Homelessness Prevention and Cost Savings through Funded Legal Representation for Low-Income Tenants in Eviction Proceedings [[1]](#footnote-1)

Summary:

This white paper evaluates the economic benefits of funding a legal services program to represent low-income tenants facing eviction. Providing legal counsel to tenants reduces the incidence of evictions, which in turn decreases the burden on public services and promotes community stability. The investment in legal services results in significant long-term savings for the city by reducing homelessness, decreasing unemployment, lowering healthcare costs, and stabilizing neighborhoods.

Introduction:

Evictions are a primary driver of instability for families, contributing to higher rates of homelessness, increased demand for social services, and broader societal costs. Cities that have implemented programs providing legal assistance to tenants in eviction proceedings have observed not only a reduction in eviction rates but also a reduction in associated social and economic costs.

Cost of Eviction vs. Cost of Legal Assistance:

The impact of civil legal aid has been proven to have profound impact on public cost saved and is replicated in economic impact studies from across the country. While there is not such study in Kentucky, in states like Wisconsin, a recent study found that for every one dollar spent on civil legal aid, there was an eight-dollar return.[[2]](#endnote-1)

 Eviction services are a smart investment of public funds and a critical component in our city’s approach to homelessness prevention. A University of Louisville study titled “Solving Street Homelessness in Louisville, KY” specifically cites the role of eviction prevention and legal support for eviction prevention as a crucial tool in our community’s prevention efforts.[[3]](#endnote-2)

1. Homelessness and Shelter Costs:

   - The cost of homelessness far exceeds the cost of eviction prevention. The average cost of providing shelter and services exceeds $2,000 per month[[4]](#endnote-3), significantly higher than providing legal representation estimated at $456 per case.

2. Impact on Public Services:

   - Evicted individuals rely more heavily on emergency healthcare services and social welfare programs. Preventing evictions through legal representation reduces the strain on these resources.

3. Children and Education:

   - Displacement disrupts children’s education, leading to poorer academic outcomes and increased dropout rates, thereby perpetuating the cycle of poverty.

Benefits of Legal Representation:

1. Reduction in Eviction Rates:

   - In 2023, 97% of the clients provided legal representation either avoided or delayed their eviction with enough time to find alternative housing.

2. Economic Stability:

   - Keeping families in their homes helps maintain stable employment and reduces the economic strain on affected families and the community at large.

3. Community Cohesion:

   - Evictions often lead to neighborhood destabilization. Legal interventions help maintain community integrity and cohesion.

Results:

The Right to Counsel ordinance is an effective anti-homelessness program. The Legal Aid Society served clients in 1,206 cases in 2023. Of those, 1,101 unique clients were served. Due to the ordinance and the funding for the program, 1515 children were prevented from becoming homeless. Significant costs were saved in shelter and other services because of the program.

Conclusion:

Funding legal representation for low-income tenants in eviction proceedings is not only a moral imperative but also an economically wise decision. The upfront costs of such programs are offset by the considerable savings associated with reduced homelessness, healthcare usage, and other social services. The Right to Counsel funding is an investment in public stability and economic health.

Contact Information:

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1. [↑](#footnote-ref-1)
2. https://www.wistaf.org/wisconsin/Study-The-Economic-Impact-of-Civil-Legal-Aid-in-Wisconsin\_90386 [↑](#endnote-ref-1)
3. chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://louhomeless.org/wp-content/uploads/2019/06/Solving-Street-Homelessness-in-Louisville.pdf [↑](#endnote-ref-2)
4. Data from “Cost of Homelessness in Metropolitan Louisville” University of Louisville, 2008. More information is available at louhomeless.org. [↑](#endnote-ref-3)