

THE ECONOMIC IMPACT OF IOWA LEGAL AID



HOPE. DIGNITY. JUSTICE.
35 Years: 1977–2012

The Economic Impact of Iowa Legal Aid

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I. Executive Summary

This is a study of the economic impact of the services provided by Iowa Legal Aid. Iowa Legal Aid is a not-for-profit law firm that provides assistance to low-income Iowans in a variety of civil legal matters. For example, Iowa Legal Aid helps victims of domestic violence escape abusive relationships; assists families who are facing the possible loss of their home to foreclosure or eviction; and works to give elderly Iowans peace of mind by preparing wills and advanced directives. Over the past five years, Iowa Legal Aid, on average, has closed 23,000 cases each year that impacted approximately 54,500 Iowans, 23,000 of whom were children.

Iowa Legal Aid's work has tremendous social and financial impacts in communities all across the state. The particular focus of this study is the ways in which Iowa Legal Aid's advocacy accrues benefits for the Iowa economy and avoids costs for Iowa taxpayers. Three different types of benefits are examined: direct benefits, indirect benefits, and the multiplier effect.

Direct benefits are tangible, financial benefits that enter the Iowa economy as a result of Iowa Legal Aid's work. Direct benefits include both federal grants and contracts in the amount of \$3,421,362.36 awarded to Iowa Legal Aid, and federal benefit payments, such as Social Security benefits, that Iowa Legal Aid obtains for clients. In 2011, these direct benefits to clients totaled \$1,854,311.47.

Indirect benefits refer to costs that are avoided as a result of Iowa Legal Aid's advocacy. This study examines two particular types of avoided costs: the costs that are avoided as a result of Iowa Legal Aid's work to prevent homelessness, and the costs that are avoided as a result of Iowa Legal Aid's work to reduce domestic violence. Homelessness and domestic violence carry tremendous costs; by reducing the incidence of each of these problems, Iowa Legal Aid provides huge savings for Iowa taxpayers. Indirect benefits were estimated to be \$ 22,134,699 in 2011.

Finally, the multiplier effect refers to what happens when new dollars are brought into and circulate through a local economy. All of the direct benefits included in this study's calculations result from new federal dollars that likely would not have entered the state without Iowa Legal Aid. When the multiplier effect is applied to these federal dollars, an additional \$1,318,918.46 was brought into the Iowa economy. The multiplier effect ensures that the impact these new dollars have on the Iowa economy is fairly assessed.

All told, Iowa Legal Aid's financial impact on the Iowa economy in 2011 totaled \$28,729,291.29. This represents a return of \$6.71 for every single dollar invested in Iowa Legal Aid by sources within Iowa. Investing in Iowa Legal Aid is important because Iowa Legal Aid works to provide hope, dignity, and justice to Iowa's poorest and most vulnerable citizens. But clearly, investing in Iowa Legal Aid also makes good economic sense.

II. Introduction

As the nation slowly emerges from the worst economic downturn since the Great Depression, people across the state of Iowa are struggling to meet their family's most basic needs: a steady income, a safe, stable home, and access to health care. Some people who have worked their entire lives are now jobless and struggling to get by on unemployment benefits and/or food assistance. Families are losing their homes to foreclosure because they cannot afford their mortgage payments month after month due to lost jobs, changed family circumstances, or being victims of subprime housing schemes. The stress of making ends meet is leading some families to experience an increase in domestic violence. For many Iowans, these problems seem insurmountable.

For more than thirty-five years, Iowa Legal Aid has helped Iowans address and overcome problems like these. Iowa Legal Aid is a statewide, not-for-profit organization that provides free legal assistance to low-income Iowans on a broad range of issues, including foreclosures, landlord/tenant problems, and divorce and custody matters for individuals who are the victims of domestic violence. Iowa Legal Aid also operates numerous specialized projects, such as:

- The Health and Law Project, which facilitates cooperation and collaboration between the medical and legal systems;
- The Pro Se Divorce Clinic Project, which instructs and empowers qualified individuals to represent themselves in divorce proceedings;
- The Low-Income Taxpayer Clinic, which assists Iowans in resolving tax controversies;
- The Equal Justice Project, a specialized domestic abuse initiative; and
- The Legal Hotline for Older Iowans which provides advice and brief service to Iowans 60 years of age and older.

Support for Iowa Legal Aid is support for Iowa's poorest and most vulnerable populations. Providing legal assistance ensures that all Iowans have equal access to justice. Access to justice is more than a slogan. As expressed by United States Supreme Court Justice Hugo Black, "There can be no equal justice where the kind of trial a man gets depends on the amount of money he has."¹

But support for Iowa Legal Aid also makes good economic sense. This study will examine the economic impact of Iowa Legal Aid's services.

MISSION STATEMENT

Iowa Legal Aid's mission is to make hope, dignity and justice available to low-income Iowans through legal assistance and education that protects fundamental rights, basic necessities and access to the justice system; challenges policies and practices that harm low-income persons; and empowers clients to advocate effectively for themselves and their communities.

¹ Griffin v. Illinois, 351 U.S. 12 at 19, Supreme Court of the United States (1956).

a. Profile of Iowa Legal Aid

Iowa Legal Aid serves every county in Iowa through a network of ten regional offices located in Cedar Rapids, Council Bluffs, Des Moines, Dubuque, Iowa City, Mason City, Ottumwa, Sioux City, Waterloo, and Davenport. As of December 2011, Iowa Legal Aid’s staff included 63.7 attorneys, 12 non-attorney professionals, and 17 support staff members. In addition, in 2010-2011 Iowa Legal Aid hosted 22 AmeriCorps members through two different AmeriCorps projects.

In 2010, funding cuts necessitated the enactment of a freeze on the hiring of new staff members. For the past two years, staff members who end their employment with Iowa Legal Aid have not been replaced (with the exception of AmeriCorps members, whose positions are funded by a special federal grant). As of December 2011, 23.8 staff positions remained vacant.

Table 1 – Iowa Legal Aid Employee Statistics (as of December 31, 2011)

December 31, 2011	Attorneys	Non-Attorney Professionals	Support Staff	Total
Filled Positions	63.7	12	17	92.7
Vacant Positions	11.8 ²	3 ³	9 ⁴	23.8 ⁵

In addition to staff members, Iowa Legal Aid’s work is augmented by a broad network of volunteer attorneys. Attorneys provide free legal assistance to low-income Iowans through participation in Iowa Legal Aid’s Volunteer Lawyers Project, the Polk County Bar Association Volunteer Lawyers Project, and the Pro Bono Project of HELP Legal Assistance and the Scott and Clinton County Bar Associations. In 2011, 2,901 attorneys were registered with these projects. These attorneys donated 15,333 hours of work and closed 1,316 cases. All told, the value of the work performed by volunteer attorneys totaled \$2,146,620 in 2011.⁶

Iowa Legal Aid closed a total of 22,186 cases in 2011, a 16.8% decrease from the number of cases closed in 2010. This decrease is directly attributable to the decline in funding that also gave rise to the current hiring freeze. A total of 53,478 people were helped as a result of Iowa Legal Aid’s advocacy in these cases, of which 23,043 were children. In 70.6% of the cases the

² The vacant attorney positions are: 1) Litigation Director/Deputy Director position, 2) 10.8 Staff Attorney positions.

³ The vacant non-attorney professional positions are 1) Administrative Assistant for Human Resources (laid off in 2010), 2) Development Officer (laid off in 2010), and 3) 1 Legal Assistant.

⁴ The vacant support staff positions are: 1) 8 Secretary/Receptionists, 2) 1 Office Manager

⁵ As of June 30, 2012, the total number of vacant staff positions had increased to 26.7 (1 Litigation Director/Deputy Director position, 15.3 Staff Attorney positions, 7.4 Support Staff positions and 3 Non-attorney professional positions).

⁶ The work of the volunteer attorneys was valued at a rate of \$140 per hour.

primary clients were women. Additionally, 25.8% of new cases opened in 2011 involved clients who were disabled.

2011 Closures by Case Type

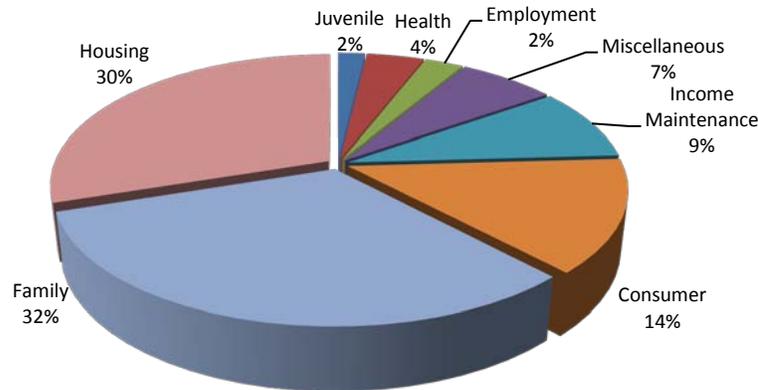


Table 2 – Iowa Legal Aid Client Demographics (2011)

Iowa Legal Aid Client Demographics	2011
Total Persons Helped	53,478
Children in Household	23,043
Average # in Household	2.4
Seniors	18.6%
Disabled⁷	25.8%
Women	70.6%

b. About this Study

Analyzing the economic impact of an organization like Iowa Legal Aid is fraught with difficulty. Some of Iowa Legal Aid’s work is easily quantified. When the program helps an elderly woman obtain Social Security benefits to which she is entitled, or a young man who recently lost his job through no fault of his own obtain unemployment benefits, it is easy to calculate the financial impact Iowa Legal Aid’s work has upon Iowa’s poorest populations. However, much of the work performed by Iowa Legal Aid involves helping vulnerable clients avoid negative outcomes. It can be more difficult to assess the monetary value of helping a young mother escape an abusive marriage, or keeping a family of four from being evicted from their home.

Nevertheless, many states have undertaken studies that do attempt to quantify the benefits of helping clients avoid negative outcomes. The endeavor is worthwhile despite its inherent difficulty. As this study unfolds, the reader should keep the following in mind:

⁷ Unlike the other statistics reported in this table, the percentage of clients who are disabled was calculated using the number of cases opened in 2011, not the number of cases closed in 2011.

- 1) Attempts to measure and quantify the impact of services are ongoing.
- 2) Iowa Legal Aid data reported in this study is current as of December 31, 2011, unless otherwise noted.
- 3) This study strives to be conservative in its analysis. When confronted with two different figures that could be used in our calculations, this study utilizes the more conservative number.

III. The Impact of Iowa Legal Aid's Services on the Iowa Economy

In analyzing the impact of Iowa Legal Aid's services on the Iowa economy, this study will consider three types of benefit that result from Iowa Legal Aid's work: direct benefits, indirect benefits, and the multiplier effect.

a. Direct Benefits

There are two types of direct benefit that Iowa Legal Aid's services inject into the Iowa economy: revenue acquired from sources outside the state and non-state funded benefit payments obtained for clients. This study will examine each type of direct benefit in turn.

i. Direct Benefit #1: Bringing Revenue Into Iowa

One important way in which Iowa Legal Aid impacts the economy of Iowa is through acquisition of revenue from sources outside of the state. While funding does come from state and local sources in amounts as large as the \$2,285,045.77 that includes funding appropriated to Iowa Legal Aid in 2011 by the Iowa Legislature as well as small donations from past clients who are thankful for the help they received from Iowa Legal Aid, much of the program's funding originates from sources outside of Iowa. In 2011, Iowa Legal Aid brought in a total of \$3,421,362.36 in grants and contracts from federal revenue sources.⁸ These are dollars that likely would not have entered the state in the absence of Iowa Legal Aid. Generally, federal grants and contracts account for a total of 44% of Iowa Legal Aid's budget. Over 80% of these funds go toward personnel costs and find their way into the Iowa economy as staff purchase local goods and services with their earnings. The program also makes significant local purchases for rent and supplies.

ii. Direct Benefit #2: Benefit Payments to Clients

Sometimes Iowa Legal Aid's services result in clients being awarded money. The following are types of federal benefits that Iowa Legal Aid frequently helps clients obtain or retain:

- Social Security benefits, such as Social Security Disability (SSDI) and Supplemental Security Income (SSI)
- Medicare and Medicaid
- Tax benefits

⁸ The largest federal grants include \$2,592,467.00 from the Legal Services Corporation; \$212,928.26 from Area Agencies on Aging; \$211,119.00 for Iowa Legal Aid's Health and Law Project; and \$145,146.00 for Iowa Legal Aid's AmeriCorps project.

These federal benefits may replace other forms of assistance funded by the state of Iowa or counties, such as temporary cash assistance through Iowa’s Family Investment Program (FIP) or general relief. Replacing temporary state benefits with long-term federal benefits is good for both clients and for the state of Iowa. For clients, federal benefits represent stable sources of income that help them provide and care for their families. And, the state of Iowa benefits from new federal dollars being brought into the state to stimulate local economies, as well as from a reduction in the number of people who need state assistance.

In 2011, Iowa Legal Aid obtained \$1,854,311.47 in federal benefits for clients. These financial benefits breakdown as follows:

Table 3 – Federal Financial Benefits or Relief Obtained for Clients (2011)

Type of Case	Financial Benefit
Tax Payments ⁹	\$357,436.41
Medicare/Medicaid	\$508,740.64
SSDI/SSI	\$988,134.42
TOTAL:	\$1,854,311.47

Iowa Legal Aid also helps clients obtain financial benefits in a variety of ways, including child support and state benefits. (See Appendix A.) While obtaining state benefits does not result in new dollars being brought into Iowa, ensuring that Iowa’s poorest citizens have some way of providing food and shelter for their children does impact the Iowa economy. Many clients who contact Iowa Legal Aid for assistance in obtaining state benefits have no source of income when they call Iowa Legal Aid. Without income, these families may not be able to make rent payments and thus risk eviction; they may also be at a higher risk for incidents of domestic violence as a result of stress as they try to make ends meet. Homelessness and domestic violence carry high costs for Iowa taxpayers, as will be discussed at a later point in this study. Avoiding these outcomes by helping low-income Iowans access state assistance programs is beneficial for the Iowa economy and Iowa taxpayers.

Most likely the tabulation of the financial benefits achieved for Iowa Legal Aid’s clients in 2011 is underestimated. Financial benefits were calculated based on data in the program’s case management system. When a staff member completes work on a case, a special tab should be filled out to indicate the financial benefit achieved for the client. However, an informal survey of staff members suggests that this step is sometimes not completed for a variety of reasons. This is in keeping with the findings of other states that have undertaken analyses of the financial impact of legal services; in Nebraska, a 2002 study found that Legal Aid of Nebraska staff members

⁹ Note that it isn’t possible to differentiate between state and federal tax benefits obtained for clients at this time, so not all of these are new federal dollars entering the state.

were underreporting financial benefit and award data by 30%.¹⁰ This study does not include an analysis of the extent to which staff members underreport the financial benefit achieved for clients and no corresponding adjustments have been made in the data reported. Nevertheless, this should serve as a reminder that the numbers reported in this study are conservative.

b. Indirect Benefits

While some of Iowa Legal Aid’s work helps Iowans obtain or maintain stable sources of income, many of the cases handled do not result in direct payments to clients. Nevertheless, Iowa Legal Aid’s advocacy in such cases impacts the Iowa economy in important ways. In particular, Iowa Legal Aid’s representation of low-income individuals in family law and housing cases results in tremendous indirect benefits for the Iowa economy.

i. Impact of Iowa Legal Aid’s Representation in Family Law Cases.

1. *The Costs of Intimate Partner Violence*

In 2010, the Center for Disease Control, with the backing of the National Institute of Justice and the Department of Defense, undertook a massive survey of sexual violence, stalking, and intimate partner violence in the United States.¹¹ The National Intimate Partner and Sexual Violence Survey (NISVS) sought to develop “timely, ongoing, and comparable national and state-level data” concerning sexual and domestic abuse, as well as examine “how these forms of violence impact specific populations in the United States or the extent to which rape, stalking, or violence by a romantic partner are experienced in childhood and adolescence.”¹² Ultimately, NISVS found that these forms of violence represent a tremendous public health problem in the United States.¹³ More than a third of all women and a quarter of all men in the United States have been subjected to rape, physical violence, or stalking at the hands of an intimate partner in their lifetime.¹⁴ Not surprisingly, the survey also documented that “exposure to sexual violence, stalking, and intimate partner violence has significant adverse consequences for physical and mental health.”¹⁵

The costs of the adverse consequences of intimate partner violence are tremendous, but difficult to pin down. The CDC has estimated that the cost of intimate partner violence in the United States exceeds \$5.8 billion dollars every year, but cautions that this figure is an underestimate.¹⁶ While the \$5.8 billion figure includes the costs of medical and mental health care services for

¹⁰ Rod Feelhaver and Jerome A. Deichert, “The Economic Impact of Legal Aid of Nebraska 2005,” (2006), 3. Please note that few of the state economic impact reports cited in this study have been published. Most are available online at the National Legal Aid & Defender Association’s library of civil resources, http://www.nlada.org/DMS/Index/000000/000050/document_browse, (June 20, 2012).

¹¹ National Center for Injury Prevention and Control, Centers for Disease Control and Prevention, *The National Intimate Partner and Sexual Violence Survey (NISVS): 2010 Summary Report* (Atlanta, GA: 2011).

¹² NISVS, 1.

¹³ *Id.*

¹⁴ NISVS, 2.

¹⁵ NISVS, 83.

¹⁶ National Center for Injury Prevention and Control, Centers for Disease Control and Prevention, *Costs of Intimate Partner Violence Against Women in the United States* (Atlanta, GA: 2003) 2.

victims, as well as lost productivity from paid work and household tasks, it does not include the costs of holding perpetrators of intimate partner violence accountable for their crimes.¹⁷ At least 1.5 million intimate partner rapes, assaults, or stalkings are reported to the police each year.¹⁸ Some of these cases result in criminal prosecution, which requires time and energy from county attorneys, public defenders, and judges. Approximately 79,000 reports of intimate partner violence will result in jail or prison time for the perpetrator.¹⁹

The CDC's \$5.8 billion dollar figure also does not include the costs of victims staying at state- or federally-funded crisis shelters to escape abusive homes; shelter and support provided by the friends and family members of victims; medical and mental health costs of treating children who witness intimate partner violence; and intervention by the Department of Human Services or foster care for children that is necessitated by the occurrence of intimate partner violence.²⁰ Furthermore, while the CDC's analysis does include the cost of the nearly 8 million days of paid work that victims of intimate partner violence miss each year as a result of their victimization, it does not include the additional expenditures businesses make in an effort to maintain a safe work environment—or the liability and litigation expenses businesses face when they fail to maintain a safe environment for their employees. The Workplace Violence Institute has reported that workplace violence (including, but not limited to intimate partner violence) costs employers in the United States \$36 billion per year.²¹

The costs of intimate partner violence are enormous, and no sector of society is immune to the negative economic impact that results from the commission of these crimes. From the individual taxpayer to the large private corporation, all are paying for the costs and consequences of intimate partner violence. Understanding intimate partner violence as not just a social problem, but also a financial one, gives context to the economic impact of Iowa Legal Aid's work to reduce domestic violence in the state of Iowa.

2. Iowa Legal Aid Reduces the Incidence of Domestic Violence

Approximately 32% of the cases closed by Iowa Legal Aid 2011 were family law cases. Three types of family law cases, namely protective order, divorce, and custody cases, accounted for more than 80% of the family law cases closed in 2011. In virtually all of these cases, either the client or a child in the client's household was a victim of domestic violence.²² Unfortunately, due to limited staff and resources, Iowa Legal Aid is not able to assist everyone who is eligible for services. As a result, the Iowa Legal Aid Board of Directors formulates priorities and case acceptance criteria that are utilized statewide. In divorce, custody, and protective order cases

¹⁷ *Costs of Intimate Partner Violence*, 2.

¹⁸ *Costs of Intimate Partner Violence*, 44.

¹⁹ *Id.*

²⁰ *Id.*

²¹ Steve Kaufer and Jurg W. Mattman, "The Cost of Workplace Violence to American Businesses," Workplace Violence Research Institute, <http://www.conflictmanagement.org/icm/Downloads/Documents/The%20Cost%20of%20Workplace%20Violence%20to%20American%20Businesses.pdf> (June 20, 2012); Tennessee Economic Council on Women, "The Impact of Domestic Violence on the Tennessee Economy," (2006), 3.

²² The one exception to this rule is that divorce cases referred to the Polk County Volunteer Lawyers Project did not necessarily involve domestic violence. To ensure accuracy, all divorce cases referred to the Polk County VLP have been removed from the numbers utilized for this section's calculations. All told, Iowa Legal Aid closed 5,899 divorce, custody, and protective order cases that involved victims of domestic violence in 2011.

Iowa Legal Aid's priority is to reduce the occurrence and mitigate the effects of domestic violence. This is in keeping with Iowa Legal Aid's focus on addressing legal needs related to basic necessities, fundamental rights, or safety.

One of the primary ways in which Iowa Legal Aid works to reduce the incidence of domestic violence in Iowa is by representing victims at protective order hearings. In Iowa, victims of domestic violence have the option of filing a petition for a civil protective order pursuant to Iowa Code §236.²³ A judge reviews the petition, decides whether to issue a temporary protective order, and then sets the matter for a hearing. At the hearing, the victim must prove by a preponderance of the evidence that the alleged domestic abuse occurred.²⁴ If this burden is met, the court may issue a protective order for a period of time not to exceed one year.²⁵

Other states have noted that “failing to obtain legal assistance in domestic violence proceedings can have serious consequences.”²⁶ A study of one county in Wisconsin, for example, found that assistance from a legal advocate significantly improved the likelihood that a restraining order would be granted.²⁷ The same study also found that many restraining order cases were complex enough to require the assistance of an attorney, but this need was largely unmet.²⁸ Instead, victims entered their hearings without knowledge of the court rules designed to ensure a comprehensive and fair hearing, what to do if the judge or bailiff ignored these rules, the criteria they needed to meet to obtain an order of protection, or how to present evidence that supported their case.²⁹ What is true in Wisconsin is also true in Iowa, and the assistance Iowa Legal Aid provided to victims in protective order cases is among the most important services Iowa Legal Aid provided in 2011.

In addition to protective order cases, Iowa Legal Aid handled thousands of divorce cases in 2011. Again, virtually all of the divorce cases handled by Iowa Legal Aid involve an allegation of domestic violence committed by one spouse against either the spouse calling for assistance or a child in the household. In some cases, Iowa Legal Aid attorneys were able to obtain a permanent protective order as part of a final divorce decree, which helped protect victims from further violence by intimate partners.

Even in divorce cases where formal protective orders are not entered, Iowa Legal Aid attorneys are helping victims break the cycle of violence and avoid future victimization by advising and assisting them with their divorces. In fact, an oft-cited academic study found that the availability of free legal assistance in a victim's county of residence was the *only* service that impacted the likelihood of future abuse.³⁰ This is not to say that other services, such as shelters, hotlines, and counseling are not important—but the study's clear finding was that women who live in counties with such services “are not significantly less likely to be victims of intimate partner abuse than

²³ *Code of Iowa 2011*, Volume II, §236.

²⁴ *Code of Iowa* §236.4(1).

²⁵ *Code of Iowa* §236.5(2).

²⁶ Liz Elwart, et al., “Increasing Access to Restraining Orders for Low-Income Victims of Domestic Violence: A Cost-Benefit Analysis of the Proposed Domestic Abuse Grant Program,” *State Bar Association of Wisconsin*, (2006), 2.

²⁷ *Id.*

²⁸ Elwart, i.

²⁹ Elwart, 4-5.

³⁰ Amy Farmer and Jill Tiefenthaler, “Explaining the Recent Decline in Domestic Violence,” *Contemporary Economic Policy* 21:2 (April 2003), 10-11.

women who live in counties without these services.”³¹ Only the availability of legal assistance significantly reduced the rates of reported abuse in individual counties, perhaps because “legal services help women with practical matters such as protective orders, custody, and child support, [thus appearing] to present women with real, long-term alternatives to their [abusive] relationships.”³²

With this background in mind, we turn to an examination of the costs avoided by Iowa Legal Aid’s representation of victims of domestic violence in family law cases. In so doing, this study makes several assumptions. First, it is assumed that Iowa Legal Aid’s assistance resulted in the prevention of one violent attack per protective order, divorce, or custody case. This number is likely conservative because the typical victim of domestic violence averages between 2.5 and 3.1 assaults per year at the hands of the abuser.³³ This means that helping an abuse victim obtain a protective order or a divorce may help that victim avoid dozens of violent attacks over the course of his/her lifetime. Of course, a protective order is not a guarantee of safety, and some victims return to their abusers after Iowa Legal Aid’s services are completed. Nevertheless, it is reasonable to assume that the true number of assaults prevented as a result of Iowa Legal Aid’s advocacy is much higher than the prediction of one assault prevented per protective order, divorce, or custody case closed.

It is estimated that each violent attack prevented results in \$3,201 of avoided medical care, mental healthcare, lost productivity, and property damage costs.³⁴ This figure is based on a Wisconsin study in which a research team conducted an extensive survey of available academic literature on the costs associated with domestic violence and sexual assault.³⁵ While this figure is not specific to Iowa, it is the best national estimate that is currently available. Studies of the economic impact of free legal service provision conducted in other states almost all rely upon this same estimate of approximately \$3,000 in avoided costs per prevented assault.³⁶ Again, however, please note that this figure does *not* include the costs of providing criminal justice services to perpetrators of domestic violence or social services for children who witness domestic violence, among other things. As with the number of violent assaults prevented by Iowa Legal Aid’s services, we are certain that this figure of avoided costs per assault is conservative by any measure.

³¹ Farmer and Tiefenthaler, 10.

³² Farmer and Tiefenthaler, 11.

³³ Patricia Tjaden and Nancy Thoennes, *Full Report of the Prevalence, Incidence, and Consequences of Violence Against Women: Findings from the National Violence Against Women Survey*, U.S. Department of Justice, Office of Justice Programs (Washington, DC: 2000) 17. The difference is the gender of the victim; male victims of domestic violence are victimized 2.5 times per year on average, while female victims of domestic violence suffer an average of 3.1 assaults per year.

³⁴ Elwart, 13.

³⁵ Elwart, 12.

³⁶ See, for example: “Results of the Pennsylvania Access to Justice Act: A Report on the Filing-Fee Surcharge Law, FY 2004-2008,” (2009) 8; Lonnie Powers, “Memorandum: Cost Savings to the Commonwealth Resulting from Legal Assistance Provided to Low income Clients,” *Massachusetts Legal Assistance Corporation* (2007) 3; and “Investing in Justice, Strengthening Communities: How Everyone in Missouri Benefits from Funding for Legal Aid,” *Missouri Legal Aid Network* (2009) 6.

On the basis of these assumptions, we project that Iowa Legal Aid's assistance and advocacy in family law cases resulted in \$18,882,699.00 of avoided costs in 2011.³⁷

ii. Effects of Iowa Legal Aid's Representation in Housing Cases

As discussed earlier, due to limitations in staff and resources Iowa Legal Aid is not able to assist everyone who is eligible for free legal services. This requires the program to set priorities and follow specific case acceptance criteria. In general, the program's case acceptance criteria seek to assist Iowans who are facing threats to their basic necessities, fundamental rights, and safety. One of the most important basic necessities Iowa Legal Aid is called upon to help clients with is to maintain their housing.

In 2011, Iowa Legal Aid closed 6,676 housing cases. These cases account for approximately 30% of the cases handled by Iowa Legal Aid staff and include issues with federally subsidized housing, public housing, private landlord/tenant disputes, and foreclosure, among others. In many cases, the assistance of an Iowa Legal Aid attorney kept an Iowa family from becoming homeless.

Studies of programs aimed at homelessness prevention in other states have found that tenants who are unrepresented in eviction proceedings stand little chance of prevailing in their case.³⁸ As one study in New York noted, "unrepresented tenants have little chance of avoiding eviction because they lack the expertise needed to argue before a judge, negotiate the process by which trial dates are set, gather evidence that will be admissible, understand the intricacies of the legal arguments they must make, or file papers to stay an eviction while they develop their case."³⁹ The study goes on to note that without legal representation, many tenants lose by default because they either don't show up or don't properly follow procedural requirements.⁴⁰ Even limited legal assistance may not be enough to impact outcomes in housing cases. A recent, randomized study of a legal aid program in Massachusetts compared outcomes obtained for clients who were fully represented by legal aid attorneys versus outcomes obtained by clients who attended a workshop on how to represent themselves in housing cases.⁴¹ Providing this kind of limited assistance has grown in popularity among legal aid programs in recent years as a way of "furnish[ing] some help to as many [low-income people] as possible."⁴² The results of the study were startling: "approximately two thirds of [fully represented] occupants retained possession of their housing units at the end of summary eviction proceedings, as compared about one third of [occupants who only received education and advice]."⁴³ Put another way, individuals who only received information and advice instead of being fully represented in their housing cases lost possession of their homes twice as often as individuals who were represented by legal aid attorneys. There

³⁷ 5899 (avoided assaults) * \$3201 (savings per avoided assault) = \$18,882,699.00.

³⁸ New York State Department of Social Services, "The Homelessness Prevention Program: Outcomes and Effectiveness," (1990) 19.

³⁹ "The Homelessness Prevention Program," 19.

⁴⁰ *Id.*

⁴¹ D. James Greiner, Cassandra Wolos Pattanayak, and Jonathan Hennessy, "The Limits of Unbundled Legal Assistance: A Randomized Study in a Massachusetts District Court and Prospects for the Future," *Harvard Law Review (Forthcoming)*, (Draft of March 11, 2012), 1-73.

⁴² Greiner, Pattanayak, and Hennessy, 7.

⁴³ *Id.*

was also a significant difference in financial outcomes achieved by the two groups: “In cases involving nonpayment of rent or serious monetary counterclaims, the net financial effect of the litigation was such that the [represented] group were not obligated to pay an average net of 9.4 months of rent per case...while the corresponding figure for the [other] group was 1.9 months of rent per case.”⁴⁴

Being evicted has enormous consequences in the short term, as between 25% and 30% of all requests for emergency shelter emanate from a landlord eviction.⁴⁵ Being evicted also has long term consequences. Having a formal eviction on one’s record may lead to disqualification from certain types of housing or housing assistance programs and result in a tenant paying more than 30% of his or her limited income in housing costs.

Programs that provide legal assistance and representation in eviction cases typically have high success rates.⁴⁶ The New York study noted that the legal services programs it analyzed reported averting eviction in 75% to 90% of their cases – and that these findings were “consistent with earlier studies of legal intervention programs” that work to prevent eviction.⁴⁷ One possible reason for the high success rate is that many housing cases can be settled through mediation.⁴⁸ Iowa Legal Aid’s experience has been that private landlords—who frequently undertake eviction proceedings without the assistance of an attorney—often make mistakes that render the eviction illegal. Iowa Legal Aid attorneys are able to use this as a vehicle for negotiations with landlords. It is common for Iowa Legal Aid attorneys to negotiate settlements through which tenants agree to vacate the residence in exchange for being given enough time to locate alternate housing and avoiding a formal eviction proceeding being placed on their record. Orderly negotiated rental terminations may also reduce the costs to landlords from damages caused by an otherwise angry tenant.

Preventing eviction is crucial for a number of reasons, including that the alternative is so expensive. By helping Iowans avoid losing their housing, Iowa Legal Aid is helping state and local governments save on emergency shelter costs.⁴⁹ A study in Massachusetts found that the cost of emergency shelter was approximately \$3,000 per month for a family or \$1,000 per month for an individual; the same study noted that the average shelter stay for both families and individuals was three months, bringing the total cost of a typical emergency shelter stay to \$9,000 per family or \$3,000 per individual.⁵⁰ Similarly, a study of the economic impact of legal services in Pennsylvania noted that preventing the eviction of a family saved an average of \$11,550 in emergency shelter costs.⁵¹

⁴⁴ Greiner, Pattanayak, and Hennessy, 7.

⁴⁵ “The Homelessness Prevention Program,” 14.

⁴⁶ “The Homelessness Prevention Program,” 18.

⁴⁷ *Id.*

⁴⁸ “The Homelessness Prevention Program,” 15-16.

⁴⁹ Laura K. Abel and Susan Vignola, “Working Paper: Economic and Other Benefits Associated with the Provision of Civil Legal Aid,” *Brennan Center for Justice at NYU School of Law* (2009) 9: “When civil legal aid programs prevent the eviction of their clients, they prevent at least some of those clients from entering the shelter system, with the result that the state or local government saves on shelter costs.”

⁵⁰ D. Friedman, “Preventing Homelessness and Promoting Housing Stability: A Comparative Analysis,” as quoted in Powers, “Memorandum: Cost Savings to the Commonwealth Resulting from Legal Assistance Provided to Low Income Clients,” 2.

⁵¹ “Results of the Pennsylvania Access to Justice Act,” 8.

As was the case in the analysis of the costs of domestic violence, it is important to note that there are costs beyond those associated with supplying emergency shelter that result from eviction. These include the court and law enforcement costs associated with forcible eviction and the social service costs associated with caring for and rehabilitating a family after they have become homeless.⁵² Also excluded from this analysis are the costs of reestablishing a household by acquiring items such as furniture, dishes, and clothing that may have been lost through an eviction.

Iowa Legal Aid predicts that staff attorneys prevented a spell of homelessness for clients in 452 housing cases closed in 2011.⁵³ It is important to note that this analysis does not take into account instances of homelessness prevented by Iowa Legal Aid's work in mortgage foreclosure cases. Although Iowa Legal Aid's advocacy in foreclosure cases undoubtedly prevented homelessness for a number of Iowa families, foreclosure cases typically proceed at a slower pace than standard eviction cases, thus giving families more time to make arrangements to avoid becoming homeless. In the interest of keeping these calculations conservative, foreclosure cases have thus been excluded from this analysis.

Of the 452 housing cases in which Iowa Legal Aid's advocacy prevented a spell of homelessness, 136 involved individuals and 316 involved households with more than one member. Thus, it is projected that the costs avoided by Iowa Legal Aid's advocacy in housing cases was \$3,252,000.00 in 2011.⁵⁴

c. The Multiplier Effect – Assessing the True Impact of Iowa Legal Aid's Advocacy

When Iowa Legal Aid brings money into Iowa by being awarded a federal grant, that money does not simply sit in Iowa Legal Aid's bank account; instead, the money is spent on staff salaries, office leases, equipment and supplies, and other goods and services. The recipients of those payments use the money they receive to pay for additional goods and services in their local communities. In this manner, new money brought into Iowa as a result of Iowa Legal Aid's work "increases the demand for goods and services in the state, which results in changes in production

⁵² "Savings and Increased Income to the City of Lynchburg," *Virginia Legal Aid Society* (2005) 1: "homeless families often require intensive time and significant resources from city departments including Social Services, Health, Schools, and Police, as well as from other nonprofit human service providers; a 1996 study in New York found that the average cost of rehabilitating a family of four after they have become homeless is \$30,000."

⁵³ This calculation was arrived at by examining the primary benefit codes entered in Iowa Legal Aid's case management system for housing cases closed in 2011. It is assumed that the following benefit codes represented the avoidance of a spell of homelessness: prevented termination of private landlord/tenant rental agreement/eviction; delayed termination of private landlord/tenant rental agreement/eviction; prevented loss of home; delayed loss of home; obtained home; federally subsidized housing assistance obtained/continued.

⁵⁴ Of the 452 total cases in which homelessness was prevented, 136 involved individuals and 316 involved multi-person households. $316 * \$9000$ (the average cost of emergency shelter for a family during a period of homelessness) = \$2,844,000.00. $136 * \$3,000$ (the average cost of emergency shelter for an individual during a period of homelessness) = \$408,000.00. $\$2,844,000.00 + \$408,000.00 = \$3,252,000.00$ in avoided emergency shelter costs in 2011.

in industries that produce these goods and services.”⁵⁵ In other words, as a new dollar injected into Iowa’s economy is passed from person to person, its value, as measured by the impact it produces, grows. In economics, this is called the multiplier effect.⁵⁶

Assessing the full economic impact of Iowa Legal Aid’s services requires careful consideration of the multiplier effect. However, determining the correct multiplier to use is challenging, as much depends on the characteristics of the specific communities in which Iowa Legal Aid operates as well as on the kind of spending at issue. Economic impact studies similar to this one conducted in other states tend to utilize a multiplier of two.⁵⁷ In other words, for each dollar that a legal services program brings into a particular state, an additional dollar is generated.⁵⁸

In an opinion piece in the *Des Moines Register*, Iowa State Professor of Economics David Swenson stated that his analyses of Iowa’s trade areas reveals that “a dollar spent locally on retail goods or services results in 25 cents to 40 cents in additional economic output in the region.”⁵⁹ Thus, Professor Swenson’s view is that a reasonable multiplier for Iowa is somewhere between 1.25 and 1.40.⁶⁰ In keeping with this study’s practice of using the most conservative numbers available, it is assumed that each new dollar brought into Iowa as a result of Iowa Legal Aid’s work results in an additional 25 cents of economic activity. Additionally, this study will only calculate the multiplier effect of the dollars brought into the Iowa economy through federal grants and contracts awarded to Iowa Legal Aid and direct federal benefits obtained for clients.⁶¹

In 2011, Iowa Legal Aid obtained \$5,275,673.83 in federal grants and direct federal benefit payments to clients. Adjusting for a multiplier of 1.25, this means the total economic impact of the new federal dollars Iowa Legal Aid brought into Iowa’s economy totaled \$6,594,592.29.

IV. Summary

Iowa Legal Aid’s services benefit Iowa’s economy in several ways. First, Iowa Legal Aid brings new money to the state through acquisition of federal grants. Second, Iowa Legal Aid helps low-income Iowans obtain federal benefits, such as Social Security benefits, to which they are entitled. Third, the multiplier effect means that the impact of federal dollars brought into the state as a result of Iowa Legal Aid’s work is increased. Finally, Iowa Legal Aid’s work decreases the incidence of homelessness and domestic violence in our state, resulting in tremendous avoided costs for Iowa taxpayers. All told, it is conservatively projected, as illustrated in the chart below, that Iowa Legal Aid’s work brought \$28,729,291.29 into the Iowa economy in 2011.

⁵⁵ Phillip Granberry and Randy Albelda, “Assessing the Benefits of Provision of Legal Services through the Disability Benefits Project,” *Massachusetts Legal Assistance Corporation* (2006) 9.

⁵⁶ Abel and Vignola, 3-4.

⁵⁷ See, e.g., Granberry and Albelda, 9: “Generally a multiplier of two is applied to money injected into a regional economy.”

⁵⁸ Abel and Vignola, 4.

⁵⁹ David Swenson, “Iowa View: Effect of multiplier is a myth,” *Des Moines Register*, February 19, 2012.

⁶⁰ *Id.*

⁶¹ In other words, we are not calculating the multiplier effect of the indirect benefits that Iowa Legal Aid achieved for Iowa’s economy by avoiding the costs associated with domestic violence and homelessness.

Table 4 – Total Economic Impact and Benefits of Iowa Legal Aid (2011)

Type of Benefit	Dollar Amount
Federal Revenue to Iowa Legal Aid	\$3,421,362.36
Direct federal benefits obtained for clients	\$1,854,311.47
Multiplier effect of federal revenue*	\$1,318,918.46
Indirect benefit (preventing intimate partner violence)	\$18,882,699.00
Indirect benefit (preventing homelessness)	\$3,252,000.00
TOTAL	\$28,729,291.29

*Using the conservative multiplier of 1.25

In 2011 Iowa Legal Aid received \$4,282,110.39 in funding from local sources⁶². Clearly, the difference between the amount invested in Iowa Legal Aid and the return Iowa Legal Aid secured on that investment is significant. To calculate the exact return Iowa Legal Aid secured on each local dollar invested in its programs in 2011, we divide the gain from the investment by the initial investment. Iowa Legal Aid's return on investment is calculated as follows: \$28,729,291.29 (gain from investment) / \$4,282,110.39 (initial investment) = approximately \$6.71 dollars.

This means that every dollar invested in Iowa Legal Aid by funding sources within the state yielded a return of \$6.71 dollars.

V. Conclusion

This study has attempted to provide a comprehensive analysis of the impact of Iowa Legal Aid's services on the Iowa economy. However, these calculations are likely conservative for a number of reasons that have been articulated throughout this work. It is worth noting again that Iowa Legal Aid obtained more than \$17 million in financial benefits for low-income Iowans in 2011. Even though many of these dollars were not new federal dollars that entered the state, Iowa Legal Aid's advocacy in such cases had a very real impact on the lives of Iowa's most vulnerable populations, as well as on the Iowa economy. For example, Iowa Legal Aid's work to secure spousal support and child support for victims of domestic violence has not been included in this analysis because generally the spouse or parent from whom support is obtained is also a resident

⁶² Local sources for these purposes includes allocations from United Way agencies across the state, state government, local governments, Interest on Lawyer Trust Account Commission, bar associations, private donations, the Iowa Legal Aid Foundation, fee awards, etc.

of the state of Iowa. This means that the financial benefit secured for Iowa Legal Aid's client does not result in new dollars entering the state. But obtaining such financial benefits for a victim of domestic violence undoubtedly impacts the victim's life and the lives of the children residing in the household in myriad ways. It is hard to imagine that these benefits do not have a ripple effect on the Iowa economy in turn.

Even using this study's conservative metric, however, Iowa Legal Aid obtained a return of \$6.71 for every dollar invested in Iowa Legal Aid by local sources. Iowa Legal Aid is clearly a good investment. And demand for Iowa Legal Aid's services continues to be high; much higher, in fact, than Iowa Legal Aid is capable of handling with its current operating budget. A national study by the Legal Services Corporation (LSC) found that for every person helped by an LSC-funded legal services organization, another is turned away because of limited resources.⁶³ This analysis does not include the unmet legal needs of low-income individuals who never even make it through the doors of an LSC-funded organization because they are unaware that free help is available.

Additional investment in Iowa Legal Aid will allow for the hiring of new staff members and the expansion of services to Iowa's poorest and most vulnerable populations. This, in turn, will increase the impact Iowa Legal Aid has on Iowa's economy. Investing in Iowa Legal Aid makes good economic sense, but investing in Iowa Legal Aid also shows support for the idea that equal justice under the law should be a reality for all of Iowa's citizens. In the words of U.S. Supreme Court Justice Lewis Powell, Jr.: "Equal justice under law is not merely a caption on the façade of the Supreme Court building. It is perhaps the most inspiring ideal of our society...it is fundamental that justice should be the same, in substance and availability, without regard to economic status."⁶⁴

VI. Case stories

The specific is often more compelling than the general. With that in mind, the following are real case stories from clients Iowa Legal Aid has assisted.

"Margaret" (not client's real name) was referred to Iowa Legal Aid by Iowa Mortgage Help after a foreclosure judgment was entered against her. Margaret is a widow who had not been able to get clear answers from the bank holding her mortgage. Although Margaret qualified for the Home Affordable Modification Program (HAMP), a government initiative to help homeowners get mortgage relief through a variety of programs that aid in mortgage modification, and had requested that she be considered for HAMP, she had not received a response from the bank to her application. Margaret's house was set for sheriff's sale and Iowa Legal Aid moved quickly to quash the sale. At the hearing held a day before the sheriff's sale was scheduled, the judge found that the bank had not complied with HAMP and postponed the sheriff's sale for 60 days. The bank was required to provide the court with proof that it had properly considered Margaret for HAMP before they could schedule another sheriff's sale. The bank has since cancelled the sale and Margaret is now being considered for HAMP.

⁶³ Legal Services Corporation, "Documenting the Justice Gap in America: The Current Unmet Civil Legal Needs of Low-Income Americans," (Washington, DC: 2009) 6.

⁶⁴ Justice Lewis Powell, Jr., as quoted in "Documenting the Justice Gap in America," 1.

“Stephanie” (not client's real name) contacted Iowa Legal Aid for help in establishing a permanent protection order against her ex-boyfriend, Steve. Stephanie has a son from another relationship and was pregnant with Steve’s child. The relationship went bad when Steve moved in with Stephanie. Steve began to hit Stephanie and would torment her one-year-old son until he cried so that Steve could punish the child. He threatened to take Stephanie’s unborn child away from her after the child is born. Stephanie had originally tried to represent herself at her hearing for a protection order, but found her boyfriend’s attorney so intimidating that she requested a continuance until she could find an attorney to represent her. Iowa Legal Aid represented Stephanie at her hearing and Steve agreed to the protection order. With the permanent protection order in place, Stephanie and her son are living in a safer, more stable environment.

“Bonnie” (not client's real name) had lived in her apartment for 20 years. In April of 2011, she signed a renewal lease. Bonnie’s landlord told her that she would have to move out of her apartment by June 1, because he was going to do some renovations on the apartment complex. He also told her she could move back when the work was completed. Bonnie was told the renovations would be completed by August 20. During renovation, Bonnie traveled and visited relatives. Bonnie mailed the landlord her rent payment for August, but when she returned, she was told the renovations were not complete. Bonnie found another apartment that she could rent, but the landlord told her that since she paid August rent, she was tied to the lease. Bonnie contacted Iowa Legal Aid for help in getting her prepaid rent and security deposit back. As a result of Iowa Legal Aid’s intervention, the landlord returned Bonnie’s deposit and rent, which allowed her to put a deposit down on her new apartment, as well as pay her first month’s rent.

“Ron” (not client's real name) contacted Iowa Legal Aid requesting help in filing his back taxes. He had not filed his taxes for several years and although he had not received any notices from the IRS, he desired to be responsible for things he had failed to do in the past. Ron had no W-2s to provide, but had not made more than \$19,000 annually since 2004. Iowa Legal Aid agreed to help Ron and contacted the IRS to get wage and income information for Ron from 2008 to 2010. Iowa Legal Aid completed the tax returns and mailed them to the IRS. As a result of Iowa Legal Aid’s help, Ron received a tax refund from 2010 and 2009 in the amount of \$287.00.

VII. Appendix A - Non-Federal Direct Benefits for Clients

Obtaining state benefits for low-income Iowa ensures that they have some way of providing food and shelter for their children. One of the most important state benefits which Iowa Legal Aid regularly helps clients obtain is unemployment insurance benefits. In 2011, Iowa Legal Aid helped clients obtain \$895,610.07 in unemployment benefits.

Other important financial benefits Iowa Legal Aid helps clients obtain include: spousal support and child support for victims of domestic violence; discharge of debts through bankruptcy actions; and relief in mortgage foreclosure cases. The latter of these is the single largest category of financial benefits achieved for clients by Iowa Legal Aid. In 2011, Iowa Legal Aid obtained \$8,184,365.09 in financial benefits for clients in mortgage foreclosure cases. In general, these benefits resulted from Iowa Legal Aid assisting families who are facing foreclosure successfully file an application for a six-month delay of sale. Under Iowa law, individuals facing foreclosure are entitled to such a delay, during which time they retain possession of their home while they

negotiate with the mortgage lender to keep their home or find a way to pay the balance of the judgment entered against them. A successful application for a six-month delay of sale slows down the foreclosure process, and allows families either to resolve their problems with the mortgage lender or to make alternate housing arrangements. In the absence of an application for a six-month delay of sale, a family may have a default judgment entered against them, be foreclosed on, and evicted in a matter of weeks.

All told, in 2011 Iowa Legal Aid helped Iowa's poorest and most vulnerable citizens receive over \$17 million in financial benefits and relief.

**Direct Financial Benefits or Relief Obtained for Clients
in Selected Case Types (2011)**

Type of Case	Federal Financial Benefit	Non-Federal Financial Benefit
Bankruptcy		\$2,879,271.24
Collections		\$501,800.84
Taxes	\$357,436.41	
Custody/visitation		\$139,136.40
Divorce		\$711,341.08
Domestic Abuse		\$131,360.39
Support (family law)		\$427,892.78
Medicare/Medicaid	\$508,740.64	
Federally subsidized housing		\$114,599.44
Homeownership/real property (not foreclosure)		\$735,494.78
Private landlord/tenant		\$124,749.54
Mortgage foreclosure		\$8,184,365.09
SSDI/SSI	\$988,134.42	
Unemployment benefits		\$895,610.07
Other (miscellaneous)		\$425,234.39
SUBTOTAL:	\$1,854,311.47	\$15,270,856.04

TOTAL: \$17,125,167.51

VII. Appendix B

This study was completed in July 2012 by Virginia McCalmont in collaboration with Iowa Legal Aid Executive Director Dennis Groenenboom and Iowa Legal Aid staff members Arlys Kness, Pat McClintock, and Cathy Reynolds. The case and financial data reported in this study was drawn from Iowa Legal Aid's case management system, PIKA, as well as from Iowa Legal Aid's 2011 audit performed by Denman and Company LLP, West Des Moines.

Virginia McCalmont is a native of North Carolina, but grew up in Ames, Iowa. She has served two terms (2010-2011 and 2011-2012) as an AmeriCorps member in Iowa Legal Aid's Southeast Iowa Regional Office in Ottumwa. She graduated from the University of Iowa with a B.A. in Political Science and German.

This study owes a tremendous debt to economic impact studies that have been completed by other states. Particular inspiration was drawn from studies entitled "The Economic Impact of Legal Aid of Nebraska," "Results of the Pennsylvania Access to Justice Act," and "Memorandum Re: Cost Savings to the Commonwealth Resulting from Legal Assistance Provided to Low Income Clients."

In the Nebraska study, the economic impact of Legal Aid of Nebraska was calculated by careful examination of the federal revenues brought into the state through grants and contracts, federal benefit awards obtained for Nebraskans, direct financial benefits such as child support and consumer awards obtained for clients, and tax savings achieved for the state. The Nebraska study also used a multiplier of 2 to calculate the final economic impact achieved as a result of the Legal Aid program's advocacy. Although there are significant differences in the way the Nebraska study and this study are constructed, the end results are very similar: the Nebraska study concluded that approximately \$5.00 in benefits are achieved for every dollar in program costs.

The Pennsylvania study is slightly different than the Nebraska study in that it is an analysis of the efficacy of legislation enacted to help fund legal assistance to low-income Pennsylvanians. The legislation, which is called the Access to Justice Act, set up a \$2 fee on filings in state courts. The money generated by this fee is used to fund free civil legal assistance for low-income individuals. At the time the Pennsylvania study was drafted, the legislation had been in effect for five years. The study estimates that over the course of those five years the legislation resulted in an economic impact of \$154 million dollars, which is 4.2 times the amount of investment. The \$154 million dollars of economic impact include "direct dollar-benefits for clients...[and] the multiplier effect of those dollars on local economies," as well as "cost savings to local agencies and state taxpayers through reductions in the need for high-cost emergency services such as shelter subsidies for evicted families and emergency room treatment for victims of domestic abuse." In calculating the latter benefits, the Pennsylvania study assumes that preventing domestic violence results in \$3,000 of avoided costs per family and that preventing homelessness results in \$11,550 of avoided costs per family. It is also worth noting that the Pennsylvania study uses a multiplier of 1.86 in its calculations, which is lower than the multiplier used by the Nebraska study but higher than the multiplier utilized in our study. The Pennsylvania study concludes that "AJA funding is an essential long-term investment."

In contrast to the economic impact studies from Nebraska and Pennsylvania, the memorandum-style analysis from the Massachusetts Legal Assistance Corporation (MLAC) is relatively informal. However, it contains an incredibly thorough listing of the different types of economic impact achieved by the advocacy of civil legal assistance programs. The memo outlines eight different areas in which MLAC's services impact the Massachusetts economy:

- 1) Direct financial benefit payments obtained for clients through representation in SSDI and SSI cases
- 2) Benefits achieved by helping clients avoid homelessness. As was outlined earlier in this study, MLAC projects that the cost of an average shelter stay for an individual is \$3,000 and for a family is \$9,000. MLAC assumes that it is able to prevent homelessness in approximately 15% of its housing cases.
- 3) Benefits achieved through representation in policy and regulatory matters. This includes MLAC's work to expand the participation of low-income Massachusetts families in a food stamp program. MLAC argues that "this is all federal money that almost immediately will be spent in the Massachusetts economy."
- 4) Benefits achieved by helping avoid the incidence of domestic abuse. MLAC assumes that preventing one domestic assault results in \$3,000 of avoided costs.
- 5) Benefits achieved by MLAC's advocacy in Medicare cases.
- 6) Direct financial benefit payments obtained for clients through representation in tax and unemployment matters.
- 7) Benefits associated with representation in cases that involve health issues. This includes improving access to the health care system for low-income individuals.
- 8) Benefits associated with representing individuals who have physical and mental disabilities. This includes representing "residents of state psychiatric facilities whose return to the community is being improperly delayed or denied...successful discharge advocacy results in cost savings for the state because the community programs are less expensive than supporting them in large residential facilities."

MLAC estimates that all of these benefits combine for a total of more than \$70 million dollars in revenues and cost savings for Massachusetts.

Many of the studies and academic papers utilized by this work are available online at the National Legal Aid & Defender Association's library of civil resources:

<http://www.nlada.org/DMS/Index/000000/000050/document_browse> (June 20, 2012).

Questions about this study may be directed to Iowa Legal Aid Executive Director Dennis Groenenboom at:

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