

EXPEDITED LICENSURE FOR WORKERS WITH OUT-OF-STATE LICENSES

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INTRODUCTION

Occupational licensing requirements often vary across states, creating barriers for workers who relocate across state lines. These barriers are especially burdensome for military spouses, who move frequently due to government orders and must repeatedly obtain new licenses to continue working. Delays in license transfer can lead to periods of job loss, lost income, and underutilization of human capital.

This issue matters for both equity and economic efficiency. Military families face involuntary relocation, and licensing barriers impose additional economic costs on a population already making significant sacrifices. More broadly, limited license portability restricts the movement of professional workers, reducing workforce flexibility and contributing to skilled labor shortages.

In response, nearly all U.S. states have adopted expedited licensing programs for military spouses. However, many of these programs lack key features—such as fast processing timelines or temporary licenses—that would allow workers to enter the labor market quickly. This brief summarizes evidence on the effectiveness of expedited licensing programs from my research and outlines policy suggestions to enhance license portability for both military families and the general workforce.

The study draws on data from the American Community Survey and examines policy adoption across 45 states between 2011 and 2019. It focuses on military spouses who recently relocated across state lines—a group whose moves are driven by military assignments rather than local job opportunities. That distinction is important: it provides a strong, reliable basis for understanding how reducing licensing barriers affects real labor market outcomes.

POLICY RECOMMENDATIONS

- 1 Require strict processing timelines (e.g., within 30 days) for license approval. States should mandate enforceable deadlines for reviewing and approving applications to ensure that expedited licensing programs truly reduce delays rather than simply relabel standard processes.
- 2 Issue temporary or provisional licenses upon application. Applicants with valid out-of-state licenses should be allowed to begin working immediately while their full licensure is under review, minimizing employment gaps after relocation.

KEY FINDINGS

Expedited licensing programs significantly improve employment outcomes. Following policy adoption, the employment rate among interstate-migrant military spouses increases by 7.8 percentage points, or about 17 percent relative to the baseline. Most of this increase occurs in licensed occupations, indicating the policy directly improves access to credentialed jobs rather than shifting workers into unlicensed ones.

These programs also improve job stability and earnings. Affected military spouses work more weeks during the year of relocation and experience higher wage and salary income. At the same time, reliance on unemployment compensation declines, suggesting that faster license processing reduces periods of joblessness and facilitates quicker labor market re-entry after moving.

The additional labor market activity generated by expedited licensing programs amounts to approximately \$1.2 billion in added value every six months (in 2020 dollars). Because the programs apply only to individuals who are qualified to practice in another state, they are unlikely to pose risks to public health or safety.

Delays in transferring occupational licenses meaningfully constrain labor market participation for migrant workers. Policies that reduce these delays—particularly those allowing faster processing or immediate entry into licensed work—can substantially improve employment outcomes and reduce economic disruption after relocation.

- 3 Strengthen universal license recognition (ULR) programs by incorporating fast-track features. States with ULR should add expedited processing and temporary licensure provisions, while states without ULR should adopt these programs to extend license portability benefits beyond military families.
- 4 Invest in centralized, user-friendly online licensing systems. States should develop integrated application portals that allow applicants to submit documents, track progress, and complete transfers efficiently, reducing administrative burdens and uncertainty.

SUMMARY

Expedited licensing programs are an effective policy tool for reducing labor market barriers faced by military spouses. By enabling faster license transfers, these programs increase employment, boost earnings, and reduce reliance on unemployment benefits following relocation. The evidence also highlights that licensing barriers meaningfully hinder workforce participation among mobile workers.

At the same time, the effectiveness of these programs depends critically on how they are implemented—particularly the speed of application processing and the availability of temporary licenses. Strengthening these features, and extending similar improvements to broader license portability policies such as universal license recognition, offers a practical path to improving workforce mobility and reducing labor shortages.

By focusing on faster, more flexible licensing systems, policymakers can better support military families while enhancing labor market efficiency and workforce availability for the broader population.



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