Sharing the Road: Licensing all drivers, regardless of immigration status, boosts safety and the economy

By Monique Ching, Policy Analyst

Every time Alberto mentioned his son, his face lit up.

His 13-year-old son, who dreams of becoming a professional cellist, recently played at an event in Harvard Square and at a concert abroad, in Portugal.

“He’s very good in school, his grades are always A+,” said Alberto, with a smile. The 38-year-old, soft-spoken Brasileiro became more animated whenever he spoke about his son, and added, “I tell my son, ‘We’re here to be the best and the brightest.’ I want him to be the example.”

Unlike many 13-year-old Americans, however, Alberto’s son faces a constant fear that his father could get pulled over by state police, arrested, and deported from the country because of his undocumented status.

“He knows that it’s a possibility,” Alberto said. “He says, ‘When I turn 16, I can take all the responsibility.’”

Living in a small city outside Boston — and beyond the reach of its subway system — Alberto has no choice but to drive between home and his two jobs. Daily, he assumes the risk of being stopped by police but is unable to obtain a state driver’s license.

Every day, Massachusetts residents without documents go to work, take their children to school, care for family members, buy groceries, and contribute to their communities in myriad ways. These contributions would be enhanced if undocumented residents were able to obtain state driver’s licenses. A bill before the Massachusetts Legislature could enable all drivers — regardless of immigration status — to obtain state driver’s licenses. Fourteen other states, Washington D.C., and Puerto Rico already have laws allowing all drivers to obtain licenses.

Allowing all drivers to obtain licenses ensures all people can access basic necessities and contribute to the economy without living in fear. It also helps ensure safe roads and generates revenue for the state.

(Note: MassBudget is not using the full names of undocumented immigrants who have shared their stories with us.)
Barriers to licenses hinder workers from accessing jobs, employers from accessing workers

If not for international immigration, Massachusetts would likely be losing population — and workers — in recent decades. Immigrants propel our economy by supporting local businesses, contributing to our communities, and forming an integral part of our workforce. By barring undocumented immigrants from access to state drivers’ licenses, we are putting up obstacles to their achieving full inclusion, economic stability, and dignity.

“There are no visas for poor or poor-educated people,” said Alberto. “They think poor-educated people are lazy. Poor-educated people are the people who are willing to work hard.”

Alberto has tried many times to obtain documented status. After speaking with four lawyers, all of them told Alberto that changes to federal immigration law by the Bush Administration left him without any options. Even when his mother tried to apply for a U.S. visa from Brazil, she had to apply five times — paying hefty fees each time — before she was approved.

A new rule announced by the Trump Administration moves to raise the bar even higher for immigrants trying to legally enter or remain in the U.S. The rule asks that applicants demonstrate they have not received and will not potentially receive certain public benefits.

“Some people, they want to punish undocumented people forever,” Alberto said. “I just want them to understand, give me a path to do the right thing. Let’s solve the problem together.”

Getting to work: A challenge for the unlicensed

Alberto works two jobs that are about eight miles apart. In what spare time he has, Alberto also screen-prints and sells T-shirts — a family trade. Initially, he tried to rely on public transit. He took two trains and a bus to one of his jobs.

“It took way too much time,” Alberto said. He was falling asleep on the bus, because he had to wake up so early to get to work on time. And this was assuming the buses ran on time.

He also tried getting to work by bicycle, but navigating the traffic was stressful and precarious.

In parts of Massachusetts, it’s nearly impossible to live without access to a car and the most transit-accessible areas in the state tend to be more expensive.

Like Alberto, most undocumented immigrant adults in Massachusetts — 83 percent — are employed or actively seeking paid work. More than half of those in the labor force work in either the service sector or in a managerial or professional field. More than a third of undocumented adults hold a bachelor’s degree or higher.
With Massachusetts’ unemployment rate approaching its all-time low, enabling businesses to access qualified workers — by allowing them to drive — helps support the economy.

“As the state’s unemployment rate has continued to fall, it is becoming increasingly difficult to find qualified workers,” write economists Mark Melnik and Robert Nakosteen. “The state has long had a slow-growing labor force. This inescapable demographic reality has increased the state’s dependency on the in-migration of workers.”

In Massachusetts, the technology, hotel, and restaurant sectors are particularly dependent on immigrant workers. They note further that international migration is a key source of qualified workers for Massachusetts employers.

“With an unreliable flow of domestic workers into the state, what stands out is the relative stability, as well as the growing magnitude, of international in-migration,” write Melnik and Nakosteen.

Part of our fabric: Immigrants’ contributions to the common good

More than one-third of Massachusetts’ 185,000 undocumented immigrants have lived in the country for five years or longer. Like Alberto, many are integral members of their communities.

By working multiple jobs each, Alberto and his wife were able to save up and buy a home. Alberto has lived in the country for 18 years and his family is so embedded in the community that people greet him when he walks into local restaurants.

On his way home from work one day, Alberto was pulled over by police in another city. Police towed his car and he later had to go to court. The officer was somewhat apologetic for towing Alberto’s car and said he had no choice but to follow the law. Following this incident, Alberto decided to drive a moped instead of a car, because there would be less liability driving a moped. Police have given him much less trouble since then. Alberto now rides his scooter between home and work — even during the winter. To mitigate the effects of inclement weather Alberto added a windshield to the moped and his wife bought him a heated jacket to wear during frigid days.

“I have to feed my family,” he said.

When immigrants can legally drive, they are more likely to secure good jobs and also see increases in their earning potential. Unemployed people who have driver’s licenses are better able to find jobs and employed workers are more likely to secure jobs with higher wages. Some states that enabled all drivers to obtain licenses have seen that when more people are able to enter the workforce and workers are able to earn higher wages there are increases in economic activity and tax revenue.
When Alberto and his wife bought their home, they had to jump through many hoops to prove they had paid all their taxes. His wife had to obtain a tax transcript from the Internal Revenue Service (IRS) and said that the IRS officer was astonished by how much they paid in taxes.

“We have to pay our fair share. Undocumented people, we’re willing to pay what we have to pay to be compliant with the law,” Alberto said.

In Massachusetts, undocumented immigrants contribute about $184.6 million in state and local taxes (in addition to federal taxes). Despite their contributions to public benefits like Social Security and Medicare, undocumented immigrants will never be able to receive benefits from these programs because of their status.

Alberto and his wife hope in the next decade to buy another home that will serve as their nest egg.

“It will be my retirement. We pay Social Security, but we cannot benefit from it,” Alberto said. “As undocumented, you do your responsibilities, but you have no benefits.”

In addition to undocumented immigrants, some documented immigrants risk losing status amid increasing hostility from the federal government. Some with Temporary Protected Status (TPS), for instance, could lose protections and those eligible for Deferred Action for Childhood Arrivals (DACA) face uncertainty around whether the federal government will be able to continue its attempt to rescind the policy.

In Massachusetts, 12,232 people were TPS recipients as of November 2017. An estimated 17,000 Massachusetts residents would qualify for DACA, but only 6,000 had applied as of September 2018. If the federal government revokes these protections, these adults and children would be exposed to the risk of deportation when they get on the road without a driver’s license.

Licensing all drivers boosts safety, revenue, and economy

Roads are safer when all drivers have been tested, licensed, insured, and willing to report crimes and collisions.

“People are willing to go to the RMV, give their fingerprints, (and have their photos taken),” said Alberto. “It’s people who have nothing to hide.”

He added that, by barring undocumented drivers from obtaining licenses, it makes them more nervous and distracted when they pass by a police office on the road.

“This system you have in place is way more dangerous,” he said.

Barring undocumented drivers from obtaining licenses also harms U.S. citizens

Many U.S. citizens are part of mixed-status families that include at least one undocumented person. About 5.9 million U.S. citizen children and 2.2 million U.S. citizen adults have at least one family member who is undocumented.

Preventing undocumented drivers from obtaining state licenses can also harm U.S. citizens when their family members are unable to access better jobs or access grocery stores that are farther away.

Further, daily anxiety associated with potential detention and deportation of an undocumented family member can negatively affect health through problems sleeping or eating, depression, anxiety, and other manifestations.

Increases in state revenue and boosts to the economy:

In addition to safer roads, opening up the door for more drivers to obtain licenses can mean more state revenue. If Massachusetts chooses to issue driver’s licenses to all drivers, regardless of immigration status, an estimated 41,000 to 78,000 drivers would obtain new licenses within three years. This could generate $3.1 million to $5.8 million just in initial license fees collected by the Registry of Motor Vehicles (RMV).12

Some newly-licensed immigrant drivers will likely purchase cars — which require titles, registrations, and regular inspections. All these combined with the estimated revenue from new driver’s licenses could generate $6.0 million in initial revenue within the first three years of allowing all drivers to obtain licenses. This does not include revenue estimates from increased car-related spending or general increases in spending when people are better able to get around. (See Appendix 1 for the methodology.)

Better access to driver’s licenses also means better access to car insurance. Unsurprisingly, rates of uninsured motorists tend to be higher in states that bar undocumented drivers from obtaining licenses.13 Allowing all Massachusetts drivers to access licenses — and, therefore, insurance — could generate more revenue for insurance companies — about $62 million. Insurance-holders in general could also see a decrease in their annual premiums by about $2014 — enough to buy some flowers on Mothers’ Day. (For the methodology behind the increased revenue to insurance companies, see Appendix 2.)

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Because state-issued driver’s licenses are so commonly used as a form of identification, lack of a license can hinder undocumented immigrants’ ability to participate in myriad activities that are important to a vibrant economy and to their quality of life. They can face difficulties opening bank accounts, renting housing, obtaining public library cards, and picking up their children from school.

Alberto added that, when he tried to buy allergy medicine the other day, the pharmacist couldn’t accept his Brazilian driver’s license because the system wouldn’t recognize it.

Improvements to public safety:

Offering driver’s licenses to all Massachusetts drivers also allows police to focus scarce resources on ensuring community safety rather than questioning and arresting individuals who otherwise are safe drivers but cannot obtain licenses under current law.

Forcing undocumented drivers through the court system and into jails also can also be costly to taxpayers. In Lake County, Illinois, for instance, 28 percent of motorists booked at the county jail for traffic offenses in one year were immigrants who couldn’t get driver’s licenses.15

“The question is an economic one for police, because every time we stop someone who has no identification, it takes a lot of manpower to identify that person,” said Art Venegas, former police chief in Sacramento, California. “An officer will spend up to two or three hours to determine who an arrestee is.”16

Many law enforcement officers recognize that licensing all drivers not only enables them to use their resources more efficiently,17 it also helps them build trust with community members. In Massachusetts, Salem Police Chief Mary Butler said enabling all drivers to obtain licenses makes officers’ jobs simpler and helps make roads safer.18
If all drivers could access state licenses, it would ensure all drivers have access to the same foundation of knowledge about the rules of the road, Butler said. Further, a state issued license allows law enforcement to more easily identify someone and check someone’s driving history.

Undocumented immigrants tend to be especially careful drivers and they are even safer when they have access to driver’s licenses. Undocumented, unlicensed drivers involved in crashes are more likely to leave the scene because they are afraid of coming into contact with police. After California passed its law enabling all drivers to obtain licenses, regardless of immigration status, the state saw an annual decline in hit-and-run crashes by up to about 10 percent (4,000 incidents) and not-at-fault drivers avoided an aggregate $3.5 million in out of pocket expenses for car repairs. Similarly, Connecticut found a 9 percent decrease in hit-and-run crashes in the few years after it enabled undocumented drivers to obtain licenses.

Even more important than ensuring a basic knowledge of road rules is building trust between the police and the community, Butler said. Her department has a policy of not asking a driver’s immigration status when they stop them on the road so as not to stoke fear amongst members of the community.

If people are fearful of police, Butler said, they might be afraid to report when they have been robbed, abused, or fallen victim to other crimes. This makes it more challenging for police to help keep their communities safe.

Those who are undocumented “would be a very vulnerable population if they’re not able to report anything,” she said. “It’s really important to have people not on edge. They have to be able to go about their business. We have to be able to work with our community.”

Victims of domestic violence, for instance, are at particular risk when they don’t possess documentation and are unable to access state driver’s licenses. A national survey of law enforcement officers, judges, and prosecutors found that — amid increasingly hostile federal immigration policies — immigrants have become more reluctant to report domestic violence, human trafficking, and sexual assault. 82 percent of prosecutors reported that domestic violence has become more difficult to investigate or prosecute. This makes it difficult for public safety officials to do their jobs and leaves victims in dangerous circumstances.

A growing trend around the country

At a time when life for immigrants in the U.S. can be fraught with uncertainty, allowing all people to obtain state licenses is one way Massachusetts can allow people to engage in basic, necessary activities — like going to work, taking children to school, shopping for groceries, and going to the doctor — without fear.

To counter some of these federal restrictions, states around the country are amending their laws to allow undocumented people to obtain driver’s licenses — as a common-sense way to both support their community members and to allow them to participate in the economy.
Immigrants are a key factor in Massachusetts’ economic strength. Increasingly restrictive federal immigration policies are pushing out qualified, foreign-born workers, which has been particularly harmful to the state’s hotel, restaurant, and agricultural sectors.

“Policies that make it easier for workers to move into Massachusetts, and stay, have high importance,” write economists Melnik and Nakosteen, particularly policies aimed at improving quality of life.25

The people of Massachusetts have two options, said Alberto. They can either ignore the “elephant in the room” — the presence of undocumented immigrants in their state — or they can acknowledge it and figure out how the “elephant” can help them build a strong community, together.

“We have a perfect opportunity. The market needs these people who are already here,” Alberto said. “These undocumented people, they are working already.”

Marcus Giang, Research Analyst, contributed to this report.
Appendix 1: initial revenue estimates

The table below summarizes the methodology for estimating initial revenue generated, if undocumented immigrants are able to obtain drivers licenses.

<table>
<thead>
<tr>
<th>Licensing undocumented drivers, initial revenue generated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Projected number of additional licenses (36.5% take-up rate):</strong></td>
</tr>
<tr>
<td><strong>Projected number of additional vehicles (36.5% take-up rate):</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service</th>
<th>One-time fee</th>
<th>Recurrent fee (annualized)</th>
<th>Initial revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licenses (classes A, B, C)</td>
<td>$75</td>
<td>$4,520,270</td>
<td></td>
</tr>
<tr>
<td>Certificate of title</td>
<td>$75</td>
<td>$667,170</td>
<td></td>
</tr>
<tr>
<td>License plate registration (passenger car)</td>
<td>$60</td>
<td>$515,879</td>
<td></td>
</tr>
<tr>
<td>License plate registration (motorcycle)</td>
<td>$20</td>
<td>$5,952</td>
<td></td>
</tr>
<tr>
<td>Car inspection</td>
<td>$35</td>
<td>$300,929</td>
<td></td>
</tr>
<tr>
<td>Motorcycle inspection</td>
<td>$15</td>
<td>$4,464</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL INITIAL REVENUE</strong></td>
<td></td>
<td></td>
<td><strong>$6,014,664</strong></td>
</tr>
</tbody>
</table>

Source: MassBudget analysis of data from the Center for Migration Studies of New York, 2017; the U.S. Department of Transportation, 2017; and the Massachusetts Registry of Motor Vehicles. This analysis assumes a 36.5% take-up rate within the first three years of implementation. Note that buses and trucks are included in the "passenger car" numbers. Registration and inspection fees can vary widely for buses and trucks — including them as passenger cars serves as a baseline, whereas the actual additional revenue will likely be more than what is shown in the table.

Previously in the report, we projected the number of new licenses issued, depending on the “take-up rate”. We used a range from 25 percent to 47 percent take-up within three years, based on the methodology described in this report from the Fiscal Policy Institute (which is also cited in the relevant endnote). For the purpose of estimating initial revenue, we selected the midpoint of that range — 36.5 percent.

The projected number of additional vehicles was derived from data from the Center for Migration Studies of New York (CMS), which provides estimates based on U.S. Census microdata. The CMS provided estimates for vehicles per adult in households with an undocumented immigrant adult and for other immigrant households. We assume that those rates would equalize if undocumented adults are able to obtain driver’s licenses. Using the 36.5 percent take-up rate, we were able to estimate the number of additional vehicles purchased.

Using data from the U.S. Department of Transportation 2017 Highway Statistics, we were able to project what proportion of those additional vehicles will be cars, buses, trucks, or motorcycles — assuming those proportions will be consistent with what is currently registered in Massachusetts. We also excluded publicly-owned vehicles.

Using these starting points — projected number of additional licenses and projected number of additional vehicles — we estimated the initial revenue that could be generated from newly-licensed undocumented drivers. We used the fee for classes A, B, and C licenses — as those are the most common. As noted in the table, buses and trucks are included in the calculation for registrations and inspections for passenger cars. This is because registration and inspection fees can vary widely for buses and trucks. Including them as passenger cars can provide a baseline — the actual additional revenue generated will likely be even higher than what is shown in the table.
Note that these revenue estimates do not include additional revenues in taxes from car or car-related purchases.

Appendix 2: increased insurance revenue estimates

| Licensing undocumented drivers, estimated additional insurance expenditures |
|-------------------------------------------------|-------------------------|
| Occupational sector                                  | Workers                 |
| MA insured rate                                     | 93.8%                   |
| New licenses (36.5% take-up)                        | 60,270                  |
| Number who will purchase insurance                  | 56,534                  |
| MA average insurance expenditure                    | $1,097                  |
| Increased insurance revenue                         | $61,990,683             |


This analysis assumes that newly-licensed undocumented drivers will purchase insurance at the same rate as other drivers in Massachusetts. It also assumes that undocumented immigrants do not currently hold automobile insurance, because they are not able to obtain state driver’s licenses.

1 Alberto, in-person and telephone interviews with MassBudget, July 23, 2019 and August 16, 2019. Note: All subsequent quotes from Alberto were taken from these two interviews.
18 Salem Police Chief Mary Butler, telephone interview with MassBudget, August 5, 2019.
22 Salem Police Chief Mary Butler, telephone interview with MassBudget, August 5, 2019.