



# BLOOMING NONSENSE

EXPERIMENT REVEALS LOUISIANA'S FLORIST LICENSING  
SCHEME AS POINTLESS AND ANTI-COMPETITIVE



BY DICK M. CARPENTER II, Ph.D.  
MARCH 2010

# INTRODUCTION

For more than a decade, Monique Chauvin has owned and operated one of the most popular and recognized floral shops in all of New Orleans. Her work is regularly featured in magazines, and her store has been repeatedly voted as “Tops of the Town” in *New Orleans* magazine by residents of the Big Easy. Yet Monique faces the real possibility of losing her business—not for economic reasons, but because Louisiana is the only state in the nation that requires florists to hold a license to work.

To earn that license, aspiring florists must pass both a written and a practical test, the latter graded by already-licensed florists—in other words, competitors. Monique does not hold a florist license. Despite all of her recognition and success, she failed the exam, as have thousands of other florists over the years. Louisiana only allows her to operate her store as long as she employs a licensed florist and displays the employee’s license in the shop. But the licensed florist Monique employed passed away in February 2010. Monique must find another licensed florist to put on the payroll within 90 days or take and pass the test herself. Otherwise, she will have to close the shop, putting Monique and her five employees out of work.

Why does Louisiana impose such regulatory burdens on florists? Protecting public health and safety cannot be the reason; in 49 other states, florists operate free of such regulations with no harm to consumers. The work of economists and sociologists who study occupational licensing suggests another possible purpose for Louisiana’s law: Already-licensed florists reap financial rewards from fencing out competition.<sup>1</sup>

Given the size of the floral industry, this benefit is quite real. According to the Economic Census, there are 22,750 retail floral stores in the United States with annual revenues of \$6.6 billion. In Louisiana alone, 332 floral retailers generate \$76.8 million in annual revenues.<sup>2</sup> Licensure enables state-licensed Louisiana florists to enjoy a greater share of that revenue.

Defenders of Louisiana’s licensing regime, however, point to another justification for the law: maintaining professional standards and thereby ensuring better-quality floral arrangements for consumers.<sup>3</sup> But an experiment I conducted contradicts this claim.

I asked practicing florists to judge a random line-up of floral arrangements from shops in regulated Louisiana and unregulated Texas. In judging those arrangements, not even licensed Louisiana florists identified any difference in quality that could be attributed to licensure. Floral arrangements from Texas, with no licensing regime, were rated essentially the same as those from Louisiana. This suggests that Louisiana’s licensing scheme does nothing but protect existing license-holders from fair competition.

# THE EXPERIMENT

In the floral design experiment, judges were 18 randomly chosen florists—eight from Texas and 10 from Louisiana. All of the Louisiana florist-judges were licensed. Fifty floral arrangements were purchased from randomly selected retail floral stores. The retailers had no idea that their designs would be judged by other florists, which means the arrangements represented typical products purchased by consumers on any given day. Half of the arrangements came from Louisiana stores, and the other half were purchased from Texas shops. All florists were given a “theme” for the arrangements—sympathy—and some general parameters in which to work: Arrangements were to be within \$50 to \$75; the arrangements were to be in a basket, vase or bowl; and the arrangements were all to be different. Otherwise they were free to be creative in designing the arrangements.

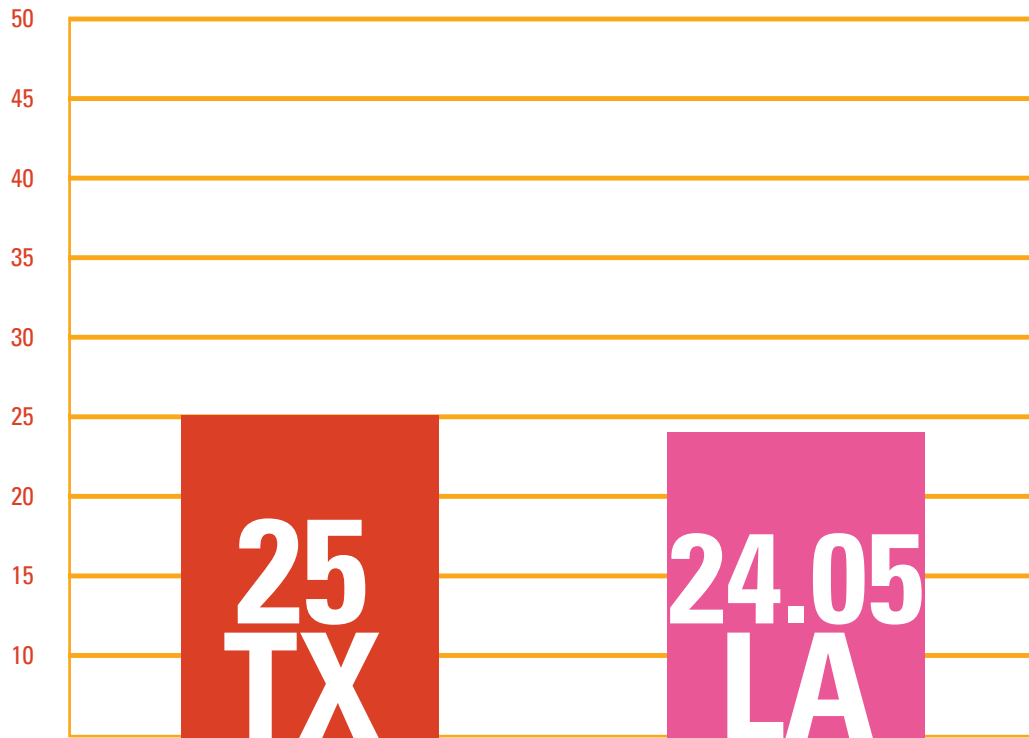
The experiment looked much like a floral design competition. The 50 arrangements were randomly ordered on tables in a hotel conference room with identification numbers. Florist-judges were given rating sheets and asked to score all 50 arrangements based on the printed criteria, such as proportion, balance, color, form and workmanship. Judges did not know any arrangement’s state of origin or even that arrangements had come from different states. Possible total scores for each arrangement ranged from 10 to 50. When all judges finished rating all arrangements, they participated in a 30-minute focus group and answered questions about their perceptions of the arrangements, opinions of quality based on state of origin, and attitudes about licensure.

# RESULTS

The judges’ ratings of floral arrangements were essentially the same no matter which state the arrangements came from, regulated Louisiana or unregulated Texas. Data were analyzed using multiple regression, a form of statistical analysis that tests the relationship between two variables—here, judges’ scores and whether arrangements came from Louisiana or Texas—while controlling for the effects of other variables. This analysis controlled for the state of origin of the judge, the freshness of the arrangement and the cost of the arrangements. Controlling for these variables removes the “muddying” effects they may have on the relationship between arrangement state and ratings. For example, if Louisiana arrangements were more costly (because, for instance, they used more or better flowers or other materials), they might be judged better primarily for that reason rather than any differences in quality of design or workmanship that might (or might not) have resulted from licensure.<sup>4</sup>

After controlling for cost, the scores of the arrangements were essentially the same no matter where they came from. As Figure 1 indicates, Texas arrangements, on average, received a rating of 25 out of a possible 50, while Louisiana arrangements scored an average of 24.05.<sup>5</sup> The difference between the two average scores is not statistically significant; in other words, they are essentially the same.<sup>6</sup>

Figure 1: Louisiana and Texas Ratings Are Statistically Equivalent



Not only does statistical analysis of judges' scores show no difference in quality of floral arrangements as a result of Louisiana's licensing law, it also shows no difference among the florists themselves. That is, Louisiana judges tended to rate each floral arrangement about the same as Texas judges. One might imagine that Louisiana's licensing test weeds out less-capable would-be florists, so that those who do pass are better florists—and thus better judges of floral arrangements—than people in other states who have not jumped similar hurdles. When it came to judging the arrangements in this experiment, however, unlicensed Texas florists were no less discerning than licensed Louisiana florists.

This result came from a form of analysis—Intra-Class Correlation (ICC)—that examines the consistency of multiple judges across items. This analysis could be used, for example, to determine the consistency of judges at a figure skating competition. A significant lack of consistency in ratings could indicate bias, as in figure skating judges giving preference to competitors from their own country, or, in the floral design experiment, a systematic difference in perceptions that might result from some judges having licenses and others not.

Results illustrated in Figure 2 indicate that consistency was strong regardless of whether it was all judges rating all arrangements, Louisiana judges rating Louisiana arrangements, Texas judges rating Texas arrangements, Louisiana judges rating Texas arrangements, and so forth.

In this figure, taller bars indicate more consistency. Perfect consistency would result in a bar reaching the top of the graph. For the ICC numbers, results of .70 and greater typically indicate strong consistency; the closer to 1.00 the results, the stronger the consistency.

As indicated, all bars are near the top, indicating high levels of consistency. Moreover, all ICC numbers are greater than .70, and all but one exceed .80. Of particular interest is the first bar—all judges across all arrangements. These results show consistency that is quite strong, greater than .90. This means that whether the judges were licensed or not, they gave the arrangements very similar scores.<sup>7</sup> It appears that Louisiana's licensing law does not produce more discriminating florists.

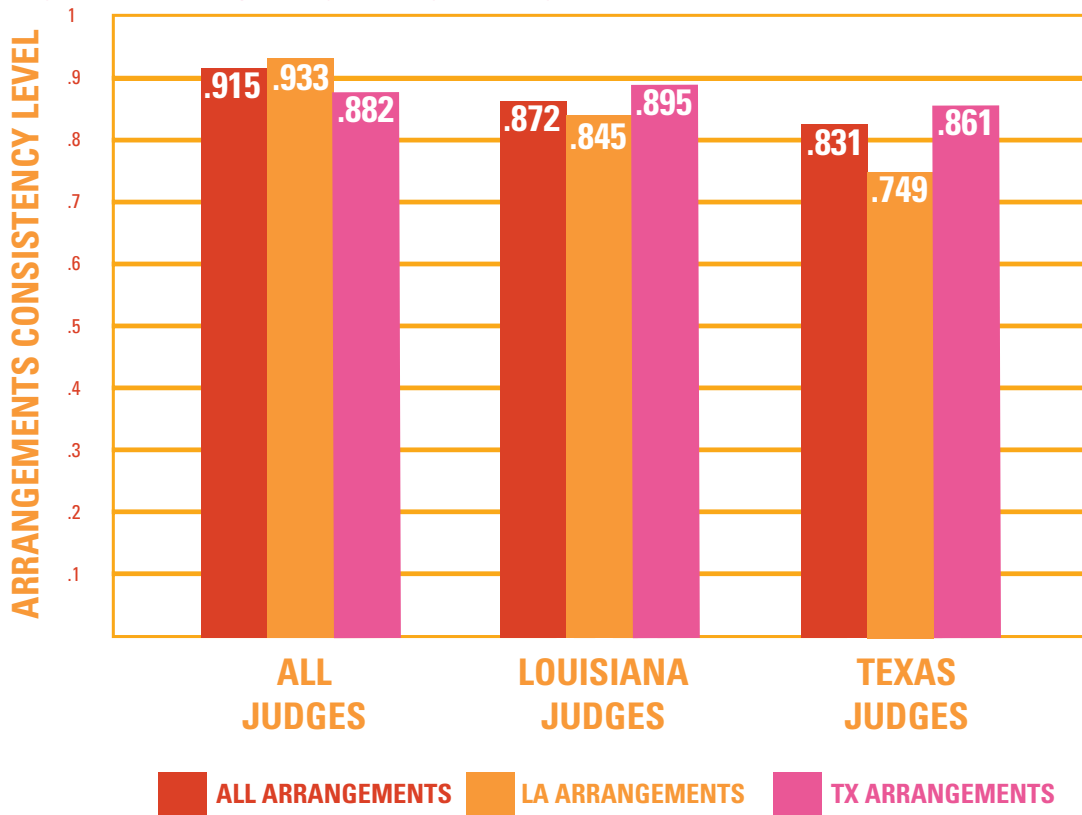
# JUDGE FOR YOURSELF

WHICH OF THESE ARRANGEMENTS ARE FROM A SHOP WITH A LOUISIANA-LICENSED FLORIST?



ANSWERS: 3, 5, 7

Figure 2: Consistency of Judges' Ratings Is Strong



## WHAT FLORIST-JUDGES THINK OF LICENSURE

Such findings were consonant with comments the florist-judges made during the focus groups. When it was revealed to the judges that arrangements came from different states, they were not at all surprised that the ratings did not differ based on state of origin. They commented that good florists could be found anywhere, not just in a particular location. Moreover, they agreed that quality of floral design depends on the person rather than the state or region.

This view held even after it was pointed out that Louisiana requires a license and Texas does not. Again, almost all of the judges—including the licensed florists from Louisiana—expected no difference in the quality of arrangements because of Louisiana’s licensing law. They noted that quality of work was a function of the standards set by individual businesses rather than a licensing regime, and those standards themselves were a function of consumer demand and market competition. As one florist commented, “If you don’t do good work, you’re not going to have any business.”

Most Louisiana florists in particular thought little of the value of the license due to the required testing regime. All of them derided the test as outdated and irrelevant. Aspiring florists are tested on skills and knowledge that bear no resemblance to contemporary floristry, requiring test-takers to demonstrate proficiency with techniques that were abandoned decades ago. Moreover, the Louisiana florists dismissed the floral designs required on the test as “old school” and “ugly”—nothing a contemporary consumer would ever demand or want.

Many in the focus groups thought that instead of producing quality florists, the licensing scheme served two purposes—raising money for the state and shutting out competition. The license generates revenue from florists or aspiring florists through testing fees and annual licensure renewal. Test-takers pay the state of Louisiana \$150 each time they take the full test and \$100 each time they re-take the design portion. Annual licensure renewals cost florists \$75.<sup>8</sup>

The second purpose, shutting out competition, was frequently mentioned by focus group participants. Most referred to it negatively, but a few supported the idea of a license excluding competition from “amateurs”—those who work out of their homes—or “freelancers”—people who buy flowers from the same wholesalers but then create and sell arrangements through means other than a traditional florist shop or store.<sup>9</sup>

Despite these few, however, most spoke disparagingly of the anti-competitive effects of licensure. One even shared how a competing floral shop across the street from her store repeatedly called the Louisiana Horticulture Commission, the agency responsible for administering the florist license regime, with trumped up complaints as a way to harass and damage her business.

Finally, the suggestion that the purported “gate-keeping” effects of licensure might be beneficial as a way to protect the public from poor quality or unsafe florists or floral products drew skeptical laughter from florists in the focus groups. As one Louisiana judge concluded, “You really can’t hurt anybody with a flower.”

# CONCLUSION

Harm from a flower might be laughable, but harm from the regulation of florists is not. As those in our focus groups recognized, licensure accomplishes precisely what it is intended to do—keeping people out of the industry. Unfortunately, this occupational fence erected by Louisiana bars people from entering an occupation to which they may be well suited. As the Bureau of Labor Statistics describes, being a florist does not require formal postsecondary training; most simply learn their skills on the job. Employers generally look for high-school graduates who have creativity, a flair for arranging flowers and a desire to learn.<sup>10</sup> Working as a florist is an ideal occupation for those just entering or re-entering the job market or people making mid-career transitions. Rather than encouraging such positive economic activity, however, Louisiana discourages it through a pointless licensure fence with an outdated test as its gate.

Not surprisingly, there is a complete dearth of evidence for the law’s benefit to anyone other than already-licensed florists and the state’s revenue stream. This experiment found no difference in quality of arrangements between those created in Louisiana and those from Texas, a neighboring nonlicensing state. Further, the judgments made by licensed Louisiana florists were no different than those made by unlicensed florists just across the state line. And the derisive laughter and comments made by the *licensed Louisiana florists* in our focus groups suggest that licensure is not needed to protect public health and safety from any supposed dangers associated with unlicensed floristry.

The ultimate and most important measure of quality and accountability remains the customer. Leslie Massony, a floral designer in Monique’s store, took and failed Louisiana’s test twice; yet she has been published in floral design books and boasts a list of celebrity clients. “The customers are the people that really count,” she says. “They are the ones who pay the bills and who I really have to keep happy.”

# ENDNOTES

- 1 See, for example, Cox, C., & Foster, S. (1990). *The costs and benefits of occupational regulation*. Washington, DC: Federal Trade Commission; Haas-Wilson, D. (1986). The effect of commercial practice restrictions: The case of optometry. *Journal of Law and Economics*, 29(1), 165-186; Harrington, D. E., & Treber, J. (2009). *Designed to exclude*. Arlington, VA: Institute for Justice; Kleiner, M. M. (2000). Occupational licensing. *Journal of Economic Perspectives*, 14(4), 189-202; Kleiner, M. M. (2006). *Licensing occupations: Ensuring quality or restricting competition*. Kalamazoo, MI: Upjohn Institute; Rottenberg, S. (1980). Introduction. In S. Rottenberg (Ed.), *Occupational licensure and regulation* (pp. 1-10). Washington, DC: American Enterprise Institute; Shepard, L. (1978). Licensing restrictions and the cost of dental care. *Journal of Law and Economics*, 21(1), 187-201; Timmermans, S. (2008). Professions and their work: Do market shelters protect professional interests? *Work and Occupations*, 35(2), 164-188.
- 2 These data come from the 2002 Economic Census, the latest year for which such data are available in Louisiana. Louisiana's 332 retailers employ 1,437 people and report an annual payroll of \$17.8 million. Nationwide, 22,750 retailers employ 114,186 employees for an annual payroll of \$1.5 billion.
- 3 Finch, S. (2004, January 5). Florist licensing under attack; Lawsuit says test is unconstitutional, *Times-Picayune*, p. 1.
- 4 In fact, the Louisiana arrangements in this experiment cost, on average, \$14 more than those from Texas. Even though the floral shops were asked to provide arrangements within the \$50 to \$75 range, some of the Texas arrangements cost less than \$50. I also controlled for freshness because the experiment took place over two days, so later judges' scores may have been influenced by less fresh flowers.
- 5 These are the adjusted averages after controlling for cost and the other covariates listed above.
- 6 The precise regression results are included in the table below. Cost and freshness were centered; dichotomous variables (arrangement state, judge state and their interaction) were coded using effect coding.

	$\beta$	se	$t$	$p$
(Constant)	24.57	1.30	18.97	0.00
Cost	0.27	0.08	3.57	0.00
Arrangement state	-0.48	0.62	-0.76	0.45
Judge state	-0.44	0.68	-0.64	0.52
Judge X arrangement interaction	-0.07	0.32	-0.23	0.82
Freshness of arrangement at judging	0.68	0.86	0.79	0.43
$R^2=.04$ ; $F=8.49$ , $p=.000$				

- 7 These results were consistent with the aforementioned regression analysis, which included a variable that measured the judges' state of origin. As the table in endnote 6 indicates, the difference in ratings based on judge state was not statistically significant.
- 8 Louisiana Department of Agriculture and Forestry. (2010). Agricultural & environmental sciences-horticulture & quarantine programs. Retrieved February 5, 2010, from <http://www.ldaf.state.la.us/portal/Offices/AgriculturalEnvironmentalSciences/HorticultureQuarantinePrograms/HorticultureNurseryApiaryLicensesPermits/tabid/414/Default.aspx>.
- 9 Floral stores in Louisiana are regularly inspected by the Louisiana Horticulture Commission. Such inspections include an examination of flower coolers, equipment and florists' licenses.
- 10 Bureau of Labor Statistics. (2010). Floral designers. Retrieved February 5, 2010, from <http://www.bls.gov/oco/ocos292.htm>.



# ABOUT THE AUTHOR



Dick M. Carpenter II, Ph.D., serves as director of strategic research for the Institute for Justice. He works with IJ staff and attorneys to define, implement and manage social science research related to the Institute's mission. Results of his work have appeared in academic journals such as *Urban Studies*, *Regulation and Governance*, *Independent Review*, *Journal of Advanced Academics*, *Journal of Special Education*, *The Forum*, *Education and Urban Society*, *Journal of School Choice and Leadership*, as well as magazines including *Regulation*, *Phi Delta Kappan* and the *American School Board Journal*.

The results of his research are used by state education officials in accountability reporting, have been influential in crafting policy in state legislatures, and have been cited in briefs to state and federal courts, including the U.S. Supreme Court. Dr. Carpenter has served as an expert witness in several federal lawsuits and has been quoted in newspapers such as *The Wall Street Journal*, *New York Sun*, *Denver Post*, *Atlanta Journal-Constitution*, *Chronicle of Higher Education*, *Dallas Morning News*, *Education Week* and the *Washington Times*.

Before working with IJ, Dick worked as a high school teacher, elementary school principal, public policy analyst and university professor. He holds a Ph.D. from the University of Colorado.

# ABOUT THE INSTITUTE FOR JUSTICE

The Institute for Justice is a nonprofit, public interest law firm that litigates to secure economic liberty, school choice, private property rights, freedom of speech and other vital individual liberties and to restore constitutional limits on the power of government. Founded in 1991, IJ is the nation's only libertarian public interest law firm, pursuing cutting-edge litigation in the courts of law and in the court of public opinion on behalf of individuals whose most basic rights are denied by the government.



Institute for Justice  
901 N. Glebe Road  
Suite 900  
Arlington, VA 22203

[www.ij.org](http://www.ij.org)

p 703.682.9320  
f 703.682.9321