

FY18 Civil Legal Aid Yield Economic Benefits to the Commonwealth

Executive Summary

Civil legal aid programs funded by the Massachusetts Legal Assistance Corporation (MLAC) provided more than \$60 million in economic benefits to the Commonwealth of Massachusetts in Fiscal Year 2018.

This report analyzes the economic benefits that legal aid brings not only to legal aid clients, but also to their households and to the Commonwealth. Usually, the impact of legal aid is measured in non-economic terms, such as the social benefits of preventing homelessness, assuring access to education programs and health care benefits, and protection from domestic violence and child abuse. While it is essential to recognize those direct, non-economic benefits, it's also important to measure the economic returns from funding legal aid.

This report divides the economic benefits into two categories:

1. benefits and savings for low-income Massachusetts residents, which was estimated at \$40.25 million;
2. benefits and savings won for the Commonwealth; estimated to be \$20.25 million.

In addition, the report demonstrates that \$6.37 million of the money in both those categories is derived from federal revenue coming into the Commonwealth.

In the first category, benefits and savings for low-income Massachusetts residents, the report examined several practice areas and the savings they produced. The largest amount of savings was in the area of Individual Rights/Immigration, which primarily involved gaining employment authorization for immigrants; it yielded savings of more than \$10 million. Work directed at helping clients recover and secure public benefits -- including Unemployment Insurance, Supplemental Security Income, Social Security Disability Insurance, Supplemental Nutrition Assistance Program (SNAP or Food Stamps), Veterans Benefits, and Transitional Aid to Families with Dependent Children -- yielded \$9.3 million for Massachusetts residents. Eviction defense and homelessness prevention returned \$8.3 million in benefits to residents. Other practice areas included: elimination and reduction of personal debt (\$5 million); child support and spousal support for survivors of domestic violence (\$2.8 million); and Medicare and Medicaid benefits for the elderly and disabled (\$2.4 million).

In the second category, benefits and savings won for the Commonwealth, legal aid services netted \$18 million in savings by preventing homelessness. Preserving and protecting housing for the most vulnerable people saves the state millions of dollars in emergency shelter costs. It also protects children and families from the cycle of turmoil and hardship that homelessness can set in motion. In addition to saving sheltering costs and keeping families in place, homelessness prevention saves the cost of additional health care and social services.

Domestic violence prevention created health care savings of \$1.7 million. MLAC's Domestic Violence Legal Assistance Project (DVLAP) operates through seven MLAC-funded programs. In FY18, the DVLAP provided legal assistance to nearly 2,000 women and men.

Federal money that flowed into the Commonwealth was due to the work of legal aid lawyers in recovering federal benefits for disability, SNAP, Medicare, and federal tax credits and refunds. Those revenues exceeded \$6.37 million.

In total, there were economic benefits of more than \$60.5 million in revenue and cost savings to the Commonwealth and its low-income residents in FY18. The money recovered on behalf of low-income people is often spent immediately in communities across Massachusetts, supporting the vitality of neighborhood businesses. This report demonstrates the clear economic benefit of civil legal aid. These monetary benefits flow from the work of MLAC-funded legal aid organizations, where lawyers and staff help low-income residents increase their incomes, stay in their homes, and secure appropriate health care and educational services.