

Legal Aid Programs Produce Results That Touch Everyone in Virginia

by Mark D. Braley

Providing civil legal aid to the poor is about *Equal Justice Under Law*. To paraphrase Legal Services Corporation's President James J. Sandman, when we mention the notion of equal justice under law we refer to that first sentence of our Constitution. Within that first sentence, the second declaration right after "*in order to form a more perfect union*" is to "*establish justice*." This is the very thing that makes the potential of our democracy great: establishing justice for everyone. In pursuit of that mission, Virginia's legal aid programs produce economic benefits, cost savings, and quality of life improvements that affect everyone in the state.

From a fiscal perspective, it is difficult to imagine anyone who wouldn't appreciate the purely positive economic benefits to society brought about by legal aid's representation of low-income Virginians. For every dollar invested, Virginians receive a return of \$4. How many investments return that much other than the sale of the Los Angeles Clippers? Humor aside, from the perspective of the average taxpayer, how many items provide such a high return for your payment?

Last year, the total economic impact of legal assistance provided by Virginia's legal aid programs was \$99.8 million, a return of \$4.18 for every dollar of local, state, and federal funds invested. The impacts include \$43.4 million in direct benefits for Virginia's low-income families: \$32.3 million in federal benefits including Social Security Disability, Supplemental Security Income, the federal share of Medicaid, federal funding for legal aid, and other federal benefits;

Economic Impacts Breakdown

A. Benefits and Savings for Low-Income Families					
	Back Awards	Monthly Awards	Duration in Years	Subtotals	Total (\$ Millions)
1. Federal benefits for low-income families					\$32.3
Social Security/SSI	\$1,803,757	\$138,924	9.7	\$17,974,567	
Other Federal Awards	\$11,781	\$10,942	3	\$405,693	
Federal operating grants for legal aid programs (LSC, Title III, Other Federal Funds)				\$6,685,098	
Federal share of Medicaid benefits received (61.58% total average annual benefits)				\$7,242,244	
Cases in which Medicaid benefits were obtained or preserved				60	
Average annual benefit*				\$8,425	
Years Duration			4		
Calculation (Cases x Average Annual Benefit x Years Duration)				\$2,021,898	
Cases in which SSI eligibility was obtained or preserved				289	
Average annual benefit*				\$8,425	
Years Duration			4		
Calculation (Cases x Average Annual Benefit x Years Duration)				\$9,738,809	
2. Income from child support payments					\$4.7
Family Law: Child Support	\$251,738	\$123,849	3	\$4,710,307	
3. Income from other legal aid outcomes					\$6.4
A. Unemployment Compensation	\$358,968	\$85,388	0.5	\$871,294	
B. Family Law - Alimony	\$155,474	\$34,952	3	\$1,413,752	
C. Affirmative Landlord	\$702,666	\$39,229	1	\$1,173,419	
D. Affirmative Employment	\$367,561	\$2,088	1	\$392,617	
E. Affirmative Consumer	\$778,165	\$20	1	\$778,405	
F. Affirmative Education	\$247,413	\$35,015	1	\$667,593	
G. Other Benefits	\$921,869	\$11,246	1	\$1,056,821	
Total Direct Impact on Low-Income Families					\$43.4

\$4.7 million in child support payments for Virginia children and families in need; and \$6.4 million from other revenue-generating representation by legal aid lawyers including unemployment compensation, spousal support, and consumer settlements.

Legal aid lawyers also make a difference in cost savings for Virginia taxpayers. Last year, we saved taxpayers about \$3.1 million. By making domestic abuse of low-income Virginians a priority, we saved Virginia residents another \$1.9 million. Our advocates enabled 523 families to be protected from domestic violence. Studies indicate an average savings of \$3,645 per family in the costs of medical care for injured victims, lost productivity, and targeted education and counseling for affected children. Our homelessness prevention efforts resulted in about \$1.2 million savings in emergency shelter costs. We helped 632 low-income families (with 1,704 family members) avoid the need for emergency shelter, saving an estimated \$12,790 per family.

The U.S. Department of Commerce uses a calculation called the Regional Economic Multiplier. It looks at the dollars brought into a town, county, region, or state from outside that region to determine the ultimate impact of those dollars on local economies. According to this Department of Commerce multiplier, every dollar brought into a region from outside circulates 1.65 times and supports twenty-four jobs. After excluding the millions of dollars Virginia legal aid lawyers produce every year in child and spousal support, unemployment compensation, consumer settlements, and tax savings for domestic violence and homeless prevention, and multiplying the 1.65 regional economic multiplier by the \$32.3 million in federal supports and benefits previously mentioned, you will see that our work benefits Virginia communities by \$53.4 million in income for local business and has resulted in the creation of 703 jobs. That was for last year alone.

Economic Impact *In FY 2012-2013, Virginia Legal Aid Programs Produced \$4.18 in Income, Jobs and Cost Savings for Every Dollar Invested.*

Legal aid is cost-effective. During FY 2012-2013, LSCV-funded legal aid programs produced \$99.8 million of measurable economic impacts and many other benefits that are not quantifiable. (See box, "The Economic Impact of Legal Aid in Virginia Far Exceeds the

Funds Invested" on the next page.) These dollars are in addition to the intangible benefits that come from providing fair solutions to critical legal problems faced by Virginians living in poverty.

The Economic Multiplier Effect

Legal Services Secures Federal Benefits

Representation by Virginia legal aid advocates brings federal funds into Virginia each year that otherwise would be lost to local economies.

\$32.3 million

- Social Security Disability and Supplemental Security Income benefits
- Federal share of Medicaid benefits
- Federal support to Legal Aid Providers

Federal Benefits Stimulate Local Economies

Most of the money from federal benefits is spent immediately on necessities. In turn, these federal funds provide income for local businesses and wages for working Virginians.

Necessities for Families:

- Food and Housing
- Health Care
- Prescriptions
- Utilities
- Transportation

Communities Experience a Big Multiplier Effect

Each federal dollar circulates 1.65 times* (\$32.3 million in federal benefits multiplied by 1.65) in local communities.

\$53.4 million*

- Income for local businesses
- 703 jobs for people throughout Virginia

**Total impact was estimated by applying the widely accepted U.S. Department of Commerce "Regional Economic Multiplier" for payments to low-income families in Virginia, indicating that every federal dollar brought into Virginia circulates through local economies 1.65 times and supports 24 jobs.*

That amount has been higher in the past, pre-recession and before funding for legal aid was cut through a combination of federal reductions and lower interest rates on Interest on Lawyer Trust Accounts (IOLTA). For example, three years ago, the total economic impact of legal aid work was \$139 million. The simple and obvious lesson is that the return will be lower when you reduce your investment in legal aid.

Of course, there are many non-quantifiable benefits from the work of legal aid lawyers. While my previous analysis addresses the economic benefits produced by legal aid, the question remains: "How do you quantify establishing justice?" While I meant all the dollars and numbers related above to, in a sense, quantify the establishment of justice, all of that was really for those who, for whatever reason, determine a program's value only through dollars-and-cents analysis. They do not see value in the abstract notion of establishing justice. They do not recognize that there is value in providing a level playing field in our legal system for everyone — especially for those who lack financial resources or political influence. Legal aid lawyers help to keep children in school when

Virginia Legal Aid Staff Losses By Year 2009-2014								
Program	Total Staff							
	2009	2010	2011	2012	2013	Projected 2014	# Lost	% Change
BRLS	24.5	21.5	21.5	19	21	21	3.5	-14%
CVLAS	28	27	26	22	17	18	10	-36%
LAJC	40.5	35	37	36.25	36	33.65	6.85	-17%
LASEV	52	48	44	39	35	32	20	-38%
LSNV	73	68	67	62	54	54	19	-26%
LASRV	7.5	6.3	6.3	6.3	6.3	6.3	1.2	-16%
RLS	15.1	14.9	13.9	14.9	12.9	12.9	2.2	-15%
SVLAS	40	38	35	28	28	28	12	-30%
VLAS	33	33	33	29.5	29.8	30.5	2.5	-8%
VPLC	11.5	11.5	9.5	9	9	9	2.5	-22%
TOTALS	325.1	303.2	293.2	265.95	249	245.35	79.75	-25%

homelessness or domestic violence would have otherwise disrupted their attendance. We help poor families live in safe and healthy conditions by handling cases involving substandard housing. We also protect people from predatory lenders and unscrupulous creditors.

Legal aid lawyers also directly contribute to making Virginia courts more efficient by representing thousands of low-income Virginians through the legal process each year. We help our clients navigate a difficult process with which they are not familiar. Studies confirm that those negotiating the legal system with a lawyer fare far better than those who must do so without one. Unfortunately, legal aid lawyers must turn away half the people who seek their assistance because of the lack of funding and investment in what is a guaranteed return.

If Virginians want our return on the investment in legal aid to keep growing, we need to increase support of it. In the face of federal funding cuts over the past few years, the disastrous decline in IOLTA funding, and the growth of Virginia’s poverty population, we must count on the private bar’s support through monetary contributions and participation in pro bono service more than at any other time in legal aid’s history.

Since 2009, our annual IOLTA funding has declined from a high of \$4.6 million to less than \$600,000 last year, a loss of \$4 million. Our federal funding has been reduced by more than \$1 million. And the recession negatively affected our fundraising and other grants so that we have experienced a cumulative loss of about \$6 million per year. Senator Thomas K. Norment Jr. (R-3rd District) and the Virginia Senate recognized this and did their best to help address the losses, but we still feel the impact of two-thirds of those losses. Statewide, legal aid programs have lost 25

percent of their staffs since 2009. This has meant a reduction in the number of applicants accepted, a reduction in the number of cases closed, and a decline in the level of service we can provide to clients. All of this has happened at a time when U.S. Census data shows a 30 percent increase in Virginia’s poverty population.

Virginia’s legal aid offices provide quantifiable and unquantifiable, tangible and intangible benefits to the people of our commonwealth. We in legal aid hope that the private bar will gain a better understanding of the value of legal aid and consider investing more money, time, and talent to improve legal representation of the poor in civil cases. With the assistance of the private bar, we can continue to provide service to Virginia’s most vulnerable residents so that “equal justice for all” is, as Virginian and former Supreme Court Justice Lewis F. Powell Jr. said, “not merely a caption on the facade of the Supreme Court building.”



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