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*COMMUNITY SERVICES ANALYSIS LLC*



**MLSC**

MARYLAND LEGAL SERVICES CORPORATION

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IOLTA - INTEREST ON LAWYER TRUST ACCOUNTS

**SOCIAL ECONOMIC IMPACT and  
RETURN ON INVESTMENT ANALYSIS  
Of The Funding Provided for Legal Aid  
Services in the State of Maryland**

**For the Year 2023**

**THE ECONOMIC IMPACT AND RETURN ON INVESTMENT  
Of LEGAL AID SERVICES PROVIDED BY THE  
MARYLAND LEGAL SERVICES CORPORATION  
FUNDING FOR LEGAL AID SERVICE PROVIDERS  
FOR THE YEAR 2023**

In normal financial analysis, Return on Investment is the ratio of money gained or lost relative to the money invested. In social service services, Social Return on Investment measures the financial values created by the organization through delivery of services to the community.

Social Return on Investment (SROI) is an internationally standardized and accepted process for measuring and understanding the economic impact of a social services organization. While SROI is built on the logic of cost/benefit analysis, it is different in that it measures the comparable value of services whose results cannot be easily measured in money.

The Social Economic Impact completed for the Maryland civil legal aid services programs is a measurement of the values delivered during a year-long period for the year 2023. These values are based on the number of clients, the types of legal matters, and the results of the cases handled during this period.

The Social Return on Investment value varies between different time periods and between different civil legal services programs based on factors that are not fully within the service provider's control such as the mix of case types coming in the door; the amounts of court, agency, settlement, and negotiation awards during the year; changes in public benefit programs; and changes in overall economic trends

The methodology used in the valuation analysis follows the guidelines and processes as defined by the Social Value International standards and accreditation organization. These processes and guidelines are accepted as the standard accredited methodology in over 30 countries worldwide.

## HIGHLIGHTS OF MLSC FUNDED ORGANIZATIONS

<b>TOTAL NUMBER OF LEGAL AID SERVICES PROVIDED DURING 2023</b>	<b>75,968</b>
<b>IMMEDIATE GROSS DIRECT VALUE OF SERVICES</b>	<b>\$133,087,000</b>
<i>The direct value of Legal Aid services is the fair market replacement cost value of those service (what it would cost the members of the community to replace the services if the Legal Aid organization did not exist, plus the actual dollar amount of legal settlements and court awards.</i>	
<b>LONG-TERM GROSS IMPACTS OF SERVICES</b>	<b>\$424,577,000</b>
<i>The long-term impacts of Legal Aid services are the consequential financial impacts to the community resulting from the outcomes of the legal aid services. These consequential benefits include savings in community supports costs, reductions in community medical care expenses, additional community income and taxation revenues from benefit programs, savings in housing and support costs for homeless families, and savings in community law enforcement, court systems, and other government agency costs.</i>	
<b>TOTAL GROSS ECONOMIC IMPACT OF SERVICES</b>	<b>\$557,664,000</b>
<b>TOTAL NET ECONOMIC IMPACT OF SERVICES</b>	<b>\$505,418,000</b>
<i>Gross impacts less unrealized future values due to negative realization factors.</i>	
<b>TOTAL FUNDING FOR MARYLAND LEGAL SERVICES</b>	<b>\$39,127,000</b>
<b>SOCIAL IMPACT RETURN ON INVESTMENT FOR MARYLAND LEGAL SERVICES CORP. FUNDING TO LEGAL AID SERVICES ORGANIZATIONS</b>	<b>1,292%</b>

The basis of these economic impact valuations consists of two factors: the short-term (within a one year period) direct economic impact based on the fair market value of services delivered plus the inclusion of any immediate cash awards or amounts avoided as a result of the legal services, and the longer term consequential outcome economic impacts in the areas of community health costs, social support costs, law enforcement costs, taxation revenues, property valuation effects, and other community cost changes. The effective time period for the outcomes for each type of legal service varies by type of service and type of outcome.

The total immediate direct and longer-term consequential value of Civil Legal Aid services delivered by the services organizations funded by Maryland Legal Services Corp. during 2023 was \$547,998,000. Of this total, approximately \$54,846,000 (10.0 % overall) in value will not actually be received due to various negative impact factors such as parents not making required child support and alimony payments; nonpayment of wage claims; nonpayment of housing claims and repairs; and the death or relocation out of the state by benefit recipients.

The Social Return on Investment for Maryland's Civil Legal Aid programs is higher than comparative values for many other types of social service services based on two primary factors:

Many types of legal services delivered result in significant future cost savings or additional income for the citizens of the State of Maryland. These long-term values include (among many others):

- Long-term savings on children's medical and other support costs resulting from child support payments that were previously not obtained;
- Obtaining unemployment compensation benefits that had previously been unfairly denied;
- Significant savings on costs for emergency housing and family assistance resulting from enforcement of landlord/tenant laws;
- Additional family income and reductions in needed community support costs results from the resolution of wage payment and other employment issues.
- Savings in community support and assistance costs resulting from family law issues such as adoption, child custody, kinship care, and divorce and separation arrangements.
- Savings in community support and assistance costs resulting from mortgage foreclosure and mortgage predatory lending issue resolutions.
- Multiple years income from Social Security and/or Disability benefits that were previously denied, terminated, or reduced;
- Cost saving and increased statewide income from providing assistance in obtaining identification and work documents.

Another significant reason for the high value of the Maryland civil legal aid provider's Social Return on Investment is the number of volunteer ("pro bono") hours of legal services delivered by local attorneys.

These pro bono services would be less available and less efficient if not for the operations of civil legal services programs, who provide the infrastructure, including attorney recruitment, training, and recognition, client screening, administrative support, technical assistance, and follow-up services for clients and pro bono volunteers.

## **SUMMARY OF SOCIAL RETURN ON INVESTMENT ANALYSIS VALUE**

**The total net value resulting from the legal services activities of the organizations funded by MLSC in 2023 was \$505,418,000.**

**The total funding investment for these legal aid services provided by Maryland Legal Services Corp. was \$39,127,000 for 2023.**

*Note: The funding revenue totals do not include amounts received from non-mission funding sources such as asset sales, interest income, and in-kind contributions, and for non-cash contributions such as volunteer pro-bono attorney services.*

**The total Net Social Return on Investment for Maryland Legal Services during 2023 was 1,292%.**

**For Every \$1 invested in Maryland Legal Services Corp. in 2023, they delivered \$12.92 in immediate and long-term consequential financial benefits.**

*Note: This SROI value is extremely high as it measures the impact of the Maryland Legal Services grants to statewide organizations – who may also receive funding from other sources. If the SROI values were measured for each individual organization the sum would be less than the MLSC value.*

# Detail and Value of Services

The major areas of legal services are:

## **Housing Issues:**



Cases involving loss of housing due to foreclosure, eviction from subsidized or private housing, public housing issues, private landlord/tenant problems, and sub-standard housing conditions.

**The total economic impacts for the Housing legal services were:**  
*(Rounded to 000's)*

<b>HOUSING ISSUES - 2023</b>	<b>NUMBER OF CASES</b>	<b>DIRECT SERVICE IMPACT</b>	<b>LONG-TERM IMPACT</b>
<b>Federally Subsidized Housing</b>	2,005	\$4,860,000	\$21,232,000
<b>Homeownership and Real Property</b>	437	\$1,001,000	\$1,530,000
<b>Private Landlord/Tenant Issues</b>	14,754	\$21,504,000	\$114,310,000
<b>Public Housing</b>	459	\$1,673,000	\$3,230,000
<b>Mobile Homes</b>	41	\$79,000	\$388,000
<b>Housing Discrimination</b>	17	\$11,000	\$57,000
<b>Mortgage Foreclosures</b>	965	\$6,593,000	\$14,745,000
<b>Mortgage Predatory Lending/Practices</b>	19	\$177,000	\$149,000
<b>Other Housing Issues</b>	2,484	\$2,481,000	\$6,050,000

## Family Issues:



Cases involving domestic violence, divorce, separation and annulment, child custody and visitation, paternity, child and elder abuse, spousal and child support, guardianship, and adoption.

**The total economic impacts for the Family Issues legal services were:**

<b>FAMILY LAW ISSUES - 2023</b>	<b>NUMBER OF CASES</b>	<b>DIRECT SERVICE IMPACT</b>	<b>LONG-TERM IMPACT</b>
<b>Adoption</b>	87	\$51,000	\$775,000
<b>Custody and Visitation</b>	10,237	\$17,250,000	\$29,876,000
<b>Divorce/Separation/Annulment</b>	8,130	\$12,769,000	\$13,699,000
<b>Adult Conservatorship</b>	792	\$1,011,000	\$9,443,000
<b>Name Change</b>	308	\$156,000	\$0
<b>Parental Rights Termination</b>	18	\$6,000	\$0
<b>Paternity</b>	102	\$40,000	\$478,000
<b>Domestic Abuse</b>	3,810	\$9,326,000	\$28,903,000
<b>Support</b>	2,088	\$1,755,000	\$13,631,000
<b>Other Family Issues</b>	4,365	\$3,391,000	\$10,023,000
<b>Delinquent Juvenile</b>	2	\$1,000	\$0
<b>Neglected and Abused Dependents</b>	658	\$8,193,000	\$46,401,000
<b>Emancipation</b>	13	\$4,000	\$0
<b>Minor Guardianship</b>	371	\$140,000	\$6,327,000
<b>Other Juvenile</b>	9	\$7,000	\$0

## Health Care Issues:



Cases involving private health insurance, long-term health care facilities, home and community-based care, state and local health care, and other health issues.

**The total economic impacts for the Health Care legal services were:**

<b>HEALTH CARE ISSUES - 2023</b>	<b>NUMBER OF CASES</b>	<b>DIRECT SERVICE IMPACT</b>	<b>LONG-TERM IMPACT</b>
<b>Home and Community Based Care</b>	27	\$179,000	\$550,000
<b>Long Term Health Care Facilities</b>	66	\$181,000	\$1,513,000
<b>State and Local Health Care</b>	125	\$488,000	\$15,417,000
<b>Other Health Issues</b>	75	\$273,000	\$297,000



## Employment Issues:



Cases involving employment discrimination, wage claims, tax issues, employment safety and rights, agricultural workers, and other employment issues.

**The total economic impacts for the Employment Issues legal services were:**

<b>EMPLOYMENT ISSUES - 2023</b>	<b>NUMBER OF CASES</b>	<b>DIRECT SERVICE IMPACT</b>	<b>LONG-TERM IMPACT</b>
<b>Employment Discrimination</b>	211	\$79,000	\$0
<b>Wage Claims and Fair Labor Standards</b>	139	\$71,000	\$930,000
<b>Earned Income Tax Credit</b>	0	\$0	\$0
<b>Tax Issues</b>	65	\$175,000	\$0
<b>Employment Rights</b>	154	\$41,000	\$1,053,000
<b>Agricultural Workers Issues</b>	0	\$0	\$0
<b>Other Employment Issues</b>	398	\$300,000	\$4,883,000

## Public Benefits Issues:



Cases involving public programs such as Social Security benefits, Medicare and Medicaid, food stamps, temporary assistance for needy families, veterans' benefits, and unemployment compensation.

**The total economic impacts for the Public Benefits legal services were:**

<b>PUBLIC BENEFITS ISSUES - 2023</b>	<b>NUMBER OF CASES</b>	<b>DIRECT SERVICE IMPACT</b>	<b>LONG-TERM IMPACT</b>
<b>Medicaid Issues</b>	140	\$590,000	\$4,924,000
<b>Medicare Issues</b>	31	\$163,000	\$650,000
<b>Temp. Assistance for Needy Families</b>	162	\$716,000	\$3,127,000
<b>Social Security</b>	60	\$267,000	\$0
<b>SNAP (Food Stamps)</b>	2	\$1,000	\$55,000
<b>Social Security Disability Insurance</b>	183	\$1,027,000	\$1,691,000
<b>Supplemental Security Income</b>	246	\$1,550,000	\$8,210,000
<b>Unemployment Compensation</b>	294	\$1,649,000	\$1,462,000

## Consumer Protection:



Cases involving bankruptcy, debt and wage garnishments, unlawful collection practices, tax issues, debt collections, and repossessions.

**The total economic impacts for the Consumer Protection legal services were:**

CONSUMER PROTECTION ISSUES 2023	NUMBER OF CASES	DIRECT SERVICE IMPACT	LONG-TERM IMPACT
<b>Bankruptcy &amp; Debtor Relief</b>	735	\$4,507,000	\$2,851,000
<b>Collections/Repossessions/Garnishments</b>	2,358	\$4,662,000	\$1,901,000
<b>Contracts &amp; Warranties</b>	201	\$299,000	\$60,000
<b>Collection Practices/Credit</b>	3,769	\$65,000	\$4,000
<b>Predatory Lending (Not Mortgage)</b>	1	\$1,000	\$0
<b>Loans &amp; Installment Purchases</b>	12	\$3,000	\$0
<b>Public Utilities</b>	13	\$13,000	\$9,000
<b>Unfair Sales Practices</b>	3	\$11,000	\$2,000
<b>Other Consumer Finance Issues</b>	126	\$101,000	\$69,000

## Other Community Issues:



Cases involving many varied areas such as education, employment, veteran’s benefits, immigration, wills and estates, powers of attorney and advance directives, state and local income maintenance, torts, civil rights, licenses, assistance for non-profit services and municipal governments, and other individual rights issues.

**The total economic impacts for the Other Community Issues legal services were:**

<b>OTHER COMMUNITY SUPPORT ISSUES 2023</b>	<b>NUMBER OF CASES</b>	<b>DIRECT SERVICE IMPACT</b>	<b>LONG-TERM OUTCOME IMPACT</b>
<b>Education Issues</b>	500	\$231,000	\$0
<b>Veterans Benefits</b>	48	\$305,000	\$1,479,000
<b>State and Local Income Maintenance</b>	27	\$69,000	\$69,000
<b>Other Income Maintenance Issues</b>	119	\$165,000	\$170,000
<b>Immigration and Naturalization</b>	6,381	\$5,044,000	\$19,548,000
<b>Mental Health Issues</b>	2	\$1,300	\$0
<b>Physically Disabled Rights</b>	79	\$37,000	\$3,000
<b>Expungement</b>	2,079	\$1,661,000	\$31,920,000
<b>Other Individual Rights</b>	559	\$459,000	\$0
<b>Assistance for Non-Profits</b>	48	\$63,000	\$0
<b>Licenses</b>	3	\$1,000	\$0
<b>Wills and Estates</b>	2,205	\$3,787,000	\$1,830,000
<b>Advance Directives/Power of Attorney</b>	314	\$186,000	\$140,000
<b>Criminal Victim Issues</b>	597	\$717,000	\$781,000
<b>Other Miscellaneous Legal Issues</b>	1,259	\$648,000	\$0
<b>Govt/Court Efficiency Savings</b>	-	\$9,954,000	-

## *SUMMARY BY PROVIDER ORGANIZATION*

<u>Organization</u>	<u>Cases</u>	<u>Total Gross Impact</u>
Allegany Law Foundation	260	\$2,430,000
Asian Pacific Legal Resource Center	281	\$791,000
Ayuda	796	\$3,513,000
Baltimore Bar Foundation	975	\$5,769,000
Capital Area Immigrant Rights	378	\$1,116,000
CASA, Inc.	927	\$8,301,000
Catholic Charities of Baltimore	387	\$2,426,000
Catholic Charities Archdiocese WA	2,113	\$1,890,000
Children's Justice	245	\$1,887,000
Civil Justice	202	\$1,001,000
Community Law Center	123	\$377,000
D.C. Volunteer Lawyers Project	105	\$565,000
Disability Rights Maryland	1,821	\$9,614,000
FreeState Justice	524	\$2,514,000
Harford County Bar Foundation	897	\$8,096,000
Heartly House	603	\$4,570,000
Homeless Persons Representation Project	959	\$9,156,000
HopeWorks of Howard County	310	\$1,451,000
House of Ruth	2,781	\$12,903,000
Legal Service of Prince George's County	16,144	\$90,158,000
Life Crisis Center	374	\$4,908,000
Maryland Crime Victims Resource Ctr.	597	\$717,000
Maryland Legal Aid	16,175	\$209,574,000
Maryland Volunteer Lawyers Service	6,002	\$19,268,000
Mid-Shore Council	224	\$5,683,000
Montgomery County Bar Foundation	1,658	\$14,991,000
Pro Bono Resource Center	5,432	\$46,163,000
Public Justice Center	896	\$4,993,000
SARC	202	\$2,973,000
Shore Legal Services	2,248	\$17,662,000
Southern Maryland center for Family	1,815	\$11,435,000
St. Ambrose	756	\$1,548,000
Tahirih Justice	88	\$780,000
Whitman-Walker Health	435	\$8,532,000
Women's Law Center	7,562	\$29,925,000
World Relief Corp.	125	\$649,000



## **The Economic Impact and Social Return on Investment from the services provided by the Legal Aid services organizations in the State of Maryland**

### **Overview**

The State of Maryland and many other governmental funding sources nationwide are reviewing their “Performance Measurement” processes, including metrics such as Return on Investment, Output and Outcome Measures, and Social Economic Impact Measures, in an effort to improve efficiency, effectiveness, and the delivered value of their multiple of community services and funding requirements and options. This report provides these measurement results to funding sources, stakeholders, and members of the community.

This analysis follows the basic structure, definitions, and procedures encompassed in the Social Value International standardized internationally defined methodology. Additional input was taken from the New Economics Foundation study “*Measuring Real Value: a DIY Guide to Social Return on Investment*,” the Nonprofit Good Practice Guide, multiple publications from organizations such as the Global Impact Investing Network, and various financial analysis tools and methods used in the private sector.

### **Scope of the Project**

The process of developing this analysis included the identification of measurable benefits provided for the legal services by the 38 Maryland legal aid service providers funded by the Maryland Legal Services Corporation (MLSC) during the year 2023.

Many of the transaction statistics for these areas have historically been tracked by the staff and management, but several areas were not. The personnel at all 38 organizations, plus the staff at MLSC are to be commended for researching these areas and providing accurate transaction information.

The definitions of value to community are based on a variety of published sources where available, surveys of local cost when appropriate, surveys of State residents, and realistic formula calculations. These same methodologies have been used in multiple other social service provider engagements and have been reviewed in detail by multiple organizations and outside researchers.

## **Conclusion**

Based on a review of the transaction records, internal reports, financial statements, and reports submitted to various state and federal stakeholders by the participating organization, and the detailed analysis of values delivered to the community of the individual services provided by the organizations, this report presents on a conservative basis the Economic Impacts and Social Return on Funding Investment for the Maryland Legal Aid civil legal aid services provider organizations during 2023.

**September 9, 2024**

A handwritten signature in brown ink, appearing to read "John Byrnes".

John Byrnes  
Principal

Community Service Analysis, LLC

# *ABOUT CSACO*

Community Services Analysis LLC (CSACO) is a leading provider of Social Economic Impact and Social Return on Investment Analysis in the United States. Since 2007, CSACO has completed over 300 SROI studies for local and state organizations and agencies around the country, including such clients as the U.S. Dept. of the Interior, the U.S. Department of Education, the National Science Foundation, the State of California Department of Rehabilitation, United Way, United Cerebral Palsy, Community College Districts in multiple states, Disability Service Providers (disability, substance abuse, and mental/physical handicaps) in multiple states, Habitat for Humanity, State Libraries and Public Archives, Community Investment Corporations, Cultural Events organizations, Community Foundations, and **over 250 Legal Aid organizations nationwide.**

Community Services Analysis LLC was the first organization in the United States to be a member of The SROI Network (now Social Value International), the international Social Return on Investment standards and accreditation organization, and has been recognized by many national social services organizations such as ANCOR (*the American Network of Community Options and Resources*), ACCSES (*the American Congress of Community Support and Employment Services*), and NLADA (*the National Legal Aid and Defenders Association*). CSACO is also a member of Social Value International, Social Value - United States, and the American Evaluation Association.

In 2013, following a detailed analysis of multiple Cost Benefit/Return on Investment methodologies and providers, the National Legal Aid and Defenders Association selected CSACO as their SROI analysis national partner.

In 2021, John Byrnes (Founder and Principal) was named the Evaluation Expert of the Year by Global Finance Magazine.