



**"I WOULD NOT HAVE BEEN ABLE TO ACCOMPLISH ANY OF THIS ON MY OWN ... I WOULD STILL BE IN DEBT AND IN FINANCIAL BIG TROUBLE."**

**"... SHE FEELS FREE TO BE TRULY INDEPENDENT FOR THE FIRST TIME IN HER LIFE."**

# Economic Impact of Civil Legal Aid in Wisconsin



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Summarizing a report by Ken Smith, Ph.D.,  
The Resource for Great Programs, Inc.

Each year, Wisconsin civil legal aid organizations provide access to the civil legal system for thousands of people in economic disadvantage. These people lack the means to hire a lawyer when facing legal problems that put their individual rights, personal safety, income, shelter, and other basic necessities at risk.

Failure to address these problems through avenues provided by the law can have serious negative consequences, such as foreclosure on the family home, denial of veterans' and health benefits, and domestic violence or elder abuse. These consequences have ripple effects that hurt our entire state.

## Civil legal aid produced big economic impacts totaling \$176 million — a return of \$8.40 for every \$1 invested.

It's no surprise that increasing access to justice for the most vulnerable members of a community also helps the community as a whole. After all, the complexity of our legal system can be the primary barrier keeping people from achieving self-sufficiency and independence.

To quantify the benefits as much as possible, the Wisconsin Trust Account Foundation, Inc. (WisTAF) commissioned a study from The Resource for Great Programs, Inc. This document summarizes the results of that study, which collected and analyzed data on services provided by 12 Wisconsin civil legal aid providers (collectively receiving 96 percent of total funding for civil legal aid in Wisconsin) in calendar year 2021.

The participating organizations, through their efforts to assist clients with legal problems, generated a combined economic impact of \$176 million, representing an 8.4-to-1 return on the total funding they received in 2021.

Those impacts included:

**\$18 million in cost savings for governments, charities, lending institutions and others through preventing crisis situations.** Early legal interventions conserve vital resources and keep costs down (e.g., law enforcement, shelter, food pantry, and other basic needs services).

**\$73 million in direct economic benefits for disadvantaged households.** This includes income streams that individuals and families have a legal right to (e.g., child support, wages, veterans' and unemployment benefits).

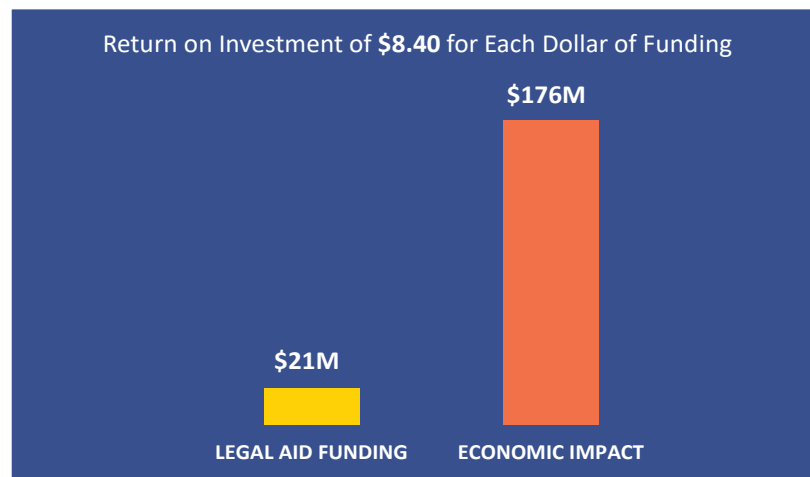
**\$14 million in direct return to health care providers.** Legal solutions which identify, and secure rightful health care coverage make it possible for hospitals and clinics get paid for their services (e.g., Medicare / Medicaid coverage for the care of eligible patients).

**\$71 million economic multiplier impact for Wisconsin communities** from dollars entering Wisconsin that are spent throughout the state, leading to revenue for businesses, which translates to jobs for Wisconsin workers.

## Civil legal aid is a catalyst that sparks big economic impacts across many arenas.

When it comes to many legal problems faced by people of limited means, a relatively small investment in legal assistance can make a huge difference in outcomes, often including a big economic payoff.

- **Child support.** For domestic violence victims, legally enforceable protective orders as well as divorce, custody, and child support agreements, bring financial support and independence. Child support payments over the average duration of this income stream add up to \$38,000 per client on average.
- **Income maintenance.** Legal aid advocates help clients with the complex tasks of securing rightful Supplemental Security Income and Social Security Disability Insurance. For relatively little of advocates' time, clients receive an average of \$55,700 over the total expected duration of the income stream.
- **Workforce development.** Civil legal aid experts can invest just a few hours to navigate extremely difficult application processes for immigrant workers, who receive 9.5 percent higher wages than those without legal status. Over the assumed duration of the wage differential (10 years), the impact averages \$20,000.
- **Medicaid and Medicare.** Study participants helped eligible clients obtain benefits that cover between \$61,000 and \$138,000 in health care over the average duration of coverage. In addition to lowering medical debt, this also reduced health care providers' uncompensated care costs.



## Economic impacts we can quantify are only the tip of the iceberg.

With an overall return on investment of \$8.40 per dollar of funding, the legal aid organizations in this study are producing impressive economic impacts. But this is the tip of the iceberg. Below the surface we can see even bigger impacts, in the form of things we can't so readily quantify, for example:

- Preventing the economic costs of lifetime impacts felt by community members who experienced childhood trauma, poverty, or transience/homelessness
- Gaining long-term economic benefits by accommodating disabilities so that people can participate in the workforce
- Preventing long-term costs of unaddressed mental health crises
- Economic benefits of improved performance in schooling, job, and family
- Impact of increased efficiency in the court system

## Thanks to civil legal aid...

“Jada” was in a physically, emotionally, and financially abusive relationship with the father of her child, until he was arrested and she came to Golden House in Green Bay. Advocates helped her find local daycare so she could look for a job, while an attorney and other professionals helped her develop a plan of action for the future. Jada found her freedom – through filing a restraining order, gaining custody of her child, and utilizing legal remedies to regain control of her finances, manage debt, and take her next steps. Today, Jada and her child live independently, in safety.

Losing a loved one to COVID is hard enough. But when “James,” who didn’t have health insurance, passed away, his family also inherited crushing medical debt racked up during his final months of hospital care. There are laws on the books to prevent this kind of destructive catastrophe, but rules and processes can be complex. After ABC for Health navigated multiple bureaucracies, James’ final care was duly paid for, and his family moved forward after their loss without an accompanying financial catastrophe.

## Civil legal aid delivers a large return on investment, and acts as a catalyst that makes other programs more effective.

The dramatic economic impacts found in this research proves that providing legal aid brings tangible cost savings to our state, puts real money back into our local economy, and changes people’s lives for the better – not just those receiving services, but Wisconsin’s taxpayers as well.

The research also shows that civil legal aid providers are valuable partners for public and private funders seeking to promote income, family, or housing stability, access to health care, workforce development, court system efficiency, and other outcomes. Investing in expert legal assistance can leverage a funder’s resources resulting in disproportionately greater program impact. Civil legal aid cuts red tape and helps programs work the way they are intended.

Yet we know that only a small fraction of those who need legal assistance receive it, due to the limited resources available. If our systems could meet more of these needs, the economic benefits would be many times greater.

In Wisconsin, we now have the opportunity to use this study to attract more investments, collaborations, and resources that over time can shrink the “justice gap” for low-income Wisconsinites.



The Wisconsin Trust Account Foundation (WisTAF) is the state’s civil legal aid funding administrator established by the Wisconsin Supreme Court. Founded in 1986, WisTAF is a 501(c)(3) nonprofit corporation that works with civil legal aid organizations in Wisconsin to increase access to justice. We oversee funds and invest in services and projects to help people solve their legal problems.