

the FORECAST

A Newsletter of the National Association of Forensic Economics



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Pictures from the
2016 Western Meeting
throughout this issue

President's Letter

Larry Spizman, President, NAFE

The Western Meetings in Portland Oregon were outstanding. William Brandt put together six excellent sessions which were all well attended. Next year the meeting will be held in San Diego, CA. Think about planning a summer trip around the meetings. The International Meetings held in Bucharest, Romania were also a huge success.

The Southern Economic Meetings will be held in Washington, D.C. in November 2016 and the Eastern Economic Meetings will be in New York City February 23-26. These are two great cities to mix business with pleasure.

The 2017 ASSA annual meeting will be held on January 6-8 (Friday, Saturday, & Sunday) 2017 in Chicago, IL. The national meetings are always excellent.

Board of Directors Summer Meeting

The NAFE 2016 Summer Board of Directors meeting took place in Chicago on July 22 and 23. Results of that meeting will be posted in a future *Forecast*.

I hope to see many of you at one or all of our upcoming meetings. Encourage your younger colleagues to attend and to participate in these meetings.

-Larry



Photos from the Western Meeting:

- 1) Thomas Carroll
- 2) Art & Ann Eubank, Antonio Avalos, & Karen Smith
- 3) Frank Adams (piano) & Steve Shapiro (vocals)



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Forensic Economics, Inc.

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From the Executive Director

Marc Weinstein, Executive Director, NAFE

The 2016 Summer Board of Directors' meeting recently concluded in Chicago, Illinois. One of the items on the agenda was the approval of the minutes from the Winter Board of Director's meeting, which was held in January in conjunction with the ASSA meeting in San Francisco. Below are the approved minutes with referenced exhibits available on the NAFE website at NAFE.net. - Marc

Minutes of the Winter Board of Directors' Meeting January 3, 2016
San Francisco Marriott Marquis
ASSA Annual Conference San Francisco, CA

In attendance:

Voting Members:

Frank Adams, Southern VP
Craig Allen, Eastern VP
William Brandt, Western VP
Kevin Cahill, At-Large VP
David Rosenbaum, Midwest VP
Lawrence Spizman, President
David Macpherson, At-Large VP

Non-Voting Members:

Scott Gilbert, VP Elect
Gil Mathis, VP Elect
Michael Nieswiadomy, President Elect
Nancy Eldredge, NAFE Administrator
Jim Ciecka, Co-Editor of the JFE
Lane Hudgins, Editor of The Forecast
Steven Shapiro, Co-Editor of the JFE
Marc Weinstein, Executive Director

1. Lawrence Spizman called the meeting to order at 11:25 AM as the Board was finishing up lunch which was served at 11:00 AM. Spizman gave opening remarks and thanked Marc Weinstein and Kevin Cahill for their efforts organizing NAFE's program at the ASSA.
2. Marc Weinstein outlined the schedule for the weekend for the Board of Directors ("BOD") which included NAFE's BOD meeting; one session followed by the Annual Membership Meeting and the 30 Year Anniversary Cocktail Reception; and three additional Sessions on January 4, 2016. A copy of the BOD schedule is attached as [Exhibit A](#) to these minutes.
3. Marc Weinstein presented the meeting minutes from the Summer BOD meeting in Denver, CO on June 25-26, 2015. Mike Nieswiadomy indicated that a few typos existed which would be emailed and the minutes would be adjusted, accordingly.
 - A. **It was moved and seconded (Brandt, Rosenbaum) that the Board approve the minutes of the summer Board of Directors' meeting of June 25-26, 2015 with the corrections (Vote: Yes - 7 No - 0). The approved minutes are attached as [Exhibit B](#).**
4. Marc Weinstein presented the Executive Director reports which included the Financial Statements Prepared by The Block Teitelman Group, a Membership Report, and current bank statements.

A brief discussion was held why accounting and insurance expenses increased. Weinstein explained that NAFE's new Accountant (Robert Block) was brought on board and Eldredge explained that it was a two-year insurance payment.

 - B. **It was moved and seconded (Cahill, Macpherson) that the Board accepts the financial statements ending November 30, 2015, as presented. (Vote: Yes - 7 No - 0). These reports are attached collectively as [Exhibit C](#) to these minutes.**
5. Kevin Cahill announced the four NAFE Sessions to be held at the ASSA in San Francisco which includes sessions entitled "Exposing Weaknesses in Forensic Economic Analysis" on Sunday, January 3, 2016 following by the Annual Membership Meeting and a 30th Year Anniversary Reception. On Monday January 4, 2016 there will be three sessions starting at 8:00 AM entitled "Notable Labor Market Transitions for Forensic Economists"; 10:15 AM entitled "Methods in Forensic Economics"; and at 2:30 PM entitled "Topics in Forensic Economics".
6. A brief discussion was held regarding NAFE's Reginal Meetings protocol since both the Easterns and the Southern's will be held in Washington, DC in February and November, respectively. Since DC is a good location for a regional meeting, NAFE will plan to organize sessions in November and only cancel if there is little or no interest. The Missouri Valley Economic Association ("MVEA") is also a lightly attended meeting and NAFE will most likely postpone planning sessions this year in St. Louis, MO but will make a definitive decision at the Summer BOD. As in past years, NAFE will most likely sponsor the MVEA's cocktail reception, present or not.
7. Craig Allen discussed the NAFE sessions at the Eastern Economic Association ("EEA") annual meeting in Washington, DC to be held February 26 - 27, 2016 at the Marriott Wardman Park Hotel. The last time the Easterns were in DC was 2008. Similar to past years, it was announced that one session will be held on Friday February 26, 2016 followed by a NAFE Cocktail Reception, and three sessions on Saturday February 27, 2016. The cocktail reception will be held across the street from the hotel at the Open City Diner. Craig also noted that an economist from the Treasury Department will present the "100 Year Yield Curve" and he expects a lively discussion. Craig concluded by noting that Jerome Paige and some of his staff assisted with making the Easterns a good meeting and they will present a paper, as well.
8. Bill Brandt announced that NAFE's sessions at the Western Economic Association International ("WEAI") Annual Meeting will be held on Friday and Saturday July 1 and 2, 2016 at the Hilton Portland & Executive Tower located in Portland, OR. As in past years, Bill is planning to hold three sessions on Friday July 1st and three additional sessions on Saturday July 2nd. As of now, it appears there will be a minimum of 5 sessions and if anyone wants to present a paper to contact him. Bill also mentioned the Portland Blues Festival will take place at the same time as the Westerns and extend through July 4, 2016.

Welcome New Members!

The following is a list of new NAFE members for the period April 1, 2016 through June 30, 2016.

RoseMary Avery, Ithaca, NY, US
Nicholas Coleman, Victoria, BC, Canada
Donald C. Fesler, Los Angeles, CA, US
Michael Edwin Guerrero, Bellingham, WA, US
Robert Matthew Hanak, Sarver, PA, US
Melvin Hughes, Tucson, AZ, US
Kristi Kirby, Tampa, FL, US
James A Mills, Los Altos, CA, US
Michael Nakada, San Diego, CA, US
Joseph L. Phillips, Milldale, CT, US
Brian Piper, Austin, TX, US
John D. Robinson, Santa Ana, CA, US
Daniel T. Rondeau, Salt Lake City, UT, US
Karen Smith, San Marino, CA, US
Robert A. Weigand, Topeka, KS, US

9. David Rosenbaum noted that the Missouri Valley Economic Association (“MVEA”) Annual Conference will be held on October 27-29, 2016 at the Hyatt Regency in St. Louis, MO. However, it is most likely that NAFE will postpone holding sessions this year.
10. Frank Adams announced that the Southern Economic Association Annual Conference will be held on November 19-21, 2016 at the J.W. Marriott in Washington, DC. NAFE is planning to hold sessions due to DC being a popular location and the incoming Southern VP, Gil Mathis, will be responsible for organizing the sessions with assistance from Frank and Marc Weinstein.
11. David Macpherson announced that the 17th Annual NAFE Winter Meeting will be held on Friday and Saturday January 29-30, 2016 at the Sheraton Suites Key West in Key West, FL. Arthur Eubank and David Schap are organizing this years’ meeting. They plan to have two sessions on Friday morning and two on Saturday morning and if you have any questions or concerns you should contact either one of them.
12. Steve Shapiro announced that the 14th Annual NAFE International meeting will be held in Bucharest, Romania on Monday May 23, 2016 at the Intercontinental Hotel. Steve noted that the rates for the hotel were very reasonable but space for NAFE participants is limited to 15. If anyone was interested, they should contact Jack Ward.

13. Marc Weinstein presented the results from the November 2015 elections for President-Elect, as well as Southern and At-Large Vice President Positions. (*Editor’s note: These election results, which appear in the approved minutes in table form, were published in the Executive Director’s report in the May 2016 issue of The Forecast and for reasons of space have not been reprinted in this issue.*) Frank Adams is the outgoing Southern VP and Kevin Cahill is the outgoing At-Large VP; their term to cease at the conclusion of the NAFE Annual Membership Meeting later today. Mike Nieswiadomy was elected President-Elect, Gil Mathis Southern VP, and Scott Gilbert At-Large VP. Marc thanked both Frank and Kevin for doing a great job for NAFE.

Marc noted that the electronic election results had increased to approximately 27 percent of the mailed ballots which is the most participation since 2000 for Board positions. It appears that the electronic elections could have assisted with this increase over 21 percent last year.

14. Steve Shapiro presented his report on the Journal of Forensic Economics (“JFE”). He indicated the following:

Journal of Forensic Economics, December 2014-2015

Originals	20	Accepted	8
Revisions	6	Rejected	9
Total Submissions	26	Withdrawn	1
		Out for Review	1
		Out for Revision	1
		Under Editor Review	6

Steve reported that the December 2015 issue of the JFE is in production now. He mentioned that Jim Rodgers and Bob Male are still the Special Editors for the State Paper series but Laura Taylor will be the Special Editor for updates to previously published State Papers. He also mentioned that authors should exercise patience on the editing of the updated state papers as there are six in the pipeline now.

Steve indicated that the Editors are in the process of identifying a new Board of Editors for the JFE and since the bylaws require the Editors recommend these individuals to the Board of Directors for approval, they plan to bring it to the BODs in or around March 2016. Steve further noted that Allen Press is working with RePEc.org (Research Papers in Economics) to have all of the papers published in every JFE issues tagged.

On a separate note, Steve read the following motion into the minutes.

The NAFE-L e-mail list serve is operated as a separate entity from the National Association of Forensic Economics. The current owners of NAFE-L are Marc Weinstein, David Jones and Jennifer Polhemus. Currently, the use of the name NAFE-L by its owners constitutes use of the abbreviation “NAFE”, which is intellectual property owned by the National Association of Forensic Economics. The Board of Directors grants without any charge to the owners of NAFE-L:

1. The right to continue to use the name NAFE-L
2. Access the membership lists of the National Association of Forensic Economics when a member of the National Association of Forensic Economics wishes to join the NAFE-L.

The National Association of Forensic Economics makes no warranty that (i) the service will meet individuals’ requirements, (ii) the service will be uninterrupted, timely, secure, or error-free, (iii) the results that may be obtained from the use of the service will be accurate or reliable, (iv) the quality of any products, services, information, or other material purchased

or obtained by you though the service will meet your expectations, and (v) any errors in the software will be corrected. Furthermore, the right to use the name NAFE-L or to access the membership lists of the National Association of Forensic Economics can be revoked at any time at the discretion of the Board of Directors of the National Association of Forensic Economics.

After a brief discussion with respect to the above motion, Spizman appointed a committee consisting of Steve Shapiro, Bill Brandt and David Rosenbaum to coordinate the motion with the NAFE-L Terms of Service. Scott Gilbert mentioned that perhaps the NAFE-L should seek a new host and provided a few suggestions. The Committee will present their findings at the Summer BOD Meeting.

Lastly, Jim Ciecka noted that in the NAFE Survey paper, the Editor Statement now precedes the paper whereas it used to be embedded in the paper. Also, Jim mentioned that the quality of the appearance of the JFE is much improved since having Allen Press handle much of the typesetting even though Steve gives a lot of the credit to Jim. Jim did indicate that the appearance of some of the tables still need improving and that the reference to a table will come prior to a table appearing in a paper.

15. Lane Hudgins, Editor of *The Forecast*, reported on the direction of NAFE’s updated newsletter which is correlated with the 30-year anniversary of NAFE. The inaugural issue will be the February 2016 issue and as in past years, there will be four per year (February, May August, November). All typesetting will be performed externally by Amanda Morgenstern. Lane indicated that each issue will have two feature articles of 1,500 words, or less; four rotating columns of 500 words or less for the following sections:

- From the Trenches
- What’s on your Night Table
- On the Other Hand
- Now for Something Completely Different

There will also be sections including Member News; The Forecast Plays 20 Questions; List of new members; Things you were Afraid to Ask; Letter from the President; Meeting Updates and Recap; as well as a City Guide for information on things to do at an upcoming city in which NAFE will be holding sessions. A “Call for Submissions” was circulated by Lane and is attached as [Exhibit D](#) to these minutes.

Lane discussed options for presenting *The Forecast* to the members after several issues are printed to show-off the efforts set forth to inform and engage the members and provide a value-added membership benefit.

One option is the ISUUU online guide and app where NAFE can publish *The Forecast* for \$420 per year. This option will also allow NAFE to measure the social media and readability statistics to insure our efforts are working. In *The Forecast*, Lane would prefer all photos forwarded by at least 300 dpi and close head or torso shots, only. Lane reported that *The Forecast* will have a different color scheme than the JFE PMS Reflux Blue color and she encouraged all Board members to assist her with recommendations, writing articles, or whatever is needed to produce *The Forecast*. Finally, the Board collectively thanked Lane for taking on this endeavor and vowed to assist, as she requested.

16. Larry Spizman updated the BOD on the NAFE Software Committee and noted that he is still awaiting the committee to complete their work and forward their report. As such, there is no action to be taken at this time.

17. Larry Spizman updated the BOD on NAFE's efforts to obtain a Journal of Economic Literature ("JEL") code for Forensic Economics. While he noted that he seems to be fighting an uphill battle, he did reference the Sports' Economist letter to the JEL in their successful efforts in obtaining a JEL code and plans to use it as a guide. It was noted that Sports Economics is a much broader field but FE has several advantages including several professional organizations of Forensic Economists (NAFE, AAEFE, AREA); there are ethic statements for Forensic Economists within the professional organizations; NAFE organizes and plans their own sessions at the national and regional economic meetings; AAEFE and AREA hold their own annual conferences; to name a few. Larry was seeking to compile a list of articles published in top-tier journals authored by NAFE members.

Lastly, it was discussed that currently, Forensic Economics is a co-sub category of K13 (Tort Law and Product Liability; Forensic Economics) and it would be in NAFE's best interests if we could obtain our own code within K "Law and Economics", perhaps K15. Sports Economics is Z2 under Z "Other Special Topics".

18. Marc Weinstein announced that the Summer BOD Meeting will be held at The Sofitel Hotel in Chicago, IL on July 23 - 24, 2016. Board members are requested to arrive in Chicago on Friday July 22, 2016 so that they're ready first thing on Saturday July 23rd. All hotel arrangements will be made by Marc and the hotel will honor their special rate for a few days prior and subsequent to the BOD meeting. Bill Brandt notified the BOD that his daughter is getting married that weekend and unfortunately, he will not be able to attend the Summer BOD Meeting.

Photos from the Western Meeting: 1) Steve Shapiro, Kevin Cahill, & Frank Adams 2) Rachel Brandt & Joana Bezerra

19. Marc Weinstein reported that Kurt Krueger completely revamped the NAFE website due to poor customer service provided by the former website host. NAFE.net is now powered by Wild Apricot as their platform was perfect for our needs. Any questions or concerns should be directed to Kurt.

20. David Rosenbaum announced that he and David Schap will be replacing Michael Luthy, Michael Brookshire and Frank Slesnick as the authors of the "Survey of Forensic Economists" which was originally published in 1991. Additionally, David reported that they are considering having the survey every two years (currently held every three years) and they requested that the BOD grant the authors permission to access NAFE's membership list to be able to perform the survey.

C. It was moved and seconded (Rosenbaum, Macpherson) that the BOD grant the authors of the "Survey of Forensic Economics" permission to access the membership list to solicit responses to their survey (Vote: Yes - 7 No - 0).

21. Bill Brandt requested that NAFE should consider co-sponsoring sessions at other meetings with other professional organizations in an effort to expose individuals of the benefits of membership in NAFE. While no specific meetings were recommended, he believed that perhaps NAFE should look into this possibility. Further discussions may be held at the Summer or a future BOD meeting.

D. Since no additional business currently existed, it was moved and seconded (Cahill, Adams) to adjourn the Winter BOD Meeting (Vote: Yes - 7 No - 0).

EXHIBIT LIST

- A: NAFE schedule at the ASSA Annual Conference
- B: Minutes of the Board of Directors' meeting from July 25-26, 2015
- C: NAFE Financial Statements for period ending November 30, 2015
- D: *The Forecast* "Call for Submissions"



What I Want in a Life Care Plan

By: David D. Jones¹

I have been asked to write a note, c. 1,500 words, about what I want in a life care plan (LCP) as foundation for present value calculations in a personal injury case.

UNIT COSTS, DURATION, and FREQUENCY

Five words and I'm done.

There may be legal questions affecting the LCP: billed amounts vs. paid amounts, the impact of the Affordable Care Act, subrogation, and so forth. We take the numbers in the LCP (pretty much) at face value, assuming that they reflect any legal constraints.

The first five rows on the attached table, under the broad heading "What I Want in a Life Care Plan," constitute the simplest LCP you will ever see. There are items needed several times throughout the year, some priced annually, and some needed every few years. Some are needed for a decade or so, some for life. In an actual LCP there might be 100 or more items listed, but they would all be akin to these five.

Given this LCP, my calculations are simple. I know the unit cost of each item, for how long it will be needed, and how often: unit cost, duration, and frequency. Few life care plans are this straightforward. I am left with around 1,300 words to respond to

WHAT I DO NOT WANT IN A LIFE CARE PLAN

There are a baker's dozen items in the LCP at the bottom of my table. Each violates the cost-duration-frequency criteria in at least one way.

Line 6: Prevacid is much like Line 1. The figures in Line 6 come from a LCP in my files.

We take the planner's figures as given. But, RED FLAG! Having seen other care plans and Googled prices at CVS and other major non-prescription drug providers, I know that Prevacid costs a couple hundred dollars a year, not \$5,000. (Line 1 on the table also comes from a file LCP.) Whether working for plaintiff or defendant, I would

mention this to my hiring attorney, but use the figures in the LCP for my calculations. Our job is not to verify the LCP figures. But, we want to be comfortable with the notion that they are reasonable.

Prevacid on Line 6 may cost \$5,000 a year or \$6,000 a year. Which is it? I have had planners testify that it is \$5,000 at CVS and \$6,000 at Walgreens. Then buy it at CVS.

There may be instances where costs are expected to vary over plaintiff's lifetime. The LCP should take that into account and show those alternative prices at different times. But there should be single prices at any time reflecting the expected cost at each time. (I had one life care plan where surgery was expected to cost \$5,000 -- or \$5,000,000.)

Lines 7 and 8 are common in LCPs: the cost of a capital item, needed every few years, and of an accessory tied to that item needed at different intervals. In this case a lift is needed every five years and slings for the lift every two years. Presumably the lift comes with slings. So the first replacements will be two years out. Then more replacements in another two years. But, at that rate, by the time the lift is replaced a second time plaintiff will be buying replacement slings in the same year. I simply change replacement slings every two years to replacements every five years starting two years after the first lift was purchased.

Line 9: power wheel chairs every 10 years. Despite what the LCP reports, that is not a cost of \$2,000 per year. It is \$20,000 every 10 years. Annual costs can be calculated for items needed every year. They should not be recorded for items needed less frequently. That leads to inaccurate present value figures.

In any case, if we know unit costs and frequencies, annual costs follow. There is no need for the planner to do this. More often than not I find annual costs inaccurately calculated in LCPs. The planner should say "This often at this price." and stop. They add nothing by doing additional calculations but an increased risk of error.

Note that Line 9 also shows a lifetime cost of wheelchairs of \$126,000 (for a 63-year life expectancy at \$2,000 per year). First, given that we need to do annual present value calculations, the undiscounted lifetime cost is irrelevant. The life care planner has also allowed (given annual costs of \$2,000) for a fractional wheelchair to be purchased near the end of plaintiff's life. The lifetime cost figures add nothing and should be omitted.

Lines 10-12, dealing with occupational therapy, contain several problems.

Line 10 is verbatim from a LCP in my files. It has the same problem as Prevacid: two different costs for one item. Therapy may cost \$180 per session, or may be nearly twice as much. But this line throws in that 24 sessions may be needed annually, or maybe 36. We end up with a cost of around \$4,000 a year, or maybe \$12,000. Which is it? If we are not to speculate, there should be a single cost. Given the life care planner's numbers, I just hold my nose and use an average.

Note that there is a shift at around age 18 to reduced therapy. The problem with lines 10-11 is that it is not clear whether the shift takes place at age 18 or 19. Here it is not that confusing. But in plans with costs stopping for a few years and then restarting it can be confusing. The LCP should be clear: "Start at this age. Continue through this age." Short of that, it's a judgment call on my part. I should not have to offer an opinion on that.

I recently had a LCP with something like Line 12. Plaintiff had a shortened life expectancy. So the planner carried costs out to age 25 and stopped. But, someone with a life expectancy to age 25 has roughly 50% probability of living beyond age 25. This is especially problematic when there are potentially significant care costs starting after the age of life expectancy is reached. The planner may not include those at all. If not, I simply have to ask for clarification. Life care planners should not be concerned with life expectancy. Show costs for as long as plaintiff might possibly live. The forensic economist can address life expectancy.

On Line 5 we have the cost of making a van accessible. On line 13 we have the cost of an accessible van (including the cost of the van as well as the cost of modifying the van). Forensic economists go back and forth about whether the cost of a vehicle that would have been needed in any case should be deducted from the cost of an accessible van. I vote yes. I prefer to see only the cost of making the van accessible in the LCP.

Along the same lines, sometimes (fairly rarely) the cost of an accessible home (c. \$500,000) will be included in the LCP. This is often accompanied by construction cost figures. HUD and

1. Economic Consulting Services, LLC, St. Paul, MN. Contact at: djones44@gmail.com.

the National Association of Home Builders report that making a newly constructed home accessible adds negligible building cost. (See, for example, information on construction costs at the website: National Fair Housing Advocate Online) If plaintiff is awarded a half million-dollar home, when he later moves out of that into facility care he has a half million-dollar asset. If he dies in the home, he leaves a half million-dollar estate. The whole cost of accessible housing does not belong in the LCP.

Line 14: shower chair every 3 to 5 years. This is like 24 to 36 therapy sessions per year. Don't speculate. Which is it? Let's just get a chair every 4 years. On my fancy LCP spreadsheet, I show this as a chair every 8 years and then another chair every 8 years starting in 5 years. That amounts to a chair every 5, then 3, then 5 years. You may not be so compulsive.

Line 15: Neuropsych evaluations twice during plaintiff's lifetime. Once this year and next? At age 40 and 60? We cannot do present value calculations on figures like this without making some life care assumptions ourselves. Better to have the planner do that. At what ages will the evaluations be needed? Absent more information I spread these things evenly over Plaintiff's lifetime.

Line 16: Pain meds PRN (*pro re nata*, as needed). No frequency or duration? These items get left out of present value calculations.

Lines 17-18: a pet peeve. A quarter million dollars a year for home health aide and \$2 for batteries. In addition to batteries, there may be \$15 for dishes, \$12 for socks, and on and on as part of a 250 line LCP. Assuming that the planner is not being paid by the line, let's lump some of the low cost items together: \$250/year for supplies. Now we are down to 175 lines.

Unit costs, duration, and frequency fit nicely into a spreadsheet. After that the present value calculations are easily done. If any of those is missing (or duplicated) the calculations are muddy at best and impossible at worst. Planners should aim squarely for unit costs, duration, and frequency and forget all of the rest. •

WHAT I WANT IN A LIFE CARE PLAN

Item	Frequency	Duration		Cost Unit		Annual Cost		Lifetime Cost
		Start Age	End Age	Low	High	Low	High	
1 Prevacid	per Month	8	LE	\$19.58		\$235		
2 Power Wheel Chair	Every 10 Years	15	LE	\$20,000.00				
3 Occupational Therapy	30 Sessions/year	8	17	\$200.00		\$6,000		
4 Occupational Therapy	20 Sessions/year	18	LE	\$200.00		\$4,000		
5 Van Accessibility	Every 7 Years	8	LE	\$20,000.00				

WHAT I DO NOT WANT IN A LIFE CARE PLAN

6 Prevacid	per Month	8	LE	\$443.00	\$510.00	\$5,316	\$6,120	
7 Hoyer Lift	Every 5 years	8	LE	\$7,500.00				
8 Lift Slings	Every 2 years	8	LE	\$950.00				
9 Power Wheel Chair	Every 10 Years	15	LE	\$20,000.00		\$2,000		\$126,000
10 Occupational Therapy	24-36 Sessions/year	8	18	\$180.00	\$345.00	\$4,320	\$12,420	
11 Occupational Therapy	20 Sessions/year	18	LE	\$180.00	\$345.00	\$4,320	\$12,420	
12 Occupational Therapy	20 Sessions/year	18	25 (LE)	\$180.00	\$345.00	\$4,320	\$12,420	
13 Accessible Van	Every 7 Years	8	LE	\$50,000.00		\$5,000		
14 Shower Chair	Every 3-5 years	8	LE	\$100.00				
15 Neuropsych Evaluation	Twice	8	LE	\$800.00				\$1,600
16 Pain Medication	PRN	8	LE	\$200.00				
17 Home Health Aide	Annual	8	LE	\$250,000.00				
18 Room Monitor Batteries	Annual	8	LE	\$1.98				



Photos from the Western Meeting:
 1) Larry Spizman
 2) Christina & Marco Tapia
 3) Mike Nieswiadomy, Larry Spizman, & Marc Weinstein.

Expert Opinion

Introduction

Expert Opinion is an occasional column appearing in The Forecast. As its name implies, the essays appearing under its title are opinion pieces, but the opinions expressed

are to reflect such fact, research, and analysis as is appropriate to forensic economic expertise. Topics and essayists will vary by issue. Suggestions for future topics and/or writers may be sent to David Schap at dschap@holycross.edu. Ordinarily, some controversial issue in forensic economics will be featured, with opposing viewpoints. On occasion the column may feature a single forensic economist explaining why thinking in the profession has coalesced around a common vision on some topic. The essays should be lively, yet substantive; referencing should be informative, but not pedantic.

In this issue, the featured debate concerns application of current versus historical interest rates in determining economic damages at present value. Forensic economists are divided on the topic, whether measured by the differing viewpoints expressed at professional meetings or the numerous times the subject has been debated in online discussions on the NAFE-L. In the most recent NAFE Survey (Journal of Forensic Economics 2015), for a question concerning a hypothetical application played out over a 30-year horizon, current rates gained ground, continuing a long-term trend in terms of the percentage of respondents favoring their use (38.1%), while historical average rates maintained a tiny edge (39.8%). Why the divide? Let's hear from two forensic economists who present opposing viewpoints on the matter.



Current Interest Rates: Objective, Observable, and Investible

By: Joseph I. Rosenberg, MBA, MA, CFA, CDA¹

Current interest rates and historical average interest rates are the two most common methods of discounting damage awards used today. Many articles have been written comparing both methods and their many variations, perhaps beginning with Dulaney's 1987 paper in Volume 1 of the *Journal of Forensic Economics*. That article and other later articles have addressed the relative accuracy of both methods, invariably involving not only how one measures current and historical rates but also how one measures earnings growth rates, ex ante and ex post, sometimes using a net discount rate. However, due to the many variations in method and assumptions required for a "fair test", there is no universally accepted conclusion.

Current interest rates are more properly referred to as "current market yields" since the term "rate" for bond traders usually means the annualized coupon rate paid on a bond or note. The annualized rate typically refers to the periodic coupon payments applied to the unpaid principal amount summed over a year (e.g., bond equivalent yield = semi-annual coupon rate applied to principal, times 2). In addition to the coupon rate, yield also accounts for the bond's price, its maturity, and all other features affecting cash flows. Yield is what is most often referred to when comparing bonds, especially with time series data.

The table following this essay summarizes the pros and cons of the two main discounting methods. As a proponent of the current market yield method, its virtues are simplified via the first three "Pros" cited in the table: "Objective", "Observable every day", and "Investible in real bonds & yields". The easiest way to explain to juries why current yields are preferable to historical averages is this: Imagine going into a bank and wanting to deposit a lump sum damage award. What kind of response do you think the bank official would have when asked if you can earn the average yield on CDs observed over the last twenty years, rather than what they are offering to pay on an investment deposited today?

An admitted downside to using current yields is that they are volatile, dependent on when observed, and the award may warrant recalculation if material valuation changes would result before trial. However, this should be easy to update in a spreadsheet if needed. By contrast, while historical average yields offer greater stability over time, and pose little reason to update results near time of trial, historical yields are inherently uninvestible as well as subjective, with many choices of bond maturities and "lookback" periods for averaging into one or more historical discount rates.

It should be added that some subjectivity is required with both the current and historical yield methods. Subjectivity in both methods includes the choice of instrument (e.g., treasuries vs. tax exempt AAA municipal bonds); the choice of bond maturity or maturities (using a single bond vs. bonds with multiple remaining terms); and choosing whether or not to factor out inflation, such as in using either coupon-bearing bonds or TIPS, the choice of which could apply equally to current and historical average methods.

One of the more popular methods of applying current yields is via a bond ladder. This involves matching the number of future years of lost earning capacity with a series of bonds having equivalent remaining maturities. Each future year of earning capacity is discounted at the corresponding yield to maturity appropriate to an investment of that same length of time. Thus, with a bond ladder each future year's lost earnings is separately priced based on an equally timed bond investment. This is both logical and relatively easy for juries to understand.

Another issue related to choice of discount method involves the choice of future earnings growth rates. Without excessive digression into this related issue, it will suffice to say that using current yields for discounting is entirely consistent with using a current forecast of earnings growth. Nonetheless, certain discount choices can raise questions of "reasonableness". For example, some adherents of the current yield method may choose to use only the single current yield on a short-term treasury bill to discount all future years of earnings losses. FEs may argue that this variation within the current yield method is implied by the U.S. Supreme Court's 1983 Pfeifer decision. In that case, the Court said that the injured worker was "... entitled to a risk-free stream of future income to replace his lost wages; therefore, the discount rate should not reflect the market's premium for investors who are willing to accept some risk of default."

Photo from the Western Meeting: Anna & Dave Tucek

However, protection from default risk does not necessarily mean an investment devoid of all risk, especially interest rate risk. Given today's near zero short-term treasury yields (i.e., in June 2016, even 6 month T-bills yield less than .5%), choosing this single, short-term instrument yield, coupled with any recent forecast of earnings growth might result in such a large negative net discount rate as to be difficult to justify. Far more defensible, it seems, is the use of a current yield ladder, which is often coupled with a current earnings growth forecast, such as by the CBO, SSA or Moody's. To address the issue of earnings forecast latency, one can separate the real earnings growth rate embedded in a forecast, which should be more stable than the underlying inflation forecast, and then adjust only for the latest market expectation for inflation (see details in my article on negative net discount rates and ensuring consistency between current market yields and less-current earnings growth forecasts, *The Earnings Analyst*, Vol 13, 2013). Such earnings growth rate forecasts may be varied based on the plaintiff's education, gender, and possibly even age, if the age-earnings cycle concept applies, and then discounted by a current yield ladder.

The bottom line is this: The use of current market yields, preferably via a bond ladder, however imperfect, and even with some subjective choices, remains far more defensible as a method for discounting damage awards than the use of entirely subjective and uninvestible historical average yields. Using yields that a damage award can actually be invested in today cannot in any way be inferior to using yields that are only based on some arbitrarily selected bond maturity (or maturities) and past time horizon. •

Pros and Cons of Two Main Methods

Current Market Yields

(Use a single bond or bond "ladder" with current market yields at all maturities)

Pros

- Objective
- Observable every day
- Investible in real bonds & yields
- Can approximately cash flow match each year's lost future earnings by a ladder of bonds w/ same maturities. (Exact match w/ zero coupon bonds)

Cons

- Damage award results are more volatile & dependent upon when observed
- Material changes in valuation before trial may warrant revision to damage award. However, easy to update results if needed

Historical Average Yields

(Use a single bond or several bonds with different maturities, averaging yields over an assumed historical period in # of years)

- More stable over time (if one uses the same bond maturity and historical "lookback" period for discounting each time the method is used)

- Little reason to update results near time of trial

- Damage award results are inherently subjective, with many choices of bond maturities & lookback periods for discounting
- Plaintiff cannot invest in a "historical average yield"; there is no way to link the discount rate with an available investment rate

(Table prepared by Joseph Rosenberg)

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Historical Interest Rates: Learning from the Past, not Living in the Past

By: David Schap¹

One can invest at current market interest rates, but not at historical rates. There is a good deal of economic sense in the observation connected to available investment opportunity. I consider the observation to be the centerpiece of the argument favoring exclusive use in forensic economic damage appraisals of currently available market rates (strictly speaking, yields). After all, a winning plaintiff in a personal injury case is awarded a lump sum that will provide investment income over time. If the award is designed to account for lost earnings due to injury-induced impairment, then due account must be taken not only of the award corpus but also whatever interest proceeds accrue over time on the corpus measured naturally at current interest; or so it seems.

Despite the central argument for use of current rates in forensic economic applications, a great many forensic economists (FEs) eschew their use in favor of historical rates. I do not intend to speak for the multitude of FEs that use historical rates, but I will give my opinion as to why use of historical rates is valid whereas use of current rates is arguably invalid, despite whatever weight one wishes to attach to the fact that one can only invest at current interest rates.

Use of current rates in principle precisely accomplishes one-half of the assignment put to an FE retained to determine the present value of lost future earnings. The entire assignment would be easily fulfilled if there were also a futures market for labor services, for then the FE would have internally consistent measures of both wage growth and interest from forward-looking, market-based sources. Alas, workers are not soybeans – no such futures market exists for labor services.

Those FEs that rely on current interest rates must complete the remaining half of their recipe, albeit imperfectly, by stirring in a wage growth rate of some sort. But mixing a current interest rate (or a ladder of bond yields) with "some" wage growth rate is not simply imperfect; it is a recipe for failure at several levels. First, to the degree that market forces across the business cycle affect interest rates and wage growth rates correspondingly, cutting the connection between them by using historical wage growth coupled with current interest is a *timing coordination failure*. Wage growth forecasts based on past wage growth rates are stale upon release (never mind application), thus ill-suited to being mixed with current bond yields determined by forward-looking market forces (per David Tucek's remarks at the American Academy of Economic and Financial Experts annual meeting 2016).

A second potential problem in the use of current interest rates coupled with historical wage growth rates is *forecasting failure*. Forecasting is deemed appropriate when the series upon which it is based is determined to be stationary (i.e., mean-reverting). Empirical research conducted by myself, Robert Baumann and Lauren Guest (*Journal of Forensic Economics* 2014) indicates that various wage growth rate series post-1980 are indeed stationary, but that corresponding net discount rate series formed by contemporaneously occurring wage growth rates and interest rates are even more strongly stationary. Similar results concerning how net rates outperform gross rates have appeared previously in the literature, as discussed in the article (footnote 13). Such results tend to confirm existence of a connection between interest rates and wage growth rates across the stages of the business cycle, a connection that has prompted one prominent FE (James D. Rodgers) to advise on many occasions that both be "plucked from the same cloth." A form of *forecasting failure* results when one uses less than the best available series.

One argument against use of net discount rates based on contemporaneously occurring historical wage growth rate and interest

rate series arises out of the macroeconomics literature discussion of “sticky” wages: interest rates adjust near instantaneously to market forces, but wages are thought to adjust with a lag due to institutional rigidities. Gerald D. Martin makes the point with reference to FE use of net discount rates in various editions of *Determining Economic Damages*. The point warrants consideration and empirical measure, which I am presently undertaking with Robert Baumann; our research on “staggered” net discount rates is slated for presentation at the NAFE sessions at the January 2017 ASSA meeting.

Some in the current interest rate crowd avoid blending current interest rates with historically based wage growth rates by using instead a wage growth rate forecast produced by another person or entity. I choose to term this phenomenon a *failure due to buck-passing*. If the second party’s forecast happens to be based on past wage growth rates, the problems described previously in this essay arise again. If instead the forecast is based on a structural model of the economy, then there is no assurance of consistency between that model’s expectations formulation and the actual formulation of expectations that induce current interest rates in reality; even if the same elements appear in both model and reality, there is no assurance that the weights explicitly or implicitly attached to the various elements are consistent (per David Tucek again). In this instance, buck-passing induces a *consistency failure*.

Despite all that has been written thus far in this essay, some will feel compelled to return to the nagging notion that the only interest rates available for current investment are current rates, not historical ones. While true, the observation is ultimately beside the point owing to what I will call *assignment failure*, referring to an FE doing something that is outside of the assigned task of estimating money damages. The law and courts do not ask FEs to solve the investment decision facing a successful plaintiff. If it were otherwise, and the concern of the law were in actually mimicking in the future the period-by-period net pecuniary amounts that would have occurred “but for” injury, then the courts would mandate structured payouts over time. They do not do so. At root, closely paraphrasing from a 2016 NAFE Eastern meetings paper (by Moses Sawney, Richard Lockley, and Jerome S. Paige), FEs err when they conflate their assigned task of evaluation of damages with a decision concerning how an award ought to be invested. The investment decision is really none of their concern, no matter how superficially soothing it may be to recite the mantra that one can only invest at current interest rates, not historical ones.

Assignment failure may be especially hard to detect while already engaged in an assignment. Imagine that the earnings rate, worklife expectancy, and wage growth rate have been determined, so all that remains is to discount the future earnings stream to present value. Why not use an available current rate for discounting? After all, one can only invest at a current rate. Like many fallacies, this one occurs by starting the story in the middle. Applying a discount rate cannot be done as a final step independent of all that has come before. In particular, the wage growth rate and the interest rate used in discounting cannot be separately selected, lest *consistency failure* occur. By jointly determining at the outset the discount rate and wage growth rate based on a common historical period, FEs can fulfill their assignment of valuation (not investment decision) – and do so *without failure*. •

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What Happens After the Litigation Ends? – Managing Proceeds Via a Trust

By: Michael G. Neill, JD, CFP¹

There is a question as to what happens to the funds after the forensic economists have established a value. After the legal process has occurred and the lawyers and the experts have taken all of their fees, what happens to the beneficiary? The answer is, it depends. In some cases, a structured settlement is created. There are a handful of companies that specialize in these. The beneficiary receives various sums at certain intervals for a designated period of time. Although this might sound like a solid solution, just take note of the number of television commercials asking injured parties to sell their future income stream. After all of the hard work of the experts and their predictions, it still comes down to a net present value and the injured party could squander the proceeds.

In contrast to this scenario, what happens if a traditional trust department manages the proceeds? Trust departments are usually affiliated with banks, although there are some stand-alone trust companies. Banks will either be national banks that are examined by the Office of the Comptroller of the Currency (OCC) or state banks that are examined by whatever state gives them their charter. It is usually less expensive to be a state chartered bank, but easier to cross state lines as a national bank. In the end, it probably does not matter whether it is a national or state bank that administers a trust. Either one will use a similar fiduciary standard.

The real question would be whether a particular trust department is the best fit for the beneficiary. Smaller banks are more willing to help their existing customers with their issues, but they may not have the resources to truly comprehend what is expected of them. Unless they are large enough, they are often a takeover target and the personal relationship may be diminished. Larger banks may have whole departments for specific purposes, but often make the beneficiary pay dearly for their expertise. Big banks more and more only want large accounts, like \$5 million and above. Fees for any size bank will range anywhere from 75 to 150 basis points. That may sound like a lot, but investment management firms often charge more than that for investment management alone. A corporate trustee not only manages the money but also makes discretionary expenditures on behalf of the trustee.

Once a beneficiary determines the proper size trustee, there is still the issue of whether the chosen trustee wants to serve in that capacity. All trust departments will undergo a due diligence process known as the pre-acceptance review. They will read all of the documents and review the assets. In addition to the trust itself, they will want an estimate of future expenses. This could include the life care plan and medical records. If the beneficiary is going to receive a lump sum, then that makes it much easier for the trustee to invest the funds. Sometimes the initial trustee was not the right fit and the new trustee will have to determine how to handle the investments that come from the prior trustee. There could be liquidity or tax implications from changing the current allocation.

The trust document is usually not drafted by the trustee. This is to avoid an obvious conflict of interest. The beneficiary needs to have their own attorney who works for their best interest. Interpreting the trust document itself can take a considerable amount of time. Many trusts give great discretion to the trustee and they can be in a constant battle with beneficiaries who want more and more access to their money. Quite often, family members and new acquaintances who learn about the trust put pressure on the beneficiary to support them as well. These so-called supporters often accompany beneficiaries to meetings. If a trustee senses that there will be constant conflict with a beneficiary, then they are less likely to accept the trust in the first place.

From a beneficiary perspective, the initial phase is when they have the most bargaining power as well. This is when items can be negotiated in their favor. For instance, they can use this time to have multiple providers of trust services negotiate more favorable fees and services. If it is a relatively simple trust with easy terms it will be easier to receive concessions. If the trust is required to own the beneficiary's home, be responsible for all repairs, and hire caregivers, then the beneficiary is unlikely to get a reduced fee. If the trust has several million dollars and has strict language that makes it easy to administer, then concessions will be easier. A trust could say to distribute the net income on a quarterly basis and 5% of the principal once per year. That is a trustee's dream, because they now have a much easier path to follow. The other thing the beneficiary or its advocates should include is an inexpensive way to fire the trustee. Just saying the beneficiary may remove the trustee on 30 days notice, so long as a new corporate trustee has been named, will offer protection from future fee increases or lack of service. There is a problem with this, however. Beneficiaries often take a short-term perspective and just want as much money as possible. Some have been known to move a trust multiple times to new trustees who are willing to distribute more funds, in exchange for receiving a new trust. Quite often, the beneficiary will not care about the fees or investment returns, as long as they are receiving all of the cash they want. Eventually, the trustee will become fearful about the depletion of the trust and turn off the spigot. The beneficiary will then find another trustee and start the process all over again. To avoid poorly performing trustees and manipulative beneficiaries, many trusts are now creating the position of trust protector. This designation by the trust document can appoint a trusted third party who can remove a trustee and appoint a new one. This could be a close friend or advisor who has no personal financial incentive as to whether the trust remains at an institution or a new one is appointed. Their entire purpose is to see that the trustee is truly working in the best interest of the client. They are often paid a nominal fee out of the trust and receive copies of all statements.

Now that a trust document has been reviewed and the trustee is in place, the real work begins. An account is established at the trust department and funds received. Usually a trust administrator and investment officer are assigned to the account. The trustee will have to determine an investment objective for the account and that objective will be stated on every statement the beneficiary receives. It can be anywhere from 100% fixed income to 100% equities. They will most likely take some balanced approach that will allocate a substantial amount in each category. This may have no relation to the projection made by the forensic economist. Much of this decision will be based upon how much cash the beneficiary will need and the time horizon of the account. Are the proceeds required to get the beneficiary to a certain age? Or is it the case that the proceeds will have to last for life? The answer to this question will have a major impact on the investment strategy chosen. The trustee will not want the account to be depleted before its designated purpose is fulfilled.

The FDIC Manual states the industry standard is that a trust will be reviewed within 60-90 days of funding. The trustee will have some type of formal committee that reviews all trusts. This group will usually be comprised of the trust administrator, investment officer, others with the same designation that have different accounts, and representatives from the bank side such as officers and directors. It is not uncommon to have ten people on such a committee. This same group will then review the account on an annual basis. The review will include whether the investments fit the objective. If they do not, then either the investments are re-allocated or the investment objective is changed to conform to the current landscape. The committee will also review the document and compare it to the discretionary distributions that are made on behalf of the beneficiary. If distributions start to exceed established thresholds, then a sub-committee will review each and every one of them. The average person probably does not realize how labor intensive a trust account can be. Especially when the trust holds assets such as real estate and non-traditional assets. Trusts also can end up employing caregivers and other types of specialists. Trustees are also required to have tax returns prepared and then sign them. There is a high level of legal liability that goes with being a trustee. Managing that risk is often the difference between success and failure.

In addition to the full blown trust, many courts will just appoint an individual or entity to manage the affairs of the injured party. Depending on the state, it will either be called a

guardianship or conservatorship. The jurisdiction may cause a guardian ad litem to be appointed. This is quite often an attorney or counsellor who speaks on behalf of the injured party and they are there to represent the rights of the injured party. They usually serve the entire time the guardianship/conservatorship is in place. It could be established for a minor or a disabled adult. Quite often, the accident that created the settlement causes the disability as well. If a corporate trustee is appointed, then they will run it through their committee process the same way they do with a trust. The major difference is that all transactions are usually submitted to the court on an annual basis for approval. That also makes them public record, so that anyone can see them as well. Once a minor becomes of age, then they have access to the funds. If the court determines that they lack mental capacity, then an adult guardianship can be established

As has been shown, there are many years of work after the forensic economist completes his mission. It is important for them to know that there are a team of professionals that will take care of the beneficiaries for the rest of their lives. Although trusts start out being about money, they are really about taking care of people. •

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Photos from the Western Meeting:
1) Larry & Arlene Spizman, Christina & Marco Tapia 2) Michael Guerrero & Antonio Avalos

Average Cost for Employee Medical Insurance: Comparison Among Three Sources

Table Prepared by: Jennifer L. Polhemus¹

The information presented in this table was inspired by Edward Foster's helpful 2014 Journal of Legal Economics paper and was created to supplement and complement its contents. Because of the extensive use of hyperlinks in the table, it is best viewed online at <http://nafe.net/TheForecast>.

Item/Category		BLS Employer Costs for Employee Compensation (ECEC)	BLS Employee Benefits Survey (EBS) Mainly Tables 11-14	Kaiser Family Foundation Employer Health Benefits Survey	
Cost	Dollar Cost	Avg cost per hr worked	Avg \$/mo for covered	Avg \$/mo & yr for cov	
Frequency	Collection	Quarterly NCS	Annual NCS (~March)	Annual (Jan - May)	
	Publication	Quarterly (3 mo delay)	Annual (September)	Annual (Aug/Sept)	
Survey Methodology	Population	Establishments w/at least 1 worker		Firms w/3 or more EEs	
	Exclusions	Fed & quasi-Fed agencies, overseas, military, agricultural, workers in private households, self-employed, those who set their own pay (proprietors, owners, major stockholders, partners in unincorporated firms), family members paid token wages, volunteers, un-paid workers, & long-term disability recipients		Firms not offering medical insurance	
	Random Sampling of Estab/Firms	Selected from state unemployment insurance reports; rotating panel, 1/5 replaced each yr; for state/local govts, 1 panel, replaced in 10 yrs		Selected from D&B list & Census of Govts; 75% from 2 recent yrs	
	Sample size	~10,000 establishments		~2,000 firms	
	Voluntary?	Yes	Yes	Yes; \$75 incentive	
	Form of contact	In-person, then mail, telephone, & e-mail		Telephone	
	Survey questions?	Methods Handbook p4; data collection form not published, but available from BLS		Not published; limited availability by request	
	Covered & not	Avg incl. cov. & not	Only workers w/cov.	Only workers w/cov.	
	Std error	Separate RSE tables	At end of each table	Technical supplement	
	Documentation	Methods Handbook	Methods Handbook	Survey methods	
	Data Segmentation	Ownership	Civilian, private industry, & state/local govt		Private & govt tog.
		Coverage	All types combined	Single & family* plans	Single & family* plans
		Type of plan	No	No	HMO, PPO, HDHP, etc.
Part/full time		All workers combined	FT, PT, & combined	All workers combined	
Estab/firm size		6 groups	6 groups	2 groups	
Industry group		Yes	Yes	Yes	
Occupation grp		Yes	Yes	No	
Union/nonunion		Union & nonunion	Union & nonunion	"Some union" & none	
Region		9 Census region & divisions		4 regions	
"Health" or medical?		Health (medical, dental, vision, Rx)	Medical only (incidence for health)	Medical benefit only	
Contributory?		All combined	Contributory & not	Contributory & not	
Who pays?		Employer share only	ER cost & EE cost	ER cost & EE cost	

* "Family" coverage for EBS includes everything but single plans (i.e. employee plus spouse, employee plus child, etc.). Family coverage for the Kaiser study includes everything but single and single plus one.

ECEC cost data can be converted to percentage of total money wages, or visit ExpectancyData.com to purchase converted data. For further information, see Benefit Cost Concepts and the Limitations of ECEC Measurement (BLS 2012).

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NAFE Returns to D.C. for the Southern Meeting



NAFE Visits WASHINGTON D.C.

NAFE will be sponsoring 4 sessions at the SEA Annual Conference to be held November 19-21, 2016 at the JW Marriott Washington, D.C. At the recent NAFE Board of Directors' Meeting I asked several board members what their favorite things to see and do in the nation's capital are.



Steve Shapiro had a great suggestion to spend an afternoon in Old Town Alexandria, which can be easily reached by taking the metro to King Street Station. Located next to the station is the historic Masonic temple where George Washington was believed to be a member, and walking up King Street toward the Potomac River there are a number of historic sites to visit, great restaurants, and hip bars. From Steve's description the hippest bar for history buffs may be the Gatsby Tavern where George Washington was a regular. See www.visitalexandriava.com to help plan a visit.

Looking for restaurants back in D.C., Steve gives a shout-out to *City Place*, an upscale diner near Wardham Park right off the metro. He also reminds us that across the street from the Marriott Wardham Park are a number of great restaurants including a Lebanese restaurant that gets high marks from both Steve and Marc Weinstein.



Unfortunately, I discovered Dave MacPherson's restaurant of choice, *DC Coast*, closed at the end of 2015, but I have an alternative to suggest that is not too far from the JW Marriott where the SEA will be held. *Old Ebbitt Grill* has a great happy hour and a menu with something for everyone – including great oysters. It can be crowded so you might want to check out www.ebbitt.com for reservations. If you would rather not plan ahead, Larry Spizman gives a nod to visiting Georgetown for a choice of great restaurants in a great setting.

And what are some favorite things to do? Dave MacPherson enjoys the Smithsonian Air and Space Museum, which has a great annex (the Steven F. Udvar-Hazy Center) near Dulles airport. My favorite place to visit is the Library of Congress, but I would really like to see the pandas at the National Zoo again. And Marc Weinstein's favorite D.C. site? The Supreme Court building. (That is him on the steps.)

Gill Mathis, who is the regional vice-president organizing the NAFE sessions at the SEA, summed it up nicely: Washington, D.C. is a great place to visit. The buildings housing the Federal Government are impressive and the museums are a storehouse of information and history. ("And don't forget", adds Larry Spizman, "the best part is that all those museums and the zoo are free.") (!) - Lane



Meeting Updates

Midwestern Meeting

Reminder: No NAFE Sessions Planned

Missouri Valley Economic Association
53rd Annual Meeting
St. Louis, Missouri - October 27-29, 2016
Conference Information:

<http://mvea.net/>

Hotel: Hyatt Regency at the Arch

As reported in the last issue of *The Forecast*, NAFE will not be sponsoring sessions at the MVEA meeting this year, but as a long time sponsor of this meeting we encourage NAFE members to attend. Pictures from last year's meeting, including pictures from the NAFE sponsored President's Reception and NAFE session participants, can be found at the MVEA's website: <http://www.mvea.net/conferences.html>.

-David Rosenbaum, Vice President –
Midwestern Region

Southern Meeting

Sessions Being Finalized

Southern Economic Association 86th
Annual Meetings
Washington, DC – November 19-21, 2016
Conference Information: <https://www.southerneconomic.org/conference/>.

Hotel: JW Marriott Washington DC

Housing Link: <https://aws.passkey.com/g/51198570>, or call 1-800-393-2503

Organized by Gilbert Mathis, Vice
President – Southern Region,
gil.mathis@murraystate.edu.

For the NAFE program at the Southern Economic Association Meetings we have two sessions planned, which include four papers and a panel. The sessions are scheduled for Saturday morning, November 19th. We welcome additional presenters but need complete information by August 15th. We have a good program planned and hope to have good attendance. <http://www.southerneconomic.org>.

-Gil Mathis, Vice President –
Southern Region

National Meeting

Sessions Being Finalized

Allied Social Science Associations
Chicago, Illinois – January 6-8, 2017
Conference Information: <https://www.aeaweb.org/conference/>

Hotel Information/Housing Link: Available at the AEA website in September, 2017
Organized by Kevin Cahill, Center on Again & Work at Boston College, cahillkc@bc.edu
and Scott Gilbert, Vice President – At Large, gilberts@siu.edu

The NAFE sessions at the 2017 Allied Social Sciences Associations (“ASSA”) conference are being planned for January 6 and 7, 2017 in Chicago, Illinois. We have organized one panel presentation and three paper sessions. Details to come in the next issue of *The Forecast*. For additional information regarding the ASSA conference, click on the conference website at: <https://www.aeaweb.org/conference/>.

-Kevin Cahill, Past Vice President – At Large,
and Scott Gilbert, Vice President – At Large

Winter Meeting

Call for Papers and Discussants - Meeting Location being finalized

Eighteenth Annual NAFE Winter Meeting

January 27-28, 2017

Organizers: Art Eubank, art@eubankeconomics.com

and Charles Baum, baumeconomics@gmail.com.

The 2017 NAFE Winter Meeting will be on Friday, January 27, and Saturday, January 28, 2017. Please mark these dates on your calendar to “save the date.” The Meeting location has not been finalized as of this date, but we are working on arrangements for the 2017 Winter Meeting to be held in Cancun.

Paper proposals and roundtable/panel discussion proposals are invited for four sessions, two each on Friday and Saturday mornings, January 27 and 28, 2017. Session Chairs and Discussants are also being sought for these sessions. In addition to paper presentation sessions, other sessions are planned on the topics of (a) recent case experiences and (b) issues associated with running a forensic economics practice.

Charles Baum has generously offered to assist Art Eubank with organizing the 2017 NAFE Winter Meeting. Although his sabbatical has ended, David Schap will continue to offer advice on the organization of the Winter Meeting. Please contact Art Eubank at art@eubankeconomics.com or Charles Baum at baumeconomics@gmail.com for additional information.

-Art Eubank and Charles Baum, Organizers.

Eastern Meeting

Call for Papers

Eastern Economic Association 43rd Annual Conference

New York, NY – February 24-25, 2017

Conference Information: <https://www.qu.edu/eea/conferences/>

Hotel: Sheraton New York Times Square Hotel and Towers

Organizer: Craig Allen, Vice President – Eastern Region, c.allen.fcas@gmail.com.

NAFE will hold four sessions at the Eastern Economic Association 2017 conference, February 24-25, 2017 at the Sheraton New York Times Square Hotel in New York, NY. There will be a late Friday afternoon session, followed by our traditional social event. There will then be three sessions on the Saturday. Those interested in presenting papers are encouraged to contact Craig Allen, outgoing Eastern VP, at c.allen.fcas@gmail.com.

Updated information about the Eastern Economic Association and its conferences can be found at: <https://www.qu.edu/eea/>

-Craig Allen, Vice President – Eastern Region

International Meeting

Recap - NAFE 13th Annual International Conference, Bucharest

I just wanted to add a note on this year's meeting in Bucharest.

The Bucharest meeting at the Hotel Intercontinental on May 23 was excellent. Those attending included Antonio Avalos, Cristina Benton, Barry Benzion, Robert Bohm, Bill Brandt, Merle Dimbath, Art Eubank, Matteo Merini (Italy), Sibylle Scholz, Steven Shapiro, Gary Skoog, R.V. Turner, John Ward, Elisabetta Linares (Italy) and guests, Marius Voicilas from The Romanian Academy and Gabriel Simion from the University of Bucharest.

Great meeting, great hotel, great city tour and great group dinner at the Caru Cu Bere. This was the 13th International Meeting of NAFE. Next year's meeting will be held in Milan, Italy, and was selected by a committee chaired by Bob Bohm. More information to follow.

-Jack Ward, Organizer

Western Meeting

Photo Recap – WEAI 91st Annual Conference, Portland

The 91st Annual Western Economic Association International was recently held in Portland, OR, with NAFE sessions held on July 1-2, 2016. We had six sessions, including a one-session panel discussion and five sessions with a total of 15 presentations on a variety of topics in forensic economics. We also hosted a reception for members on the evening of July 1. All programs were well attended and photos from the meeting can be found throughout this issue of the newsletter.

Upcoming Western Meeting News

Western Economic Association International 92nd Annual Conference
San Diego, CA – June 25-29, 2017

Conference Information: <http://www.weai.org/RecentFutureConf> (More information to be posted later)

Organizer: William G. Brandt, Vice President-Western Region, bill@brandtforensiceconomics.com.

Please plan to be in San Diego for the NAFE sessions to be held in conjunction with the Western Economics Association International Annual Conference. NAFE sessions are currently being planned for June 26 and 27. More details will be provided in the future.

-William Brandt, Vice President – Western Region

Meetings of Other Associations

American Rehabilitation Economics Association

2017 Conference to be held in San Diego

AREA 2017 Annual Conference

San Diego, CA – 2017

Hotel: Wyndham Philadelphia Historic District

Conference Information: check www.a-r-e-a.org/ for updates. Conference will likely be held in June.

Hotel Link: www.wyndham.com/group/events2016/47153_AREA2016/main.wnt

American Academy of Economic & Financial Experts Date and Location Announced

AAEFE 29th Annual Meeting
Las Vegas, NV - March 30 & 31, 2017
Hotel: New York - New York Las Vegas Hotel & Casino

Conference Information: check www.aaefe.org/annual-meeting for updates & hotel booking.



Photos from NAFE sessions at the Western Meeting.



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NAFE Events

Mark Your Calendars!
-meeting details inside

2016

SOUTHERN ECONOMIC ASSOCIATION
Washington, D.C. — November 19-21, 2016

2017

AMERICAN ECONOMIC ASSOCIATION - ASSA
Chicago — January 6-8, 2017

NAFE WINTER MEETING

Location not yet finalized — January 27-28, 2017

EASTERN ECONOMIC ASSOCIATION

New York City — February 22-26, 2017

NAFE INTERNATIONAL MEETING

Milan, Italy — May 27, 2017

WESTERN ECONOMIC ASSOCIATION INTERNATIONAL

San Diego — June 25-29, 2017

