

Vermont Should Untangle Eyebrow Threaders from Unnecessary Regulation

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Chair Hardy, Vice Chair Vyhovsky, and all distinguished members of the Senate Committee on Government Operations:

Thank you for allowing me to testify on the regulation of beauty professionals in Vermont. I am the assistant director of the Knee Regulatory Research Center at West Virginia University. My comments focus on a specific provision in HB 870 that would require eyebrow threaders to obtain a license as an esthetician. The main takeaways of my comments are the following:

1. Licensing is not always the appropriate form of regulation.
2. Licensing in Vermont reduces economic mobility and increases income inequality.
3. 21 states do not require an esthetician license to perform eyebrow threading, as proposed by HB 870.

Occupational licensing is one of the most common forms of professional regulation, and the most stringent. These laws prevent Vermont residents from working in a profession until they meet certain entry requirements, which often include education, training, and passing exams. Licensing is designed to protect consumers from harm from low-skilled professionals, which is an important goal. However, licensing is not the only form of regulation that we can use to protect consumers.

Licensing can be costly, and we have to weigh both the costs and the benefits of licensing. Licensing laws create barriers to entry that make it more difficult to enter a profession. Economic research estimates that licensing reduces the number of professionals by up to 27 percent.¹ While we do not have any research specifically on estheticians and eyebrow threaders, economists consistently find evidence that licensing laws act as a barrier to entry for other beauty professions, like barbers and cosmetologists.² There is also evidence that they tend to disproportionately exclude minorities.³

¹ Peter Blair and Bobby Chung, "How Much of Barrier to Entry is Occupational Licensing?," *British Journal of Industrial Relations* 57, no. 4 (2019): 919–43

² Adams, A. Frank, John D. Jackson, and Robert B. Ekelund. "Occupational licensing in a "competitive" labor market: The case of cosmetology." *Journal of Labor Research* 23, no. 2 (2002): 261-278.; Timmons, Edward J., and Robert J. Thornton. "The Licensing of Barbers in the USA." *British Journal of Industrial Relations* 48, no. 4 (2010): 740-757; Zapletal, Marek. "The effects of occupational licensing: evidence from business-level data." *British Journal of Industrial Relations* 57, no. 4 (2019): 894-918.; Timmons, Edward J., and Robert J. Thornton. "The Licensing of Barbers in the USA." *British Journal of Industrial Relations* 48, no. 4 (2010): 740-757.

³ Mitchell, Matthew. "Policy Spotlight: Occupational Licensing and the Poor and Disadvantaged." Mercatus Center Policy Brief. (2017).

Many professions that do not require a traditional, 4-year college degree do require a license. These professions offer an avenue to meaningful employment for non-college graduates, if they can afford to meet the licensing requirements. Unfortunately, because of the time and money it takes for training and education, many are unable to enter these professions. Research finds that licensing laws increases income inequality and decreases economic mobility—making achieving the American Dream that much more difficult.⁴

Despite the fact that licensing laws have such an impact on aspiring professionals, we find limited evidence of any improvements in the quality of services due to licensing.⁵ We are also unable to find evidence that licensing improves the quality of beauty professions in particular.⁶

We would expect that to be the case for eyebrow threaders. Esthetician education programs and licensing exams do not include any training on eyebrow threading techniques or safety. As a result, eyebrow threaders are forced to spend 6 months and \$5,000 to \$8,000 on an education program that is unrelated to their work.⁷ This will not provide any protection for consumers.

Currently, 21 states allow eyebrow threaders to practice without a license. In fact, the movement in recent years has been to reduce or remove licensing requirements for beauty professions, and eyebrow threading is no exception.

Although licensing laws are designed to protect consumers from harm, they are not always appropriate or effective. Aspiring professionals suffer, facing roadblocks to meaningful work. Individuals should not be prevented from entering a profession unless there is evidence of a need for regulation. Vermont should not make it more difficult for aspiring beauty professionals to find work with unnecessary education requirements.

⁴ Timmons, Edward, Brian Meehan, Andrew Meehan, and John Hazenstab. "Assessing growth in occupational licensing of low-income occupations: 1993-2012." *Journal of Entrepreneurship and Public Policy* 7, no. 2 (2018): 178-218.

⁵ "Occupational Licensing: A Framework for Policymakers," White House, July 2015,

https://obamawhitehouse.archives.gov/sites/default/files/docs/licensing_report_final_nonembargo.pdf

⁶ Deyo, Darwynn. *Licensing and Service Quality: Evidence Using Yelp Consumer Reviews*. George Mason University Working Paper. (2016); Deyo, Darwynn. *Testing Licensing and Consumer Satisfaction for Beauty Services in the United States*. SJSU ScholarWorks (2022).

https://scholarworks.sjsu.edu/cgi/viewcontent.cgi?article=2953&context=faculty_rsca

⁷ Norris, Conor. "Tangled up in Licensing: The Case of Eyebrow Threading." Knee Regulatory Research Center Policy Brief. (2023).