

Why Limit Reform to Massage Therapists?

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Committee on Health Coverage, Insurance and Financial Services

March 5, 2025

Chair Bailey, Chair Mathieson, and all distinguished members of the Joint Committee on Health Coverage, Insurance and Financial Services:

Thank you for allowing me to submit testimony on the regulation of massage therapy in the state of Maine. I am the Director of Labor Policy at the Knee Regulatory Research Center at West Virginia University. The main takeaways of my comments are the following:

1. Occupational licensing can create arbitrary barriers for potential new residents.
2. Research shows that rigid occupational licensing restricts mobility by 7 percent.
3. While the Interstate Massage Compact can help massage therapists, a broader reform like universal recognition would impact more professionals.

Occupational licensing is the most restrictive form of professional regulation. Workers cannot legally practice in licensed profession until they meet entry requirements, like achieving a minimum level of education or training, passing exams, and paying fees. Almost 25 percent of workers in Maine require a license to work.¹ By creating barriers to entry, occupational licensing reduces employment opportunities and raises costs for consumers.

Because licensing laws are the responsibility of states, they pose challenges for workers moving across state lines. Relocating often entails reapplying for a license, taking state-specific exams, and, in some cases, completing additional education or training. Moving is already a hassle, and licensing can make it even worse. We estimate that licensing laws reduce the number of people moving to a new state by 7 percent.²

Unfortunately, massage therapists are among those most affected by these burdens. Massage therapy education requirements vary significantly between states.³ Forcing out-of-state residents

¹ Kleiner, Morris, and Evgeny Vorotnikov. "Analyzing occupational licensing among the states." *Journal of Regulatory Economics* 52 (2017): 132-158.

² Johnson, Janna, and Morris Kleiner. "Is occupational licensing a barrier to interstate migration?." *American Economic Journal: Economic Policy* 12, no. 3 (2020): 347-373.

³ Norris, Conor, Edward Timmons, Ethan Kelley, and Troy Carneal. "Introducing a new state-level occupational licensing requirement database." *Journal of Entrepreneurship and Public Policy* 13, no. 2 (2024): 182-199.

to go through this education and training again is costly enough to discourage massage therapists from moving.

The Interstate Massage Compact seems like a perfect solution to this issue. It allows licensed massage therapists from member states to practice in Maine without undergoing redundant education and training, saving time and money. However, the positive effects of the compact will be limited.

First, the compact would only help massage therapists from states that are also members of the compact. Right now, that is just two states, although additional states have similar legislation pending this session.⁴ Any massage therapist from a non-member state looking to move to Maine would continue to face the same barriers.

Massage therapy is just one of many professions that faces affected by licensing laws. Other beauty professions—like barbers, manicurists, and estheticians—face the same inconsistent standards. Nationwide, over 300 professions require licenses, creating widespread mobility issues.

Finally, in order for massage therapists to be eligible for a multi-state license, they must complete an education program of at least 625 hours in length. The current education requirement in Maine is 500 hours, leaving current massage therapists ineligible for a multistate license. In the long run, this will put pressure on the legislature to increase education requirements, increasing barriers instead of reducing them.

A far more effective solution would be to adopt the universal recognition of out-of-state licenses. So far, 26 states have implemented this reform.⁵ Arizona, one of the first states to recognize out-of-state licenses, has already seen beneficial effects from enacting this legislation. An estimated 6,500 or more skilled workers have moved to Arizona since passage of the reform.⁶ States with universal recognition laws not only see increased employment, but they also see increased economic output.⁷

Universal recognition would address both limitations of the massage therapist licensing compact by including all states and licensed professions. Under universal recognition, licensed professionals from any state—not just member states for specific professions—could move to Maine and begin working without unnecessary delays. This would be an even bigger win for Maine residents, new and old.

⁴ “Compact Map.” *Interstate Massage Compact*. (2025). <https://massagecompact.org/compact-map/>

⁵ Bae, Kihwan, and Darwyn Deyo. “2024 Update to the Survey of Universal Licensing Reforms in the United States.” Knee Regulatory Research Center Policy Brief. (2024). <https://csorwvu.com/policy-brief-survey-of-universal-licensing-reforms-in-the-united-states-2024/>

⁶ Curry, Heather, and Vance Ginn. “Thousands Free to Work: The Power of Universal Recognition in Arizona.” Goldwater Institute Policy Report. (2023). <https://www.goldwaterinstitute.org/policy-report/universal-recognition-hb-2569/>

⁷ Bae, Kihwan, and Edward Timmons. “Now you can take it with you: Effects of occupational credential recognition on labor market outcomes.” (2023).

Allowing licensed professionals to bring their license with them increases worker mobility while leaving consumer protections in place. Reducing burdens for cosmetologists would be a step forward but reducing them for all licensed professions would be a much greater win for Maine.

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