



**The Economic Benefits of Legal Aid**  
*Conveying The Message That Everyone Wins  
When Justice Is Served*

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**Topics**

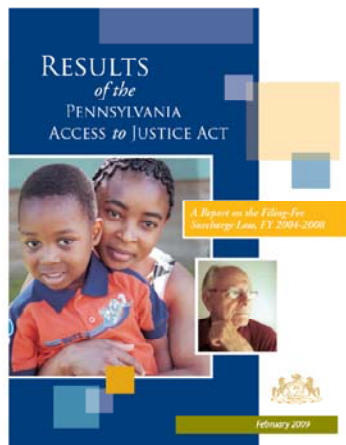
- ◆ Types of Economic Benefits of Legal Aid
- ◆ Why This Information is Important
- ◆ Models for Quantifying the Impacts
- ◆ Smart Things People Are Doing With This Information



## Some Economic Impacts of Legal Aid That Can Be Quantified

- ◆ **Direct dollar benefits for clients**
  - Social security disability, SSI, child support, unemployment compensation, food stamps...
- ◆ **The economic Multiplier effect**
  - Multiplier effect of federal benefits circulating through local economies
  - Without legal aid, these dollars would be lost to local communities
- ◆ **Savings to taxpayers due to successful legal aid...for example:**
  - Protection from domestic violence
  - Avoidance of homelessness
- ◆ **Income to medical facilities due to Medicare/Medicaid advocacy**
  - Insurance reimbursement of costs that otherwise would have to be absorbed

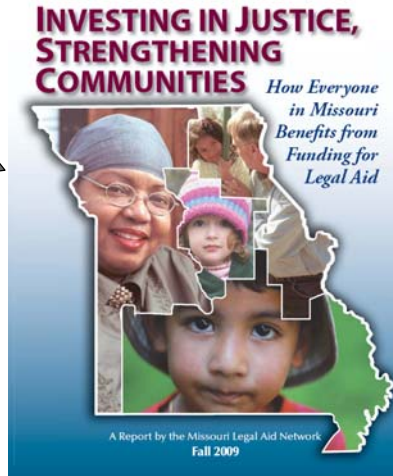
## Example 1: The Pennsylvania Filing Fee Program 5-Yr Report Return on Investment = 4:1



- ◆ \$37 million in direct-dollar benefits for clients
- ◆ \$68 million economic stimulus effect
- ◆ \$8 million savings in emergency shelter cost
- ◆ \$23 million savings in costs of domestic abuse

**Example 2: The Missouri Legal Aid Network  
Making the Case That “Investing in Legal Aid  
Benefits Everyone in Missouri”**

- ◆ \$14 million in federal dollars flowing into the state
- ◆ \$24.9 million economic stimulus effect
- ◆ \$4.5 million in Medicare & Medicaid benefits
- ◆ \$2.2 million savings in costs of domestic abuse
- ◆ \$1.5 million savings in emergency shelter costs



**Why This Information is Important**



- ◆ **Proactive Benefits:**
  - It broadens the “case” for legal aid
  - It can attract funding & partners for specialized projects that have clear economic benefits
- ◆ **Defensive Benefits:**
  - It documents why this program should NOT be cut.

## Two Models for Quantifying the Impacts

### 1. Day-to-day Tracking of Outcomes for Clients (VA, NY, MD, TX)

At case closure, the advocate records three items:

- ◆ **Outcomes achieved** (chosen from a list) – e.g., “avoided eviction or obtained additional time to seek alternative housing”
- ◆ **# people benefited** (usually household size)
- ◆ **\$\$ dollar benefits achieved**
  - Back award - \$\$
  - Income stream - \$/month

**Application: *Data for estimating economic benefits***

**Example: Virginia and New York outcomes data:**

- ◆ **87%** of “extended representation” cases involving SSI/SSD were successful
- ◆ Average back award = **\$6,520** per successful case
- ◆ Average monthly benefit = **\$420** per month

## Two Models for Quantifying the Impacts, Continued

### 2. Applying secondary research results to estimate dollar benefits

**Example: Wisconsin Cost-Benefit Analysis finding:**  
**\$3,000 avoided cost for each avoided physical assault**

**Applying that figure to estimate economic impact of legal aid:**

- # cases involving DV (from case statistics)
- X (**Estimated % of DV cases** in which physical assault is involved (subjective estimate from DV counselors)
- X (**success rate of legal aid DV cases** (from outcomes data)
- X **\$3,000** per avoided assault

***In PA, this calculation yielded \$23 million in estimated savings, 2004-08***

## **Smart Things People Are Doing With This Information**

- ◆ **The IOLA Fund of the State of New York**
- ◆ **Legal Services of the Hudson Valley (NY)**