairs (Director of IGA) identifying all necessary changes identified pursuant to subsection (a) of this section.

Sec. 3. Identification and Report of Opportunities to Encourage Occupational Regulation Reform. (a) Within 90 days of the date of this order, and every 2 years thereafter, the head of each agency shall submit a report to the Director of OMB, the Assistant to the President for Domestic Policy, and the Director of IGA identifying a list of recommended actions available to any and all agencies to recognize and reward State, territorial, and tribal governments that have in place policies and procedures regarding occupational regulation that are consistent with the principles set forth in section 1 of this order; and

(b) Within 120 days of the date of this order, and every 2 years thereafter, the Assistant to the President for Domestic Policy, in consultation with the Secretary of Commerce, the Secretary of Labor, the Director of OMB, the Administrator of the Small Business Administration, the Director of IGA, and the heads of other agencies and offices as appropriate, shall submit a report to the President identifying:

- (i) recommended changes to Federal law, regulations, guidance, and other policies to ensure alignment with the principles set forth in section 1 of this order;
- (ii) recommended actions to be taken by agencies to recognize and reward State, territorial, and tribal governments that have in place policies and procedures regarding occupational regulation that are consistent with the principles set forth in section 1 of this order; and
- (iii) a list of criteria that may be used to evaluate whether a State, territorial, or tribal government has in place policies and procedures that are consistent with the principles set forth in section 1 of this order.

Sec. 4. Implementation of Recommendations to Recognize and Reward State, Territorial, and Tribal Regulatory Reform. (a) Within 180 days of the date of this order, and every 2 years thereafter, the Administrator of the Small Business Administration, in consultation with the Secretary of Commerce, the Secretary of Labor, the Secretary of Health and Human Services, and the heads of other agencies as appropriate, shall seek and report on information from State, territorial, and tribal governments regarding whether they have in place policies and procedures consistent with the principles set forth in section 1 of this order and shall make the report publicly available, including on agencies' websites. The information sought shall be consistent with the criteria identified as required by section 3(b)(iii) of this order.

(b) Consistent with applicable law, and to the extent that the President approves any of the actions recommended pursuant to section 3(b)(ii) of this order, agencies shall implement such actions for the purpose of recognizing and rewarding a State, territorial, or tribal government that has in place policies and procedures regarding occupational regulation that are consistent with the principles set forth in section 1 of this order.

Sec. 5. Definitions. For the purposes of this order:

- (a) "Active supervision" means:
  - (i) reviewing proposed occupational licensure board rules, policies, or other regulatory actions that may restrict market competition prior to issuance;
  - (ii) ensuring that any entity seeking to impose occupational licensing criteria adopts the criteria that are least restrictive to competition sufficient to protect consumers from significant and demonstrable harm to their health or safety; and
  - (iii) analyzing, where information is readily available, the effects of proposed rules, policies, and other regulatory actions on employment opportunities, consumer costs, market competition, and administrative costs.
- (b) "Agency" has the meaning given that term in section 3502(1) of title 44, United States Code, except that the term does not include the agencies described in section 3502(5) of title 44, United States Code, other than the Bureau of Consumer Financial Protection.
- (c) "Occupational license" means a license, registration, or certification without which an individual lacks the legal permission of a State, local, territorial, or tribal government to perform certain defined services for compensation.
- (d) "Occupational regulation" includes:
  - (i) licensing or government certification, by which a government body requires personal qualifications in order to be permitted to practice an occupation; and
  - (ii) registration, bonding, or inspections, by which a government body does not require personal qualifications in order to be permitted to practice an occupation.

Sec. 6. General Provisions. (a) Nothing in this order shall be construed to impair or otherwise affect:

- (i) the authority granted by law to an executive department or agency, or the head thereof; or
  - (ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.
- (b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.
- (c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

DONALD J. TRUMP

THE WHITE HOUSE,  
December 14, 2020.



The White House

