



**The Economic Benefits of Legal Aid  
And the Smart Things that Programs, Funders, and  
A2J Groups Are Doing with the Knowledge**

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## Topics

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

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

- ◆ **Direct dollar benefits for clients...for example:**
  - Social security disability, SSI, child support, unemployment compensation, food stamps...
- ◆ **The economic stimulus effect...for example:**
  - 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** -- Avoided costs of emergency medical care for injured victims
  - **Avoidance of homelessness** – Avoided costs of emergency shelter, loss of tax revenue from unemployment
- ◆ **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 2004-08 Economic Impact: \$154 Million Return on Investment = 4:1

- ◆ **\$37 million in direct-dollar benefits for clients**
  - To pay for food, housing, transportation and health care
  - Reduced burden on state taxpayers
- ◆ **\$68 million economic stimulus effect**
  - Income & jobs for local communities
  - Multiplier effect of federal benefits -- without legal aid would be lost to local communities
- ◆ **\$8 million savings in emergency shelter cost**
  - Preventing homelessness reduces emergency shelter costs
- ◆ **\$23 million savings in costs of domestic abuse**
  - Avoided costs of emergency medical care for injured victims
  - Lower costs of education & counseling for affected children
  - Lower costs of police resources and incarceration of abusers

## **Example 2: The Missouri Legal Aid Network 2008 Making the Case That “Investing in Legal Aid Benefits Everyone in Missouri”**

- ◆ **\$14 million in federal dollars flowing into the state**
  - SSD and SSI benefits for low-income people
  - Federal operating grants for legal aid programs
- ◆ **\$24.9 million economic stimulus effect**
  - Multiplier effect of federal benefits into the state
  - Income & jobs for local communities
- ◆ **\$4.5 million in Medicare & Medicaid benefits**
  - Helping low-income Missouri families obtain health care
- ◆ **\$2.2 million savings in costs of domestic abuse**
- ◆ **\$1.5 million savings in emergency shelter costs**

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## **Why This Information is Important**

- ◆ **It broadens the appeal of the “case” for legal aid**
  - Quantifying the high return on society’s investment in this successful program
  - Identifying benefits of legal aid that resonate with...
    - ◆ Fiscal moderates in state & local government
    - ◆ The judiciary
    - ◆ Health care providers
    - ◆ Local business communities
- ◆ **It can attract funding & partners for specialized projects that have clear economic impacts – for example:**
  - Domestic violence projects
  - Homelessness prevention projects
  - Assistance for self-represented litigants
  - Earned-income tax credits (EITC)
  - Medicare/Medicaid advocacy projects

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## Two Models for Quantifying the Impacts

### 1. Day-to-day Tracking of Outcomes for Clients (NY, VA, 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 impacts*

##### 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 impacts

#### 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

◆ Pennsylvania

◆ Missouri

◆ Texas

◆ Massachusetts