



Expanding Access to Driver's Licenses *How Many Additional Cars Might Be Purchased?*

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Overview

If New York State adopts a policy allowing all age-eligible residents to apply for a driver's license regardless of immigration status, a policy change under current consideration, the Fiscal Policy Institute has estimated that an additional 265,000 people would get licenses.¹

In addition to this direct effect, an indirect effect is that when more people have driver's licenses there will also be more cars and other vehicles sold and registered. FPI estimates that roughly **97,000 additional vehicles would be purchased and registered in New York State—a one percent increase in the number of vehicles registered in the state.** In New York City, the number of additional vehicles expected is about 56,000 (a three percent increase in the number of registered vehicles), and in the rest of the state it is 41,000 (a 0.5 percent increase).

Analysis

The estimates of the number of additional cars that might be purchased and registered are derived starting by comparing car ownership patterns in two types of households: “households including an unauthorized immigrant” (those with at least one unauthorized immigrant adult), and “other immigrant households” (those with at least one foreign-born adult who is lawfully present and no unauthorized immigrant adults).

Using micro data from the Center for Migration studies, which imputes immigration status for immigrants, FPI is able to estimate the average number of vehicles per adult per household in both types of households.² Recognizing that the vehicle ownership rate will depend significantly on income, we repeat the analysis at a series of different household income levels. The outcome of the analysis is shown in the table below. The results are consistent with intuition: the number of vehicles per adult increases steadily with household income, and the number of vehicles per adult per household at each income level is lower for households including an unauthorized immigrant than for other immigrant households. In addition, the rates of vehicle ownership are, as expected, considerably lower in New York City, which has an extensive system of public transportation, than in other parts of the state.

¹ See “Expanding Access to Driver's Licenses: Inclusion of Workers Without Regard to Immigration Status,” Fiscal Policy Institute, January 31, 2017.

² Center for Migration Studies Estimates of the Unauthorized Population. Dataset based on the augmented American Community Survey data files hosted by IPUMS (Integrated Public Use Microdata Series), 2010 to 2013.

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Using the differential between the rate of vehicle ownership per adult in each type of household and at each income level, we can estimate how many additional vehicles would be purchased if households including an unauthorized immigrant owned cars at the same rate as other immigrant households.

Finally, analysis by the Fiscal Policy Institute of the experience of other states that have allowed unauthorized immigrants to apply for driver's licenses leads us to conclude that under such policies the take-up rate is about half after the first three years—about half of the number of age-eligible unauthorized immigrants apply for and receive licenses within the first few years. In order to estimate the number of additional vehicles that might be purchased and registered, we assume a broadly similar take-up rate for vehicles purchased; that is, we assume that if unauthorized immigrants are allowed to get licenses, the differential in vehicle ownership rates between households including an unauthorized immigrant and other immigrant households would narrow by half.

In all, we estimate that the policy change might result in about 97,000 new cars being purchased and registered in New York State, a one percent increase in the total number of registered cars. In New York City, the number of expected additional vehicles is 56,000, and in the balance of the state it is 41,000, increases of 3 percent and 0.5 percent in the total number of registered vehicles.

**An Estimated 97,000 Additional Cars Would Be Purchased in New York State
If Driver's Licenses Are Made Accessible to All State Residents, Regardless of Immigration Status**

	Vehicles per Adult in Households with an Unauthorized Immigrant	Vehicles per Adult in Other Immigrant Households	Difference in Number of Vehicles Per Adult	Number of Adults in Households with an Unauthorized Immigrant	Additional Vehicles if Rate of Car Ownership Were Fully Equalized	Take-up Rate for Driver's Licenses	Projected Number of Additional Vehicles	Number of Vehicles Currently Registered	Percent Increase in Number of Vehicles Registered
Under \$20,000	0.12	0.17	0.05	87,441	4,258	50%	2,129		
\$20,000-\$39,999	0.15	0.25	0.10	181,704	17,692	50%	8,846		
\$40,000-\$60,999	0.18	0.32	0.14	158,692	21,866	50%	10,933		
\$70,000-\$79,999	0.19	0.35	0.15	114,209	17,612	50%	8,806		
\$80,000-\$99,999	0.21	0.39	0.18	76,726	13,743	50%	6,871		
\$100,000 and over	0.24	0.44	0.20	184,506	36,835	50%	18,417		
New York City Total	0.19	0.33	0.14	803,277	112,006	50%	56,003	2,107,321	3%
Under \$20,000	0.39	0.55	0.15	24,950	3,847	50%	1,924		
\$20,000-\$39,999	0.49	0.70	0.21	57,355	12,071	50%	6,035		
\$40,000-\$60,999	0.52	0.76	0.24	55,641	13,515	50%	6,757		
\$70,000-\$79,999	0.53	0.79	0.26	45,886	12,110	50%	6,055		
\$80,000-\$99,999	0.62	0.83	0.21	39,575	8,411	50%	4,205		
\$100,000 and over	0.60	0.87	0.28	112,699	31,444	50%	15,722		
Balance of State Total	0.54	0.80	0.25	336,105	81,397	50%	40,698	8,882,046	0.5%
New York State Total							96,701	10,989,367	1%

Fiscal Policy Institute analysis of Center for Migration Studies microdata combining data from the years 2010, 2011, 2012 and 2013. For take-up rate of driver's licenses, see text. Number of vehicles currently registered from New York State Department of Motor Vehicles Statistical Summaries, 2015. Note that the number of adults in unauthorized immigrant households is not the same as the number of unauthorized adults, since many unauthorized immigrants live with adults who are legal immigrants or who are U.S.-born.

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The Fiscal Policy Institute (www.fiscalpolicy.org) is an independent, nonpartisan, nonprofit research and education organization committed to improving public policies and private practices to better the economic and social conditions of all New Yorkers. Founded in 1991, FPI works to create a strong economy in which prosperity is broadly shared.