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The Financial Impact of Suspended Licenses in Illinois

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The Financial Impact of Suspended Licenses in Illinois



Illinois is considering a bill, [HB277](#), to end debt-driven suspensions for failure to appear. While the License to Work (2020) and SAFE-T Acts (2021) eliminated driver's license suspension for fines and fees in Illinois, it is estimated that over 100,000 Illinois drivers have a suspended driver's license due to failure to appear in traffic court.¹ These suspensions are often just an extension of the debt collection process for traffic tickets. Currently, the individual must appear in court and "resolve the violation", a reinstatement fee *may* be required, and only then will the Secretary of State remove the failure to appear suspension from a driver's license.²

Suspended licenses are associated with loss of employment opportunities, loss of productivity, and compounded financial loss because driving is essential to daily needs, i.e., obtaining medical care, and accessing the workplace, including commuting to work and earning one's living.³ As the Supreme Court commented on suspended licenses in *Bell v. Burson*, "[o]nce licenses are issued . . . their continued possession may become essential in the pursuit of a livelihood."⁴ Thus, debt-based driver's license holds perpetuate socioeconomic disparities and financial hardship.

According to data obtained from the Illinois Secretary of State, a total of 102,511 Illinoisans currently have their driver's license suspended due to failure to appear in traffic court as of November 2022.⁵ Racial disparities also appear to be significant: consistently, zip codes with higher rates of residents of color have higher rates of suspensions. Of the 10 zip codes with the highest number of failure to appear suspensions, 9 are majority Black, 1 is majority Latinx, and all 10 have above average poverty levels.⁶

To estimate the financial impact of these 102,511 suspended driver's licenses, we apply the methodology of Chien et

al's publication, *Estimating The Earnings Loss Associated With A Criminal Record And Suspended Driver's License*.⁷ This study relies on the city of Phoenix's "Compliance = Assistance Program" ("CAP") to estimate the impact on earnings of lacking a driver's license.⁸ It first estimates lost annual income for the typical (median) person with a suspended license to be \$36,800 but scales this downward to account for individuals who were not working or whose work was not disrupted by suspension.⁹ Noting that 36% of the CAP sample was not working at the time of license suspension and 72% experienced disruption due to either job loss or reduction in hours, Chien et al. conservatively estimates that a lost license results in \$12,700 in lost annual earnings per person.¹⁰

Cost of Suspended Drivers Licenses For Failure to Appear:

The number of suspended licenses for failure to appear is 102,511, according to the Illinois Secretary of State. The per person annual earnings impact is \$12,700, as calculated by Chien et al. above, leading to an aggregate annual earnings loss of \$1.30 Billion in Illinois.

Quick Facts:

- Estimated number of Illinoisans with a Failure to Appear Based Suspension: 102,511¹¹
- Estimated Annual Earnings Loss Associated with a Suspended License : \$12,700¹²
- Estimated Aggregate Annual Financial Impact of Suspended Licenses Among Illinois Drivers: \$1.30 Billion¹³

For more information about the Paper Prisons Initiative, please visit us at [PaperPrisons.org](https://paperprisons.org) or contact us at paperprisons@gmail.com.

¹ *License to Work*, CHICAGO JOBS COUNCIL, <https://www.cjc.net/license-to-work> (last visited April 11, 2023)

² See 625 ILCS 5/6-308) Sec. 6-308.

³ *License to Work*, *supra* note 1

⁴ *Bell v. Burson*, 402 U.S. 535, 539 (1971).

⁵ Data obtained by Chicago Jobs Council via Freedom of Information Act (FOIA) request to the Illinois Secretary of State on the total number of holds by jurisdiction as of Nov. 7, 2022 and shared with the Paper Prisons Initiative.

⁶ *License to Work*, *supra* note 1

⁷ Chien, Colleen, et al. *Estimating the Earning Loss Associated with a Criminal Record and Suspended Driver's License*. Ariz. L. Rev. 64: 675 (2022).

⁸ Chien et al., at 709.

⁹ *Id.*

¹⁰ *Id.*

¹¹ Chicago Jobs Council FOIA Request, *supra* note 5

¹² Chien et al., *supra* note 7

¹³ Calculation summarized above.