

# Highlights of the 2017-18 Nevada Statewide Study of Legal Needs and Economic Impacts

## Executive Summary

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This report describes a study of legal needs and economic impacts of civil legal aid in Nevada in 2016 and 2017. The study was commissioned by the Nevada Supreme Court Access to Justice Commission and conducted by The Resource for Great Programs.

The study revealed that by providing access to the civil justice system for Nevadans in poverty who lack the means to hire a lawyer when faced by a legal crisis such as eviction or domestic abuse, Nevada's legal aid programs produce an array of positive outcomes – including more than \$128 million in economic impacts annually – that ripple outward to benefit all segments of society.

The study sought to generate answers to several fundamental questions:

- *How has the target population of legal aid changed since the last legal needs study was published in 2008?* Has Nevada's total population continued to expand at the pace seen before the Great Recession? How have particular segments (e.g., immigrants, children, the elderly, Native Americans) changed over that same time period?
- *What legal problems are being experienced within the broad categories identified by the 2008 study? How have these changed since 2008?*
- *Where do people go when they can't afford a lawyer?*
- *What benefits for society are being produced by civil legal aid?*
- *What opportunities are available for more effectively and efficiently addressing the legal needs that are identified?*

## Major Findings of the Study

In summary, this report found that:

- **The “Justice Barrier” is high.** The disparity between the number of low-income people needing legal help and the capacity of legal aid to provide it amounted to more than 112,000 unmet legal needs in 2017 – 76 percent of the total number of legal problems that low-income Nevadans experienced that year. This means that three out of four low-income Nevadans who seek to protect their families, their homes, and their livelihoods in a legal crisis must face court without legal help.
- **Legal aid is underfunded.** Because of limited funding, Nevada has just 84 lawyers to serve 500,000 low-income Nevadans – one lawyer for every 6,000 people below the poverty line. In contrast, the ratio of lawyers to Nevadans above that income level is 15 for every 6,000.

- **Legal aid produces solutions.** Legal aid prevents homelessness, ends domestic violence, and stops consumer fraud. Even with its limited funding, legal aid prevents cascading problems and keeps clients in their homes and on the job and their kids in school. It opens doors to other support services that multiply its impact.
- **Legal aid lifts the economy.** Legal aid's return on investment is enormous. The \$18 million invested annually in legal aid in Nevada returns \$128 million to Nevada's economy. This means that for every \$1 spent, legal aid returns \$7. The economic benefits come through cost savings for law enforcement, government, and health care; direct-dollar income that supports children, veterans, and people with disabilities; and increased revenue for businesses from the spending of those dollars by legal aid clients out in the community. That revenue, in turn, supports 376 jobs for working Nevadans.
- **The size of Nevada's low-income population soared during the Great Recession and has persisted after.** In 2016, a total of 400,000 Nevadans lived in poverty, nearly 50 percent higher than a decade earlier after surging three times faster than the state's fast-growing overall population. Some population segments grew even faster during that period, including seniors (100 percent) and Native Americans (80 percent).
- **Nevada's legal aid programs provide access to our civil justice system for people who have nowhere else to turn.** The providers help low-income Nevadans escape an abusive partner, stop a wrongful foreclosure, and defend against a fraudulent debt collector. In 2017, the five Nevada legal aid providers completed 34,600 cases for low-income clients and their families, thereby enabling them to address critical legal issues directly affecting their families, homes, incomes, jobs, and access to vital services such as health care and utilities.
- **Nevada's poorest residents experience 147,000 legal problems per year.** Taking the full range of those eligible for free legal aid (with incomes up to 200 percent of poverty) into account, the study shows that as many as 262,000 legal problems are experienced each year. The survey found an incidence of 74 legal problems per 100 low-income Nevada households in 2017.
- **The legal problems are concentrated in the highly populated urban areas of the state.** Over 70 percent of civil legal problems arise in the Las Vegas urbanized area, and another 20 percent occur in the Reno/Sparks/Carson City area. Less than 10 percent of legal problems are experienced by residents of the rural areas of the state, those occurring mostly in the small cities and towns scattered across this vast area.
- **Only one-third of those experiencing a legal problem seek legal help in addressing it.** The survey revealed that two-thirds do not seek help when they experience a legal problem, and as a result, either attempt to address their problems on their own or give up and take whatever consequences the legal system offers, often with disastrous results. The reasons for this behavior are many, including a lack of awareness that one's problem has legal dimensions, a lack of knowledge that one qualifies for free legal assistance, or a perception based on the "word on the street" that due to limited resources legal aid does not handle one's specific legal problem.

- **The implications of the Justice Barrier can be disastrous for the people affected.** An unmet need for legal help when one is turned down for disability benefits, for example, can mean that the person is unaware of her legal rights, unable to file a timely appeal, and either gives up or has her appeal denied. With legal help, the person is able to file a timely appeal, has a higher chance of being approved for benefits, and if successful, receives an average benefit of \$830 per month in additional income and a profoundly better life. The study report provides examples of the equally dire implications of unmet needs for legal help in other situations, such as domestic violence and eviction.
- **The economic impacts of legal aid in 2016 totaled \$128 million, including income for low-income households (\$40 million), cost savings (\$38 million), and a multiplier effect (\$50 million) on local economies across Nevada** generated by the spending of federal dollars brought into Nevada communities as a result of legal aid’s operations and successful legal assistance for clients.
- **The economic impact findings are very conservative.** The economic impacts quantified by the study were based only on “hard” data and the findings of external research that convincingly documents the validity of assumptions that were applied. The study noted, but did not include, additional impacts that occur through legal aid’s successful assistance to low-income clients but which are harder to definitively quantify. These perhaps are even more significant than the impacts that were counted. Just three examples of such additional impacts are:
  - **More than \$6 million worth of additional legal services that were donated by Nevada lawyers** who participated in organized pro bono programs operated by legal aid providers in 2017.
  - **Additional millions of dollars in cost savings achieved through avoidance of the long-term impacts of eviction or foreclosure,** including savings in costs of foster care for children that were avoided, mental health services that were not needed, and unscheduled absenteeism by employees that was prevented as the result assistance from legal aid advocates.
  - **Savings from easing the strain on the local court system.** By providing representation to low-income clients and resources to help people prepare for representing themselves in court, Nevada legal aid programs enable the court system to stretch resources and operate much more efficiently, returning a documented (and likely conservative) impact figure of \$2-\$4 for every dollar spent on self-help programs.
- **The significant economic impacts generated by Nevada legal aid programs present an enormous opportunity for funders and partners.** The Justice Barrier presents both a challenge for the civil justice system and an opportunity for funders. Every additional dollar invested in Nevada legal aid programs will mean not only a lowering of the Justice Barrier but a 7-to-1 return in the form of income for clients, cost savings for Nevada institutions, and the multiplier impact of additional federal dollars on local economies throughout the state.

- **The study highlighted five strategies for reducing the Justice Barrier.** These were offered for consideration by the Access to Justice Commission and the Nevada legal aid providers as avenues for increasing capacity and generating additional funding through initiatives to be undertaken as follow-up action on findings of the study. They include:
  - **Resetting priorities** to accept or refocus on the most urgent legal problems, or the problems of greatest impact, or the problems affecting the most people, or all of the above.
  - **Refining and expanding the multi-tiered service delivery system currently in place** through a strategic review of opportunities for enhancing effectiveness and efficiency through strategic investments that expand certain service tiers (for example, help for self-represented litigants) into areas of the state where they are not currently available, and/or application of technologies and best practices developed in Nevada and elsewhere that provide more bang for the buck than the delivery methods that are currently being used.
  - **Innovating with partner funders to address unmet needs** by seeking partners and funders to invest in such innovations as courthouse self-help centers statewide equipped with technology, paralegals, and/or lawyers; streamlined court processes – forms, procedures; e-file systems; systems using videoconferencing (e.g., Skype) to serve clients in remote areas; and Web-based intake as an adjunct to toll-free phone systems and walk-in intake.
  - **Forming collaborative partnerships** by seeking opportunities for expanding current partnerships and forming new ones with other entities that serve the low-income community, such as medical/legal aid or business/legal aid collaborations.
  - **Increasing funding for legal aid programs and initiatives.** All of the efforts described above require funding – for staff, for outreach, for facilities, and for technology.
- **Most urgently, funding is needed for more lawyers.** Access to justice really means being able to consult a lawyer when one needs legal advice, and ultimately being able to have a lawyer appear in court on one’s behalf when a legal crisis such as being served with an eviction notice threatens one’s home, family, personal safety, and livelihood.

## Conclusion

The 2018 Legal Needs and Economic Impact Study shows that Nevada legal aid programs are providing essential services that help thousands of low-income residents of Nevada each year to address critical legal issues directly affecting their families, homes, incomes, jobs, and access to vital services. The Justice Barrier faced by low-income Nevadans presents both a challenge and an opportunity to the Nevada civil justice community. The findings of this study have demonstrated that additional investments aimed at lowering the “Justice Barrier” not only will help many more people, they also will have a dramatic, 7-to1 economic return that will benefit everyone in Nevada.