



# Economic Impact of Civil Legal Aid in Connecticut

October 1, 2025 Report: Evan Hansen & Dale Shannon, Downstream Strategies



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### 1. INTRODUCTION

As part of its mission to facilitate systemic change that advances civil justice for all, the Connecticut Bar Foundation (CBF) administers a grant program to a network of 11 civil legal aid organizations and CTLawHelp.org. The legal aid services they provide improve people's lives in many tangible ways—only some of which can be measured directly in dollars and cents. While this report focuses on monetary benefits, civil legal aid is about stabilizing communities, preventing homelessness, and empowering individuals to live with dignity and security.

As illustrated in Table 1, CBF partner organizations represent victims of housing discrimination; lower barriers to housing, healthcare, and income for veterans recovering from mental illness and homelessness; and represent poor and at-risk children, low-income people with mental health conditions, the elderly, victims of domestic violence, at-risk students facing expulsion from school, and others.<sup>1</sup>

Legal aid services are not just investments in individuals; they are investments in communities and local economies. Many successful outcomes provided by these legal aid organizations—such as securing housing vouchers, health insurance subsidies, or Supplemental Security Income (SSI)—put more money in people's pockets. As their clients spend money secured via assistance from the CBF partner organizations, the entire Connecticut economy benefits. In addition, spending by partner organizations themselves benefits the local economy. This report documents these local economic benefits and finds that the benefits greatly exceed the costs of providing these services, a portion of which is provided by the Connecticut General Assembly.<sup>2</sup>

In Chapter 2 of this report, we focus on the economic benefits realized by clients whose lives were improved from services received from CBF's partner organizations. We estimate local economic benefits for:

- housing support,
- health-related services and financial benefits,
- family-related support,
- SSL
- financial and consumer support,
- · veterans' benefits, and
- immigration services.

While the analysis in Chapter 2 only includes a limited number of services due to the challenge of estimating economic outcomes for many legal aid services, it still demonstrates how civil legal aid provided to low-income residents provides financial benefits that expand out into the broader economy. In 2024 alone, the set of services examined in this analysis provided approximately \$10.0 million<sup>3</sup> in benefits to legal aid clients. As clients spent these dollars, they generated approximately \$12.4 million in economic activity across the state economy.

<sup>&</sup>lt;sup>1</sup> CBF, 2024; Connecticut Legal Services, 2025a.

<sup>&</sup>lt;sup>2</sup> Analyses have also found that the benefits of civil legal aid are substantial in Maryland (Community Services Analysis, 2025), Pennsylvania (Flaherty et al., 2020), Ohio (Ohio Access to Justice Foundation, 2020), and Nevada (State Bar of Nevada, Undated).

<sup>&</sup>lt;sup>3</sup> Here and elsewhere in this report, we use 2025 dollars. For this reason, the dollars shown in this report will not match the nominal dollars used in original source materials for direct benefits to clients in Chapter 2 or grant awards to CBF's partner organizations in Chapter 3.

Chapter 2 also demonstrates that benefits often accrue over multiple years. We analyze two specific recurring benefits: (1) benefits that accrue to veterans from a variety of support services, including new or higher monthly benefits or lower housing costs and (2) interventions in children's education that resulted in high school graduation and a higher wage for the individual. For these two examples, we estimate an increase in household income of approximately \$11.7 million to recipients of legal aid services over five years.

Table 1: Connecticut Bar Foundation partner organizations

Organization	Mission
Center for Children's Advocacy	Protects and promotes the legal rights of Connecticut's low-income children and youth so they have equitable opportunities for good health, a quality education, and a successful transition to adulthood.
Children's Law Center of Connecticut	Promotes the best possible outcomes for children and families in transition or crisis by providing access to legal services and support they could not otherwise afford and by advancing collaborative, non-adversarial options for resolving conflicts outside the court system.
Connecticut Fair Housing Center	Ensures that all people have equal access to housing opportunities in Connecticut, free from discrimination.
Connecticut Legal Rights Project	A statewide non-profit agency that provides legal services to low-income individuals with mental health conditions, who reside in hospitals or the community, on matters related to their treatment, recovery, and civil rights.
Connecticut Legal Services	Provides access to justice and protects the critical civil legal rights of low-income individuals and families through representation, systemic advocacy, advice, collaboration, and education.
Connecticut Veterans Legal Center	Empowers, supports, and improves the lives of Connecticut Veterans by providing free legal assistance to help them overcome legal barriers to housing, healthcare, income, and recovery.
CTLawHelp.org	Helps Connecticut residents with low income solve their legal problems.
Greater Hartford Legal Aid	Advocates tirelessly for individuals and families facing economic hardship, ensuring they have access to essential rights and resources.
Lawyers for Children America	Protects abused, abandoned, and neglected children through pro bono legal representation and partnerships that create systemic change.
New Haven Legal Assistance Association	Secures justice for and protects the rights of those residents of New Haven County unable to engage legal counsel.
Open Communities Alliance	Its ambitious mission of unwinding Connecticut's history of government-perpetuated segregation focuses on reducing social, economic, and health disparities experienced by low-income families of color and generating access to "opportunity" by establishing pathways to affordable housing in thriving communities.
Statewide Legal Services of Connecticut	Empowers low-income people in Connecticut to obtain justice by providing tools to address their civil legal needs.

In addition to the benefits resulting from the successful outcomes such as those described in Chapter 2, Connecticut's civil legal aid organizations contribute to the state economy by providing legal services. This economic activity includes the purchase of goods and services necessary for the legal aid they provide, as well as employee salaries.

As detailed in Chapter 3, the Connecticut General Assembly has acknowledged the value of this activity and provided a total of \$66.8 million to these organizations from 2020 through 2024. With additional funding from other sources, the partner organization budgets totaled \$105.2 million over this five-year period.

Our analysis estimates that the direct, indirect, and induced benefits of this spending generated \$178.5 million of local output. Adding the \$12.4 million of local output generated by legal aid clients generates a total of \$190.9 million in economic activity. These significant benefits to the state economy are generated with \$66.8 million of public funding, suggesting that every dollar of public funding yields approximately 2.9 dollars in economic activity across the Connecticut economy.

CBF's partner organizations improve the lives of low-income veterans, children and families, elderly residents, people with disabilities, workers, and tenants. The increased income secured for clients by these civil legal aid providers benefits not just the clients, but also their communities and the broader economy. The funds provided by the Connecticut General Assembly to support these organizations have helped enable these significant and broad economic benefits across Connecticut.

# 2. IMPACTS FROM IMPROVEMENTS IN PEOPLE'S LIVES

Many of the services provided by CBF's partner organizations put money in clients' pockets. These dollars then produce benefits across the Connecticut economy as clients increase their spending.

For a selected set of services provided by certain CBF partner organizations, this chapter estimates the local benefits generated for their clients. Although this analysis is constrained due to the challenge of estimating appropriate economic outcomes for many services, it provides constructive examples that illustrate the contributions that civil legal aid provides to Connecticut's economy.

Section 2.1 focuses on a set of cases closed with successful outcomes in 2024 and the additional benefits generated for clients over a one-year period. In Section 2.1, we also estimate the impacts as clients spend the dollars secured through successful legal aid cases in Connecticut's economy.

Section 2.2 extends the analysis by estimating the returns to a set of legal aid clients over a five-year period. For this analysis we include (1) veterans who received funds based on successful outcomes and (2) students who increased their future earning potential by graduating from high school.<sup>4</sup>

### 2.1 Local economic benefits in 2024

This section focuses first on local economic benefits secured in 2024 for a selected set of successful outcomes:

- housing-related clients, including housing subsidies preserved, relocation assistance, and rent refunded and reduced;
- family law clients, including child support awarded;
- SSI clients, including retroactive awards and ongoing benefits;
- elderly consumer clients, including the reduction and elimination of erroneous claims against them:
- immigration clients; and
- health and benefits clients.

For each of these six categories, our analysis is based on aggregate estimates of the direct benefits secured for clients due to successful outcomes won.<sup>5</sup>

We also include monetary awards to clients who have been victims of housing discrimination. These awards included cases that prevented evictions or foreclosures, as well as improved housing through fair housing criteria that resulted in financial benefits to clients. Most of these benefits are based on directly documented monetary benefits, and a small share was imputed based on cases that received additional benefits due to civil legal aid services.<sup>6</sup>

Finally, we include increases in household income for low-income veterans recovering from mental illness and homelessness.<sup>7</sup>

For all awards included in the analysis, we include cases closed successfully in 2024. For those cases, our analysis includes one-time funds secured for clients. When a future stream

<sup>&</sup>lt;sup>4</sup> For these recurring benefits, we do not perform broader economic impact analyses.

<sup>&</sup>lt;sup>5</sup> Connecticut Legal Services, 2025b.

<sup>&</sup>lt;sup>6</sup> Connecticut Fair Housing Center, 2025.

<sup>&</sup>lt;sup>7</sup> Connecticut Veterans Legal Center, 2025.

of revenue is also secured (for example, for a housing voucher or an SSI payment), our analysis is based on the understanding that the data includes 12 months of benefits.

The direct benefits to the set of legal aid clients included in our analysis total \$10.0 million. As illustrated in Table 2, \$3.8 million was secured for housing-related cases, \$3.6 million was secured for veterans, and \$1.9 million was secured for family-related cases.

Table 2: Direct benefits to clients, by service, 2024 (million \$)

Service	Direct benefit to client
Housing	\$3.8
Veteran benefits	\$3.6
Family	\$1.9
SSI	\$0.5
Health	\$0.2
Consumer	<\$0.1
Immigration	<\$0.1
Total	\$10.0

Sources: Connecticut Legal Services, 2025b; Connecticut Fair Housing Center, 2025; Connecticut Veterans Legal Center, 2025. Note: Results are in 2025 dollars. Totals may not match due to rounding. Veteran benefits include those that are not included in other categories of services. These direct benefits are for a selected set of services provided by certain CBF partner organizations and do not reflect the direct benefits secured for all clients.

The \$10.0 million of household spending ripples out across the Connecticut economy, creating jobs and producing additional benefits. As illustrated in Table 3, these impacts include an increase of \$12.4 million of output, employment for 61 Connecticut residents, and labor income of approximately \$4.3 million across the state's economy.

Table 3: Impacts from client spending, by service, 2024

Service	Output (million \$)	Value added (million \$)	Labor income (million \$)	Employment (Annual)
Housing	\$4.7	\$3.0	\$1.6	23
Veteran benefits	\$4.5	\$2.9	\$1.5	22
Family	\$2.3	\$1.5	\$0.8	11
SSI	\$0.6	\$0.4	\$0.2	3
Health	\$0.2	\$0.1	\$0.1	1
Consumer	<\$0.1	<\$0.1	<\$0.1	<1
Immigration	<\$0.1	<\$0.1	<\$0.1	<1
Total	\$12.4	\$8.0	\$4.3	61

Sources: Connecticut Legal Services, 2025b; Connecticut Fair Housing Center, 2025; Connecticut Veterans Legal Center, 2025; IMPLAN; Downstream Strategies. Note: Results are in 2025 dollars. Totals may not match due to rounding. Veteran benefits include those that are not included in other categories of services. These direct benefits are for a selected set of services provided by certain CBF partner organizations and do not reflect the direct benefits secured for all clients.

As these \$12.4 million of impacts ripple out across Connecticut's economy, they impact many sectors only indirectly associated with legal aid services. For example, approximately \$2.4 million of the increase in output comes from the Finance, insurance, & information sectors, as residents spend money on cell phones and streaming services and do business with local insurance agencies and banks. Almost \$2.0 million comes from the Wholesale & retail sectors as residents spend money at local grocery stores and purchase supplies at home repair stores (See Figure 1).

<sup>8</sup> This \$3.6 million of veteran benefits include those that are not included in other categories of services.

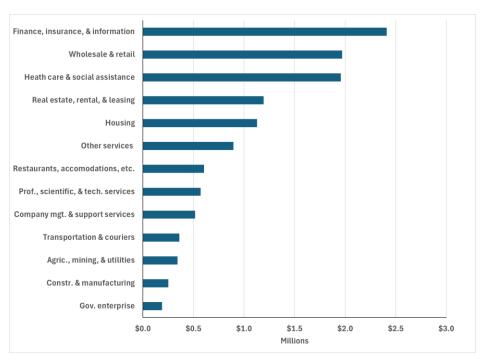


Figure 1: Secondary economic impacts on output from client spending, 2024

Sources: Connecticut Legal Services, 2025; Connecticut Fair Housing Center, 2025; Connecticut Veterans Legal Center, 2025; IMPLAN; Downstream Strategies. Note: Results are in 2025 dollars.

### 2.2 Recurring benefits to clients

Some benefits secured for clients by CBF partner organizations happen year after year. Analyzing these recurring benefits is constrained due to the challenge of estimating appropriate economic outcomes for many services. The specific services included in this analysis provide two of many examples of recurring benefits that legal aid service providers unlock for their clients.

The first of the recurring benefits we assess are the ongoing benefits received by veterans, which total \$6.1 million over five years (See Table 4). This estimate is based on the benefits for successful cases in 2024 in which there was to be an ongoing return to the client. These estimates included successful cases related to consumer support, family and child support, housing issues with landlords, housing subsidy payments, social security payments, and veterans' benefits.<sup>9</sup>

Table 4: Recurring direct benefits to clients, by population (million \$)

Population	Direct benefit to client			
Veterans	\$6.1			
Children	\$5.6			
Total	\$11.7			

Sources: Connecticut Veterans Legal Center, 2025; Center for Children's Advocacy, 2025. Note: Results are in 2025 dollars. Totals may not match due to rounding. Benefits are expected to accrue over five years.

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<sup>&</sup>lt;sup>9</sup> Connecticut Veterans Legal Center, 2025.

The second recurring benefit accounts for the additional earnings for children who were able to successfully graduate from high school. These estimates were based on legal service provider data<sup>10</sup> and incorporated national- and state-level earnings data by education level.<sup>11</sup> While these benefits could result in higher annual incomes throughout a lifetime, Table 4 illustrates that over five years, the higher incomes earned due to these successful cases would result in \$5.6 million in additional income to the recipients of legal aid.

<sup>&</sup>lt;sup>10</sup> Center for Children's Advocacy, 2025.

<sup>&</sup>lt;sup>11</sup> U.S. Bureau of Labor Statistics, 2025a and 2025b.

### 3. IMPACTS FROM THE PROVISION OF LEGAL SERVICES

CBF provides annual grants to 11 partner organizations and CTLawHelp.org to support their civil legal aid work in Connecticut. While there are seven funding sources for these grants, most funding has come from three sources:12

- 1. Interest on Lawyers' Trust Accounts (IOLTA)/Interest on Trust Accounts (IOTA). The revenue of the IOLTA/IOTA program is derived from interest earned on lawyers' trust accounts and interest on trust accounts, made available by participating attorneys through eligible financial institution remittances of interest earned on these accounts. The purpose of the program is to make funds available to provide for the delivery of civil legal services to low-income individuals and for law school scholarships based on financial need.<sup>13</sup>
- 2. **Court Fees Grants-in-Aid.** The Connecticut General Assembly, acknowledging the need for increased funding for civil legal aid, passed certain court fee increases, which are transferred to CBF through the Connecticut Judicial Branch and are then provided to grantees through a competitive grant process.<sup>14</sup>
- 3. **Judicial Branch Grants-in-Aid.** Since 2005, public funding has been provided by the Connecticut General Assembly in the Judicial Branch budget for legal services organizations; these funds are also administered by CBF.<sup>15</sup>

As illustrated in Figure 2, the amount of public funds provided in Court Fees Grants-in-Aid and Judicial Branch Grants-in-Aid varied from 2020 through 2024. In total during this period, \$66.8 million was provided by the General Assembly. These funds, together with the other sources of funding for the civil legal aid organizations, totaled \$105.2 million during this five-year period. As such, public funds accounted for approximately 37 percent of total funding.

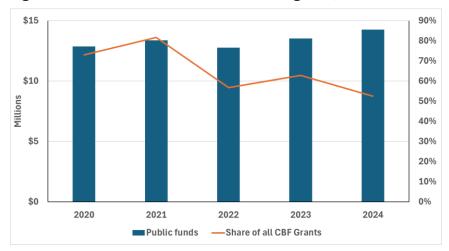


Figure 2: Public funds and share of all CBF grants, 2020-2024

Source: Hiltunen, 2025. Note: These include the 11 partner legal aid organizations and CTLawHelp.org. Public funds include Court Fees Grants-in-Aid and Judicial Branch Grants-in-Aid. Results are in 2025 dollars.

The total impact from this economic activity for Connecticut is estimated by the IMPLAN input/output model to be \$178.5 million in output. This total impact is generated from the

<sup>&</sup>lt;sup>12</sup> Hiltunen, 2025.

<sup>&</sup>lt;sup>13</sup> CBF, 2025a.

<sup>&</sup>lt;sup>14</sup> CBF, 2025b.

<sup>&</sup>lt;sup>15</sup> CBF, 2025c.

\$105.2 million in funding provided to Connecticut's civil legal aid organizations. To estimate the total impact, this funding is specified as a direct effect in a scenario in the IMPLAN model for Connecticut in the legal services industry (See Appendix A for details on the IMPLAN model). To estimate the indirect effects, the model uses the direct effect to calculate the change in production across all industries in the state so that the necessary level of production in legal services is met. The input values from these industries are derived from the production functions in the model for each industry. These production functions include the share of commodities needed for production of each industry and the inputs from businesses within Connecticut and those produced out of the state. The model iteratively aggregates these inputs until the full change from the activity ripples out to the last dollar. Thus, the indirect effects account for the needed inputs for the activity generated in legal services from CBF's funding of the civil legal aid organizations. The specific input/output data used for the model is based on industry-level estimates by the U.S. Bureau of Economic Analysis.

The direct activity specified in the legal services industry, as well as additional economic activity estimated in the indirect effects, requires additional labor. The labor income associated with that activity generates spending by households and governments in the state's economy. The impact from this spending activity is called the induced effect. Induced effects are estimated for nine household income groups based on the unique spending pattern for each household group. These spending patterns are derived from the U.S. Bureau of Labor Statistics' household spending pattern data.

The total impact is the sum of the direct, indirect, and induced effects. The indirect and induced effects are often summarized as secondary effects. The measures presented for the effects in this analysis include output, employment, value added, and labor income. Labor income includes employee compensation (including benefits) and proprietors' income. Value added includes labor income, taxes on production and imports, and other property type income.

Considering the direct, indirect, and induced effects, we estimate that the local economic impact over this five-year period totaled \$178.5 million in output (See Table 5). Table 6 documents a broader set of impacts. We estimate that value added totaled \$123.2 million, including direct, indirect, and induced impacts over the five-year period. The model further estimates that CBF partner organizations expenditures result in 154 full- and part-time jobs with total labor income of \$69.1 million. The total impacts for each year from 2020 through 2024 are documented in Table 7.

Table 5: Total impacts on output from the provision of legal services by CBF partner organizations, 2020–2024 (million \$)

Year	Direct impact from public funds	Total direct impact	Total impact, including direct, indirect and induced impacts
2020	\$12.9	\$17.6	\$29.5
2021	\$13.4	\$16.4	\$27.8
2022	\$12.8	\$22.5	\$38.2
2023	\$13.5	\$21.6	\$36.7
2024	\$14.3	\$27.2	\$46.2
Total	\$66.8	\$105.2	\$178.5

Sources: Hiltunen, 2025; IMPLAN; Downstream Strategies. Note: Public funds include Court Fees Grants-in-Aid and Judicial Branch Grants-in-Aid. Results are in 2025 dollars.

Table 6: Direct, indirect, and induced economic impacts from legal services by CBF partner organizations, 2020–2024

Impact	Output (million \$)	Value added (million \$)	Labor income (million \$)	Employment (Annual)
Direct	\$105.2	\$79.2	\$43.3	83
Indirect	\$32.2	\$17.8	\$10.8	30
Induced	\$41.1	\$26.3	\$15.0	41
Total	\$178.5	\$123.2	\$69.1	154

Sources: Hiltunen, 2025; IMPLAN; Downstream Strategies. Note: Results are in 2025 dollars.

Table 7: Total annual economic impacts from legal services by CBF partner organizations impacts by metric, 2020–2024

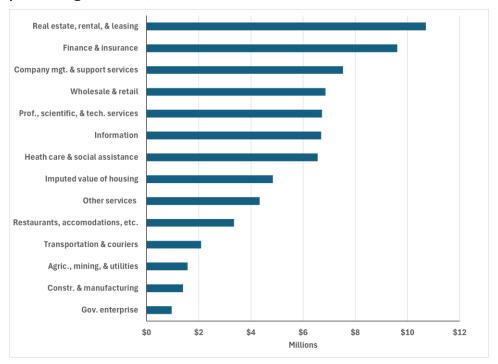
Metric	2020	2021	2022	2023	2024	Total
Output	\$29.5	\$27.8	\$38.2	\$36.7	\$46.3	\$178.5
Value added	\$20.5	\$19.1	\$26.4	\$25.3	\$31.9	\$123.2
Labor Income	\$12.2	\$11.2	\$14.4	\$13.8	\$17.4	\$69.1
Employment	134	124	162	155	195	154

Sources: Hiltunen, 2025; IMPLAN; Downstream Strategies. Note: Results are in 2025 dollars.

Even without assessing the improvements in people's lives resulting from the services they received (See Chapter 2), the benefits of civil legal aid to the local economy are significant: \$178.5 million in output over five years, of which \$46.3 million and 195 jobs were generated in 2024 alone (Table 7).

These indirect and induced impacts benefit all other industry sectors in Connecticut's economy, creating wealth, labor income, and jobs in those sectors. As illustrated in Figure 3, additional economic activity totaling approximately \$10.7 million in output accrued to the Real estate, rental, & leasing sector, and approximately \$9.6 million accrued to the Finance & insurance sector.

Figure 3: Secondary economic impacts on output from legal aid services provided by CBF partner organizations, 2020-2024



Sources: Hiltunen, 2025; IMPLAN; Downstream Strategies. Note: Results are in 2025 dollars.

# 4. CONCLUSIONS

CBF provides grants to civil legal aid organizations that secure significant monetary and non-monetary benefits for their clients. This report identifies some of the monetary benefits.

In 2024, direct benefits to legal aid clients, for a selected set of services including housing support and veterans' benefits, totaled approximately \$10.0 million. As clients spent these dollars, they generated approximately \$12.4 million in economic activity across the state economy.

In addition, many services result in benefits that recur, such as income payments, reduced rental costs, or increases in wages due to better educational outcomes. For a set of services that secured these benefits, we estimate an increase in household income of approximately \$11.7 million over five years to clients due to successful interventions by CBF partner organizations.

In addition to the benefits resulting from successful outcomes, Connecticut's civil legal aid organizations contribute to the state economy by providing legal services. From 2020 through 2024, these impacts generated approximately \$178.5 million of local output. Other important economic benefits for the state's economy and residents include jobs and labor income.

As spending by legal aid clients and by the partner organizations ripples out across Connecticut's economy, all sectors of the economy benefit, including many that are only indirectly associated with legal aid services.

The \$66.8 million provided by the Connecticut General Assembly from 2020 through 2024 is a sound investment. According to our analysis, every dollar of public funding yields approximately 2.9 dollars in economic activity across the Connecticut economy. This return, which is based on a selected set of services provided by CBF partner organizations, would be even higher if additional services were included in the analysis.

As documented in this report, legal aid services are not just investments in individuals and communities; they are also investments in local economies. Support from the General Assembly has contributed substantially to these significant and broad benefits that are felt across all sectors of the Connecticut economy.

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# APPENDIX A: THE IMPLAN MODEL

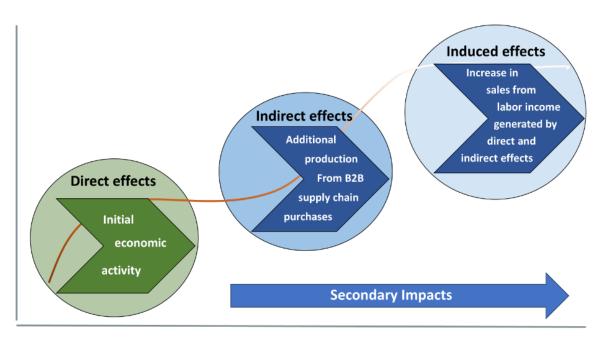
The IMPLAN model used for the state of Connecticut includes up to 546 industries. Chapter 2 estimates the changes in household incomes for a selected set of successful cases to illustrate the benefits to households from civil legal aid. The scenario developed in Chapter 3 models the budgets of each CBF organization as industry productivity events. The structure of these impacts are outlined below and summarized in Figure 4.

**Industry change:** The industry change impact provides estimates of the full economic impact across the regional economy based on a specified change in employment level or productivity, as measured in output as defined below.

- **Direct effect:** The change in the level of production or employment is called the direct effect and is specified by the analyst based on their understanding of the industry involved and level of economic activity.
- **Indirect effect:** Indirect effects measure the effects on the regional economy as firms and proprietors in the economy change production to meet the requirements of the change in output specified in the direct effect.
- **Induced effect:** Induced effects measure the effects on the regional economy from the changes in household income that results from the changes in employment to meet the increase in production specified in the direct and indirect effects.
- **Iterative solution:** Both the indirect and induced effects are based on iteratively solving the initial effect as it ripples across the region and generates additional activity from those businesses that provide inputs for the indirect and induced effects. For the indirect effect, this activity is related to the production requirements to address the question of which regional businesses will increase their production to meet the additional demand. The induced effect from the change in spending is also iterative, as the change in spending ripples out and requires additional economic activity. The IMPLAN model estimates this rippling effect to the last dollar.
- **Economic multipliers:** Economic impact analyses often refer to economic multipliers. A multiplier is the ratio of one effect to another effect or set of effects. One commonly used multiplier is the total effect divided by the direct effect. Thus, an employment multiplier of 2.0 would indicate that for each 100 direct jobs needed for a given activity, 100 more jobs would be generated in all regional industries and governments.

Household income change: Household income changes can be specified for any one of the nine different household income levels in the IMPLAN model. These income changes are only applied to the induced effect. The spending patterns applied in the estimate of this effect account for taxes to the federal, state, and local governments. "Leakage" of spending dollars occurs due to federal taxes, spending that occurs outside of the state, and from household savings. Savings are a leakage because they do not create economic activity during the time frame considered. For this analysis of the impact from the benefits due to civil legal aid accruing to low-income households, leakages are relatively small and result in the overall impact in our calculation in Section 2.1 to be 123 percent of the benefits. For comparison, impacts on household income levels for households with higher income levels are less than 100 percent due to the leakages of income noted above.

Figure 4: Impact effects estimated by IMPLAN



Sources: Downstream Strategies, IMPLAN.

Impact results are estimated by the IMPLAN model for four different general economic measures as well as up to 75 state and local government tax categories and potentially 35 federal government categories. These variables are estimated by industry for each impact effect identified above. The general economic measures include:

- **Output:** Output is the measure of production that includes the change in sales and inventories.
- **Employment:** The IMPLAN model uses employment data from federal government sources at the industry level. IMPLAN uses full- and part-time employment for consistency with the definition of value added. Employment includes estimates of employees by place of work and independent proprietors.
- Value added: Value added includes four components in the IMPLAN model:
  - o **Employee compensation:** A measure of salaries and all benefits.
  - o **Proprietors' income:** Labor payments received by self-employed individuals and unincorporated business owners.
  - Other property type income: Gross operating surplus minus proprietor income, including consumption of fixed capital, corporate profits, and the net business transfer payments.
  - Taxes on production and imports: Indirect business taxes, including sales and excise taxes, customs duties, property taxes, motor vehicle licenses, severance taxes, other taxes, and special assessments.
- **Labor income:** Labor income initiates the induced effects. It is the aggregate of the two components of value added that accrue directly to the region's households: employee compensation and proprietors' income.

Figure 5: Components of output in IMPLAN

