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RE: 2012 Survey of Forensic Economists

Mike begins his 37th year as a forensic economist, and George continues his term as president of the American Rehabilitation Economics Association (AREA). This newsletter is devoted to the 2012 survey of members of the National Association of Forensic Economics (NAFE), which is just being completed. The survey covers methods, data sources, prevailing practices, values of key forecast variables, and other matters primarily related to the estimation of economic damages. Mike has conducted, and published, these survey studies with Dr. Frank Slesnick, approximately every three years, since 1988. There have been nine studies published as peer reviewed articles. They have been widely cited in the literature of forensic economics, referenced in testimonies about economic damages across the U. S., and serve as an important indicator of what is, or is not, accepted practice in estimating economic damages. In forthcoming newsletters, we will discuss the survey results, the complete results will be given as a paper at the June 2012 meetings of the Western Economic Association International in San Francisco, and the survey-based article will then be submitted to the *Journal of Forensic Economics*.

Let us overview the new information that will be made available through this 2012 survey, which in its 2009 version had approximately one-third of the 600 NAFE members respond. First, the 2012 survey will continue to monitor the average forecast values for variables which importantly affect estimates of economic damages. These questions include the expected rate of annual price inflation, various categories of medical cost inflation, and interest rates used in discounting to present values. Methods and sources of worklife expectancy estimates, in cases involving lost earning capacity, are also surveyed continuously. Obviously, the authors can therefore discuss how these average values have changed over almost a quarter of a century of survey studies.

Other sets of questions are periodically repeated, usually for two consecutive surveys. These include methods and sources involving personal consumption deductions in wrongful death cases, and methods and sources involving estimates of lost household services. Questions are periodically asked about hedonic damages, age-earnings profiles, ethics, and other topics.

There will also be new sets of questions, and survey data, in the 2012 survey. Some very specific questions are asked, about the perceived reliability of privately published tables on the worklife of the disabled, for example. Respondents are asked if their traditional estimates of lost household services are extending into such areas as companionship, relationships, consortium, guidance, counseling, and/or the lost enjoyment of life. A new question also elicits prevailing practice regarding the determination of the (lost) earnings base.

We will also continue to ask questions about forensic economists and their practices. In the 2009 survey, for example, the responding NAFE members said their cases were approximately 60:40 plaintiff-side versus defense-side; this mix has been moving toward 50-50 over the years. The large share of case work, 68 percent, was personal injury and wrongful death cases, versus some work in commercial, antitrust, labor, divorce, and other types of cases. Respondents had an average of 25 years of forensic practice.

Please give us a call or email if we can answer questions or be of assistance. We are always pleased to participate in continuing legal education sessions on economic damages.

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