

Challenges to Employment

Fines, Fees, and License Suspensions

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Millions of Americans experience driver's license suspension because they have not paid legal fines and fees. A license suspension can make it harder to get and keep a job, and can put one at greater risk of further involvement with the criminal legal system. This brief examines the causes, consequences, and scope of driver's license suspension due to unpaid fines or fees.¹ The brief also highlights the Florida-based *He Got Up!* program, one of many programs across the country that work to help people pay off legal debts and regain their licenses.

DEFINING THE ISSUE: FINES, FEES, AND LICENSE SUSPENSIONS

State and local governments impose various sanctions on people who do not pay legal fines or fees promptly. One of the most common sanctions is driver's license suspension. Thirty-three states and the District of Columbia suspend driver's licenses when people do not pay court fines and fees.² An analysis conducted in 2017 found that more than seven million Americans had at some time lost their driver's licenses due to this practice.³

For these millions of Americans, driver's license suspensions can have cascading effects, especially on their ability to find or maintain employment. Nearly 30 percent of jobs require some driving,⁴ and 75 percent of workers commute to work in a car.⁵ Some people cannot work when their licenses are suspended, while others choose to keep driving because they have to work, which puts them at serious legal risk if they are caught driving with suspended licenses. Further, evidence shows that the practice of suspending licenses due to unpaid fines and fees disproportionately affects people who live in majority non-White and low-income communities.⁶ Often, the burdens of license suspensions fall on those who have trouble paying fines and fees in the first place, limiting their ability to earn income and to pay off those initial debts. (See Box 1 for the distinction between "fines" and "fees.")

Because license suspension can adversely affect people's ability to find and maintain employment, a program in Florida called *He Got Up!* that helps people get their suspended licenses reinstated was selected for study as part of the Building Evidence for Employment Services (BEES) Project, which MDRC is conducting for the U.S. Department of Health and Human Services.⁷ BEES seeks to build on the lessons learned from and gaps in knowledge revealed through previous or current studies of interventions that connect individuals to the labor force, and identify and rigorously evaluate the "next generation" of employ-

Box 1. “Fines” and “Fees”

Court/Legal Fines

Fines are penalties imposed on defendants after convictions. The severity of the fines may vary by jurisdiction, and may be increased for repeat offenses.

Fees

Fees often have no relation to the offense committed and tend to be used to cover the administrative costs of the criminal legal system. In many cases, fees are intended to shift the costs of the criminal legal system from taxpayers to defendants.

SOURCE: Menendez, Crowley, Eisen, and Atkinson (2019).

ment strategies. BEES collaborated with *He Got Up!* to document the process by which eligible people work toward having their licenses reinstated and to reveal potential challenges for participants. BEES also conducted interviews with program participants to learn about how license suspensions affect people’s day-to-day lives.

Fines and fees have long been a standard element of the judicial system, as a way to punish those convicted of crimes without incarcerating them.⁸ During the 1980s, fines and fees were increasingly recast as a way to shift the costs of the criminal legal system from taxpayers to those charged with criminal activity, including those charged with high-volume, low-level offenses such as littering, truancy, jaywalking, and parking and driving violations.⁹

Fines and fees are easy to administer, and municipalities have come to rely on them as sources of revenue: The amount of money generated and allocated from fines and fees is at the discretion of the municipal or state governments imposing them.¹⁰ Revenue from fines and fees is not subject to many of the legal constraints that states impose on municipalities when it comes to raising taxes. Additionally, generating revenue from fines and fees can be a politically popular way to fund municipal budgets without raising taxes.¹¹

Municipalities’ heavy reliance on fines and fees has gained national attention in recent years. For example, a Department of Justice report about racial inequality in law enforcement and legal practices in Ferguson, Missouri following the police killing of Michael Brown found that the city was making a priority of the use of fines and fees to generate revenue. Those practices disproportionately affected poorer, Black residents by creating a context of aggressive law enforcement in their communities.¹²

One analysis of fine revenues across the country found that over 200 municipalities relied on them to supply over 20 percent of their general funds, which pay for core administrative and operational functions such as sanitation and law enforcement.¹³ Municipalities’ structural de-

pendence on the revenue generated from fines and fees has been associated with policing practices characterized by increased surveillance and aggressive enforcement of municipal codes, often in disproportionately non-White and low-income communities.¹⁴

THE EFFECTS OF LICENSE SUSPENSIONS ON EMPLOYMENT AND EARNINGS

The consequences of a license suspension can be unforgiving and long-lasting, particularly when the suspension leads to a loss of employment or makes it harder to compete in labor markets that require travel. (See Figure 1 for an example of the many problems a license suspension caused for one mother.) As part of the BEES Project, MDRC interviewed three participants of *He Got Up!* about their experiences navigating life with a suspended license, and about their experiences participating in the program. *He Got Up!* facilitated these interviews by reaching out to participants and gauging their interest in taking part. *He Got Up!* then provided the names and contact information of interested participants to MDRC, and MDRC assigned each potential participant a number and used a random number generator to determine which ones to reach out to. All interviews were conducted over Zoom and took place during the summer of 2021.

Some studies have found that driver’s license suspension affects earnings. One New Jersey survey of drivers found that 42 percent of those whose licenses were suspended lost their jobs as a

Figure 1. Effects of License Suspension on Employment and Earnings



SOURCE: Interview conducted by MDRC with a participant in the Orlando Serve Foundation’s *He Got Up!* license-reinstatement program, August 2021. These events took place before the participant enrolled in *He Got Up!* The narrative in the blue boxes is directly quoted from the participant interview.

result. And among those who were then able to find other jobs, 88 percent reported that they earned less.¹⁵ Research has shown that having a valid driver's license and possession of a car is a stronger predictor of finding employment and leaving public assistance than a high school diploma.¹⁶ For example, a 2006 study of primarily Black, single mothers in Pittsburgh who had low incomes found that mobility status had a greater impact on their employment outcomes than educational status or work experience.¹⁷

In 2016, three-quarters of jobs were located in the suburbs or otherwise outside of urban cores.¹⁸ Many suburban spaces lack robust public transportation systems that can efficiently connect workers to jobs. Over time, jobs in industries such as customer service, retail, manufacturing, and construction have undergone “job sprawl,” with many moving at least five miles outside urban centers.¹⁹ In such areas, access to these labor markets often depends on the ability to drive. Additionally, the suburbs have seen a dramatic increase in concentrated poverty over the last few decades; 16 million people with low incomes now live in suburban areas.²⁰

Many people with suspended licenses must continue driving to get to work, take children to school, or buy groceries. A suspended license means these everyday tasks and responsibilities can expose people to the criminal legal system. Although the penalties for driving on a suspended license vary across states, it is generally a serious offense that can involve more fines or even jail time.²¹ These risks can severely limit the ways that people can safely find and maintain employment, as a minor traffic stop can suddenly lead to a felony conviction.²² Such convictions can make it even harder to keep a job, home, or educational or professional license, which can have devastating effects on income.

Who Is Affected?

Over two-thirds of states and hundreds of municipalities use license suspension as a punishment for unpaid fines and fees.²³ The practice is used across the United States, from less populated rural municipalities to densely populated metropolitan centers. Evidence consistently points to higher rates of license suspension occurring in areas where higher percentages of residents have low incomes and where lower percentages are White. Many people who have their licenses suspended due to unpaid fines and fees already face disparities in employment, housing, education, and access to mainstream forms of credit or wealth.²⁴ These forms of disadvantage can amplify the effects of license suspension, particularly its effects on employment and earnings, making it extremely difficult for many to pay the debts that cost them their driving privileges.

Box 2 provides some statistics about who is affected by license suspensions due to unpaid fines and fees.

PROGRAM SPOTLIGHT: *HE GOT UP!*, ORLANDO, FL

The impacts of driver's license suspensions on employment may be particularly pronounced in Florida. Ninety percent of commuters in the state drive to work,²⁵ and in 2019, nearly two million people had suspended licenses—the vast majority because of unpaid fines and fees.²⁶ Florida also sends court debts to private collections agencies that can charge up to 40 percent of the

Box 2. Statistics on License Suspensions from Unpaid Fines and Fees



A 2004 New Jersey survey of drivers found that respondents with a history of suspension were more likely to be single and non-White, to have received less education, and to have low incomes. Forty-two percent of respondents reported losing jobs due to suspensions.



A series of studies launched in 2019 in Ohio found that in zip codes where at least 50 percent of residents had low incomes, there were 99 license suspensions for every 1,000 residents. In zip codes where at least half the population had higher incomes, the suspension rate dropped to 28 for every 1,000 residents.



In 2015, over 900,000 Virginians had suspended driver's licenses as a result of unpaid fines and fees, over a third of which arose from offenses unrelated to driving.



A 2016 report found that in California, zip codes with license-suspension rates three times the state average had high proportions of Black residents.



A 2019 study found that in parts of Florida, Black people had their licenses suspended at a rate 1.5 times their representation in the population.

SOURCES: Carnegie (2007); Sara Dorn, "License Suspensions Disproportionately Imposed on Poor Ohioans, Trapping Them in Debt," *Cleveland Plain Dealer*, www.cleveland.com/metro/2017/03/license_suspensions_disproport_1.html (May 19, 2019); Angela Ciolfi, Pat Levy-Lavelle, and Mario Salas, *Driven Deeper into Debt: Unrealistic Repayment Options Hurt Low-Income Court Debtors* (Charlottesville, VA: Legal Aid Justice Center, 2016); Back on the Road California, *Stopped, Fined, Arrested: Racial Bias in Policing and Traffic Courts in California* (Berkeley, CA: East Bay Community Law Center, 2016); Carson Whitelemons, Ashley Thomas, and Sarah Couture, *Driving on Empty: Florida's Counterproductive and Costly Driver's License Suspension Practices* (New York: Fines and Fees Justice Center, 2019).

NOTE: As of 2018, California has ended the practice of license suspension for the nonpayment of fines. In 2019, Virginia stopped ordering the suspension of driving privileges for failure to pay fines and fees.

total amount due in interest.²⁷ This compounding debt can prolong the amount of time that a person's license remains suspended, in some cases for years. To help Floridians overcome this challenge, the Orlando Serve Foundation developed the *He Got Up!* program, a public/private partnership hosting events in three central Florida counties that connect people to various services in the community, including assistance getting their driver's licenses reinstated.

The events' license-reinstatement services were immediately in high demand, indicating they filled an unmet need in the community, and they have become a *He Got Up!* core service. Data

from recent events show that 85 percent of people who sought the service identified as Black or African American and over 40 percent were unemployed.²⁸ Because driver's license suspensions due to unpaid fines and fees can have a significant impact on employment and earnings, MDRC worked with *He Got Up!* in 2020 and 2021 to document the process by which eligible people have their licenses reinstated and to learn whether there are parts of the process causing challenges for participants.

How It Works

People whose licenses have been suspended due to unpaid fines and fees may attend a *He Got Up!* event and request assistance with either: (1) establishing a payment plan through a county clerk's office that is based on their ability to pay or (2) having the court convert their debts to community service hours. At a *He Got Up!* event, volunteers help participants determine whether they are eligible for either option. If they are, *He Got Up!* volunteers will set up an appointment for their next step. (For example, for participants interested in the payment plan, the next step would be an appointment at the county clerk's office.) The *He Got Up!* program has cultivated relationships with the courts and county clerk's offices in the three counties in which it operates. As a result, *He Got Up!* participants are able to get on payment plans at a slightly lower cost than they could if they initiated the process on their own.

Participants MDRC spoke with emphasized that having volunteers help them determine their eligibility for the process to eventual license reinstatement was one of the great benefits of the program, as knowing where to start could be a challenge in itself.

I think this program really helps people, especially with me being a single mom. This definitely helped me because I didn't know where to start. There's plenty of people who really need to get their foot in the door to get their driver's license and they don't know where to start. So this program definitely helps.

—*He Got Up!* program participant

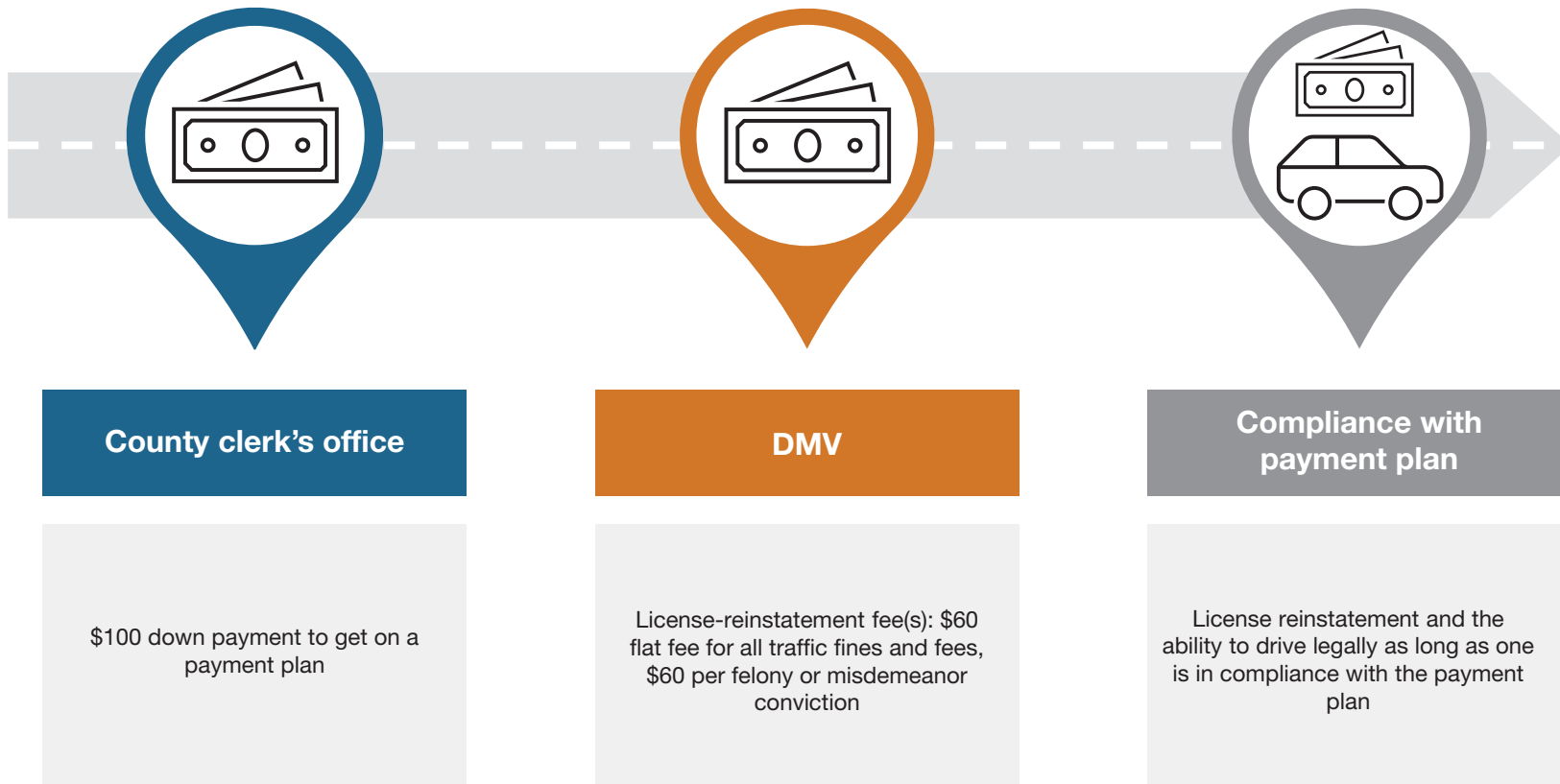
Participants who follow through on meeting with the county clerk or attending a court date may be able to get their licenses reinstated, as long as they stay in compliance with their payment plans or community service assignments. Most *He Got Up!* participants opt for the payment-plan option through the county clerk's office.

Challenges to Reinstatement

In the three counties *He Got Up!* serves, the process for getting one's license reinstated is time-consuming, expensive, and often arduous, requiring visits to multiple municipal offices. Depending on where one incurred a fine or fee, one might need to initiate multiple processes simultaneously in different counties.²⁹ Figure 2 shows the steps needed to get on a payment plan in one central Florida county. These steps would occur after a *He Got Up!* event.

MDRC also found that municipal administrators could make changes to the process that could make it harder for participants to get their licenses reinstated. For example, at one county

Figure 2. The Reinstatement Process in One Florida County



clerk's office, administrators started requiring a \$100 down payment to establish a payment plan. While that down payment ultimately goes toward a person's legal debt, having to present that \$100 up front could be difficult for some.

Event attendees MDRC spoke with often had to lean on family and friends to take them to appointments at the county clerk's office or the Department of Motor Vehicles (DMV) since they could not drive legally. *He Got Up!* staff members who were interviewed also emphasized that it could be a tremendous challenge for many participants to pay the various fees necessary for getting their licenses back. The DMV reinstatement fees vary depending on whether the legal debt incurred was due to traffic tickets, or to felony or misdemeanor convictions. A person who has debts arising from multiple criminal convictions must pay a \$60 fee to the DMV for each one. Many of the people *He Got Up!* serves have histories of involvement with the criminal legal system and may need to pay hundreds or thousands of dollars to the DMV to get their licenses reinstated.

Ultimately, the reinstatement process can require that participants continually invest their limited social and economic resources to get their licenses back and stay in compliance with payment plans that, depending on the severity of their legal debts, could extend over years.

CONCLUSION

Millions of Americans have had their licenses suspended due to unpaid fines and fees, and have suffered the resulting effects on employment and earnings, involvement in the criminal legal system, and overall social and economic mobility.³⁰ These effects are felt the most by non-White and low-income communities, who often bear the brunt of policing practices that make a priority of imposing fines and fees.³¹ Many programs like *He Got Up!* work to help people regain their licenses and pay off legal debts across the country. However, the scale of the problem remains vast: hundreds of municipalities still rely on fines and fees to generate revenue and continue to impose sanctions such as license suspension on those unable to pay. Future research on the labor force participation of people with low incomes should consider debt (for example, debt from unpaid fines and fees) as an important variable that can shape a person's ability to achieve economic security and mobility. Researchers, policymakers, and service providers have recognized and continue to recognize that debt can compound other, structural disadvantages for individuals and communities, and that solutions to help them gain effective and equitable access to the labor market should address the often considerable debt imposed on people, particularly by the legal system.

Programs such as *He Got Up!* play a critical role in helping people take the often difficult first steps toward reinstating driver's licenses suspended due to unpaid fines and fees. The reinstatement processes can be incredibly complex and may require participants to navigate and interact with multiple government agencies and offices (sometimes in different municipalities) each of which has its own expectations to meet. *He Got Up!* participants told MDRC that the program helped them navigate this difficult and time-consuming process.

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