

## Utilizing TN Status to Attract Workers to North Dakota

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### Executive Summary

North Dakota currently faces critical workforce shortages, with only three workers available for every ten job openings. The TN visa program—available to Canadian and Mexican citizens under the United States–Mexico–Canada Agreement—presents a low-cost, flexible solution for filling professional roles. However, restrictive licensing requirements in North Dakota limit labor mobility and reduce the TN visa’s attractiveness, and many in-demand roles in manufacturing and construction do not qualify under current TN guidelines.

Several solutions are proposed:

- Employers can prioritize TN visa holders for non-licensed positions to quickly fill gaps.
- North Dakota should adopt Universal Recognition policies to accept occupational licenses from other states, improving labor mobility.
- North Dakota could create agreements for rapid licensing processes for foreign professionals from Canada and Mexico, which would allow for quicker job placement.

- Broadening the list of TN-eligible occupations, particularly in technical fields, would give employers more flexibility in filling vacancies.

### Introduction

Like many other states, North Dakota is facing persistent challenges in recruiting and retaining qualified workers, a situation that has hindered its economic development. The state faces an alarming labor shortage, with only three unemployed workers for every ten job openings in September 2023.[i] This has been a persistent and costly problem, as unfilled positions will significantly increase labor costs when companies compete with others to attract and retain employees, or they will have to close, move entire operations abroad, or delay expansion plans. Conversely, filling worker shortages allows companies to better compete, grow, and create more jobs for American workers.[ii]

North Dakota Labor Market Information Center’s regular report (Careers in North Dakota, 2024)[iii] highlighted significant workforce gaps in several key sectors,

including Healthcare, Construction and Architecture, Information Technology, Transportation and Logistics, and Manufacturing. To address this, efforts are underway through initiatives like the ND Works Investment Plan and the newly established Office of Legal Immigration, which aims to recruit foreign labor to fill crucial gaps in the workforce.

Attracting workers from Canada or Mexico seems like a practical solution for states like North Dakota or Minnesota, which are close to borders. Under the North American Free Trade Agreement (NAFTA) [iv] and United States-Mexico-Canada Agreement (USMCA) [v], professionals from Canada and Mexico can enter the United States and engage in professional-level activities under TN status, an almost no-cost option compared to other work authorizations like H1b visa. However, there are challenges. TN status requires individuals to secure job offers before entering the U.S., but many jobs require licenses, often with residency requirements. This creates a barrier, making it more difficult for professionals from Canada and Mexico to move to the U.S. and fill these positions.

This paper explores the potential for TN status to fill workforce shortages, examining eligible professions and barriers to using it. Most importantly, the brief provides recommendations for better using TN status to address workforce needs.

## TN Status Background

Canadian and Mexican citizens generally do

not require visas to enter the United States for short-term visits or studying. However, they must obtain the appropriate documentation for long-term stays, such as employment or study. The NAFTA and USMCA established unique economic and trade relationships between the U.S., Canada, and Mexico. Under the agreements, the TN nonimmigrant classification allows qualified Canadian and Mexican citizens to seek temporary entry into the United States to engage in professional-level business activities for up to 3 years, with the ability to renew after every 3 years.

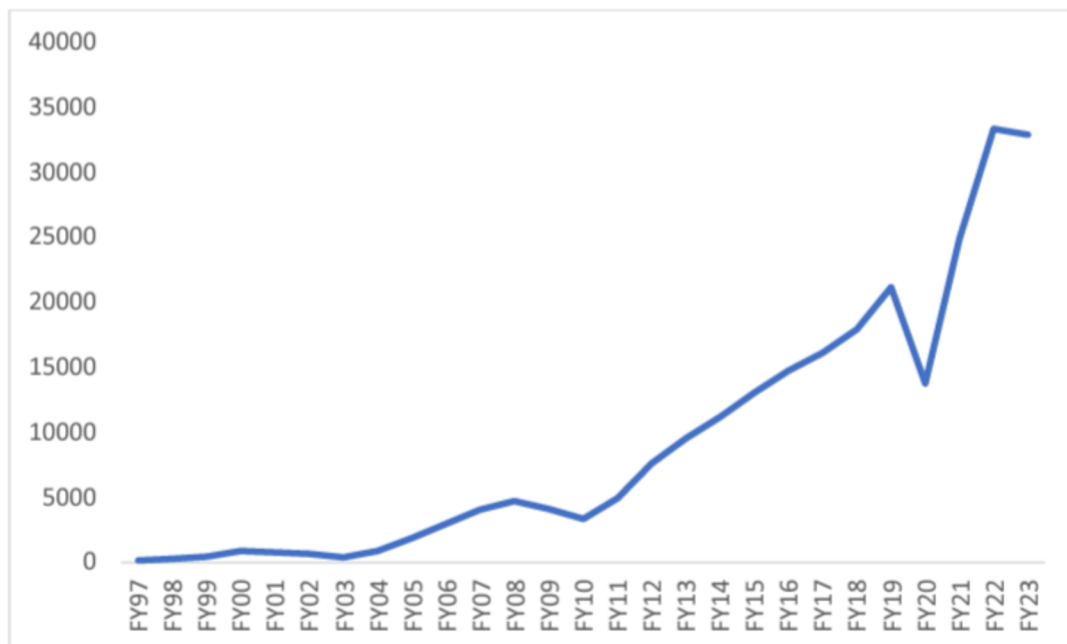
The complete list of eligible professions is outlined in 1603.D.1 of the USMCA, which includes most professions requiring a college degree or professional license. For example, Accountants and Architects are eligible for TN visas, provided the individual holds a baccalaureate degree or relevant certification, such as a CPA or a state/provincial license. The complete list of TN-eligible professions is in the appendix, and detailed job duties can be found on the Bureau of Labor Statistics (BLS) website.[vi]

In addition to having their profession on the list, eligibility for TN Nonimmigrant Status typically includes several key conditions[vii]: Citizenship of Canada or Mexico; Position in the United States; Applicant will work in a prearranged full-time or part-time job for an employer; Applicant has the appropriate qualifications for the profession. The application process is more straightforward for Canadian citizens, who can present the required documentation directly to a U.S.

Customs and Border Protection (CBP) officer at designated ports of entry or pre-clearance/pre-flight inspection stations. In contrast, Mexican citizens must formally apply for TN status at a U.S. embassy or consulate in Mexico. This streamlined process for Canadian citizens makes them an ideal workforce solution for states facing labor shortages, particularly in Northern border states like North Dakota, Minnesota, and Wisconsin.

Hiring international employees often comes with significant costs. The most common visa option, the H-1B (Capped), requires employers to enter a lottery system, with initial petition costs reaching up to \$17,885.[viii] It takes nearly a year for workers to go through the lottery system, from signing up no later than March to receiving visa approval in October, with the added risk of not being selected. In contrast, the cost of a TN visa can range from as low as \$56 when Canadian citizens apply at the border to \$4,420 for standard processing at the Embassy (as of November 2024).[ix] Workers can get a TN visa and start to work instantly after getting job offers. Other options, such as the L1, O1, or H2 visas, are more restrictive based on the company's operations, the candidate's qualifications, or the requirement to demonstrate that local workers cannot fill the position. Compared to these alternatives, the TN status offers much lower costs for employers and provides greater flexibility, making it an excellent option for companies looking to address labor shortages quickly. As Figure 1 shows, the number of TN visas issued annually is 195 times as high as in 1997, from 171 to a peak of 33,361 in FY22, illustrating the growing attractiveness of the U.S. to professionals from Canada and Mexico.

**Figure 1: TN Visa Issued, FY97 to FY23**



While the TN status offers an excellent opportunity to fill workforce needs, other barriers, such as state occupational licensing requirements, can still pose costs and complexity in hiring TN workers, hindering its practical application. The following section explains occupational licensing in ND and its role in hindering workforce mobility and limiting meeting workforce needs.

## Occupational Licenses and TN Status

Occupational Licenses regulate the ability of individuals to enter specific industries and are designed to ensure only qualified and competent professionals can provide services in particular fields. Common licensed occupations include healthcare professionals, lawyers, electricians, teachers, or architects, and vary by state. According to the State Occupational Licensing Index 2024[x], North Dakota ranks 18th in the national for highest licensing burden and 2nd of seven states in the West North Central Region.[xi] North Dakota imposes 182 regulatory barriers, significantly above the regional average of 164.7, and requires 132 licenses, slightly exceeding the regional average of 129.4. According to a study by economists from the University of Minnesota, occupational licensing reduces worker mobility between states by 36 percent.[xii]

For many workers, occupational licensing rules create a barrier that prevents them from using TN status to work in North Dakota; occupational licenses require state

residency before receiving the license. Job offers depend on having a license, yet workers are only able to utilize TN status with a job offer. This means qualified workers may be prevented from filling jobs in ND utilizing TN status due to a conflict in rules. This is a problem in professional fields like accounting and law, medical professions such as physical therapy, and agricultural roles like apiculture (see Appendix: Professions List of TN Status). While some licenses, such as those regulated by the National Council of Architectural Registration Boards (NCARB) for architects, may be transferable through reciprocity agreements, many other professions, particularly in the medical field where North Dakota has significant needs, are regulated solely by the state. Applicants must establish a valid North Dakota address for these positions before applying for a license. This poses a challenge as potential workers often cannot relocate without a secured job offer. This requirement complicates efforts to attract international labor from Canada and Mexico, making it much more difficult to fill critical roles in the state.

Additional conflicts in occupational licensing can create barriers for people already in the U.S. North Dakota has reciprocity processes to transfer licenses from some states. However, it lags far behind Universal Recognition. Universal Recognition is a policy reform that allows states to accept occupational licenses from other states, helping licensed professionals begin work quickly without the lengthy process of relicensing. Since its introduction, more

than 21 states have adopted universal recognition laws, including Montana, South Dakota, and Iowa.

Arizona pioneered the universal recognition law in 2019 and has since granted over 8,000 licenses, enabling professionals to quickly enter the workforce and fill essential roles without undergoing extensive relicensing procedures. However, it should be recognized that not all universal licensing laws are the same. Some states, such as Montana and South Dakota, only recognize licenses from other states if the license in the other state requires “substantially equivalent” education or experience. [xiii] This creates barriers to recognizing licenses from states that have different requirements. In contrast, other states, such as Iowa, recognize licenses from other states when the license enables a “similar scope of practice” and allow people to get occupational licenses based on experience in the field when the state they are moving from doesn’t license the occupation. [xiv] Clearly, these more permissive forms of universal licensing have even more potential for reducing barriers to filling labor shortages.

Another challenge in using TN status to fill workforce needs is that the TN Status Professions List is limited to occupations typically requiring a college or Licenciatura degree (a Bachelor’s degree in Mexico). This excludes many urgently needed skilled technicians in North Dakota and nearby states like Minnesota. In sectors such as construction, manufacturing, and logistics, licensing requirements may not align with

the qualifications of foreign professionals. Expanding eligibility and simplifying licensing procedures could help bridge these workforce shortages more effectively.

## Conclusions and Possible Solutions

The TN status offers a low-cost, flexible, and efficient method for filling workforce gaps with skilled workers from Canada and Mexico, particularly in occupations that require specific educational and professional qualifications, such as accounting, law, and healthcare. These fields are in high demand across the United States. However, additional administrative barriers like occupational licenses can make the overall cost and effort prohibitive for both employers and employees.

Ranking 18th in the nation and 2nd high in the West North Central Region for occupational licensing burdens, North Dakota has many regulatory barriers and license requirements that make it difficult for workers to relocate. For TN status, the state residency requirement for occupational licenses prevents workers from obtaining TN status (and a job) due to an inability to get the occupational license before relocating. For workers already in the U.S. and licensed in other states, a lack of Universal Recognition prevents them from beginning work quickly and supporting themselves and their families. This challenge complicates efforts to recruit and retain qualified professionals in North Dakota.

To better utilize the TN status and address

persistent labor shortages, possible solutions can be taken: 1. Employers seeking to fill positions eligible for TN status and do not require licenses should consider opening these roles to Canadian and Mexican candidates to quickly fill gaps; 2. Border states like North Dakota should consider establishing reciprocity licensing agreements and non-resident and rapid licensing measures that allow qualified workers from Canada and Mexico to obtain job offers and start to practice quickly while providing additional verification of their qualifications after they begin working; 3. North Dakota should implement Universal Recognition policies, simplifying the process for licensed workers from other states to start working in North Dakota, enhancing worker mobility across the U.S; 4. The U.S. should consider expanding the list of occupations eligible for TN status. This would be beneficial, particularly in technical fields like electricians, providing employers with more options to fill vacancies at prevailing wages, tapping into a larger pool of skilled workers from Canada and Mexico.

## Appendix

### Professions List of TN Status[1]:

Professions	Education and Qualifications	License Required in North Dakota
<b>General</b>		
Accountant	Baccalaureate or Licenciatura Degree; or C.P.A., C.A., C.G.A., or C.M.A.	Professional Association
Architect	Baccalaureate or Licenciatura Degree; or state/provincial license [2]	Professional Association
Computer Systems Analyst	Baccalaureate or Licenciatura Degree; or Post-Secondary Diploma [3] or Post-Secondary Certificate, [4] and three years experience	No
Disaster Relief Insurance Claims Adjuster	Baccalaureate or Licenciatura Degree, and successful completion of training in the appropriate areas of insurance adjustment pertaining to disaster relief claims; or three years experience in claims adjustment and successful completion of training in the appropriate areas of insurance adjustment pertaining to disaster relief claims	No
Economist	Baccalaureate or Licenciatura Degree	No
Engineer	Baccalaureate or Licenciatura Degree; or state/provincial license	Other
Forester	Baccalaureate or Licenciatura Degree; or state/provincial license	No
Graphic Designer	Baccalaureate or Licenciatura Degree; or Post-Secondary Diploma or Post-Secondary Certificate, and three years experience	No

## Appendix continued...

Professions	Education and Qualifications	License Required in North Dakota
Hotel Manager	Baccalaureate or Licenciatura Degree in hotel/restaurant management; or Post-Secondary Diploma or Post-Secondary Certificate in hotel/restaurant management, and three years experience in hotel/restaurant management	No
Industrial Designer	Baccalaureate or Licenciatura Degree; or Post-Secondary Diploma or Post-Secondary Certificate, and three years experience	No
Interior Designer	Baccalaureate or Licenciatura Degree; or Post-Secondary Diploma or Post-Secondary Certificate, and three years experience	No
Land Surveyor	Baccalaureate or Licenciatura Degree; or state/provincial/federal license	Yes
Landscape Architect	Baccalaureate or Licenciatura Degree	Professional Association
Lawyer (including Notary in the province of Quebec)	L.L.B., J.D., L.L.L., B.C.L., or Licenciatura Degree (five years); or membership in a state/provincial bar	Yes
Librarian	M.L.S. or B.L.S. (for which another Baccalaureate or Licenciatura Degree was a prerequisite).	No
Management Consultant	Baccalaureate or Licenciatura Degree; or equivalent professional experience as established by statement or professional credential attesting to five years experience as a management consultant, or five years experience in a field of specialty related to the consulting agreement.	No
Mathematician (including Statistician)[5]	Baccalaureate or Licenciatura Degree	No
Range Manager/Range Conservationist	Baccalaureate or Licenciatura Degree	Professional Association



## Appendix continued...

Professions	Education and Qualifications	License Required in North Dakota
Research Assistant (working in a post-secondary educational institution)	Baccalaureate or Licenciatura Degree	No
Scientific Technician/Technologist [6]	Possession of (a) theoretical knowledge of any of the following disciplines: agricultural sciences, astronomy, biology, chemistry, engineering, forestry, geology, geophysics, meteorology, or physics; and (b) the ability to solve practical problems in any of those disciplines, or the ability to apply principles of any of those disciplines to basic or applied research.	Other
Social Worker	Baccalaureate or Licenciatura Degree	No
Sylviculturist (including Forestry Specialist)	Baccalaureate or Licenciatura Degree	No
Technical Publications Writer	Baccalaureate or Licenciatura Degree; or Post-Secondary Diploma or Post-Secondary Certificate, and three years experience	No
Urban Planner (including Geographer)	Baccalaureate or Licenciatura Degree	No
Vocational Counselor	Baccalaureate or Licenciatura Degree	No
<b>Medical/Allied Professionals</b>		
Dentist	D.D.S., D.M.D., Doctor en Odontologia or Doctor en Cirugia Dental; or state/provincial license	Yes

## Appendix continued...

Professions	Education and Qualifications	License Required in North Dakota
Dietitian	Baccalaureate or Licenciatura Degree; or state/provincial license	Yes
Medical Laboratory Technologist (Canada)/Medical Technologist (Mexico and the United States)[7]	Baccalaureate or Licenciatura Degree; or Post-Secondary Diploma or Post-Secondary Certificate, and three years experience	Yes
Nutritionist	Baccalaureate or Licenciatura Degree	Yes
Occupational Therapist	Baccalaureate or Licenciatura Degree; or state/provincial license	Yes
Pharmacist	Baccalaureate or Licenciatura Degree; or state/provincial license	Yes
Physician (teaching or research only)	M.D. or Doctor en Medicina; or state/provincial license	Yes
Physiotherapist/Physical Therapist	Baccalaureate or Licenciatura Degree; or state/provincial license	Yes
Psychologist	State/provincial license; or Licenciatura Degree	Yes
Recreational Therapist	Baccalaureate or Licenciatura Degree	Yes
Registered Nurse	State/provincial license; or Licenciatura Degree	Yes
Veterinarian	D.V.M., D.M.V., or Doctor en Veterinaria; or state/provincial license.	Yes

## Appendix continued...

Professions	Education and Qualifications	License Required in North Dakota
<b>Scientist</b>		
Agriculturist (including Agronomist)	Baccalaureate or Licenciatura Degree	Other
Animal Breeder	Baccalaureate or Licenciatura Degree	No
Animal Scientist	Baccalaureate or Licenciatura Degree	No
Apiculturist	Baccalaureate or Licenciatura Degree	Yes
Astronomer	Baccalaureate or Licenciatura Degree	No
Biochemist	Baccalaureate or Licenciatura Degree	No
Biologist [8]	Baccalaureate or Licenciatura Degree	Yes
Chemist	Baccalaureate or Licenciatura Degree	No
Dairy Scientist	Baccalaureate or Licenciatura Degree	Yes
Entomologist	Baccalaureate or Licenciatura Degree	No
Epidemiologist	Baccalaureate or Licenciatura Degree	No
Geneticist	Baccalaureate or Licenciatura Degree	No
Geochemist	Baccalaureate or Licenciatura Degree	No

## Appendix continued...

Professions	Education and Qualifications	License Required in North Dakota
Geologist	Baccalaureate or Licenciatura Degree	No
Geophysicist (including Oceanographer in Mexico and the United States)	Baccalaureate or Licenciatura Degree	No
Horticulturist	Baccalaureate or Licenciatura Degree	No
Meteorologist	Baccalaureate or Licenciatura Degree	No
Pharmacologist	Baccalaureate or Licenciatura Degree	No
Physicist (including Oceanographer in Canada)	Baccalaureate or Licenciatura Degree	No
Plant Breeder	Baccalaureate or Licenciatura Degree	Yes
Poultry Scientist	Baccalaureate or Licenciatura Degree	No
Soil Scientist	Baccalaureate or Licenciatura Degree	Yes
Zoologist	Baccalaureate or Licenciatura Degree	No
<b>Teacher</b>		
College	Baccalaureate or Licenciatura Degree	No
Seminary	Baccalaureate or Licenciatura Degree	No
University	Baccalaureate or Licenciatura Degree	No

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- [x] <https://www.archbridgeinstitute.org/state-occupational-licensing-index-2024/>
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