

# The Economic Impact of Civil Legal Aid to the State of Montana



## 2015 REPORT: Executive Summary

By assuring fairness for all in the justice system, regardless of how much money a person has, the Montana Legal Services Association (MLSA) significantly boosts the Montana state economy. MLSA is a private, non-profit law firm that provides free civil legal aid to low-income Montanans, helping to uphold the underpinning of our justice system—equal justice for all.

As part of its charge to facilitate access to justice for all Montanans, the Montana Supreme Court's Access to Justice Commission sponsored MLSA's study of the economic impact of statewide free civil legal services. Economic forecasting methods were prepared in consultation with Professor Scott Rickard, Director of the Center for Applied Economic Research at MSU-Billings.

The Economic Impact of Civil Legal Aid to the State of Montana details how, in serving the civil legal needs of low-income individuals, MLSA obtains millions of dollars for its clients and their communities. These funds strengthen the state and local economies, reduce the burden on the state, and provide financial stability to families.

The report estimates that civil legal aid provided by MLSA during 2013 resulted in more than \$1,386,673 in direct financial benefit to low-income Montanans. These direct economic benefits include payments obtained on behalf of clients like child support in domestic violence cases, food stamps, federal disability awards, and housing awards.

The report details indirect economic impact, which includes the economic boost to Montana and local economies through increases in employment, wages, and business outputs. The impact of new

The return on investment in legal aid made to MLSA is 215% for all money invested in MLSA and 961% for in-state money invested in MLSA.

dollars brought into the state totals \$3,325,755.

The report includes the value of services provided by MLSA attorneys and self-help legal document assembly services provided to Montanans, totaling \$2,947,292 in services and cost savings to low-income Montanans.

Additionally, the report estimates that legal aid representation of low-income clients has generated \$1,985,625 in cost savings, including domestic violence prevention, eviction prevention, foreclosure prevention, and increased Court cost-effectiveness.

The total economic impact, including direct, indirect, and cost savings, of MLSA's statewide civil legal aid services is \$9,645,345. **For every dollar MLSA spent on providing civil legal services in 2013, \$3.15 flowed into the Montana economy.** For in-state donors, this impact is even more: for every in-state dollar, \$10.61 is put into Montana's economy.

The report concludes that civil legal services provided by MLSA improve societal and economic conditions for thousands of Montanans living in poverty across the state, while also reducing costs to the state and local budgets. ■

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*“Our economy is bottomed on the rule of law – the opportunity for everyone, rich or poor, to have their disputes resolved by an independent, impartial arbiter. The rule of law “presumes the equality of all.” For many years Montana legal Services has represented those in our society unable to afford an attorney. It is this opportunity to access the courts that makes our system thrive. The people accept a system of dispute resolution as long as it is fair and impartial. If equal access to the system is denied to large portions of our citizens, the society will begin to crumble.”*

–Chief Justice Mike McGrath, Montana Supreme Court

## This chart summarizes the economic impact of each category analyzed:

### Direct Amounts Obtained by MLSA Clients in 2013

Domestic Violence and Family Awards	\$362,069
Health Benefits Preserved	\$4,707
Housing Related Amounts (prevent eviction, reduced fees, foreclosure prevention)	\$111,547
Income Maintained (TANF, SSI, SNAP, Unemployment, SSDI, back wages)	\$97,457
Consumer Amounts	\$777,993
Taxpayer Filing Compliance	\$32,900
<b>Total Direct Awards</b>	<b>\$1,386,673</b>

### Indirect Impact of New Dollars Brought Into Montana in 2013

Supplemental Nutritional Assistance Program (SNAP), Supplemental Security Income/Social Security Disability Insurance (SSI/SSDI), Temporary Assistance to Needy Families (TANF), Tax-related federal refunds including Earned Income Tax Credit	\$114,742
Support to MLSA from Outside Montana with Multiplier Effect	\$3,211,013
<b>Total New Dollar Indirect Impact</b>	<b>\$3,325,755</b>

### Value of Legal Aid Services in 2013

Value of Free Civil Legal Representation	\$2,836,064
Value of Free Self-Help Resources and Information	\$111,228
<b>Total New Dollar Indirect Impact</b>	<b>\$2,947,292</b>

### Cost Savings From 2013 Legal Aid Representation

Domestic Violence Advocacy	\$1,422,000
Foreclosure Prevention: Cost to Local Government	\$26,235
Foreclosure Prevention: Cost to Neighboring Homeowners	\$208,350
Eviction Prevention	\$329,040
<b>Total Cost Savings</b>	<b>\$1,985,625</b>

### Totals

Direct Economic Benefit	\$1,386,673
Indirect Economic Benefit	\$3,325,755
Value of Legal Aid Services	\$2,947,292
Cost Savings	\$1,985,625
<b>Total Economic Benefit of Civil Legal Aid in Montana</b>	<b>\$9,645,345</b>



MLSA advocates help domestic violence survivors and their children live lives free of violence, help keep veterans from becoming homeless due to unfair enforcement of housing laws, and help prevent disabled Montanans from unfairly losing benefits that pay for food and housing.

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Full Report: The full report is available at [www.mt.gov/supreme/boards/a2j](http://www.mt.gov/supreme/boards/a2j)