

# LEGAL BARRIERS TO SELF-SUFFICIENCY: THE SOMERSET COUNTY LEGAL SERVICES PROJECT

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## **Executive Summary**

Caseload declines nationally and in Maryland during the first few years of welfare reform were nothing short of remarkable, exceeding the expectations of even reform's most ardent supporters. The rates of decline and the literal numbers of families exiting from cash assistance have both decreased in recent years, leading most observers to concur that the "easy" part of welfare reform is over. Although other of our research studies have found that, contrary to popular myth, today's cash assistance customers are not all or even primarily "hard to serve", those studies did conclude that today's clients are, in fact, "different to serve" in many important respects. Some of those differences are obvious ones such as age and household composition. Others are more subtle, but perhaps no less important in understanding the complexity and diversity of today's clients' situations and the need for innovative as well as traditional interventions to assist them in making welfare-to-work transitions or in obviating the need for cash assistance by those not on the rolls.

Front-line and managerial staff in local Departments of Social Services (DSS) can certainly attest to the heightened importance of not always obvious barriers which can impede clients' progress, and to the need to experiment with creative service strategies. In Somerset County, Maryland, to illustrate, DSS staff observed that unresolved legal problems often posed a barrier. Specifically, some families - both those on assistance and those not - experienced high levels of stress of had difficulty obtaining or maintaining employment because of legal problems with creditors and unresolved divorces. In the main, these clients were not currently receiving cash assistance, but clearly were at risk to do so, as the majority were receiving Food

Stamps (55.7%) and/or Medical Assistance (67.1%). To address these situations, the DSS engaged the Maryland Volunteer Lawyers Service (MVLS) to provide customers with free legal assistance in civil matters and, through the Family Investment Administration, Department of Human Resources, requested that the Family Welfare Research and Training Group track program participants and document welfare and employment outcomes.

This report presents the results of research in the Somerset County DSS legal services project. Specifically, the report presents information on the characteristics and circumstances of 79 Somerset County residents who enrolled in the program and received free legal services from MVLS between July 1, 1999 and December 31, 2002. The study uses a combination of administrative and survey data to illuminate how legal problems affect low-income families' economic self-sufficiency. As is customary in our studies, the two main outcomes examined are participants' welfare utilization and employment patterns. Key findings are:

**1. Most legal customers were economically-disadvantaged when they entered the program and had received public benefits in the recent past.**

Sample members were fairly diverse in term of age and family size, but shared the common characteristic of being economically-disadvantaged. The average legal services customer was 42 years old and lived in a household containing one adult and one or two children. Participants had an average monthly income of \$975 from all sources at the time of their enrollment in the program. Three-fourths had received some form of DSS assistance in the past year, most commonly Medical Assistance and/or Food Stamps.

**2. Customers' responses to an initial survey indicate that their legal problems were having a significant effect on their lives.**

Most participants (66.7%) sought assistance for either a divorce (39.3%) or bankruptcy/debtor relief (27.4%). For almost two-thirds of the sample, the legal problem had been an issue for more than a year. Although few respondents reported putting off seeking work or being turned down for a job because of the legal problem, approximately one-fourth indicated that they had lost time from work. Moreover, a majority felt that the legal problem interfered with their ability to concentrate.

**3. In general, there were no changes in DSS benefit receipt between the year before and the year after the legal case opening, nor in the time periods before and after case closure.**

In all time periods, we find that the majority of legal services customers received Medical Assistance, one-half to three-fifths received Food Stamps, and very few received Temporary Cash Assistance. There is a general trend towards more months of assistance receipt in the follow up periods (one year after case opening and one year after case closure) than in the baseline periods (one year before case opening and one year before case closure). However, the only statistically significant difference is that when all services are combined, participants received assistance for two months more in the year after case opening than in the year before.

**4. The administrative data reveal no statistically significant differences in employment patterns or earnings between the pre-program periods and the post-program periods.**

Our analysis of Maryland UI-covered employment among legal services customers revealed a general trend towards lower rates of employment in the years after legal case opening or case closure, than in the years before. These trends may reflect the economic contraction which began in March 2001. The differences, however, did not reach statistical significance, and no trends were evident in earnings patterns.

**5. Limited survey data indicate that legal services customers felt a sense of relief from having their legal problems resolved.**

Although the survey data are limited by sample size, it is encouraging to find that the vast majority of respondents reported improvements in their ability to concentrate as well as employment-related factors such as losing time from work or fear of losing a job.

In sum, the administrative data indicate little change in customers' welfare utilization and employment patterns after participating in the legal services demonstration project. It is possible that longer follow-up periods or larger sample sizes are needed to detect any changes in outcomes. However, it is important to note that customer self-report data indicate that the program still had a positive effect on their lives. Specifically, it reduced their level of stress and improved their ability to concentrate. Participants also responded favorably that they could seek and acquire work and maintain their jobs after the legal issue was resolved. While these changes may not have had an immediate effect on participants' financial situations, the limited evidence suggests it did improve other aspects of family well-being.





## **Introduction**

In working with low-income families striving to achieve economic self-sufficiency, Somerset County Department of Social Services (Somerset DSS) staff observed that unresolved legal problems often presented a barrier. Specifically, some families were experiencing high levels of stress or having difficulty obtaining and maintaining employment because of problems with creditors or unresolved divorces. In response to this need, Somerset DSS contracted with the Maryland Volunteer Lawyers Service (MVLS) to obtain free legal assistance for their customers.

This report summarizes data on the characteristics and circumstances of Somerset DSS customers participating in the legal services project. In addition to information learned from customer surveys, we also present administrative data on customers' public welfare utilization and employment patterns in the year preceding and the year following their receipt of legal services.

### **The Relationship Between Legal Problems and Self-Sufficiency**

From a research perspective, very little is known about the legal barriers that low income families face and how those barriers may interfere with their ability to achieve economic self-sufficiency. A few recent studies have documented that many welfare recipients have legal barriers to employment (e.g., Howe, 2000; Johnson and Meckstroth, 1998). However, they typically only consider one type of legal barrier - having a criminal history. Our own work indicates that this is an issue for at least 14.1% of Maryland TANF recipients (Born, Ovwigho, Ferrero, and Srivastava, 2003). Although

we have no data on the extent among low-income, Maryland families, it has been demonstrated that civil matters are much more common than criminal cases and that low-income people are much more likely to need legal assistance than are the non-poor (Brennan Center for Justice, 1999).

It is reasonable to expect that unresolved civil legal problems such as divorce, bankruptcy and disputes with creditors may limit a family's ability to achieve economic self-sufficiency. Indeed, as the national Legal Services Corporation notes, "The consequences of such [civil legal] problems may be as serious as the loss of a family's only source of income or homelessness" (Legal Services Corporation, 2000, p. 6). How might this happen? First, the stress of having an unresolved issue in major life areas such as finances or marital relationships may lead to a decreased ability to concentrate and/or depression, and if prolonged, to an increase in health problems (Keller, Schleifer, Bartlett, Shiflett, and Rameshwar, 2001). All of these sequelae can interfere with a person's ability to obtain and sustain employment (Ensminger, 1995).

Second, practical fallout from unresolved legal problems, such as creditors calling the person's place of employment or the person having to leave work early to pick up a child who is at the center of a custody dispute, may cause missed time from work and/or poor job performance and ultimately, job loss. In this type of situation, the individual would not only lose the current job, but also possibly have more difficulty obtaining another job without a strong reference from the previous employer.

Finally, long-term economic self-sufficiency is not achieved through a job alone. Families must also be able to establish or reestablish a solid economic base and at least some degree of emergency reserve (Sherraden, 2000). Although not well researched, it

is likely that financial factors such as having a savings or checking account or being able to purchase a car are important to securing a family's financial situation. Legal issues such as divorce, bankruptcy and problems with creditors can severely interfere with families' efforts to build a strong economic base.

### **The Somerset County Legal Services Project**

In July 1999, Maryland Volunteer Lawyers Service (MVLS) began providing free legal representation in civil matters to customers of Somerset DSS. The goal of the project was to remove customers' legal barriers to employment and self-sufficiency.

Somerset DSS via the Family Investment Administration, Maryland Department of Human Resources asked the Family Welfare Research and Training Group to evaluate the Somerset County Legal Services Project. This evaluation provides valuable information on how legal problems affect low income families' economic self-sufficiency, and the main outcomes examined are participants' welfare utilization and employment patterns. The lack of previous research in this area makes it difficult to predict whether the effects of the program will be immediate or more long-term. However, the data we have regarding customers' welfare and employment situations and their responses to a survey about how their legal problem is affecting them provide some much-needed insight into this area. Moreover, the study may have more widespread program planning utility. For example, a 1994 study for the American Bar Association concluded that approximately 80% of poor Americans do not have the advantage of an attorney when faced with serious situations where a lawyer's advice and assistance would make a difference (Legal Services Corporation, 2000).

## **Methods**

### **Sample**

This report focuses on 79 Somerset County residents who received free legal services from the Maryland Volunteer Lawyers Service between July 1, 1999 and December 31, 2002. Participants initially enrolled in the program through the Somerset County Department of Social Services.

### **Data Sources**

Four data sources were utilized for this study. Intake forms and surveys customers complete when they enroll in the program provide data on their characteristics and their legal situations.

The Client Automated Resources and Eligibility System (CARES), the statewide automated data system for programs under the purview of the Maryland Department of Human Resources, provides information about sample members' historical and current Temporary Cash Assistance, Food Stamps, and Medical Assistance utilization patterns.

Data on employment histories and outcomes were obtained from the Maryland Automated Benefits System (MABS). MABS includes data from all employers (approximately 93% of Maryland jobs) covered by the state's Unemployment Insurance (UI) program. Independent contractors, sales people on commission only, some farm workers, federal government employees (civilian and military), some student interns, most religious organization employees and self-employed persons who do not employ

any paid individuals are not covered. “Off the books” or “under the table” employment is not included, nor are jobs located in other states.<sup>1</sup>

Finally, information regarding customers’ perceptions of the program were obtained from surveys customers complete when their legal cases are closed. However, results from this data source should be treated with caution, given the low response rate to this survey.

## **Analysis**

We present descriptive statistics (frequencies and measures of central tendency) on the characteristics of customers and their legal problems at the time their legal case was opened. In order to assess public welfare utilization and employment outcomes, we utilize bivariate statistics (chi square and paired samples t-tests) to compare pre- and post-program measures. Specifically, we test for significant differences in Temporary Cash Assistance (TCA) receipt, Food Stamps (FS) receipt, Medical Assistance (MA) receipt, receipt of any of these three services, and employment during four time-periods: 1) the year before and the year after the legal case was opened and 2) the year before and the year after the legal case was closed.

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<sup>1</sup>According to data from the 2000 Census, 4.1% of Somerset County residents work outside of Maryland. Therefore, our employment findings, based solely on data from Maryland, likely understate true rates of employment among sample members. The lack of employment data from other states, however, does not affect the comparison between pre- and post-program employment rates.

## Findings

### Characteristics of Legal Services Customers

Table 1, following, displays descriptive data on the characteristics of the 79 Somerset County customers and their families who received free legal services between July 1, 1999 and December 31, 2002. On average, customers were 42 years old when they entered the legal services program. However, there is a great deal of diversity among the sample with ages ranging from 20 to 87 years.

Almost seven out of ten families (67.1%) included only one adult, while a little less than a third (30.4%) included two adults. On average, families included one (30.4%) or two (22.8%) children. One in five families did not include any children.

Almost two-thirds of participants (63.5%) received income from employment at the time they entered the program. Family incomes, from all sources, were on average \$975 a month, but the range was quite large from \$0 to \$2712.

**Table 1: Family Characteristics**

<b>CHARACTERISTIC</b>	<b>STATISTICS</b>
<b>CUSTOMER AGE AT CASE OPENING</b>	
20 - 29 years	22.8% (18)
30 - 39 years	25.3% (20)
40 - 49 years	25.3% (20)
50 - 59 years	15.2% (12)
60 years and older	11.4% (9)
Mean	41.93 yrs
Median	42.02 yrs
Standard Deviation	14.33 yrs
Range	20 to 87 yrs
<b>NUMBER OF ADULTS IN FAMILY</b>	
Only 1 adult	67.1% (53)
2 adults	30.4% (24)
3 adults	1.3% (1)
4 or more adults	1.3% (1)
Mean	1.37
Median	1.00
Standard Deviation	0.58
Range	1 to 4
<b>NUMBER OF CHILDREN IN FAMILY</b>	
No children	22.8% (18)
1 child	30.4% (24)
2 children	22.8% (18)
3 children	15.2% (12)
4 or more children	8.8% (7)
Mean	1.65
Median	1.00
Standard Deviation	1.43
Range	0 to 6
<b>MONTHLY INCOME</b>	
\$0	1.4% (1)
\$1 to \$499	17.6% (13)
\$500 to \$999	31.1% (23)
\$1000 to \$1999	43.2% (32)
\$2000 or more	6.8% (5)
Mean	\$974.69
Median	\$983.00
Standard Deviation	\$593.70
Range	\$0 to \$2712
Percent with income from employment	63.5% (47)

Note: N = 79 individuals participating in the Legal Services Representation Project. Income data are missing for 5 participants.



## Legal Problems and Services Received

The 79 sample members received free services for 84 separate legal cases between July 1, 1999 and December 31, 2002. On average, cases were open almost eight months, although duration ranged widely from less than one month to over two years.

Two-fifths of cases (39.3%) dealt with a matrimonial issue, either divorce, separation or annulment. Next most common were matters related to bankruptcy or debtor relief, accounting for a bit more than one in four (27.4%) cases. A diverse array of other civil legal issues accounted for the remaining third of cases. Within this group, custody/visitation, wills/estates, and collections/repossessions/garnishments matters were most common. These findings are generally similar to those reported by the national Legal Services Corporation for clients served nationwide in 1999. Nationally, two-fifths (36.0%) of all cases were family matters. Bankruptcy, foreclosures, collections, and repossessions were also common (Legal Services Corporation, 2000). Similarly, the Maryland Legal Aid Bureau opened over 45,000 cases in 1999, the plurality (43%) of which were family law cases ([www.mdlab.org/history1.html](http://www.mdlab.org/history1.html)).

Survey data (described in more detail in the next section) reveal that for most customers, the legal problem had been a long-standing one. Two-fifths (39.3%) reported that they had had the problem for more than two years before entering the legal services program. For an additional one-quarter (26.8%), the legal issue had been unresolved for one to two years.

By December 31, 2002, 69 of the 84 cases (82.1%) had closed. A quarter (27.5%) of the cases closed because the customer withdrew or did not return to the

agency. Another quarter (26.1%) closed because a divorce had been granted. Almost a fifth (18.9%) of cases closed because a bankruptcy had been discharged, and about 6% of the cases closed because there was insufficient merit to proceed.

**Table 2: Legal Case Characteristics**

CASE CHARACTERISTIC	STATISTICS
NUMBER OF CASES OPENED	84
NUMBER OF MONTHS CASE OPEN	
Mean	8.20
Median	6.50
Standard Deviation	5.67
Range	<1 to 28
TYPE OF CASE	
Divorce/Separation/Annulment	39.3% (33)
Bankruptcy / Debtor Relief	27.4% (23)
Custody/Visitation	8.3% (7)
Wills and Estates	4.8% (4)
Collections/Repossessions/Garnishment	4.8% (4)
Landlord/Tenant - Not Public Housing	3.6% (3)
Contracts/Warranties	2.4% (2)
Name Change	2.4% (2)
Adoption	2.4% (2)
Other Consumer/Finance	1.2% (1)
Home Ownership / Real Property	1.2% (1)
LENGTH OF TIME LEGAL ISSUE HAS BEEN A PROBLEM	
Less than 6 months	10.7% (6)
6 months to 1 year	23.2% (13)
1 to 2 years	26.8% (15)
More than 2 years	39.3% (22)
PERCENT OF CASES CLOSED BY 12/31/02	82.1% (69)
CASE CLOSURE REASON	
Divorce granted	27.5% (19)
Client withdrew, did not return	26.1% (18)
Bankruptcy discharged	18.8% (13)
Insufficient merit to proceed	5.8% (4)
Obtained name change	2.9% (2)
Negotiated settlement (w/out litigation)	2.9% (2)
Other	2.9% (2)
Brief advice	2.9% (2)
Counseling	2.9% (2)
Referred after legal assessment	1.4% (1)
Change in eligibility status	1.4% (1)
Unable to pursue	1.4% (1)
Court Decision	1.4% (1)

Note: N = 84 cases for the 79 customers who received services. Due to missing data for some variables, frequencies may not always total 84. Valid percentages are reported. Number of months case was open reflects the number of months from the case opening until closure or until 12/31/02 for cases that were still open.

## Customers' Perceptions of Legal Problem

In order to gain a better understanding of how legal problems may be affecting customers' ability to obtain and/or maintain employment, avoid welfare, and ultimately achieve economic self-sufficiency, participants were asked to complete a short questionnaire when they first entered the Legal Services Project.<sup>2</sup> The survey included a series of five questions which ask the extent to which the legal problem is affecting the customer's life, particularly in the area of employment. An additional question asks about the length of time the problem has persisted; data on that question were discussed previously and were presented in Table 2 on the preceding page.

As can be seen in Table 3, only about one in ten customers reported putting off seeking work because of the legal problem. A similar number reported having been turned down for a job because of their legal problem, implying that for about one in five customers the unresolved legal problem did have a major effect on employment or employability.

Losing time from work, losing a job and having difficulty concentrating because of the unresolved legal issue were much more common experiences. Over a quarter "agreed" or "strongly agreed" that they had lost time from work, and almost a quarter reported having lost a job. Seven out of ten agreed that the legal problem interfered with their ability to concentrate.

The customer sample is, admittedly, relatively small and not necessarily

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<sup>2</sup>Regular distribution of the questionnaire during case intake began in January 2001. A questionnaire was mailed to the 39 individuals whose cases opened before January 2001. Sixteen of the questionnaires were returned. Table 3 includes data for the 53 customers who completed a survey.

representative of all low-income families in Somerset County or Maryland. However, the findings are generally consistent with those from other studies and do suggest that unresolved, civil legal matters may be a generally unrecognized barrier which affects many low-income working as well a non-working families known to DSS offices across the state. Table 3 makes this point clearly.

**Table 3: Customers’ Perceptions of How Legal Problem Affects Their Lives**

<b>Perception</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Agree</b>	<b>Strongly Agree</b>
I have put off seeking work because of this legal problem.	37.7% (20)	50.9% (27)	5.7% (3)	3.8% (2)
I have been turned down for a job because of this legal problem.	39.6% (21)	45.3% (24)	11.3% (6)	3.8% (2)
I have difficulty concentrating on things because of this legal problem.	9.4% (5)	18.9% (10)	37.7% (20)	34.0% (18)
I have lost time from work because of this legal problem.	30.8% (16)	40.4% (21)	19.2% (10)	9.6% (5)
I have lost a job because of this legal problem.	36.5% (19)	40.4% (21)	15.4% (8)	7.7% (4)

Note: N = 53 customers who completed surveys

### **Receipt of DSS Benefits Before and After Legal Case Opening**

As mentioned previously, participants were enrolled in the legal services project through Somerset County DSS. The income data displayed in Table 1 indicate that, as might be expected, many participating families had low monthly incomes. Together these two factors suggest that receipt of TCA, FS, or MA is probably not uncommon among legal services participants, although participation in one or more of these programs was not a requirement for enrolling in the program.

Figure 1 confirms that in the month their legal case opened, seven out of ten participants (69.6%) were receiving some form of means-tested assistance from DSS. Most commonly, sample members were receiving Food Stamps (50.6%) and/or Medical Assistance (51.9%). Very few were participating in the TCA program (7.6%), but as described in Table 1, more than three-fifths (63.5%) had income from employment. This latter finding, it should be noted, is consistent with findings from the 2002 New Jersey study which found that low-income, employed persons were more likely to experience at least one civil legal problem during a year's time than were those who were not working (Miller and Srivastava, 2002).

**Figure 1: DSS Benefit Receipt in the Month Legal Case Opened**

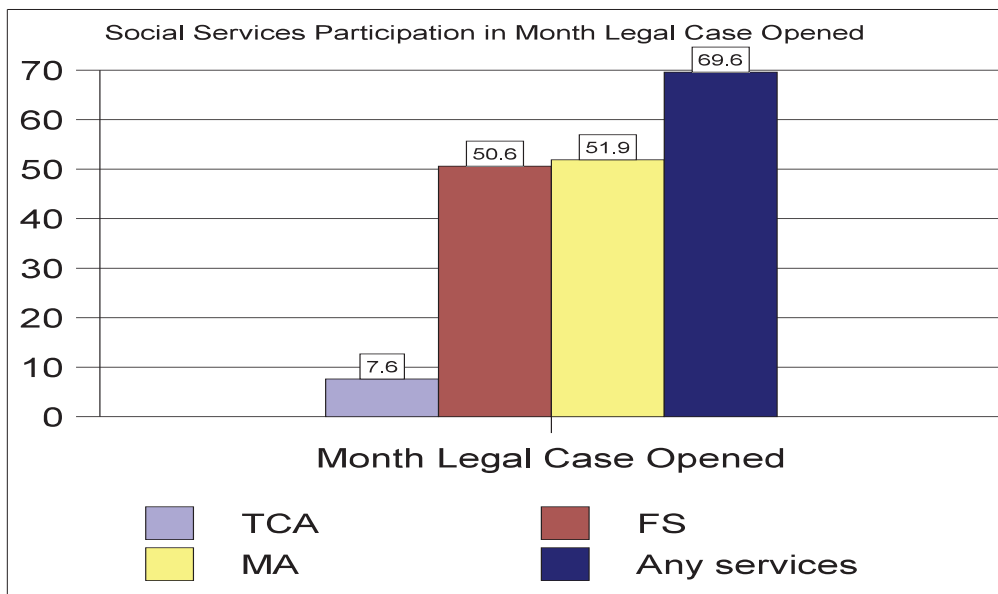


Table 4 details the receipt of TCA, FS and MA in the year before and after the legal case opened for the 68 Somerset County residents who enrolled in the legal services project and for whom one complete year of follow up data are available.<sup>3</sup> In the year before the legal case opened, project participants spent an average of one month (mean = 1.19) on TCA, with eight out of ten people not receiving TCA at all. Similarly, in the year after the case was opened, most recipients (83.8%) did not receive TCA, with an average of less than a month of receipt. These findings are also consistent with the New Jersey findings (Miller and Srivastava, 2002).

In terms of FS and MA, we find the majority of Legal Services customers participating in both of these programs, both before and after their legal case was opened. Almost three out of five sample members received FS (55.7%) and/or MA (58.2%) in the year before their legal case opened. Participants received benefits for an average of four to five months during this period.

FS and MA receipt is slightly more common during the one year follow up period. Almost two-thirds of the sample (64.7%) received MA and 60.3 percent received FS. On average, sample members participated in the FS program for 5.63 months and in the MA program for 6.19 months in the year after their legal cases were opened. However, the difference in average months of receipt between the year before and the year after case opening was not statistically significant.

These findings about fairly extensive FS and MA receipt are not surprising.

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<sup>3</sup>Full year follow up data were not available for 11 of the 79 enrollees who entered the program after March 2002.

There were income restrictions on the receipt of legal services provided through the demonstration project and both FS and MA are available to the working poor, the group which represents the majority of clients served by the legal project.

**Table 4: Receipt of DSS Services Before and After Legal Case Opened**

	TCA	Food Stamps	Medical Assistance	Total Services Received
<b>NUMBER OF MONTHS OF RECEIPT IN THE YEAR BEFORE CASE OPENED</b>				
0 Months	82.3%	44.3%	41.8%	26.6%
1 or More Months	17.7%	55.7%	58.2%	73.4%
Mean	1.19	4.60	4.87	10.66
Median	0.00	1.00	2.50	10.00
St. Dev.	2.97	5.20	5.18	9.69
Range	0 to 12	0 to 12	0 to 12	0 to 34
<b>NUMBER OF MONTHS OF RECEIPT IN THE YEAR AFTER CASE OPENED</b>				
0 Months	83.8%	39.7%	35.3%	25.0%
1 or More Months	16.2%	60.3%	64.7%	75.0%
Mean	0.69	5.63	6.19	12.51*
Median	0.00	6.00	7.00	12.00
St. Dev.	2.02	5.38	5.38	9.37
Range	0 to 12	0 to 12	0 to 12	0 to 25

Note: The last column, Total Services Received, is the sum of three different types of receipt (TCA, Food Stamps and Medical Assistance). Because each type of receipt could range from 0 to 12 months, the combined measure could range from 0 to 36.

The last column in Table 4, Total Services Received, is the sum of months of TCA, Food Stamp and Medical Assistance receipt in the year. Individual receipt for each type of service could range from 0 to 12 months. Therefore, the combined measure can range from 0 to 36 months. Approximately three-fourths of the sample (73.4%) received at least one type of service in the year before their legal cases were



opened. The percent in the year after case opening was virtually identically at 75.0%. However, when we consider the average total months receiving services, we find a statistically significant difference between the year before and the year after the case opening. Specifically, legal services customers had an average of two more months of benefit receipt in the year after than in the year before (means = 12.51 vs 10.66, respectively).

The above finding is opposite of what was expected. That is, if an unresolved legal problem was negatively impacting customers' abilities to obtain and maintain financial self-sufficiency, we would expect to see lower rates of social services receipt in the year after they began participating in the legal services project. However, it could be that the program effect does not occur immediately upon program enrollment. Rather, it could be that the legal issue must be completely resolved before any changes in financial self-sufficiency are evident. For this reason, we also examined welfare participation patterns before and after case closure.

### **Receipt of DSS Services Before and After Legal Case Closure**

Table 5 presents the data for TCA, Food Stamps and Medical Assistance in the year after the legal case closed for the 58 cases that had closed by December 31, 2002 and for whom one full year of follow up data are available. Patterns observed here are very similar to those for all cases in the year before and after the legal case opened, as presented in Table 4. More than eight in ten people with a full year of follow up data did not receive any TCA in the year before (81.0%) or the year after the legal case closed

(84.5%), with an average of less than a month of receipt. Half (50.0%) received FS and three out of five (58.6%) received MA in the year before closure, the average total months of receipt being about five months for both FS and MA. The percentages receiving benefits during the post-closure follow up year were 48.3% and 62.1% for FS and MA, respectively, and average months of receipt were unchanged from the prior year (i.e. approximately five months for each program). Also similar to the results reported in Table 4, we find no statistically significant differences in social services receipt between the year before and the year after case closure.

**Table 5: Receipt of DSS Services Before and After Legal Case Closed**

	TCA	Food Stamps	Medical Assistance	Total Services Received
<b>NUMBER OF MONTHS OF RECEIPT IN THE YEAR BEFORE CASE CLOSED</b>				
0 Months	81.0%	50.0%	41.4%	29.3%
1 or More Months	19.0%	50.0%	58.6%	70.7%
Mean	0.81	4.78	4.91	10.50
Median	0.00	1.50	3.00	10.00
St. Dev.	2.40	5.24	5.08	9.31
Range	0 to 12	0 to 12	0 to 12	0 to 24
<b>NUMBER OF MONTHS OF RECEIPT IN THE YEAR AFTER CASE CLOSED</b>				
0 Months	84.5%	51.7%	37.9%	29.3%
1 or More Months	15.5%	48.3%	62.1%	70.7%
Mean	0.79	4.97	5.26	11.02
Median	0.00	0.00	4.50	12.00
St. Dev.	2.27	5.49	5.15	9.26
Range	0 to 12	0 to 12	0 to 12	0 to 24

Note: The last column, Total Services Received, is the sum of three different types of receipt (TCA, Food Stamps and Medical Assistance). Because each type of receipt could range from 0 to 12 months, the combined measure could range from 0 to 36.

## **Employment Before and After Legal Case Opening**

The previous section showed that the majority of sample members (73.4%) received at least one month of benefits from TCA, FS, and/or MA in the year before entering the legal services project. Few differences were observed in benefit use before and after the legal case opening nor before and after the legal case closed. This section examines two other important self-sufficiency outcomes - employment and earnings.

As Table 6 shows, in the year before the legal services case was opened, participants, on average, had worked in two (2.15) of the four quarters of the year, or about half of the time. Almost two-thirds of the sample (64.6%) worked in a Maryland UI-covered job, earning an average of \$10,435 total for those four quarters, and an average of \$2,862 per quarter. One-half (51.9%) of the participants worked in the quarter immediately preceding their legal case opening, with an average of \$3,308 earned in that quarter. An identical percentage worked in the quarter their legal case opened, earning about \$3,089 in that quarter.

Although there is a general trend towards lower employment rates in the follow-up year, we find no significant change in employment and earnings patterns in the year following the legal case opening. In the follow-up year, sample members worked an average of 2.04 quarters, had average total earnings of \$10,362 for all four quarters, and earned an average of \$2,903 per quarter.

**Table 6: Employment Before and After Legal Case Opened**

Number of Quarters Worked in 4 Quarters Before Case Opened	
Percent Working at Any Point	64.6%
Mean Quarters Worked	2.15
Average Total Earnings	\$10,435.46
Average Quarterly Earnings	\$2,861.77
Percent Who Worked in Quarter Before Case Opened	51.9% (41/79)
Average Total Earnings	\$3,307.72
Percent Who Worked in Quarter of Critical Date	51.9% (41/79)
Average Total Earnings	\$3,088.83
Number of Quarters Worked in 1-4 Quarters after Case Opened	
Percent Working at Any Point	60.3%
Mean Quarters Worked	2.04
Average Total Earnings	\$10,361.87
Average Quarterly Earnings	\$2,902.53

### **Employment Before and After Legal Case Closing**

We also examined employment and earnings patterns relative to the closing or resolution of the legal case. The data presented in Table 7 reveals a slight trend towards lower employment in the year after case closure. However, none of the observed differences are statistically significant.

Table 7 shows that two-thirds (64.6%) of legal services customers were employed in a Maryland UI-covered job at some point during the year before the legal case closed, earning an average of \$9,615 for the year. One half (50.8%) of the sample members worked in the quarter before the legal case closed. Similarly, 52.3% worked in the quarter of case closure, earning an average of \$2,799 in that quarter.

Only a little over half of the sample (55.2%) were employed in the year after the legal case was closed, working an average of 1.84 quarters and earning a total of \$10,273 for the year.

Changing economic conditions may explain the general trend towards lower employment and higher rates of social services receipt during the follow-up period. According to the National Bureau of Economic Research, the current economic recession began in March 2001 (Hall, Feldstein, Bermanke, Frankel, Gordon, and Zarnowitz, 2001). For all but one sample member, the year following case closure includes the first quarter of 2001 and the subsequent “recession” quarters.

**Table 7: Employment Before and After Legal Case Closed**

Number of Quarters Worked in 4 Quarters Before Case Closed	
Percent Working at Any Point	64.6%
Mean Quarters Worked	2.15
Average Total Earnings	\$9,614.64
Average Quarterly Earnings	\$2,681.74
Percent Who Worked in Quarter Before Case Closed	
Average Total Earnings	\$3,003.46
Percent Who Worked in Quarter of Case Closure	
Average Total Earnings	\$2,799.49
Number of Quarters Worked in 1-4 Quarters after Case Closed	
Percent Working at Any Point	55.2%
Mean Quarters Worked	1.84
Average Total Earnings	\$10,273.47
Average Quarterly Earnings	\$2,867.43

## **Customers' Perceptions After Resolution of Legal Problem**

Table 8 displays data on legal services customers' perceptions about how their life improved once their legal issue was resolved. Respondents were asked to complete a survey containing both open and closed-ended questions. Unfortunately, only 20 forms were returned, and with such a small sample, results should be treated with caution. However, based on the responses received, it appears that legal services customers do feel a sense of relief and improvement in their lives once their legal issue has been resolved. Respondents agreed more than disagreed that they are more comfortable seeking work, no longer fear being turned down for a job, no longer have difficulty concentrating, no longer lose time from work, and no longer fear losing their job, now that their legal issue is resolved. These figures are virtually opposite of what respondents reported feeling when they first enrolled in the legal services program (see Table 3).

To supplement these data, respondents were also asked two open-ended questions. The first was "How has having your legal problem resolved changed your life?" For the most part, respondents answered that they worried less and were less stressed. When asked "What is the main benefit of having your legal problem resolved?" they replied essentially the same way -- less worry and stress.

**Table 8: Customers' Perceptions After Legal Issue Was Resolved**

<b>Perception</b>	<b>Disagree</b>	<b>Agree</b>	<b>Strongly Agree</b>
I feel more comfortable seeking work now that my legal problem is resolved.	10.5% (2)	68.4% (13)	21.1% (4)
I no longer fear being turned down for a job because of my legal problem.	15.8% (3)	63.2% (12)	21.1% (4)
I no longer have difficulty concentrating on things because of my legal problem.	5.3% (1)	42.1% (8)	52.6% (10)
I no longer have to lose time from work because of my legal problem.	15.0% (3)	55.0% (11)	30.0% (6)
I no longer fear losing my job because of my legal problem.	15.8% (3)	63.2% (12)	21.1% (4)

Note: No respondents chose the response "strongly disagree" for any of the survey questions.

## **Conclusions**

The context for continued reform of states' cash assistance programs is one in which welfare caseloads are much smaller than in the mid-1990s, tens of thousands of former recipient adults have entered the labor market, and proposals for universal engagement of all clients in some type of independence-oriented activities have gained strength. In this environment, outside-the-box thinking continues to be required of state and local welfare program administrators in order to achieve important objectives. Among these are such things as reducing returns to welfare by those who have found jobs, providing cash and/or non-cash assistance (i.e. diversion benefits) to enable welfare non-recipients to remain non-recipients, and identifying and ameliorating a diverse array of barriers which may impede families from becoming or remaining independent of welfare.

The project whose results have been described in this paper represents one, locally-initiated, innovative project intended to remove civil legal barriers to obtaining and/or maintaining employment for customers of the Somerset County Department of Social Services. Our evaluation of the demonstration project combines data from administrative information systems with self-reported client surveys to provide information about clients' perceptions of their situations, the nature of their civil legal issues, and their actual welfare utilization and employment patterns. What can we conclude from this analysis?



**1. Most legal services customers were economically-disadvantaged when they entered the program and had received public benefits in the recent past.**

Although sample members were fairly diverse in terms of age and family size, they shared the common characteristics of being economically-disadvantaged. Participants had an average monthly income from all sources of \$975 at the time of their enrollment in the program. Very few were participating in the TCA program (7.6%) and more than three-fifths (63.5%) had income from employment. However, three-fourths had received some form of DSS, means-tested benefits in the past year, most commonly Medical Assistance and/or Food Stamps.

**2. Customers' responses to an initial survey indicate that their legal problems were having a significant effect on their lives.**

Most participants sought assistance for a divorce (39.3%) or bankruptcy/debtor relief (27.4%) issue. For almost two-thirds of the sample, the legal issue had been unresolved for more than a year. Although few respondents reported putting off seeking work or being turned down for a job because of the legal problem, approximately one-fourth indicated that they had lost time from work. Moreover, a majority felt that the legal problem interfered with their ability to concentrate.

- 3. In general, there were no changes in DSS benefit receipt between the year before and the year after the legal services case opening nor between the time periods before and after case closure.**

In all time periods, we find that the majority of legal services customers receive Medical Assistance, one-half to three-fifths receive Food Stamps, and very few receive Temporary Cash Assistance. There is a general trend towards more months of benefit receipt in the follow up periods (one year after case opening and one year after case closure) than in the baseline periods (one year before case opening and one year before case closure). However, the only statistically significant difference is that when all services are combined, participants received assistance for two months more in the year after legal services case opening than in the year before.

- 4. The administrative data reveal no statistically significant differences in employment patterns or earnings between the pre-program periods and the post-program periods.**

Our analysis of Maryland UI-covered employment among legal services customers revealed a general trend towards lower rates of employment in the years after legal services case opening and case closure, than in the years before. These trends may reflect the economic contraction which began in March 2001. The differences, however, did not reach statistical significance, and no trends were evident in earnings patterns.

**5. Limited survey data indicate that legal services customers felt a sense of relief from having their legal problems resolved.**

Although the survey data are limited by sample size, it is encouraging to find that the vast majority of respondents reported improvements in their ability to concentrate as well as employment-related factors such as losing time from work or fear of losing a job.

In sum, the administrative data indicate little change in customers' welfare utilization and employment patterns after participating in the legal services demonstration project. It is possible that longer follow-up periods or larger sample sizes are needed to detect any changes in outcomes. However, it is important to note that customer self-report data indicate that the program still had a positive effect on their lives. Specifically, it reduced their level of stress and improved their ability to concentrate. Participants also responded favorably that they could seek and acquire work, maintain their jobs and concentrate better after the issue was resolved. While these changes may not have had an immediate effect on participants' financial situations, the limited evidence suggests it did improve other aspects of family well-being.

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