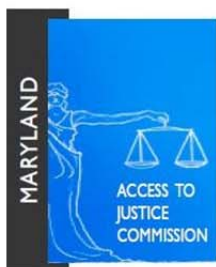


ECONOMIC IMPACT OF CIVIL LEGAL SERVICES IN MARYLAND



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Civil Legal Aid in Maryland Brings Economic Benefits to Its Clients and the State



The work of civil legal services programs in Maryland significantly boosts the state's economy each year by bringing in millions of federal dollars, improving the lives of low-income Marylanders, and saving the State millions in expenditures.

Economic Impact of Civil Legal Services in Maryland

CIVIL LEGAL AID IN MARYLAND BRINGS ECONOMIC BENEFITS TO ITS CLIENTS AND THE STATE

ACCESS TO JUSTICE BOOSTS THE STATE'S ECONOMY

Each year, thousands of Marylanders benefit from legal help provided by a small cadre of lawyers and others who staff the State's non-profit legal providers, or who offer pro bono help through one of these organizations. There are 35 legal services programs that receive state funding through the Maryland Legal Services Corporation. Attorneys employed by these providers represent just 0.7% of all Maryland lawyers, yet their impact, and that of the additional attorneys who serve pro bono, is significant. In Fiscal Year 2012, advocacy by Maryland civil legal aid providers:

- Brought **\$9.9 million in federal dollars** into Maryland to benefit state residents. Those dollars translated into at least **\$12.6 million in economic stimulus** for local economies.
- Obtained **\$10.7 million in other direct financial benefits** for Maryland residents.
- Secured **\$161 million per year** as a result of systemic advocacy on behalf of tenants at risk of eviction, vulnerable homeowners and low-income persons in need of emergency assistance.
- Resulted in at least **\$882,096 in tax revenue** by keeping Marylanders in the work force.
- Saved at least **\$3.7 million in state expenditures** on shelter costs alone by preventing homelessness.
- Saved at least **\$1.3 million in health costs and productivity** by preventing domestic violence.

Those dollars represent an even larger boost for the state's economy when taking into account their overall impact on spending. Low-income residents spend a larger percentage of their income on daily expenditures than other individuals. If we take into account the fiscal impact of each federal dollar brought into Maryland, the overall fiscal impact on the state of those dollars is significant. The \$9.9 million in federal monies brought into the state stimulate local economies, generating \$12.6 million in additional consumer expenditures. Access to justice is good for Maryland's economy. Taken together, these gains represent economic stimulus, cost savings and increased productivity for Maryland totaling **\$190 million**.

Maryland civil legal services programs generate \$190 MILLION PER YEAR in economic activity, cost savings, and increased productivity as a result of their advocacy.

Methodology

This report is divided into three parts.

Part One reflects direct financial benefits won for individual clients. The data about direct financial benefits to clients was compiled by just 2 of the State's 35 providers: Maryland Legal Aid and the Homeless Persons Representation Project. Supervising attorneys in each unit or office reviewed case files and compiled data from all cases handled during Fiscal Year 2012 (July 1, 2011 through June 30, 2012) to capture the actual dollars awarded or financial savings achieved as a result of their advocacy. While many of the state's other providers secure direct financial benefits for their clients, their client management systems do not currently track the dollar value of the benefit secured. Maryland Legal Aid has a statewide presence, but its work represents only a portion of the overall work of the state's civil legal services delivery system, which includes 35 providers. The Homeless Persons Representation Project serves individuals who are homeless and at risk of homelessness. If complete data were available from all providers, these figures would be higher.

Part Two quantifies the value of the systemic advocacy work done by only two of the state's legal services providers: the Public Justice Center and the Homeless Persons Representation Project. Their work in several key initiatives has resulted in real economic benefits for thousands of low-income Marylanders. Again, many of the state's other providers engage in systemic advocacy. If data from those organizations were available, these figures would be higher.

Part Three analyzes the indirect benefits from legal aid advocacy. We assessed these benefits using data about social benefits achieved on behalf of individual clients. Benefits we examined included those likely to result in increased tax revenue for the state, and savings in costs associated with homelessness and domestic violence. The data comes from annual reporting provided to the Maryland Legal Services Corporation (MLSC) each year by each of its grantees. This report relies on data from the reporting grantees provided for Fiscal Year 2012.

Part One: Direct Financial Benefits for Individual Clients

FEDERAL REVENUE BROUGHT INTO MARYLAND

NEW FEDERAL REVENUE BROUGHT INTO MARYLAND BY MARYLAND LEGAL PROVIDERS

Food stamp (SNAP) benefits	\$ 81,688
Medicaid / Medicare benefits – federal share	\$ 1,312,399
SSI benefits	\$ 1,566,362
Medical benefits associated with SSI – federal share	\$ 529,611
Federal housing benefits	\$ 5,085,150
Federal unemployment insurance	\$ 1,256,143
Veteran's Benefits	\$ 58,115
Federal TCA/TANF benefits	\$ 14,917
Total Federal Dollars Brought into Maryland	\$ 9,904,385

Out of Maryland's 35 civil legal services providers, Maryland Legal Aid and the Homeless Persons Representation Project alone bring nearly \$10 million per year into the State in the form of direct federal benefits to low-income Marylanders. These organizations were able to provide the dollar value of benefits secured.

- **FOOD STAMPS (SNAP).** Maryland Legal Aid and HPRP handled food stamp matters on behalf of 49 individuals, benefitting 27 families. The above figure includes the amount of the monthly benefit secured (\$ 5,398) X 12 months for a total annual food stamp benefit of \$64,776. Coupled with additional lump sum benefits secured in the amount of \$16,912, the total impact of civil legal aid efforts resulted in \$81,688 new federal dollars to support low-income Marylanders.
- **MEDICAID/MEDICARE.** Maryland Legal Aid represented 77 clients in Medicaid/Medicare matters. The above figure includes the federal share of the annual value of the benefits obtained. The total value of benefits was \$2,624,799. The federal share of Medicaid costs is 50%, except for those provided for children, where the federal share is 65%. Most of the beneficiaries of Legal Aid's Medicaid/Medicare cases were adults, so the costs here reflect 50% of all benefits secured, or \$1,312,399.
- **SSI.** Maryland Legal Aid secured SSI benefits for 127 individuals, representing 53 families. The above figure includes the value of monthly benefits secured (\$49,106) X 12 months for a total annual benefit of \$ 589,272. Coupled with additional lump sum benefits secured in the amount of \$977,090, Maryland Legal Aid's efforts resulted in \$1,566,362 in new federal SSI dollars to support

Maryland residents. For these cases, the Social Security Administration estimates that recipients receive benefits for an average of 9.7 years, while SSDI recipients receive benefits for an average of 10.5 years. For this analysis, \$589,272 in first year benefits were identified with these claims. Conservatively, without adjusting for inflation, over 9.7 years, these awards translate into \$5,715,938 in lifetime benefits. This report does not take into account the ongoing SSI benefits reaped by prior legal services clients for whom benefits were secured in prior years.

- **SSI-RELATED MEDICAL BENEFITS.** Maryland Legal Aid clients who received SSI also became eligible for Medicaid. The figure provided here includes the annual healthcare benefit for all individuals who became eligible for Medicaid as a result of securing SSI benefits. The projected annual value of Medicaid for disabled adults is \$21,590, resulting in total annualized benefits of \$1,059,222. The federal share of these benefits is 50% so the amount of new federal dollars coming into Maryland is \$529,611.¹
- **FEDERAL HOUSING BENEFITS.** Maryland Legal Aid's public housing cases benefitted 726 individuals from 334 families in Fiscal Year 2012. The above figure includes the monthly value to tenants who avoided eviction or a termination of a federal housing subsidy, multiplied by 12 to arrive at the annual value of the benefit, plus any monetary award or forgiven rent. This translated into \$2,541,290 in Section 8 subsidies, and \$2,219,992 in other public housing subsidies. In addition, the Homeless Persons Representation Project secured \$323,868 in annualized federal housing benefits. These two organizations alone brought a total of \$5,085,150 in federal housing dollars into the state. Benefits were based on the difference between the market rate and the tenant contribution.
- **UNEMPLOYMENT INSURANCE.** Maryland Legal Aid secured \$2,616,965 in unemployment benefits for 230 clients in Fiscal Year 2012. The federal share of such benefits was 48% during calendar year 2011,² totaling \$1,256,143.
- **VETERAN'S BENEFITS.** During Fiscal Year 2012, HPRP secured veteran's benefits for two individuals with an annualized value of \$34,752 and lump sum benefits totaling \$23,363 for a total benefit of \$58,115.
- **FEDERAL TCA/TANF BENEFITS.** HPRP secured Temporary Cash Assistance (TCA)/Temporary Assistance to Needy Families (TANF) on behalf of 19 individuals in lump sum amounts totaling \$16,250. The federal share of TANF benefits is 91.8%, yielding \$14,917 in new federal dollars for Maryland recipients.³

Federal Dollars Stimulate the State's Economy

The \$9.9 million dollars in federal spending that Maryland Legal Aid and HPRP brought into Maryland has a larger economic impact. Every additional dollar secured for Maryland residents is spent by those individuals on housing, food, clothing, and other necessities. Each federal dollar coming into our state as a result of the work of the state's legal services providers circulates through local economies, benefitting the community at large.

¹ Fiscal Year 2012 data provided by Maryland Legal Aid.

² OFFICE OF LEGISLATIVE AUDITS, DEP'T OF LABOR, LICENSING & REGULATION – DIV. OF UNEMPLOYMENT INS. AUDIT REPORT (Sept. 2012), available at www.ola.state.md.us/Reports/Fiscal%20Compliance/DLLR-DUI12.pdf (last visited Nov. 9, 2012).

³ U.S. DEP'T OF HEALTH & HUMAN SERVS., MARYLAND: FEDERAL TANF AND STATE MOE EXPENDITURES SUMMARY BY ACF-196 SPENDING CATEGORY (FY 2011), available at <http://archive.acf.hhs.gov/programs/ofa/data/2011fin/states/maryland.pdf> (information on the federal share in Maryland).

HOW ADDITIONAL FEDERAL DOLLARS BOOST LOCAL ECONOMIES

Source	New Dollars Secured by MD Legal Services	Multiplier / Reference	Economic Impact on Local Economies
Food stamp (SNAP) Benefits	\$ 81,688	1.79 www.ers.usda.gov/media/134117/err103_1_.pdf	\$ 146,221
Medicaid / Medicare Benefits – federal share	\$ 1,312,399	2.23 www.sphhs.gwu.edu/departments/healthpolicy/dhp_publications/pub_uploads/dhpPublication_2F941D82-5056-9D20-3DD55A0250BDAB46.pdf	\$ 2,926,649
SSI Benefits	\$ 1,566,362	1.8 www.dailyonder.com/economic-impact-social-security/2011/12/18/3649	\$ 2,819,451
Medical Benefits associated with SSI – federal share	\$ 529,611	2.23 http://www.sphhs.gwu.edu/departments/healthpolicy/dhp_publications/pub_uploads/dhpPublication_2F941D82-5056-9D20-3DD55A0250BDAB46.pdf	\$ 1,181,032
Federal housing benefit	\$ 5,085,150	0.7 www.dhcd.maryland.gov/Website/About/PublicInfo/Publications/documents/FY2011_Economic_Impact.pdf [70% of housing subsidies make their way to the local economy.]	\$ 3,559,605
Federal unemployment insurance	\$ 1,256,143	1.55 www.cbpp.org/cms/index.cfm?fa=view&id=1466 .	\$ 1,947,021
Veteran's benefits	\$ 58,115	1.5 In the absence of direct research on VA benefits, we used the 1.5 multiplier to reflect the impact of income support payments under the ARRA, as estimated by the Council of Economic Advisors. www.whitehouse.gov/sites/default/files/cea_5th_arra_report.pdf	\$ 87,172
TCA/TANF	\$ 14,917	1.5 In the absence of direct research on TCA/TANF, we used the 1.5 multiplier to reflect the impact of income support payments under the ARRA, as estimated by the Council of Economic Advisors. www.whitehouse.gov/sites/default/files/cea_5th_arra_report.pdf	\$ 22,375
Total Economic Impact of Federal Dollars Brought Into Maryland by Legal Services			\$12,684,526

OTHER FINANCIAL BENEFITS SECURED FOR LOW-INCOME MARYLANDERS

OTHER FINANCIAL BENEFITS SECURED FOR LOW-INCOME MARYLANDERS

Bankruptcy Protection	\$ 4,366,381
Debt Collection	\$ 2,168,974
Employment	\$ 206,003
Child and Spousal Support	\$ 828,694
Unemployment – non-federal share	\$ 1,360,821
Medicaid / Medicare – non-federal share	\$ 1,842,008
Total	\$ 10,772,881

Maryland Legal Aid alone secured an additional \$10.77 million per year in direct financial benefits for low-income Marylanders.

- **BANKRUPTCY PROTECTION.** During Fiscal Year 2012 Maryland Legal Aid advocates aided clients seeking bankruptcy protection. Direct financial benefits to clients included the discharge of unsecured debts (\$4,293,022) and other funds awarded in bankruptcy proceedings (\$73,359).
- **DEBT COLLECTION.** Includes monthly wage and asset garnishments avoided (\$131,915) X 12 months to determine the annual impact of garnishments avoided, plus any judgments successfully defended against, or cases dismissed as the result of advocacy on behalf of low-income defendants in debt actions. Lump sum benefits equaled \$585,994 resulting in total benefits to low-income clients of \$2,168,974.
- **EMPLOYMENT.** Includes \$173,603 in wages and back pay awarded to legal services clients, in addition to the annual value of jobs reinstated (monthly gross wages of \$2,700 X 12 months) totaling \$32,400.
- **CHILD AND SPOUSAL SUPPORT.** Low-income families can be less dependent on federal and state assistance when parents provide adequate financial support for their children and former partners, and when the amount of support is properly adjusted to family income. Maryland legal services providers helped their clients obtain the child and spousal support to which they were entitled. Providers helped clients establish monthly child support orders totaling \$40,003 for an annual benefit of \$480,036. Advocates helped other clients secure downward modifications, saving them \$4,221 in monthly support payments for a total annual benefit of \$50,652. Advocates helped others secure spousal support payments of \$37,036 and other lump sum awards in the amount of \$260,970. The total impact of legal aid advocacy in family law resulted in a benefit of \$828,694 for their low-income clients.

- **UNEMPLOYMENT INSURANCE.** Maryland Legal Aid secured \$2,616,965 in unemployment benefits for its clients. The non-federal contribution to those benefits in Calendar Year 2011 was 52%, totaling \$1,360,821.⁴
- **MEDICAID/MEDICARE.** Includes the non-federal share of the annual value of the benefit obtained on behalf of 77 clients of Maryland Legal Aid plus the non-federal value of SSI-related Medicare. The total value of benefits was \$1,842,008 (\$1,312,399 Medicaid appeals plus \$529,609 in SSI-related Medicaid).

Part Two: Economic Impact of Systemic Advocacy

SYSTEMIC ADVOCACY PRESERVES HOUSING AND RESOURCES FOR VULNERABLE FAMILIES

Legislative advocacy and systemic action undertaken on behalf of vulnerable Marylanders has yielded important results that have had a positive impact on the State's economy. Several key actions by the Public Justice Center (PJC) and the Homeless Persons Representation Project (HPRP), both located in Baltimore, have secured millions of dollars in housing benefits and in savings established by limiting the amount attorneys could charge for tax sale foreclosures. These initiatives have had a significant impact during the last several years precisely when many Marylanders were affected by the uptick in foreclosures.

Tenants in Foreclosure Legislative and Rules Changes Yield \$22 Million Value of Secure Housing

In 2009, the Public Justice Center led a policy advocacy campaign to give tenants who are being evicted because their landlord is in foreclosure new protections under Maryland law. As the result of the Maryland General Assembly passing House Bill 776 and the Rules Committee of the Court of Appeals of Maryland amending Maryland Rule 14-102, Maryland tenants were, for the first time, given the right to stay in their rental homes until the end of their lease or at least 90 days after the property was transferred to a foreclosure purchaser. Approximately 40% of families being evicted are tenants rather than homeowners. These policy changes provided at least an additional 3 months of secure housing to 5,768 Maryland families in 2011, at an approximate value to these tenants of \$22 million dollars. This value will be repeated each year the foreclosure crisis continues.⁵

⁴ *Id.*

⁵ In 2011, there were 14,421 foreclosure filings in Maryland. Of these filings, approximately 40% are against rental properties. Thus approximately 5,768 Maryland tenant families were affected by this rule change during 2011. The average Maryland rent for a two bedroom apartment in 2011 was \$1287 per month. (See NAT'L LOW INCOME HOUSING COAL., OUT OF REACH 2011 (2011), available at www.nlihc.org). Thus the value of stable housing for an additional 3 months for 5,768 families is \$22,270,248 in 2011. It should be noted these figures are significantly lower than in the last few years. In 2009 there were 43,248 foreclosure filings in Maryland, and in 2010 there were 42,446 foreclosures. During those years, PJC's efforts resulted in housing values benefiting tenants in the amount of \$57,401,400 in 2009 and \$64,738,639 in 2010.

New Limits on Attorney's Fees for Tax Sale Foreclosures Save Homeowners \$136 Million per Year

On December 12, 2007, the Honorable Evelyn Omega Cannon, Circuit Court for Baltimore City, issued a lengthy opinion setting significant limits on attorney's fees and expenses that Baltimore City homeowners must pay to redeem their homes after a tax sale. The Public Justice Center had urged the Court to do just that in an amicus brief filed at the request of the Court on September 24, 2007. In the approximately 80,000 tax sales in Baltimore City that year, attorneys were typically charging \$2,000-\$4,000 for their services, even though they were routine cases processed largely by non-attorneys. The Court determined that a reasonable attorney's fee for such a case was \$1,300, adopting the analysis argued by PJC. As a result, Maryland homeowners are saving \$136 million every year since this decision.⁶

Advocates Successfully Obtained Increased Access to Shelter Beds for Homeless Women, Preserving Emergency Housing and Well-being

In October 2011, the Homeless Persons Representation Project, together with co-counsel from the ACLU of Maryland and Crowell & Moring, LLP, alleged the City of Baltimore had engaged in gender discrimination by failing to provide sufficient emergency overflow shelter accommodations for women. The convalescent care facility provided overflow beds for men only because it did not have facilities sufficient to offer services to both men and women. As a result of negotiations, the City agreed to add 20 additional overflow beds for women, equal access to the convalescent care facility, and new rules at the 24-hour shelter to protect residents against retaliation. The shelter beds alone will accommodate an average of 2 homeless women per year, per bed for a total emergency housing value of \$154,000.⁷

Advocacy to Improve the Timeliness of Food Stamps and Emergency Benefits Yields an Additional \$3 Million for Marylanders in Need

During the past year, the Public Justice Center, the Homeless Persons Representation Project, Kirkland & Ellis, and the National Center for Law and Economic Justice continued their work to improve the delivery of food stamps and other emergency benefits. A case filed by these counsel resulted in an injunction to require the State to make timely eligibility decisions on safety net programs. Prior to the lawsuit, only 80% of emergency applications were processed within the 30-day legal limit. In June 2012, the injunction was dissolved when the Department of Human Resources showed it had processed approximately 98% of applications on time for the previous 19 months.⁸ During Fiscal Year 2012, the Maryland Department of Human Resources approved 23,168 applications for food stamps.⁹ If compliance increased from 80% to 98%, that means 18% of

⁶ A decrease in attorney fees owed from an average of \$3,000 to \$1,300 multiplied by 80,000 tax sales per year = \$ 136,000,000.00.

⁷ See *infra* p. 12 (shelter cost estimates).

⁸ Yvonne Wenger, *Food Stamp Court Battle Ends as State Steps Up On-Time Record*, THE BALT. SUN (June 15, 2012).

⁹ MD DEP'T OF HUMAN RES., TEMPORARY CASH ASSISTANCE (2012), available at www.dhr.state.md.us/documents/Data%20and%20Reports/FIA/Statistical-Reports-2012.pdf.

recipients, or 4,170 families received those benefits sooner. If those families are receiving one extra month of benefit as a result, that translates into an additional \$1,095,625 in federal SNAP dollars awarded to Maryland residents during the year.¹⁰

Similarly, during Fiscal Year 2012, the Maryland Department of Human Resources approved 17,319 applications for medical assistance.¹¹ If 18% or 3,117 individuals now received one additional month of Medicaid, that translates into a financial benefit of \$1,907,604.¹²

\$1,095,625 in food stamps + \$1,907,604 in Medicaid = \$3,003,229 in emergency aid.

¹⁰ Average monthly benefit per household in 2011 was \$262.74. USDA FOOD & NUTRITION SERV., SUPPLEMENTAL NUTRITION ASSISTANCE PLAN: AVERAGE MONTHLY BENEFIT PER HOUSEHOLD (Nov. 9, 2012), [www.fns.usda.gov/pd/19SNAPavg\\$HH.htm](http://www.fns.usda.gov/pd/19SNAPavg$HH.htm).

¹¹ MD DEP'T OF HUMAN RES., TEMPORARY CASH ASSISTANCE (2012), available at www.dhr.state.md.us/documents/Data%20and%20Reports/FIA/Statistical-Reports-2012.pdf.

¹² Average annual payments per enrollee equal \$7,352 for all recipients. HENRY J. KAISER FAMILY FOUND., MARYLAND: MEDICAID PAYMENTS PER ENROLLEE (2009), available at www.statehealthfacts.org/profileind.jsp?cmprgn=1&cat=4&rgn=22&ind=183&sub=47. That equates to an average \$612 monthly benefit per recipient, or \$1,907,604 for one additional month's worth of coverage for 3,117 individuals.

Part Three: Indirect Economic Benefits Resulting in Revenue, Savings for Maryland

LEGAL SERVICES PROGRAMS BOOST TAX REVENUE BY KEEPING RESIDENTS IN THE WORKFORCE

During Fiscal Year 2012, MLSC grantees aided Marylanders with legal issues that arose in the workplace. A number of those services kept workers employed or ensured that they would remain employable. These benefits to Maryland workers included efforts to redress discrimination, avoid or redress wrongful discharge, obtain an expungement of a criminal record, and resolve on-the-job issues including safety or grievance procedures.

BENEFITS THAT KEPT MARYLANDERS IN THE WORKFORCE

Overcame, or obtained redress for, job discrimination	12
Avoided or obtained redress for wrongful discharge	2
Delayed discharge	1
Obtained expungement of criminal record	272
Resolved on-the-job issues such as safety or grievance procedures	89
Total	376

The lowest 40% of earners pay approximately 12% of their income in state and local taxes.¹³ With average incomes of \$19,550, this group generates an average of \$2,346 per person in additional state and local tax revenue. By helping keep 376 individuals in the workforce, Maryland legal services providers helped generate additional state and local tax revenues of around \$882,096 in Fiscal Year 2012.

376 workers X \$19,550 average income X 12% = \$882,096 in state/local tax revenue.

¹³ *Incomes and Federal, State & Local Taxes*, CITIZENS FOR TAX JUSTICE www.ctj.org/images/taxday2012table.jpg (last visited Nov. 15, 2012) (citing *Tax Model*, INST. ON TAXATION & ECON. POLICY (Apr. 2012)).

CIVIL LEGAL SERVICES SAVE STATE DOLLARS BY PREVENTING HOMELESSNESS AND DOMESTIC VIOLENCE

Maryland's civil legal services providers help the state's residents meet core needs including shelter and safety. The advocacy that legal services providers undertake on behalf of their clients leads to many positive outcomes, not only for their clients but also for the communities in which those clients reside, and for the state as a whole. This analysis examines only the fiscal benefits that derive from that work. Those benefits are significant. When clients are able to avoid homelessness, the State saves money it would otherwise spend to provide shelter, support, and other services for that individual and his or her family. When domestic abuse is averted and a potential victim protected, that individual and his or her family can resume their lives free from the threat of violence. Not only do those individuals become more productive at work and in school, but the State avoids costs associated with violence and its aftermath. This analysis reflects some of the most obvious fiscal savings associated with the work legal aid advocates do to preserve housing and address domestic violence.

Preserving Housing Saves the Costs of Addressing Homelessness

The following chart reflects the benefits that MLSC grantees secured across the state enabling individuals to preserve existing housing or secure new housing. These outcomes may prevent clients and their families from entering a homeless shelter.

BENEFITS THAT HELPED MARYLANDERS PRESERVE HOUSING

<i>Benefit</i>	<i>Individuals Represented</i>	<i>Persons Directly Affected (total family or household size)</i>
Prevented eviction from public housing	205	475
Prevented eviction from other housing	41	125
Prevented termination or denial of housing subsidy	124	272
Delayed eviction providing time to seek alternative housing	125	321
Avoided or delayed foreclosure or other loss of home	405	1196
Total	776	2,389

How many of these individuals would otherwise have become homeless? Testimony from researchers in New York suggest that an average of 40.2% of evictees and individuals in foreclosure end up taking advantage of homeless shelters.¹⁴ This suggests that 311 families or 960 individuals likely avoided using a homeless shelter because they received help from legal services.

960 persons X 154 nights X \$25 per night = \$3,696,000 in shelter costs avoided.

What would it cost to provide emergency shelter and transitional housing for these individuals? “In FY2005, approximately \$35 million was spent on shelter operations alone, with an average bednight costing approximately \$25 per person.”¹⁵ In FY2008, the average length of stay in emergency shelter was 27 nights, with 127 nights in transitional housing. If individuals move from emergency shelter to transitional housing as suggested by state housing officials, the typical cost for a homeless individual is \$3,850. That translates to \$3,696,000 dollars in shelter costs for the 960 individuals who avoided homelessness as a result of legal aid advocacy. This of course significantly underestimates the broader costs of homelessness, which include increased risk of hospitalizations, incarceration, and higher dependence on other services. In one 2009 study, researchers found that the typical public costs of homelessness were about \$35,000 per year per person.¹⁶

Protecting the Vulnerable from Domestic Violence Saves Public Dollars in Related Health Costs and Increased Productivity

In FY2012, Maryland legal services providers helped 2,825 clients obtain protection from domestic violence. By helping families live free of violence, our state’s legal services providers save the State the high cost of domestic abuse, including medical care for injured victims. A number of studies have tried to extrapolate the impact of obtaining a protective order on the risk of continued violence. In one recent study, half of those who obtained a protective order reported no violent incidences after the order was issued. The other half of individuals in the study reported significantly reduced violence and abuse, and a reduced severity of those incidences.¹⁷ An earlier study of the costs of intimate partner violence, produced by the Centers for Disease Control & Prevention, noted that women who were physically assaulted by an intimate partner in the previous

¹⁴ “Data showed that about 43 percent of the evictees ended up using a shelter in New York City. The number is different for suburban areas and Upstate New York, 13.6 and 32 percent respectively.” In written testimony, Dr. Singh indicated a statewide average over all regions of 40.2 percent. Testimony of Geeta Singh, Ph.D., at the NY Chief Judge’s Hearing on Civil Legal Services (Sept. 26, 2011), available at www.nlada.org/DMS/Documents/1328113081.49/NY%20report%202011%20Appendices.pdf.

¹⁵ MD. DEP’T OF HUMAN RES., MARYLAND 10-YEAR PLAN TO END HOMELESSNESS (Dec. 2005), available at www.msa.md.gov/megafile/msa/speccol/sc5300/sc5339/000113/004000/004999/unrestricted/20071852e.pdf.

¹⁶ Shaun Donovan, *HUD Secretary Says a Homeless Person Costs Taxpayers \$40,000 a Year*, POLITIFACT (Mar. 12, 2012) available at www.politifact.com/truth-o-meter/statements/2012/mar/12/shaun-donovan/hud-secretary-says-homeless-person-costs-taxpayers.

¹⁷ T.K. LOGAN AND ROBERT WALKER, CARSEY INST., CIVIL PROTECTIVE ORDERS EFFECTIVE IN STOPPING OR REDUCING PARTNER VIOLENCE POLICY BRIEF NO. 18 (SPRING 2011), available at www.carseyinstitute.unh.edu/publications/1B-Logan-Civil-Protective-Order.pdf.

12 months experienced an average of 3.4 separate assaults. This suggests that legal aid advocacy in Maryland helped avert at least 4,802 assaults.¹⁸

2,825 clients X 0.5 report no incidents X 3.4 assaults per year = 4,802 assaults avoided

How much does this represent in savings? The same DHHS study reported that 41.5% of physical assault victims were injured as a result of intimate partner violence. Of those, 31% received some type of medical care. The average cost for medical and mental health care resulting from a physical assault was \$816 in 2003.¹⁹ Converting that amount into 2012 dollars yields a cost of \$1,026 per injury.

4,802 assaults X .415 injury rate X .31 medical care rate X \$1,026 = \$633,839 saved

In addition to medical costs, domestic violence reduces the productivity of those affected. Helping victims obtain protection yields additional financial benefits for the state. The DHHS report noted that physical assault victims lost an average of \$93 dollars in daily earnings and \$24 in the value of household work.²⁰ Adjusting for 2012 dollars, physical assault victims lose an average of \$117 in daily earnings and \$30 in the value of household work. By helping avert 4,802 incidences of assault, the efforts of the state's legal services providers can be calculated as a productivity gain or savings of \$705,894.

4,802 assaults X \$147 in productivity = \$ 705,894 in productivity gains

¹⁸ DEP'T OF HEALTH & HUMAN SERVS., CTRS. FOR DISEASE CONTROL & PREV., NAT'L CTR. FOR INJURY PREV. & CONTROL, COSTS OF INTIMATE PARTNER VIOLENCE AGAINST WOMEN IN THE UNITED STATES (Mar. 2003), available at www.cdc.gov/ncipc/pub-res/ipv_cost/ipvbook-final-feb18.pdf.

¹⁹ *Id.*

²⁰ *Id.*

Summary

This study analyzes the economic impact of the work done by civil legal aid providers in Maryland. It examines the economic impact of the civil legal services delivery system through several lenses, by looking for:

- Direct financial benefits secured for individual clients and the larger impact those dollars had on the economy as a whole;
- The economic impact of systemic advocacy that benefited large groups of low-income Marylanders as the result of a single case, legislative or rule-making initiative; and
- The indirect financial benefits that accrued to the State as the result of cases handled by civil legal aid providers which may have kept individuals in the workforce or averted homelessness or domestic violence.

Legal services providers routinely track data to understand the social benefits and case outcomes achieved for their clients. Little data is available about the actual dollars secured on behalf of clients. For this reason, the data provided in the first section of the report on direct financial benefits reflects only a portion of the overall impact of civil legal aid providers in the state as it relies on the case file data maintained by only two providers, Maryland Legal Aid and HPRP. Similarly, while a number of organizations engage in impact work, Part Two of this document reflects only four seminal initiatives undertaken by the Public Justice Center and HPRP. As a result, this report reflects only a portion of the overall fiscal impact of the work of Maryland's civil legal services providers.

Even so, these case outcomes and social benefits are impressive achievements. The direct, indirect, and systemic benefits secure \$190 million per year in increased economic activity, cost savings, and productivity for the state of Maryland.

Finally, the financial aspects of civil legal aid tell only a part of the story. For many low-income Marylanders, the real benefits of civil legal aid come from the many non-monetary outcomes they achieve with the help of a civil legal services organization. For those individual clients, the real benefits may be incalculable.