



Return On Investment of Civil Legal Aid In Delaware

KEY FINDING: While the direct impact of legal assistance provided by the small group of lawyers from Delaware's three nonprofit legal aid agencies is often life-changing for the clients served, the economic impact of representation provides far reaching consequences throughout the community. Commissioned by the Combined Campaign for Justice (CCJ) and funded by a grant from the Longwood Foundation, a Social Return on Investment study led by a public health expert in social impact evaluation found that \$18.1 million invested in Delaware's civil legal services during 2013-2015 yielded \$149.2 million in socio-economic, health, and justice returns for residents and communities in Delaware.

Every \$1 investment in legal aid returns \$7.23 in economic benefit for Delaware and its communities.

DELAWARE'S THREE NONPROFIT LEGAL AID AGENCIES

Unlike defendants in criminal cases, low-income and vulnerable people with civil legal problems (public benefits, housing, domestic violence, employment, etc.) are not entitled to court-appointed counsel, but must instead depend upon civil legal aid programs and pro bono representation. Understanding that they can only meet a small fraction of the need, Delaware's three civil legal aid agencies work closely together to ensure that with their limited resources, they most effectively represent the legal needs of low-income and other vulnerable individuals throughout the state.

- **Community Legal Aid Society, Inc. (CLASI)** was established in 1946 and provides representation in each of Delaware's three counties to low-income clients who are the victims of domestic violence or have problems with their public benefits or subsidized housing. CLASI also provides legal assistance to people who are elderly, have disabilities, or are victims of housing discrimination.
- **Delaware Volunteer Legal Services, Inc. (DVLS)** was established in 1981 to coordinate pro bono legal services in Delaware. DVLS recruits, trains and mentors attorneys who are willing to serve as pro bono counsel for indigent individuals with a variety of legal problems. DVLS provides assistance with Protection from Abuse orders and other family law matters for victims of domestic violence in New Castle County; private housing matters; custody, visitation and divorce cases; and estate planning.
- **Legal Services Corporation of Delaware, Inc. (LSCD)** was established in 1996, with federal Legal Services Corporation funding to serve low income Delawareans. LSCD serves low income clients throughout the state in bankruptcies, consumer, mortgage foreclosure, private housing, and unemployment compensation cases.

UNMET CIVIL LEGAL NEEDS IN DELAWARE

While Delaware ranks 14th in the nation in terms of access to counsel in civil cases, in 2017 there were a mere 36 attorneys available to provide for the legal needs of the 110,000 Delawareans below the federal poverty level and 300,000 Delawareans below 200% of the poverty level. That is 1 lawyer for every 8,333 low income people in need.

Approximately 70-80% of low income Delawareans have experienced a civil legal problem within the past year, yet the three civil legal aid programs had total budgets of only \$7 million in 2017. This amounts to less than \$35 to serve each person in need and demonstrates why so many legal needs go unmet.

Civil legal needs assessments conducted between 2007 and 2017 in Delaware community health centers and similar community-based organizations confirm an overwhelming need for civil legal services in matters of housing, employment, food security, public benefits, children's safety, education, disability services, and health insurance. In every aspect of the assessments, a substantial gap existed between the need for legal assistance and the availability of legal assistance.

The stark reality is that most civil legal needs of low income Delawareans go unmet.

SOCIAL RETURN ON INVESTMENT OF LEGAL AID

Social return on investment analysis links social impacts and financial investments. Social returns can be monetized (hard) or non-monetized (soft). They can also be direct (benefiting the funder), or indirect (benefiting people, organizations, or communities beyond the funder). **This study focused primarily on the indirect monetized return on investment of legal aid.** Benefits include (1) inferred economic benefits (income, service, public benefits, averted costs), (2) health impacts of successful civil legal cases, and (3) the efficiency of investing in civil legal aid to access justice.

Delaware's three legal aid agencies had combined funding of \$18.1 million over the three years of 2013-2015. The study analyzed 4,258 cases that the agencies successfully resolved yielding an economic benefit.

Economic Benefits

Economic benefits are those returns that financially benefit clients or their communities. Economic benefits were primarily driven by successful outcomes in the following types of cases:

The overall estimated return from that funding was:

	(in millions)
Economic Benefits	\$90.4
Health Returns	14.1
Legal Aid Efficiency	44.7
Total Estimated Social Value	\$149.2

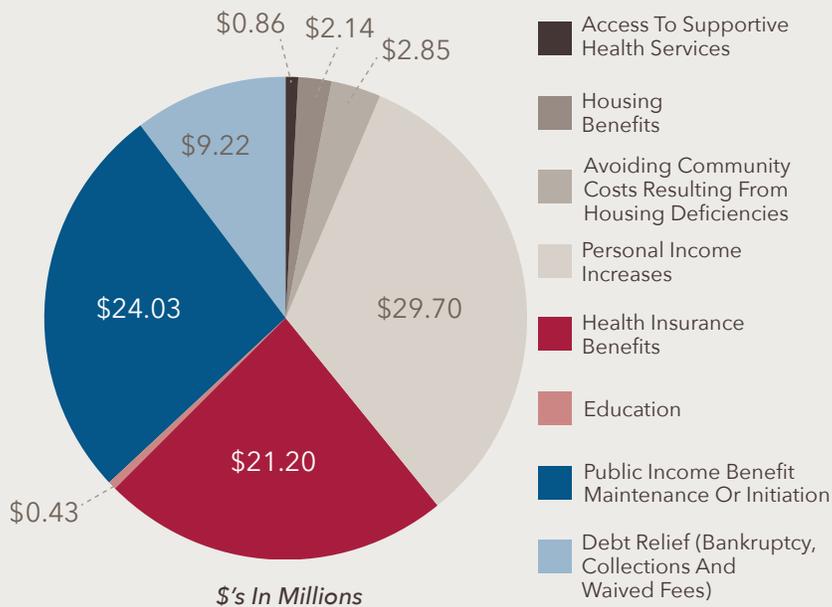
The social return on investment in civil legal aid is equal to

$$\frac{\text{benefits-costs}}{\text{costs}} * 100 \text{ or } \frac{149.2 - 18.1}{18.1} * 100 = 723\%$$

For every dollar invested in civil legal aid in Delaware, there is a \$7.23 economic return for Delaware and its communities.

Category of Case	Types of Cases	Economic Benefits	2013-2015 Successful Outcomes
Consumer Law	Bankruptcy/debt relief; collections, repossession, garnishment; contract and warranties, credit access, public utilities	Relieved debt to clients	421
Education Law	Promoting individualized education programs and disability services	Value of services to students	58
Employment Law	Discrimination or fair labor standards	Value of employment discrimination cases based on minimum wage assumption	22
Family Law	Child custody, divorce, adult guardianship, parental rights termination, domestic violence	Increased personal income and employment	1,026
Health Law	Medicaid, Medicare, Child Health Insurance Program, home and community-based care, long term health care facilities	Obtaining or keeping Medicaid, Medicare, CHIP or other health benefits	432
Housing Law	Federally subsidized housing, private landlord/tenant, public housing, manufactured homes, housing discrimination, mortgage foreclosures, mortgage predatory lending/practices	Averting costs associated with homelessness, maintaining subsidized housing payments, income maintenance, increased community value and avoided adverse health costs	956
Immigration Law	Visas for victims of violence, sexual assault, human trafficking, and dependent and neglected children.	Income and benefits improvements due to legal status improvements	267
Public Benefits Law	TANF, Social Security, food stamps, SSDI, SSI, unemployment compensation, veterans' benefits	Direct economic impact on client, plus multiplicative value of external investments in local economies	240
End of Life Law	Power of attorney and advanced directive cases	Positively resolved but no assumed economic benefits	706
Other Cases	Improved access to justice but no assumed economic benefits		130
Total Successful Outcomes			4,258

2013 -2015 Economic Benefits: \$90.4 Million



Health Improvement Effect

The types of cases handled by legal aid attorneys impact determinants of health that are linked to 65% of population health in the United States. Public health experts have found that social determinants of health are the best predictors of health - including whether they have access to adequate food, shelter, income, education, social support, health insurance and are free from domestic violence. This report estimated the client health effect of housing, income, nutrition, health insurance, education, employment, living conditions, social support, and safety. Unresolved legal issues have a significant effect on an individual's stress level and health. Recent research strongly suggests that improvements in the social safety net would improve the life expectancy and reduce the gap between the United States and comparable countries (the U.S. ranks 43rd which is significantly lower than other high-income countries). This research supports the conclusion that many of the difficulties that impact low income individuals' health, and even life expectancy, stem from problems that can be remedied through legal representation. Using assumptions regarding the value of one year of human health, the overall health improvement effect for 2013-2015 was estimated at \$14.1 million.

The Efficiency of Legal Aid Representation

Accessing civil justice via legal aid representation is efficient. Private sector attorney representation typically costs three times as much as the provision of service through legal aid. The efficiency savings of investing in legal aid to access civil justice in Delaware during 2013-2015 was \$44.7 million.

COST SAVINGS

Not only does civil legal aid inject dollars directly into the Delaware economy -- for every dollar invested in civil legal aid, a dollar in federal money is brought into Delaware -- it also saves money for the government, businesses, and other nonprofits. Studies have shown that in housing and domestic violence cases in particular, avoiding the cost of temporary housing can lead to significant savings. Savings are also realized by keeping children in school when attendance would have otherwise been interrupted by homelessness or domestic abuse. Additionally, the recipients of legal aid experience a multitude of positive personal impacts that benefit both themselves and their extended Delaware communities.

CIVIL LEGAL AID EASES THE BURDEN ON DELAWARE'S COURTS

Civil legal aid helps ease the burden on Delaware's court system by reducing the number of self-represented litigants. Our legal system that is based upon the adversarial model of justice indisputably functions best when both sides have representation. Moreover, numerous national and local studies demonstrate that having representation is outcome determinative in housing and domestic violence cases.

LEVERAGING PRO BONO WORK OF PRIVATE ATTORNEYS

DVLS plays a critical role in providing efficient and meaningful pro bono services. The number of volunteer hours of legal services provided by attorneys in Delaware further enhances the return on Delaware's investment in civil legal services. These pro bono services would be less available and less efficient if not for the operations of DVLS. DVLS provides the necessary infrastructure, including attorney recruitment, training and recognition, client screening, administrative support, technical assistance, and follow-up services for clients and pro bono volunteers. 540 Delaware attorneys provided well over 2,500 hours in pro bono services on civil legal aid cases that were opened and closed in 2016. The majority of these hours were spent on Protection from Abuse cases in Family Court.

ECONOMIC RETURN FOR DELAWARE SIMILAR TO OTHER STATES

Studies in other states from 2012 to 2017 confirm the economic value and impact of legal aid services. While the methodologies of the studies have differed slightly, most analyses have focused on common measures and have also examined secondary gains that results from increased economic activity. These studies consistently show that each dollar invested in legal aid returns \$3 to \$11 dollars in economic value.



Dollars Returned Per Dollars Invested

BEYOND FINANCIAL IMPACTS

The financial impact of receiving civil legal aid representation, while very significant, tells only part of the story. For many low-income and vulnerable Delawareans, even more significant benefits come from non-monetary outcomes they achieve. For vulnerable individuals and families facing complicated legal problems that deeply affect them, the psychological and emotional value of representation cannot be underestimated. Having an attorney in a system that is complicated and daunting to people who are unrepresented empowers clients to enforce their rights and obtain a measure of justice. Representation alleviates stress and allows clients to remain more hopeful during very difficult periods of their lives. It restores faith in the legal system and our democracy. These effects are also supported by research. Material effects (e.g., income, housing, insurance, and employment) have direct and indirect influences on well-being and productivity. Lacking material resources has psychosocial impacts (e.g., stress, hopelessness, and cognitive development), and those material and psychosocial effects are more impactful when personal material resources are more important to achieve accepted standards of living in a community. For example, across the last 40 years, lacking income has become more deadly in the United States in part due to increasing status anxiety, decreasing social connectedness, and the increased importance of personal income to gain access to standards of living.

CONCLUSIONS

In fulfilling their missions of alleviating poverty and injustice by providing access to the civil legal system, Delaware's three nonprofit civil legal aid agencies also significantly boost Delaware's economy. Investments in civil legal aid in Delaware produce a positive social return of 723% including personal or community economic gains, inferred health improvements and efficient increased access to justice. Given the enormous unmet civil legal needs poor people have in Delaware and the impact attorneys can have on positively resolving civil justice issues, greater investment in civil legal aid is compelling public policy.

Increased financial commitment to civil legal aid services will provide significant improvements to low income and vulnerable families' health and socioeconomic status, as well as benefits to the Delaware community at large.



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