

Economic Impacts of Civil Legal Aid Organizations in Georgia

Civil Justice for Low-Income People Produces Ripple Effects That Benefit Every Segment of the Community.

Prepared for:

The Civil Legal Assistance Providers of Georgia:

- Atlanta Legal Aid Society
- Georgia Legal Services Program
- Atlanta Volunteer Lawyers Foundation

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The Resource for Great Programs, Inc.

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Preface

The primary mission of Georgia's civil legal aid organizations is to provide access to our civil justice system for people in poverty who lack the means to hire a lawyer. Representation by civil legal aid advocates fulfills one of our society's most basic promises: *Equal Justice Under Law*.

Yet this mission also produces economic outcomes that ripple outward to benefit many other segments of society. For example, by helping disabled people qualify for federal benefit programs, legal aid brings a stream of federal dollars into the state that benefits local economies throughout Georgia. Legal aid advocates save dollars for everyone by keeping families in their homes, by helping women and children escape domestic violence, and by making public programs and our court system work better.

The following two-page Fact Sheet quantifies some of the economic results that civil legal aid programs in Georgia provide, including the following:

- **Direct benefits and savings for low-income families**, including income to pay for daily necessities such as food, rent, electricity and transportation; for access to medical care; and for relief from debt that threatens to drag them further into poverty.
- **Cost savings for taxpayers** from legal aid's success in reducing problems that are costly for everyone – problems such as homelessness and domestic violence.
- **Economic impacts on local economies**, including an economic multiplier effect resulting from federal dollars coming into the state each year that otherwise would be lost to communities across Georgia.
- **Economic benefits for health care providers**, including Medicaid reimbursements for costs of providing emergency care to uninsured low-income people that would otherwise have to be written off.

The estimates of economic impacts described in this Fact Sheet are based on outcome statistics compiled by the three principal civil legal aid organizations in Georgia – Atlanta Legal Aid Society, Georgia Legal Services Program, and Atlanta Volunteer Lawyers Foundation. The analysis was performed by The Resource for Great Programs, with funding provided through private donations coordinated through the Georgia Bar Foundation.¹ The data provided by the programs were supplemented with information from relevant studies that quantify the dollar benefits and cost savings that flow from outcomes such as prevention of homelessness or protection from domestic violence. The methods and assumptions used in estimating the results described below are documented in an appendix available from the Georgia Bar Foundation.

¹ The Resource for Great Programs is a national corporation dedicated to providing strategic support to civil justice programs that seek to expand access to justice for low-income people. Details about The Resource may be obtained at www.GreatPrograms.org.

Economic Impacts of Legal Aid in Georgia

KEY FINDINGS



In Georgia

- Legal aid reduces burdens on state budgets and local communities
- Investments in legal aid produce positive economic effects for Georgia residents of all income levels
- Outcomes achieved in 2011 produced economic impacts valued at \$200 million
- Federal dollars secured by legal aid programs are expected to create more than 900 new jobs in Georgia
- Increasing funding for civil legal services should create additional benefits

Organizations Included In This Study



Atlanta Legal Aid Society



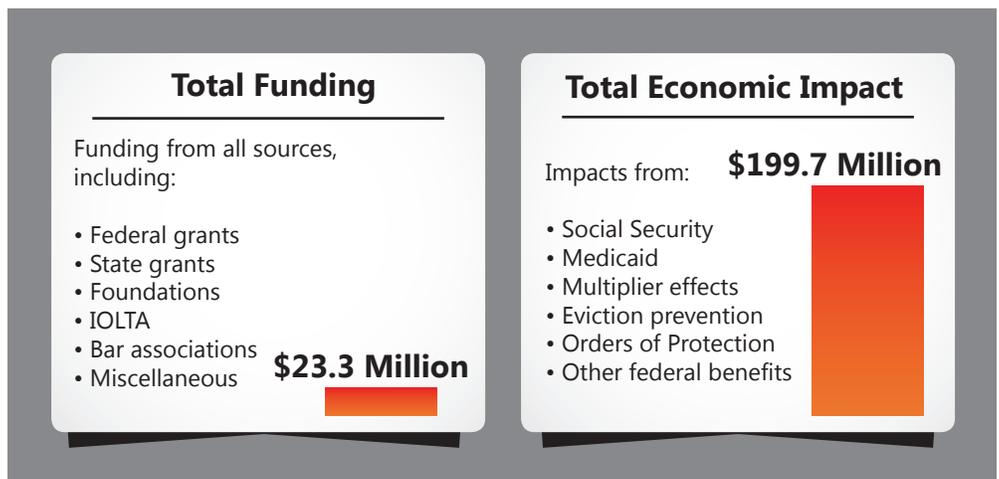
GEORGIA LEGAL SERVICES PROGRAM

In 2011, Georgia Programs Generated Economic Impacts Worth \$200 Million

Civil legal assistance programs in Georgia work directly with low-income populations, but investments in these programs are more than investments in the historically underprivileged. Every dollar invested in civil legal services produces financial impacts worth many times the initial investment—benefiting businesses, local governments, and individuals across all social classes. Those who work in civil legal services aim to achieve social values such as equal access to justice; those who invest in their work make an investment in both social and economic values, combined.

Quantifiable Outcomes: Over \$8 in Economic Impacts for Every \$1 of Funding

While it is difficult to place a dollar amount on many of the societal benefits that civil legal services programs produce (such as fair administration of justice or the correction of discriminatory practices), these organizations also achieve financial outcomes that are readily quantifiable (such as Social Security payments, Medicaid awards, and cost savings to taxpayers). Improved case management systems make it possible to track dollar benefits awarded directly to legal aid clients through successful casework, while economic modeling reveals the further effects that these awards have on local communities as a result of changes in demand. Comparing legal aid programs' overall financial impacts with their total funding demonstrates the economic impact of investing in legal aid.



A Michigan-based research firm, The Resource for Great Programs, calculated the economic impacts of three of Georgia's largest legal aid organizations—Atlanta Legal Aid Society, Atlanta Volunteer Lawyers Foundation, and Georgia Legal Services Program—and compared these impacts to the investments made in the programs in 2011. The study concluded that the total economic impacts amounted to 8.5 times the invested funds.

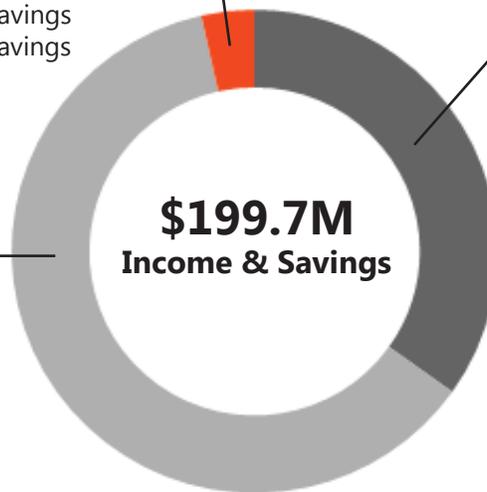
Measuring the Economic Value of Civil Legal Services in Georgia

\$6.4 Million in Cost Savings

- \$2.2 M Emergency Shelter Savings
- \$4.2 M Domestic Violence Savings

\$123.5 Million Multiplier Effect on Federal Revenue

- \$123.5 M Economic Activity
- 949 Jobs



\$69.8 Million in Federal Benefits and Grants

- \$36.3 M Social Security Benefits
- \$18.8 M Medicaid Payments
- \$13.9 M Program Funding
- \$00.8 M TANF, Food Stamps, Misc.

\$69.8 Million in Federal Benefits and Grants

Legal aid programs bring federal dollars into the state via several pathways. When legal advocates achieve Social Security, TANF benefits, or food stamps for their clients, federal funds flow directly into the state. Likewise, when low-income and disabled clients receive Medicaid coverage, the state receives federal dollars under the Federal Medical Assistance Percentage. Legal aid programs are also funded in part by federal grants.

949 Jobs, \$123.5 Million from Multiplier Effects

Federal funds entering Georgia create changes in local economic activity, the effects of which can be partly captured by input-output models. Applying the U.S. Department of Commerce's "Regional Economic Multipliers" suggests that each federal dollar brought into Georgia circulates through local economies 1.7 times, with every million dollars of federal funding creating 13.6 jobs.

\$6.4 Million in Cost Savings for Communities

During 2011, legal aid advocates in Georgia prevented more than 500 foreclosures and evictions, reducing the need for emergency shelter usage and producing cost savings for local communities. Advocates also protected more than 1,000 families from domestic abuse. Studies indicate an average savings of \$3,977 per family in the costs of medical care, targeted education and counseling services for affected children, and law enforcement resources.



Each \$100,000 increase in funding could enable legal aid programs to achieve about \$850,000 in additional economic impacts, while directly assisting 300 additional people struggling with basic needs.

Additional Benefits (Not Quantified)

- Revenue for Georgia hospitals and other healthcare providers from Medicaid reimbursements
- Savings linked to crime prevention and improved school attendance
- Efficiencies in Georgia's courts as a result of materials and trainings on court procedures

For more information about the programs featured in this report, visit:

www.atlantalegalaid.org/
www.avlf.org/
www.glsp.org/