

**Economic Impacts of Civil Legal Aid Organizations
Funded in Part by The Florida Bar Foundation**

A Study Performed by The Resource for Great Programs

Fall 2016

Executive Summary

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The central mission of the legal aid organizations funded by the Florida Bar Foundation is to provide basic access to the civil justice system to low-income residents of Florida.

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 impacts that ripple outward to benefit many other segments of society. Making local government officials, business people, bar leaders, funders, and other stakeholders aware of the scope and impact of these outcomes is an important opportunity that this report seeks to address.

The report describes the findings of a study conducted in 2016 with the purpose of quantifying the economic impacts of civil legal assistance provided by 33 nonprofit legal aid organizations and projects funded in part by the The Florida Bar Foundation over one year. These entities comprise a statewide network of legal aid organizations that provides access to the civil justice system for low-income residents throughout Florida.

In brief, the study found that:

- In 2015, Florida civil legal aid organizations produced **well over a half-billion dollars** (\$600 million) worth of economic impacts, with **\$83 million** in total funding from sources including The Florida Bar Foundation, the Legal Services Corporation, local governments, donors and others.
- Each **dollar in funding** for these organizations produced **over seven dollars** worth of economic impacts. The implication of this finding is that additional funding for civil legal aid will produce a commensurate increase in economic impacts benefiting residents and communities across Florida.

The study:

- Included all 33 civil legal aid organizations and projects funded by The Florida Bar Foundation.
- Covered legal assistance completed in 2015 by those organizations in areas such as housing, family, consumer, public benefits, and health.
- Was conducted by *The Resource for Great Programs*¹ a research firm with over 20 years' experience in conducting economic impact studies of this type.

This analysis reveals that Florida civil legal aid organizations are providing essential services that help low-income residents of Florida each year address critical legal issues directly affecting their families, homes, incomes, jobs, and access to vital services. The gap between the need for these services and the capacity of these organizations to address them is profound.² The findings

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

² For further information about the "justice gap" in Florida, see the October 1, 2015 Interim Report by the Florida Access to Justice Commission, <http://www.flaccessstojustice.org/wp-content/uploads/2016/01/Florida-Commission-ATJ-Interim-Report.pdf>

of this study demonstrate that additional investments aimed at bridging this “justice gap” not only will help many more people, but also will produce dramatic economic impacts that radiate outward to benefit many segments of the Florida economy.

As indicated in the following sections, the impact of civil legal aid organizations in 2015 touched nearly every segment of the Florida economy, including low-income families, local businesses and their workers, health-care providers, human-services agencies, local governments, and the courts.

Major Findings

- 1. Funding for civil legal aid provides critical, day-to-day legal assistance to Florida’s most vulnerable people.** During the one-year period (2015) covered in this study, Florida civil legal aid organizations completed more than 83,000 cases in which they provided crucial legal services that enabled low-income residents, domestic violence victims, vulnerable immigrants, and older adults to address legal issues directly affecting their families, homes, incomes, jobs, and access to vital services such as health care and utilities.

- 2. Florida Bar Foundation-funded civil legal aid organizations produce economic impacts that far exceed the investment.** A total of **\$83 million** from all sources invested in these civil legal aid organizations in 2015 produced an estimated **\$600 million** in total economic benefits and savings to clients and communities, yielding an economic return of **seven dollars** for every **one dollar** invested.

- 3. The \$600 million total impact consisted of the following three major components:**
 - a. \$264.3 million in direct dollar benefits.** These payments received directly by low-income clients and other entities as a result of successful legal assistance by legal aid organizations in 2015 included the following:
 - **\$120.6 million in SSI, SSDI, and other Social Security benefits** received by low-income individuals and their families.
 - **\$70.7 million in Medicaid- and Medicare-funded reimbursements** received by Florida health care providers.
 - **\$24.2 million in child and spousal support payments** to low-income clients of legal aid organizations.
 - **\$38.3 million in increased wages to immigrants** due to attainment of legal permanent resident (LPR) status or becoming U.S. citizens with legal assistance from Florida legal aid organizations.
 - **\$10.5 million in other dollar benefits** such as food stamps (SNAP benefits), cash assistance payments from the federal TANF program, and unemployment compensation.

 - b. \$60.4 million in cost savings.** In addition to the direct dollar benefits outlined above, Florida civil legal aid organizations achieved the following cost savings for clients and other stakeholders as a result of services provided in 2015:
 - **\$2.9 million in avoided costs of emergency shelter** for low-income families who, with the assistance of legal aid advocates, were able to avoid eviction or to obtain additional time to seek alternative housing.

- **\$50.6 million in foreclosure costs** that were avoided by low-income homeowners, lenders, neighbors, and local governments through the legal assistance provided by the organizations in this study.
 - **\$6.9 million in avoided costs associated with domestic violence.** Successful legal help enabled victims and their families to obtain immediate protection from abusers through legal protective orders and then to stabilize their situations through divorce, child custody, and child support, thereby achieving a greater measure of independence and reaching a safer place for themselves and their children.
- c. **\$274.8 million from the economic multiplier effect of revenue brought into Florida from outside the state.** A large portion of the dollars received by legal aid clients from such external sources as federal SSI/SSDI benefits and the federal share of Medicaid reimbursements are spent within the state, thereby increasing revenue for local businesses and creating jobs for working Floridians. This boost to the Florida economy would not have occurred without the successful legal assistance that cuts through red tape and eliminates legal barriers to low-income Floridians' receiving benefits for which they are eligible under the law.

4. Florida civil legal aid organizations impacted many other segments of the Florida economy too. In addition to the foregoing economic impacts that were quantified by the study, Florida's civil legal aid organizations also generate impacts that are difficult to quantify but are nevertheless extremely significant for the economic well being of Florida residents and communities. These include the following:

- **Civil legal aid organizations save dollars by helping ease the burden on the Florida court system.** Legal aid advocates enable Florida courts to operate more efficiently and effectively by helping self-represented litigants prepare to navigate the courts and by hosting community legal education events to inform residents how the legal process works. In this sense, civil legal aid is an important part of the solution for self-represented litigants, along with simplified forms, language access, online triage and other innovations.

Legal aid advocates achieve additional efficiencies for the courts by negotiating solutions in many cases that otherwise might result in litigation, by counseling applicants against bringing non-meritorious cases to court, and by referring clients to other sources of help (such as social service providers) when their cases lack legal merit.

- **Florida's civil legal aid organizations support the significant efforts of Florida private lawyers to narrow the justice gap.** Legal aid organizations collaborate with The Florida Bar and local bar associations to recruit, train, and support law firms and individual private attorneys in providing *pro bono* services to low-income Florida residents. As a result of these recruitment and support efforts, in 2015 volunteer attorneys in Florida completed almost 12,000 cases for legal aid clients, and in the process donated 79,000 hours' worth of professional time valued at over \$9.5 million in the service of low-income Floridians.

Methodology Used in the Study

The impacts reported above were estimated using a methodology developed by The Resource for Great Programs over the past two decades and applied in 12 states – including New York, Virginia, Pennsylvania, Georgia, and New Hampshire– encompassing more than 80 civil legal aid organizations. This methodology first quantified the number of legal aid cases for which specific

outcomes for clients were achieved during the study period, such as avoidance of domestic violence or prevention of eviction. These figures were derived from case statistics and outcomes data collected by the legal aid organizations through their computerized case management and recordkeeping systems used to report to The Florida Bar Foundation and other legal aid funders.

The outcome figures were then multiplied by estimates of the dollar benefits or cost savings per successful outcome to derive estimates of the total impact. For example, each successful SSDI/SSI case produces an average income stream of \$715 per month for the client that lasts for an average of 11 years. These dollar multipliers were derived from a variety of external data and evaluation results such as government databases and analyses, research papers and reports, and various models and surveys such as the Regional Input-Output Multiplier System (RIMS II) maintained by the U.S. Bureau of Economic Analysis.

Details regarding the data sources, computations, and assumptions used for deriving the estimates produced by this study are provided in appendices to this report, available by request from The Florida Bar Foundation.

Conclusion

This study has revealed that the civil legal aid organizations funded in part by The Florida Bar Foundation are providing essential services that help thousands of low-income residents of Florida each year to address critical legal issues directly affecting their families, homes, incomes, jobs, and access to vital services. The gap between the need for these services and the capacity of these organizations to address them is profound.

The “justice gap” represents both a challenge to the justice system and an unrealized opportunity for the Florida civil justice community and its supporters to produce even more profound economic and societal benefits for low-income Florida residents and the entire community.

Every additional \$100,000 of funding enables legal aid organizations to generate an additional \$719,000 in economic benefits.

The findings of this study have demonstrated that additional investments aimed at bridging the “justice gap” not only will help many more people, but also will have dramatic economic impacts that benefit all Floridians.