

Kansas Legal Services

A non-profit law firm and community education organization helping low and moderate income people in Kansas



www.kansaslegalservices.org

Legal aid funding generates serious economic returns

By Sam Wright. Above the Law, Mar 31, 2015

Civil legal aid is sometimes seen as little more than a drain on public resources. You don't have to take my word for this — earlier this month, in pushing an amendment to the House budget bill that would defund the Legal Services Corporation (the major funder of legal aid in the United States), U.S. Representative Alex Mooney (R-WV) contributed the following statement to the Congressional record: “To cut Federal waste, my third proposal defunds the Legal Services Corporation... Defunding this organization would remove a Federal agency operating outside of its mandate and would also save taxpayers millions of dollars.”

This statement is mostly wrong. LSC is not a federal agency — it's “a private nonmembership nonprofit corporation.” And in my experience, LSC does not act outside its mandate by a longshot. When I worked for an LSC-funded organization, I screened clients for their immigration status, I withdrew from representing clients who went to prison, and as a general rule affirmative advocacy was not an option. All this was because LSC takes its federally mandated funding strings seriously.

But Rep. Mooney's statement does contain a kernel of truth: defunding LSC would save taxpayers millions of dollars — at least, if we only take costs into account and not benefits. It's worth asking, then, what these benefits are. What do taxpayers actually get in return for their multimillion dollar investment in LSC?

What do taxpayers get in return for funding legal aid?

Luckily for us, there's now an answer (albeit a state-specific one). And it's not just something along the lines of “a slightly more just society” (although that's not a bad return in itself).

Rep. Mooney proposed defunding LSC on March 17, and on March 18 the Tennessee Bar Association let us know why that would be a terrible idea by releasing a detailed report about the perhaps surprisingly large economic returns generated by investing in legal aid.

The report is titled “Economic Impact of Civil Legal Aid Organizations in Tennessee” and

concludes that the \$16.83 million invested in legal aid in Tennessee in 2013 generated \$188.60 in positive economic impacts, for an overall economic return of \$11.21 per dollar invested. That seems pretty good to me. And it actually makes intuitive sense, too, if you look independently at some of the categories of benefits that result from this spending.

In particular, a full \$33.8 million of those economic impacts (about 18%) are attributable to foreclosure prevention. Foreclosures are famously costly — they end up harming borrowers, harming lenders, harming neighbors by reducing their property values, and harming municipalities by reducing property tax collections. Preventing them is obviously a public good, and the Tennessee Bar Association report gives us numbers to support that conclusion. Indeed, if the report's numbers are correct then foreclosure prevention alone not only offsets the cost of all legal aid provided in Tennessee but in fact provides a 2-to-1 return.

Getting victims out of abuse saves lives *and* over ten thousand dollars per victim per year

A smaller but still significant portion of these positive economic impacts come from another obvious social benefit: domestic-violence prevention. Get a victim out of an abusive situation and you save not only possibly a life but also the costs of “medical treatment, counseling, police protection, and other support” valued at over ten thousand dollars per victim per year, for a total savings of \$7.5 million.

Unsurprisingly, the Tennessee Bar Association's [press release](#) announcing the report includes a gentle call for increased funding for civil legal aid:

“Increasing funding and support for civil legal services should create additional benefits.”

This seems reasonable enough. After all, legal aid generates economic returns as a function of clients served, and the pool of potential legal aid clients out there far exceeds the current capacity of legal aid organizations to represent them (recall the [justice gap](#).)

More funding will support more legal aid lawyers who can represent more clients, and the result will be still greater economic returns. And this actually turns out to be perhaps the strongest reason Rep. Mooney is wrong. If we want to grow the economy we need *more* investment in legal services — not less.

Sam Wright is a dyed-in-the-wool, bleeding-heart public interest lawyer who has spent his career exclusively in nonprofits and government. If you have ideas, questions, kudos, or complaints about his column or public interest law in general, send him an email at PublicInterestATL@gmail.com.

Printed: September 23, 2019

<http://www.kansaslegalservices.org/node/1927/legal-aid-funding-generates-serious-economic-returns>

©Kansas Legal Services