

## Executive Summary

The Bureau of Business and Economic Research (BBER) at The University of Montana was contracted by Montana Justice Foundations to conduct a survey-based assessment of the civil legal needs of low income Montanans in the fall of 2010. A civil legal need refers to a non-criminal requirement for legal assistance like help with a foreclosure, a will, a divorce, or a contract dispute. The study is particularly timely in the wake of the most severe recession experienced in the state since the 1980's. The results of this study raise awareness of the issue of access to legal services by the population of the state least able to afford them.

The Bureau of Business and Economic Research is the state's most prominent and most respected source of information pertinent to policy questions facing our state's leaders. The mission statement of the Bureau is "to serve the general public, as well as people in business, labor, and government, by providing an understanding of the economic environment in which Montanans live and work." The well-being of Montana's economy certainly depends on a civil legal system that meets the requirements of all Montanans.

For more than three years, BBER survey researchers have devoted increasing resources to contacting Montanans on their cell phones. Not only are cell-only households growing as a percentage of the total population, but the evidence clearly indicates that individuals with no landline telephone are more likely to be young, low income, unmarried, and nonwhite. Thus attempts to measure the characteristics of Montana households without a significant cell-only component in the survey sample are likely to be biased and misleading. This study benefitted from the inclusion of a sizable cell phone component in the survey sample.

## Findings

This project produced several important findings that should be of immediate interest to those who share concern for the rights and needs of low income families and households. To grasp the significance of the results, we need to distinguish between:

- A civil legal problem, which may or may not be considered sufficient to require legal assistance from the perspective of the respondent,
- A legal need, which is a civil legal problem that does require legal assistance (as assessed by respondents), and
- An unmet legal need, which is a legal need for which counsel or other assistance is not or cannot be procured.

The continued existence of significant unmet legal needs, as defined above, is certainly of concern to policymakers who take the welfare of low-income families and households to heart. But given that individuals are often in a poor position to assess the appropriateness of legal assistance for their own

civil legal problems, the pervasiveness of legal situations in all of these categories among low-income Montanans should be of interest as well.

The findings of this study conclusively show that a substantial number of civil legal problems challenge low income households in Montana. Specifically, we find that:

**Figure 1: Yearly Frequency of Civil Legal Needs among Montana's Low-Income Households**

□ Situations giving rise to civil disputes are common among low income households in Montana. It is estimated that 49% or 33,596 of low-income households had at least one civil legal problem in the last year (see Figure 1 above). Since some households face more than one problem in a given year, the number of civil legal problems confronting households of modest means is substantially higher.

□ A substantial portion of the civil legal needs of low income Montanans go unmet. Of the 18,499 low income households that reported having at least one civil legal need and who also felt a need for help from a lawyer, a sobering 77.1% or 14,226 households reported doing nothing in response to at least one of their civil legal needs.

## Comparisons with the 2001 Survey

Comparing results of this survey with those from the 2001 survey conducted by BBER for the Montana Legal Services Association must be done with great care, if at all. The study populations for the two surveys are very different. The 2001 survey only studied households receiving Temporary Assistance for Needy Families (TANF). In contrast, the 2010 survey studied all households at or below 125% of the US Census Bureau definition of poverty with working phones. In 2010 the 3,711 TANF households made up only 5.4% of all households at or below 125% of poverty in Montana.

Nearly one-third of low income households in 2010 (32%) had two or more legal problems in the last year.

In 2010 the five most commonly reported civil legal problems experienced by Montana households at or below 125% of poverty were:

1. Problems with a creditor;
2. Any kind of non-criminal court action;
3. A problem or disagreement about charges, payments, or insurance coverage for health care, prescription drugs, or medical supplies;
4. Any problem with a payday or title loan, credit card, or any other loan or credit;
5. An inability to get satisfactory health care when and where it was needed because of a long waiting list or facilities that could not meet

their needs, discrimination based on race, income, or not having insurance.

Low income Montana households are most likely to take legal action for:

1. A government hearing;
2. Child support;
3. General divorce-related problems;
4. A non-criminal court action;
5. Child custody.

Twenty-eight percent of households in which the person interviewed was an American Indian reported having difficulties with a government benefit program, while only 4.8% of households in which the person interviewed was white reported the same difficulty.

An unmet legal need can impose significant hardship on a low-income family. This is easily seen when one considers the types of situations faced by those below or near the poverty line that they do not take legal action to address. These unaddressed situations include: 6

- Job difficulties like sexual harassment;
- Veteran's benefits problems;
- Contract performance problems;
- Health care service availability;
- Debt collection problems.

These findings clearly identify a situation that inflicts hardships on Montana families and households who are least equipped to bear them.

### Survey Methods

This project used a survey which was administered by telephone from November 15, 2010 through December 29, 2010 to households at or below 125% of the US Census Bureau definition of poverty.

Households with landline telephones were sampled by random-digit dial and households with cell phones were randomly sampled from a list of cell phone numbers provided by Survey Samples International, Inc. A total of 207 interviews were completed for this survey, 101 with landline households and 106 with cell phone households.

The sampling error rate for this survey is +/- 7%. This means that if the survey were conducted 100 more times, in 95 of the additional surveys the outcome would be within +/- 7% of the outcome in the original survey. The response rate for this survey was 39.3% using the American Association for Public Opinion Research standard definition RR3. Weights were applied to the data. This is a common data processing technique that improves the accuracy of estimates. The data are weighted by 2006-2008 US Census Bureau American Community Survey estimates of household size and poverty in Montana. The data

are also weighted by the US National Center for Health Statistics January – June 2010 National Health Interview Survey estimate of the proportion of households at or below poverty that only use cell phones.

### Conclusion

The results of this study strongly support the finding that low-income Montanans have substantial unmet civil legal needs. In the last year, 14,226 low income households are estimated to have gone without legal help that they felt they needed to address at least one civil legal problem. With a margin of error of +/- 3,809 households, this clearly demonstrates that support for unmet civil legal services would result in a substantial benefit.

The estimate of unmet legal need presented here almost certainly understates the magnitude of the true need in Montana because the questionnaire asked only whether households experienced particular types of civil legal needs, not about the number of times each household experienced a specific type of legal need throughout the year. In addition, a substantial portion of the 15,097 households that experienced at least one civil legal problem but did not feel they needed the help of a lawyer probably did need help and didn't realize it.