

The Economic Impact of Civil Legal Services – Achieving Justice and Boosting New Hampshire’s Economy

The New Hampshire Access to Justice Commission asked a policy research firm, The Resource for Great Programs, Inc. based in Michigan, to conduct an independent analysis of the economic benefits of New Hampshire’s legal services programs. The firm has conducted similar studies in seven other states, using economic models developed by the Social Security Administration and other federal agencies. Recent studies, using similar formulae, have been conducted by The Resource and other researchers in New York, Pennsylvania, Illinois, Georgia and Massachusetts. The New Hampshire analysis was funded by the American Bar Association Access to Justice Commission Extension Project.

Computations were based on case outcome information for 2012 provided by New Hampshire’s three primary legal services providers: New Hampshire Legal Assistance, the NH Bar Association Pro Bono Referral Program and the Legal Advice and Referral Center (LARC). These three civil legal services (legal aid) programs help thousands of vulnerable individuals and families each year with urgent legal problems that affect basic needs: housing, subsistence income, access to health care and education, and protection from domestic abuse.

The analysis projected that New Hampshire civil legal services in 2012 would generate \$26 million over the next 10 years in ongoing income for low-income residents through successful advocacy for federal benefits, including social security, disability benefits and tax refunds. These benefits provide an immediate and sustained boost to the economy, generating \$42.7 million in additional economic activity over 10 years for local businesses, landlords, hospitals, pharmacies, and other health care providers, when legal services clients use these funds to pay their bills, buy food and clothing and obtain health care.

Successful legal aid representation also generated \$12.8 million in child and spousal support, usually received for at least five years. The entire state also benefits from \$2.8 million in estimated annual savings in cases where legal advocacy helped avoid costs related to domestic violence and homelessness.

The long term economic benefit to New Hampshire when the civil legal needs of low-income citizens are met is enormous, the study found. The study projected that over a 10-year period, the overall economic impact of benefits and savings, and the economic boost that follows when those funds are reinvested in our communities, would total \$84.4 million.¹

The health insurance and subsistence income that legal services programs gain for their clients provides access to medical care, vocational rehabilitation, and more education to enable them to find jobs and reach self-sufficiency, further boosting the economy.

Here are some examples of the economic benefits the analysis found for cases closed in 2012 by New Hampshire Legal Assistance (NHLA):

¹ Based on application of US Department of Commerce “Regional Economic Input-Output Modeling System” and on assumption clients spend most of the benefits they receive immediately Also see <http://www.bea.gov/regional/rims/>.

- For 2012, NHLA estimated back-awards for social security and disability benefits totaled \$1.4 million for that year's successful cases; plus \$838 in monthly benefits per case. Using the federal government's estimate that the duration for these monthly benefits averages 9.7 years, the total projected economic impact over that period would be \$13.9 million.
- NHLA's efforts in cases involving child and spousal support generated an average one-time payment per successful case of \$2,251; average monthly support was \$890 per case. Research indicates the average duration of child support payments is at least five years. Using those numbers, the economic impact over a five-year period is \$2.3 million. This projection was derived from the actual number of child support cases handled successfully in 2012 by NHLA.
- Legal assistance programs also saved the state money spent on protective services for low-income victims of domestic violence. The average cost of per year of medical treatment, counseling, police protection or other support for a victim of domestic violence is \$5,016. In 2012, 70 NHLA clients received protection from domestic violence through legal representation in divorce or custody cases or protective orders for a savings of \$351,152 per year.

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