

EXECUTIVE SUMMARY

The Economic Impact of Legal Representation in Eviction Cases in New Jersey

**A Report by the
Poverty Research Institute**

**Legal Services of New Jersey
September 2026**



Executive Summary

Eviction remains one of the most significant drivers of housing instability for low-income households across New Jersey, with far-reaching consequences for families, communities, and public systems. Each year, tens of thousands of tenants face eviction proceedings without legal representation, despite the complexity of housing law and the high stakes involved. For state leaders committed to housing stability, economic mobility, equality, and responsible stewardship of public resources, access to legal representation in eviction matters is a critical and evidence-based policy lever.

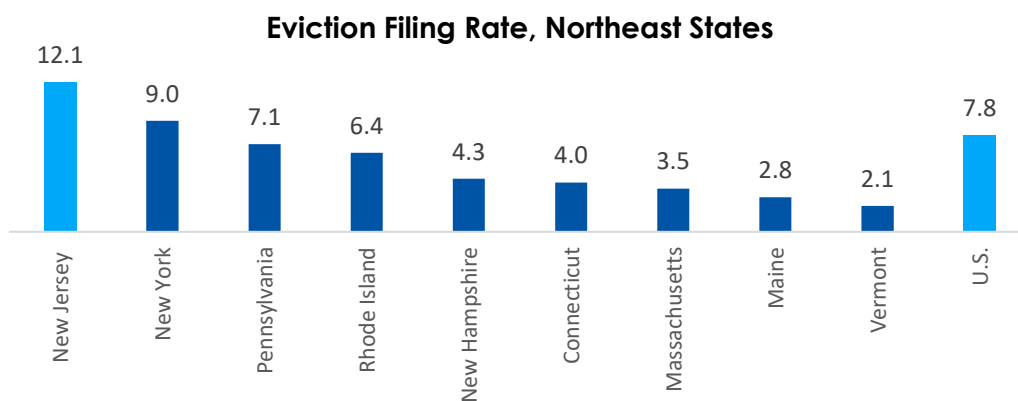
This executive summary highlights key findings from new research conducted by the Poverty Research Institute on the impact of Legal Services' representation for low-income tenants facing eviction. Using statewide court data, program outcomes, and comparative analysis of represented and unrepresented cases, the research demonstrates that legal representation through the established Legal Services statewide network significantly improves housing stability and produces measurable public cost savings. The findings show that for every one dollar the state invests in eviction defense and civil legal services, the state avoids more than six dollars in downstream costs associated with homelessness, emergency shelter, healthcare utilization, foster care, and other publicly funded systems. Together, these results provide a strong return-on-investment case for sustained and expanded state funding of eviction defense as a preventative, fiscally responsible strategy.

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The Elevated Risk of Eviction for Low-Income New Jerseyans

Far Too Many New Jerseyans Face the Threat of Eviction

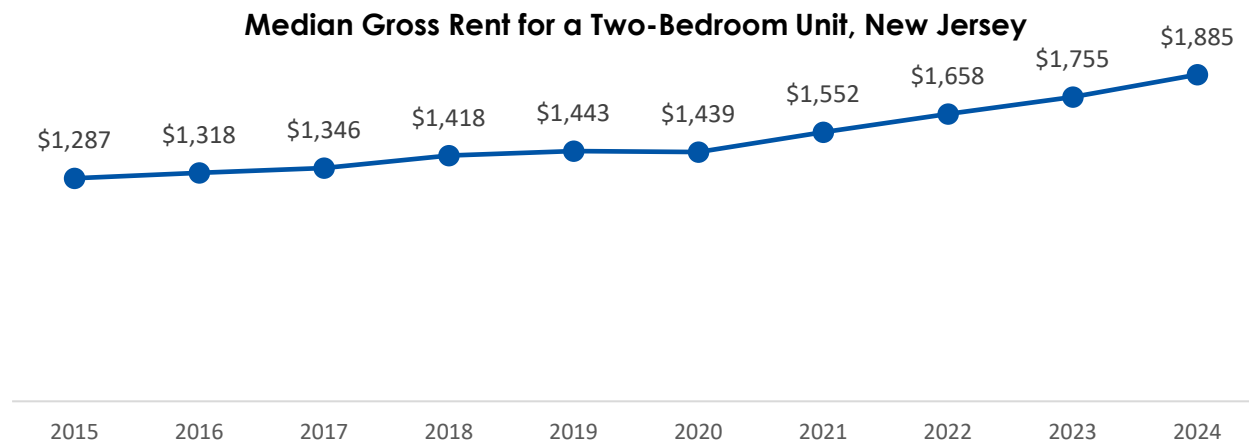
Eviction is one of the most destabilizing events a family can experience. Unfortunately, far too many New Jerseyans face this threat every year. According to the latest data available through Princeton University's Eviction Lab, New Jersey recorded the highest eviction filing rate among the northeastern states in 2018. At 12.1 filings per 100 renter households, the rate exceeded the national average by 55 percent. More recent figures from the New Jersey courts show that 131,541 eviction filings were recorded in the state in 2023.



Source: Eviction Lab, Princeton University, 2018

New Jersey's Eviction Crisis is Driven by the High Cost of Housing

The heightened risk of eviction in New Jersey is inextricably linked to the high cost of housing. The Bureau of Economic Analysis ranks New Jersey's housing costs among the highest in the nation—33 percent above the national average, and second only to California.



Source: PRI Analysis of U.S. Census Bureau, American Community Survey, One-Year Estimates, 2015 to 2024

Housing is particularly unaffordable for low-income renters. In 2023, a minimum wage worker would earn \$2,260 per month if they worked full time and year-round. However, median gross rent for a two-bedroom unit was \$1,755. This means that a single parent would have less than \$505 left over to afford all other essentials for that month, as these are gross wages before taxes. For a minimum wage worker to avoid being cost burdened, they would need to work 2.7 full-time jobs. This underscores how challenging it is to afford New Jersey rents without forgoing other necessities. The affordability crisis has escalated in recent years as rental costs have grown faster than both wages and inflation since 2019.

Any Minor Disruption Can Lead to Eviction for Those Living Paycheck to Paycheck

The high cost of rental housing in the state means that employment alone is not enough for many families to make ends meet. A full-time, year-round minimum wage worker would need to hold multiple jobs just to cover basic necessities. PRI's True Poverty report found that most families in New Jersey require at least three times the Federal Poverty Level (300% FPL), referred to as the True Poverty Level (TPL), to avoid material hardship.

For families below the TPL, it is nearly impossible to save for emergencies, making any short-term financial setback a potential risk for eviction. Even minor disruptions—such as a delayed paycheck or a temporary reduction in work hours—can quickly escalate into a housing crisis. **Research shows that most evictions are initiated over less than one month's rent.**

An Overwhelming Majority of Tenants Facing Eviction Lack Legal Representation

In 2023, the vast majority of landlords appearing in New Jersey eviction courts—about 90 percent—had legal representation, compared to only 3.8 percent of renters. This disparity creates a profound imbalance of power and resources and skews outcomes against vulnerable tenants. Eviction proceedings move quickly and involve complex legal requirements, leaving most tenants unprepared to advocate for themselves.

Research shows that many tenants facing eviction actually have viable legal defenses that could improve their outcomes in court. However, tenants often are unaware that such defenses exist, unsure of how or when to assert them, or fearful that challenging the case might provoke landlord retaliation or worsen their situation.

PRI's Cost-Benefit Study: The Impact of Legal Representation for Tenants and Implications for the State

To estimate how legal representation affects outcomes for tenants facing eviction, PRI undertook a comprehensive, evidence-based study. The analysis used data on eviction filings, court outcomes, the costs associated with providing legal representation, and the fiscal impact on the state for each completed eviction. By comparing scenarios with and without legal representation, PRI was able to assess Legal Services' impact on tenants' eviction case outcomes and the associated economic benefits for the state.

Cost-Benefit Analysis

PRI conducted a cost-benefit analysis to determine the net effect on the state budget when low-income tenants facing eviction are represented by an attorney through Legal Services of New Jersey, New Jersey's statewide Legal Services system.

The analysis in the study involves three core calculations:

1. The impact of Legal Services on the likelihood of eviction.
2. The cost savings to the state for each prevented eviction.
3. The average cost of providing counsel for each eviction case.

Analytical Framework

Focus on Conservative Estimates

Several critical factors guide the analysis and merit attention:

- Results are based on conservative cost savings estimates. In other words, when different data sources offered a range of estimates, PRI selected the most credible and applicable estimate from the lower end of the range.
- The cost-benefit analysis uses the Eviction Prevention Rate (EPR) as the measure of success. Research on the economic costs associated with eviction includes data only on whether or not an eviction did or did not take place, regardless of other positive case outcomes like delayed evictions or reduced court fees. Importantly, this means that potential cost savings are higher than presented here because these additional positive outcomes are not included.
- The analysis focuses only on the direct cost savings from providing counsel in eviction cases. However, Legal Services clients are often connected to other resources and assisted with additional legal issues (for example, assistance with a wrongful denial of Unemployment Insurance which may have led to the eviction). If quantified, the total benefits of Legal Services would be greater than those estimated in this analysis.
- This is a state-level cost-benefit analysis, meaning that it only considers quantifiable costs and benefits for the state of New Jersey. It is important to note, however, that eviction prevention also leads to cost savings for the federal government, local municipalities, and, of course, to tenants themselves.

- Eviction prevention also generates numerous intangible benefits, such as increased trust in the justice system and stronger, more stable neighborhoods. Because these benefits cannot be easily quantified in monetary terms, they are not included in the study’s estimates—even though their impact may be substantial.

Validity of Estimates

The estimates employed in PRI’s cost-benefit study are derived from data sources selected for their empirical rigor, methodological credibility, and direct relevance to New Jersey. The main analysis is anchored in 2023 data. The estimates have also been projected to 2025 to approximate current conditions in a separate analysis. These projections assess the economic impact of legal representation by modelling different caseload sizes.

1. Impact of Counsel on the Likelihood of Eviction

A critical component of any cost-benefit analysis is determining the impact of the intervention. For this report, PRI focuses on the Eviction Prevention Rate (EPR)—the rate at which tenants are able to successfully avoid an eviction. Previous research shows that access to legal representation substantially increases a tenant’s likelihood of avoiding eviction. However, the magnitude of this effect varies with the level of legal assistance provided. Accordingly, PRI estimated separate Eviction Prevention Rates for Legal Services clients receiving full-scope representation and limited representation, compared to tenants with no representation.

PRI’s analysis found that when tenants facing eviction have full-scope representation, eviction is prevented in 81.8 percent of cases. The EPR for tenants who receive limited services (e.g., help filling out forms, brief counsel and advice, etc.) was 48.1 percent. By contrast, the EPR for tenants without any legal representation was just 10.3 percent.

Eviction Prevention Rate by Representation Level, 2023	
Full-Scope Representation	81.8%
Limited Representation	48.1%
No Representation	10.3%

2. Cost Savings Per Prevented Eviction

When families are suddenly forced out of their homes, it creates a cascade of negative consequences, including homelessness, family separation, educational disruptions and health challenges. These consequences are incredibly expensive for the state, increasing the need for costly remedial interventions. To quantify the economic impact on the state, PRI estimated the eviction-related costs across six budget areas: homelessness, employment, medical expenditures for adults and children, out-of-home foster care placements, and children’s educational attainment.

Homelessness

- Eviction is one of the top three factors leading to homelessness in New Jersey.
- Evicted families are significantly more likely to enter the state's shelter system.
- Unsheltered homelessness leads to state spending on services like outreach teams and encampment clearance efforts.

Adult Health

- Being evicted raises the risk of several health conditions, including high blood pressure, heart and lung disease, and mental health struggles like depression and anxiety.
- Evicted adults are more likely to visit the Emergency Room and be hospitalized for a mental health condition, increasing the state's Medicaid expenditures.

Employment

- Workers are much more likely to lose their jobs and apply for Unemployment Insurance benefits after being evicted.
- After an eviction, people end up in lower-paying jobs. Such income losses result in lower state income/sales tax revenue and greater EITC outlays.

Child Health

- Evicted children are more likely to be hospitalized and face a higher risk of lead exposure, incurring greater Medicaid costs.
- When eviction occurs during pregnancy, the chances of preterm birth are significantly greater. Infants born preterm have extensive medical needs during the first year of life.

Foster Care

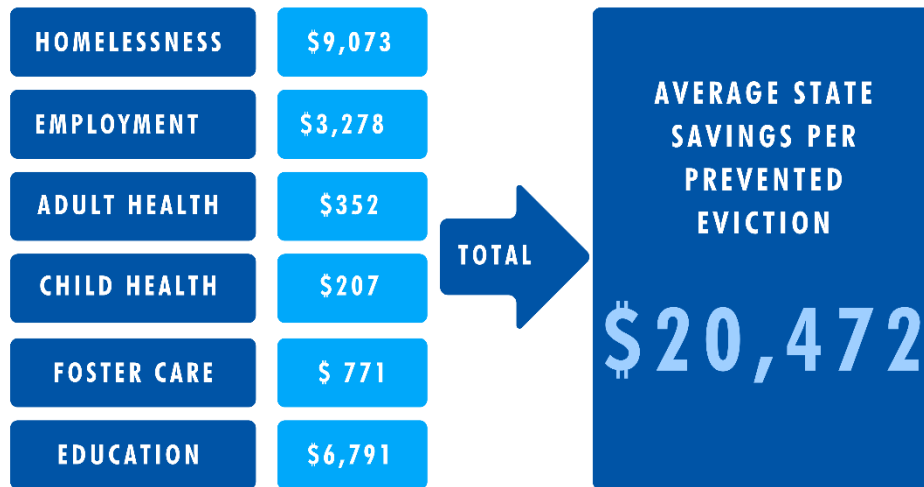
- Inadequate housing is one of the most common reasons for foster care entry in New Jersey.
- By law, poverty cannot be used as a reason for removing children from their parents' care. However, poverty and neglect are frequently conflated, leading to Child Protective Services involvement and increased likelihood of out-of-home placements.

Educational Attainment

- Children who have been evicted perform worse on memory tasks and math problems, and have higher rates of absenteeism and schooling disruptions.
- Experiencing eviction during childhood significantly increases drop-out rates, which harms long-term earnings potential and reduces state tax contributions.

STATE SAVINGS PER PREVENTED EVICTION IN 2023

ON AVERAGE, NEW JERSEY SAVES \$20,472 EACH TIME AN EVICTION IS PREVENTED



3. Average Cost of Legal Representation in Eviction Cases

The actual cost of providing representation varies based on the level of service provided. Limited assistance requires fewer attorney hours and therefore lower per-case expenditure, while full-scope representation involves significantly more time, preparation, and court engagement—and therefore higher costs. Aggregated case data from Legal Services indicate an average cost of \$1,450 per case in 2023.

Investing in Legal Assistance for Eviction-Prevention Generates Significant Cost Savings for the State

Using the three key metrics—EPR, state cost savings per prevented eviction, and average cost of legal representation—PRI estimated the net impact of legal representation in eviction-related cases. PRI finds that Legal Services saved New Jersey a total of \$119,509,580 in 2023 by preventing evictions through legal representation. In simple terms, New Jersey gained \$6.26 in economic benefits for every dollar invested in Legal Services for eviction-related cases.

New Jersey gained \$6.26 in economic benefits for every dollar invested in Legal Services for eviction-related cases.

After accounting for the cost of legal representation and its impact on tenants' likelihood of eviction, PRI estimates that each eviction case resolved by Legal Services resulted in a net benefit of \$7,624 per case in 2023.

New Jersey Incurred Costs of Approximately \$1.5 Billion to Remediate the Consequences of Evictions Completed in 2023

While access to legal representation benefits both families and the state, current resource constraints prevent Legal Services from helping all low-income New Jerseyans who seek assistance for eviction-related matters.

PRI estimates that, in 2023, 73,609 evictions were completed. This estimate was calculated by removing serial filings, cases dismissed with prejudice, and pay-and-stay settlements from total eviction filings. At a rate of \$20,472 per eviction, New Jersey incurred costs of approximately \$1.5 billion (\$1,506,923,448) due to completed evictions.



\$1.5 B

REMEDIATING
HARMS RELATED
TO COMPLETED
EVICITIONS COST
THE STATE \$1.5
BILLION IN 2023.

Estimates for 2025

The findings above are expressed in 2023 dollars, and reflect the actual economic impact of Legal Services representation in calendar year 2023. However, it is also useful to provide an indication of how costs and benefits have shifted since 2023.

The following estimates are made based on high level assumptions of current data yielding the values below which serve as plausible approximations for 2025.

PRI finds that for every eviction prevented in 2025, the state of New Jersey would receive \$23,372 in economic benefits related to reductions in homelessness, health spending, and foster care placements, and increases in employment and educational attainment.

Average State Savings Per
Prevented Eviction in 2025

\$23,372

After accounting for the cost of legal representation and its impact on tenants' likelihood of eviction, PRI estimates that each eviction case resolved by Legal Services would have resulted in a net benefit of \$8,860 (USD 2025) for the state.

Modeling the Economic Impact of Legal Representation Relative to Eviction Caseloads

The table below compares the economic impact of Legal Services for 2025 under different scenarios: serving the same number of clients facing eviction as it did in 2023, or serving that level plus 5,000, 10,000 or 15,000 additional clients.

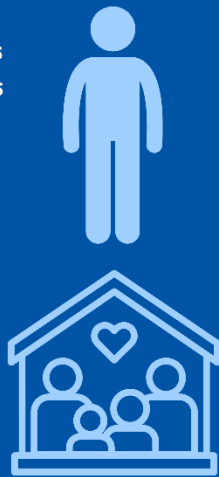
The Costs and Benefits of Legal Representation in Eviction Cases					
	Baseline: 2023 Levels (USD 2023)	Baseline: 2023 Levels (USD 2025)	Baseline + 5,000 Cases (USD 2025)	Baseline + 10,000 Cases (USD 2025)	Baseline + 15,000 Cases (USD 2025)
Eviction Cases	15,675	15,675	20,675	25,675	30,675
Total Cost of Representation	\$22,728,750	\$23,512,500	\$31,012,500	\$38,512,500	\$46,012,500
Net Averted Evictions	6,948	6,948	9,164	11,380	13,597
Total Savings to the State	\$142,238,330	\$162,388,993	\$214,187,676	\$265,986,389	\$317,785,101
Net Economic Benefit to State	\$119,509,580	\$138,876,493	\$183,175,176	\$227,473,889	\$271,772,601
Incremental Savings from Additional Cases					
Additional Cases			5,000	10,000	15,000
Incremental Cost			\$7,500,000	\$15,000,000	\$22,500,000
Additional Savings			\$51,798,683	\$103,597,396	\$155,396,108
Net Savings (additional cases only)			\$44,298,683	\$88,597,396	\$132,896,108

Not Everything of Value Can Be Quantified

As PRI's research shows, providing legal representation for tenants facing eviction results in significant monetary benefits for the state. However, not everything of value can be quantified. There are many additional benefits of legal representation that were not included in the cost-benefit analysis.

INDIVIDUALS & FAMILIES

- Ensuring stronger, safer neighborhoods
- Decreasing frivolous eviction filings
- Improving court efficiency
- Increasing the public's faith in the court system
- Reducing geographic inequality
- Promoting racial equity



COMMUNITY & STATE

- Improving renters' financial health
- Supporting tenants' ability to find new housing
- Allowing families to keep their belongings
- Reducing intergenerational harm



Data Sources

- **New Jersey Administrative Office of the Courts:** Data on eviction filings and court documents/dispositions issued in Landlord-Tenant court statewide in 2023
- **Legal Services:** Aggregated data from all Legal Services programs in New Jersey on cases regarding eviction matters closed in 2023
- **New Jersey eCourts:** Documents and dispositions associated with individual eviction cases closed in 2023
- **U.S. Census Bureau:** American Community Survey Public Use Microdata Sample (PUMS) and published data tables
- **U.S. Bureau of Labor Statistics:** Data on inflation using the Consumer Price Index for All Urban Consumers (CPI-U)
- Other peer reviewed/credible data sources: Noted where applicable