

the FORECAST

A Newsletter of the National Association of Forensic Economics



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Pictures from the EEA
New York City Meeting
throughout this issue

President's Letter

Mike Nieswiadomy, President, NAFE
michael.nieswiadomy@unt.edu

Dear NAFE members:

I attended the NAFE Eastern Economic Association sessions in New York City Feb. 24-25, 2017. I had a wonderful experience meeting NAFE members from the northeast and seeing the sites (e.g. Statue of Liberty, Ellis Island, Empire State Building, & 7 mile jog through Central Park) of NYC for the first time. Thanks to Craig Allen (a proud Canadian) for arranging our outing to the play "Come From Away" about the generosity of the people of the small town of Gander, Newfoundland during the week of Sept. 11, 2001 when they cared for 7,000 stranded airline passengers. I highly recommend this play.

We like to highlight NAFE members' accomplishments in each issue of *The Forecast*. In this issue we congratulate Dave Jones who just completed his 14th consecutive Boston Marathon. Quite a feat of feet! ☺

NAFE has an exciting year ahead. We have the International Meeting on May 27, 2017 in Milan, Italy. We have NAFE sessions on June 26-27, 2017 at Western Economic Association International meeting in San Diego, CA; on Oct. 26-28, 2017 at the Missouri Valley Economic Association meeting in Kansas City, MO; on Nov. 17-19, 2017 at the Southern Economic Association meeting in Tampa, FL. Our sessions at the ASSA meetings, Jan. 5-6, 2018, in Philadelphia, PA will be highlighted by a talk by Kenneth Feinberg, Esq., on the challenges of determining damages following catastrophes. Please consider attending a conference and enjoy intellectually stimulating discussions with fellow NAFE members. Please see the conferences' details inside. If you have any ideas that you would like the NAFE Board to consider please email me at michael.nieswiadomy@unt.edu. Remember to join us on Facebook and LinkedIn and follow us on Twitter. •



Photos from the EEA Meeting, New York City:
1) Craig Allen giving the Meeting Intro
2) Claire Nieswiadomy, Marc Weinstein, Steve Shapiro, Phyllis Shapiro, Joan Weinstein
3) Mike Nieswiadomy on Wall Street

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Please send comments, suggestions, and news items for *The Forecast* to the Production Editor, Nancy Eldredge, at the addresses at the right. Submissions from NAFE members are encouraged, and submissions guidelines are available online at <http://nafe.net/TheForecast>, or by contacting the editor, Lane Hudgins, at lane@lh-analysis.com.



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From the Executive Director

Marc Weinstein, Executive Director, NAFE

Included in this newsletter are draft minutes from the most recent NAFE Membership Meeting held January 6, 2017. Exhibits referenced are available online at <http://nafe.net/Board>.

If you have any questions or corrections to these minutes, please contact me at: mweinstein@teameconomics.com. These minutes, with any noted changes or corrections, will be presented for approval at the next annual NAFE Membership Meeting to be held January 2018 in conjunction with the NAFE sessions at the ASSA meeting in Philadelphia, PA.

Additionally, minutes from the January 6, 2017, NAFE Board of Directors Meeting will be published in the next issue of *The Forecast* following approval at the summer board of directors meeting.

DRAFT MINUTES OF THE ANNUAL MEMBERSHIP MEETING JANUARY 6, 2017 Sheraton Grand Chicago, ASSA Annual Conference Chicago, IL

1. Larry Spizman called the meeting to order at 5:00 PM and provided his final opening remarks as the outgoing President of NAFE, thanking everyone who assisted him during his two-year term. Larry wished Mike Nieswiadomy the best of luck as he will assume the Presidency at the conclusion of this Membership Meeting.
2. Marc Weinstein presented the minutes from the January 3, 2016 Membership Meeting in San Francisco, CA and requested that if anyone has any corrections to email him the change(s).
 - A. Subsequent to any correction(s), if needed, it was moved and seconded (Patrick Anderson, David Tucek) that the Membership approve the Annual Membership Meeting minutes from January 3, 2016 (unanimously). The approved minutes are attached as Exhibit A to these minutes.
3. Marc Weinstein presented the Executive Director reports which included the Financial Statements prepared by The Block Teitelman Group and a Membership Report, both of which were attached to the agenda. These reports are attached collectively as Exhibit B to these minutes.
4. Arthur Eubank announced that the 18th Annual NAFE Winter Meeting will be held on Friday and Saturday January 27-28, 2017 at the Krystal Grand Punta Cancun Hotel in Cancun, Mexico. He and Charles Baum are organizing this year's meeting and like past years, they plan to have two sessions on Friday morning and two on Saturday morning. If you have any interest in attending, you should contact either one of them.
5. Marc Weinstein announced that the NAFE sessions at the Eastern Economic Association ("EEA") annual meeting in New York, NY will be held February 24-25, 2017 at the Sheraton New York Times Square Hotel. Similar to past years, it was announced that one session will be held on Friday February 24, 2017 followed by a NAFE Cocktail Reception at Rosie O-Grady's, directly across the street from the hotel, and three sessions on Saturday February 25, 2017. If you plan to attend and/or want to present a paper, serve as a discussant, or chair a session, contact Craig Allen who will assist Chris Young in organizing the sessions.
6. Steve Shapiro announced that the 14th Annual NAFE International Meeting will be held in Milan, Italy on Saturday May 27, 2017 at the LaGare Milano Centrale, a Sofitel Hotel. Jack Ward will organize the sessions with the assistance of Matteo Merini and Elisabetta Linares, both from Milan. Steve noted that the rates for the hotel were very reasonable but space for NAFE participants is limited to 20 members. If anyone is interested, they should contact Jack Ward.
7. Bill Brandt announced that NAFE's sessions at the Western Economic Association International ("WEAI") Annual Meeting will be held on Monday and Tuesday June 26 and 27, 2017 at the Marriott Marquis Sand Diego Marina located in San Diego, California. As in past years, Bill is planning to hold three sessions on Monday June 26 followed by NAFE's cocktail reception, and three additional sessions on Tuesday June 27, 2017. If anyone wants to present a paper, serve as a discussant, or chair a session, please contact Bill.
8. David Rosenbaum joked that Eric Clapton will be performing at the NAFE sessions of the Missouri Valley Economic Association ("MVEA") Annual Conference to be held on October 26-28, 2017 in Kansas City, Missouri. David noted that he will attempt to organize a session or two and update the membership if plans develop. As in prior years, even if NAFE does not hold any sessions, we will continue to sponsor the MVEA's cocktail reception.

Welcome New Members!

The following is a list of new NAFE members for the period January 1, 2017 through March 31, 2017.

Lawrence Clark Jr., Lake Wales, FL, US
William Edward Even, Oxford, OH, US
Matthew Grady, Philadelphia, PA, US
Rick L Hirschi, Rexburg, ID, US
Johannes Kruse, Düsseldorf, NRW, Germany
Neil A Maneck, Jackson, MS, US
Robert Cook Scott, Washington, IL, US

FYI

Spread the word: Kenneth Feinberg to speak at NAFE session at Philadelphia ASSA

Mr. Kenneth Feinberg, Special Master of the September 11 Victim Compensation Fund and the BP Deepwater Horizon Victim Compensation Fund, is scheduled to speak at a special NAFE-sponsored session at the 2018 ASSA meeting to be held in Philadelphia. Apart from his notable work as special master of these victim compensation funds, Mr. Feinberg has also served as a special master and administrator in many other mass tort claims including those following the Boston Marathon bombings in 2013. His presentation at this NAFE session will focus on the numerous compensation programs he has designed and administered and the challenges involved. This will be an informative and compelling talk that will be of great interest to all forensic economists. Special thanks to NAFE Executive Director Marc Weinstein who has been instrumental in arranging Mr. Feinberg's appearance. We are all looking forward to this noteworthy presentation.



Photo: Kim & Jeff Baresciano

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9. Gil Mathis announced that the Southern Economic Association Annual Conference will be held on November 17-19, 2017 at the Tampa Marriott Waterside Hotel and Marina in Tampa, Florida. NAFE is planning to hold sessions on Saturday November 18, 2017 and if you want to present or discuss a paper, please reach out to Gil.

10. Marc Weinstein announced that the NAFE sessions for the ASSA next year will be in Philadelphia, Pennsylvania on Friday and Saturday January 5-6, 2018. Most likely, we are planning our typical pattern with one session on Friday afternoon January 5, 2018 followed by our Annual Membership Meeting and the cocktail reception. Also, we are planning three additional sessions on Saturday January 6, 2018.

11. David Rosenbaum encouraged people to attend the AAEFE Annual Conference in Las Vegas, Nevada at the New York, New York Hotel. He noted that sessions will be held all day on Thursday March 30 and one half of the day on Friday March 31, 2017. If you're interested in attending, go to the AAEFE site to register.

12. Marc Weinstein presented the results from the November 2016 elections for the Eastern and At-Large Vice President positions below. Craig Allen is the outgoing Eastern Vice President and David MacPherson is the outgoing At-Large Vice President; their terms to cease at the conclusion of this Annual Membership Meeting today. Christopher Young and David Tucek were elected and will each serve a three-year term as the Eastern and At-Large Vice President, respectively. Marc thanked both Craig and David for doing a wonderful job for NAFE.

15. Larry Spizman discussed the "Fair Calculations in Civil Damages Act of 2016" which was presented to the Senate on December 1, 2016 by Cory Booker (D-NJ) and co-sponsored in the House by Joseph Kennedy (D-MA). The Bill was the outcome of an article published on October 25, 2016 in the Washington Post in which several NAFE members were quoted. A short discussion ensued and Patrick Anderson indicated that he had written a note on Commercial Damages in the past and would forward it for NAFE to utilize the format, if needed. Larry urged everyone to follow this Bill and noted that NAFE will be holding a session on the Act at the Western Economic Association meeting in San Diego, CA in June.

16. David Schap indicated that the NAFE Survey will launch on January 10, 2017 and encouraged everyone to participate in the survey. This survey will be shorter in length as the authors will be switching to a two-year cycle of the survey as opposed to the prior three-year cycle. This way, the authors plan to obtain more information over the course of six years. Since the survey is administered with *Survey Monkey*, if you opted out in the past, it's permanent. Thus, David requested that those who would like to participate that opted out prior should reach out to him.

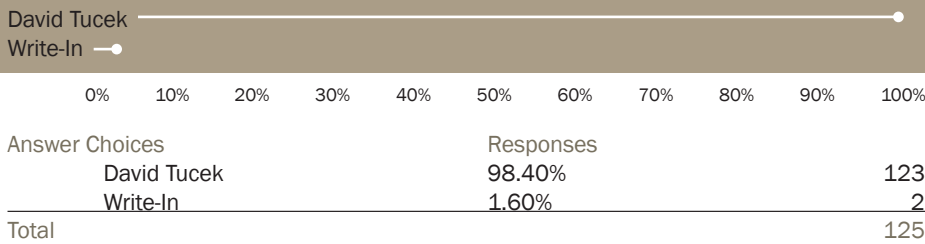
17. In other new business, Patrick Anderson requested that the Board examine the feasibility of an organization receiving a multi-person discount as a way to encourage all members of the same company to join NAFE at a reduced rate. A brief discussion was held noting the change in the prior organizational membership and Mike Nieswiadomy stated that he would look into a possible change.

18. In Kurt Krueger's absence, Steve Shapiro presented the "Past Presidents' Award" to Lane Hudgins for her outstanding service to the association as the past Midwest VP and the current Editor of *The Forecast*. On a similar note, Mike Nieswiadomy presented Marc Weinstein with the "Jedi Warrior" award in a joking manner for his continuous efforts on behalf of NAFE.

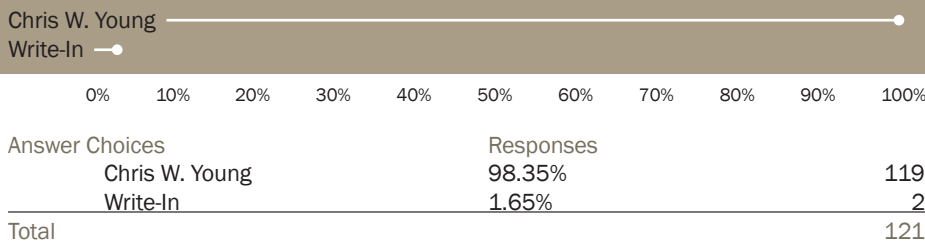
B. At 5:40 PM, since no additional business currently existed, it was moved and seconded (Horner, Anderson) to adjourn the Annual Membership Meeting (unanimously).

Respectfully submitted by:
 Marc A. Weinstein, Executive Director
 National Association of Forensic Economics
 March 19, 2017 •

Q1 At Large Vice President 2017-2019
 Answered: 125 Skipped: 2



Q2 Eastern Vice President 2017-2019
 Answered: 121 Skipped: 6



13. Steve Shapiro presented his report on the *Journal of Forensic Economics* ("JFE"). He indicated that the December 2016 issue of the JFE is available online now and was mailed January 4, 2017. 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. The current issue of the JFE contains four of those updates.

Steve then noted that from December 2015 through November 2016, there were 36 total submissions. Of the 36, 10 were accepted, 18 were rejected, one is out for review, three are being revised, and four are under editor review. Lastly, the Editors are still working with Allen Press to have the JFE indexed on RePEc.org.

14. Lane Hudgins presented her report for *The Forecast* (NAFE Newsletter) upon completion of the first year of production. Lane thanked everyone who assisted with the production by writing articles and contributing to the success *The Forecast* has had after the first four issues. She urged everyone to continue to provide the excellent content. Lane further noted that *The Forecast* is also published on *issuu*, an online platform, which allows NAFE to track various statistics of each time an issue is read and the time individuals are spending with the publication. Upon completion of her report, Patrick Anderson publicly thanked Lane for her tremendous efforts and many people in attendance offered similar sentiment.



The Forecast Plays 20 Questions with Stephanie Rizzardi

Stephanie Rizzardi is the principal economist at the forensic economic consulting firm Rizzardi Economic Associates, which she established in 1996 in San Marino, California. It is always a pleasure to see Stephanie at NAFE meetings and it is wonderful to be able learn more about her in this issue of The Forecast. Thank you for sharing, Stephanie. - lh

Where were you born and raised? *I was born in Pottsville, PA. but it was only by happenstance. My parents were living in Colorado at the time when my mother returned home to PA for a family funeral and her mother fell sick soon after. She stayed to help take care of her until I was born 4 months later, while my father relocated for a new job in California. Though I did spend many summers as a kid "back on the farm" in Pennsylvania I have never lived back east. We moved from California to Las Vegas, NV just before I was ready to enter kindergarten. I was raised for most of my childhood in the desert of Las Vegas.*

Where did you go to school? *I went to college at UC San Diego, Revelle College, back when there were just four colleges and very little surrounding the campus. I recall walking out on the bluffs at night with some friends from my dorm under the pitch-black sky which was pretty scary at the time. Now houses cover the bluffs as far as I can tell. On a visit last summer to introduce my kids to the school, we walked through campus. It was almost unrecognizable to me -- it has grown so much, though the Revelle buildings stand as they were. Old and uninviting at the time. The beach was beckoning.*

Describe your perfect day? *A perfect day is no deadlines, no restrictions, no worries. Just having tea with my mom. Or just watching a show on tv with my dad. A perfect day is also having lunch with my girls or watching my son play catcher.*

Any hobbies? *My hobby has been philanthropy. In 2004, with my ex-husband and a group of friends I founded Pillows & Plenty, which is a non-profit 501(c)(3) organization that provides*

new clothing and other necessary items such as school supplies to needy children in the Los Angeles area. In addition, my daughters and I are members of the local chapter of National Charity League. It's a mother-daughter organization committed to community service, leadership development and cultural experiences. I currently serve as the Treasurer of the Tea & Debutante Ball Committee. Our involvement in NCL alone feels like a second job to me at times!

In my spare time, I like to catch a live music show. In LA there are lots of small clubs and slightly larger venues where you can see cool bands and performers up close and have a great experience. My best outing in the last 6 months was New Year's Eve at the Baked Potato – the owner, Don Randi, who is one of the original members of the Wrecking Crew played with his band all night! Great jazz!

Early bird or night owl?

I'm generally a late-night person and do my best work after normal working hours. I like the stillness of the house and I usually prop up my laptop on my bed, connect to the server at the office and lay out my file(s) around me. As long as I am comfortable and I have my cup of hot tea nearby I can probably get done in 4-5 hours what it would take me a day and a half at the office to complete with all the interruptions.

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Beach, city or mountains?

Beach, city or mountains? I'd say for retirement I'd prefer a beach community, though no crowds. So I think I may have to leave California to find that ideal location!

When and where are you happiest?

I'm the happiest when I'm with a small group of people I love, doing something we all like doing — it could be when I'm with my 2 sisters on a day hike, or with my girls on a road trip listening and singing along to each of our favorite songs on the car stereo, or being with my larger family telling stories and laughing as we prepare dinner.

I love listening to music and sharing music with my kids. I have 3 teenagers, Ian and Anna are both 17, and juniors in high school, and Natalie is 16, and she is a sophomore in high school. Though they don't like all of my music, they do have fairly broad tastes. On my part, I have expanded my musical horizons though I can't say I have gone so far as to download any rap — I have only insisted Natalie skip one truly incomprehensible rap song when I was driving with her that to me did not resemble music. Otherwise, we all try to appreciate each other's tastes.

If you could change one thing about yourself what would it be?

There are plenty of things about myself that need improving, that's for sure, but if I could change one thing about myself it would be that I allow myself too many distractions from my task at hand. I need to focus on one thing at a time, finish it and then move on, rather than having too many balls in the air at once.

What trait do you most admire in others?

The trait that I most admire in others is humility.

Who are your favorite writers?

Or favorite books? Some of my favorite writers are those whose books I read when I was in my teens and early twenties because they influenced the way I looked at other writings. Some include Gabriel Garcia Marquez for One Hundred Years of Solitude; Ayn Rand for The Fountainhead; Truman Capote for In Cold Blood; William Styron for Confessions of Nat Turner; Charlotte Bronte for Jane Eyre; Emily Bronte for Wuthering Heights.

Favorite movie? On the recent movie scene, I lean toward independent films usually. Of my past favorites, To Kill a Mockingbird; The Shining; The Godfather; On the Waterfront; Babette's Feast, Life is Beautiful.

What about music? I particularly like blues, blues/rock, but I appreciate all good music. I just today re-subscribed to Disney Hall for next season's Colburn recital series.

The highlight I think will be seeing Martha Argerich with Itzhak Perlman.

Favorite indulgence? Or any guilty pleasures?

I think a favorite indulgence is sitting in a hot bath doing a crossword puzzle or sudoku.

Favorite food? My favorite food would have to be eggplant. My mom has always made a great Eggplant Parmesan, so of course it is my preferred way to eat it, but I look for it in restaurants prepared in different ways. I'm always eager to try new things, new foods in general.

Least favorite food? My least favorite food is Indian food, but I haven't really been properly introduced to all it has to offer.

Proudest Accomplishment? My proudest accomplishment is my children. Even though we still have a ways to go to get them through to college and on to adulthood I still feel tremendous pride in my kids. They are independent minded. Strong. Kind. Active. And they work very hard. They're good kids, I'm happy to say (let's keep our fingers crossed that they all get into college, graduate from college and move on to get a good job!).

What is something you still want to learn?

I would like to relearn everything I once learned about the Spanish language and then finally learn to speak it conversationally, at the very least. I took 4 years of it in high school and took Spanish literature in college taught in Spanish to pass my language proficiency requirement. Somehow now I don't seem to remember how to put together enough of what I learned to ask a simple question in Spanish.

If you could say something to your younger self, what would it be?

If I could say something to my younger self it would be to remember to enjoy more and worry less or not at all because things do work out in the long run with hard work, of course. And as I tell all the young people I meet, SAVE as much as you can always, even if sometimes it's just a little bit!!

Any pet peeves? A pet peeve of mine is people not owning up to a wrong they have done or a mistake — basically lying about it.

Cats or dogs? Cats or Dogs? Definitely cats! We don't have an "I love Gus" group chat here in San Marino for just any cat either! Gus is pretty well known around San Marino High School friends of my kids. Of our two cats Gus is a Russian Blue who likes to spend a good deal of time outdoors and often brings home something to show off, like a small dead bird or mouse he killed. When one of my kids has friends around Gus hangs out like he's one of the gang. Zoe, on the other hand, is a Prima Donna cat, twice his age and a third his weight. She never leaves the

house because she'd get lost or eaten by a coyote. So, we have given her a room in the back of the house for her special bed and all her other belongings. We love them both — and couldn't part with either — but I'd recommend a Gus variety over the Zoe version any day if you're ever thinking of acquiring a cat.

What issue in your work do you find most vexing?

The issue in my work I find most vexing is getting asked to work on a short deadline but then having a delay in the delivery of the documents I need to complete my work. And then, having that deadline adjusted, sometimes more than once, again with the status of documents in flux. I have had that occur several times in the last couple of months which makes it difficult to plan my other work assignments. It is as if I am being put on call and being strung along in limbo.

How did you first become involved in NAFE?

I first became involved in NAFE as an individual member in 1997, I believe, when I attended the New Orleans conference. This was just after I started on my own in self-employment. I recall that was a very exciting first meeting for me. Peter Formuzis greeted me warmly in the back of the room at one of the sessions. I recall he gave me some good advice — "stick to P.I." — meaning stick to what you know and don't take on every case that may come your way just to try to grow your business. Thanks, Peter, for the sound advice all those years ago!

What is your favorite thing about NAFE?

My favorite thing about NAFE is the sharing of knowledge and experience through our conference sessions. I have developed many friends in NAFE through our meetings over the years, especially starting in the early years when I was able to also participate in the winter meetings and the international meetings. Because I have been in my own business since 1996 I have found that my NAFE connections are invaluable. •



Photo: Steve Shapiro & Marc Weinstein.

Cross-examining Frank Tinari, Editor of *Forensic Economics: Assessing Personal Damages in Civil Litigation* Frank Tinari¹, Lane Hudgins²

In late 2016 Frank Tinari's book Forensic Economics: Assessing Personal Damages in Civil Litigation was released by Palgrave Macmillan. In order to better introduce this publication to NAFE members, Dr. Tinari was gracious enough to answer some questions for readers of The Forecast about how this publication came to be and his work in preparing it. -lh

LH: Before we start, I would like to share some impressions I had about this book. If I had to use one word to describe it, it would be *foundational*. If I were to open a thesaurus, other related words I could use in summary would include: essential, thoroughgoing, central, and requisite. Careful readers may notice that Dr. Tinari also uses the word 'foundation' to describe this book in his preface as editor. Reading each chapter gave me a clear sense of the depth of knowledge of each of the contributing authors and the thoughtfulness they brought to their assigned topics. This is not a cookbook; it is an exploration of the subtle flavors that enhance this particular type of economic analysis. Now for the questions....

LH: Dr. Tinari, what were your goals in putting this book together?

FT: I compiled the book because I wanted to bring together 30 years of research on key topics in chapters that not only would synthesize the current state of knowledge, but also would point the way to areas of research needed in the future. I hope readers will find that my goals were mostly achieved. Where it falls short, a reviewer might be able to say so. The publisher, Palgrave Macmillan, has published many volumes in past years on specialty fields within economics. This is their first one in forensic economics.

LH: And how would you say your book differs from others published on the topic of personal damages measurement?

FT: Many of our colleagues, including a number of the contributors to chapters in this book, have authored or contributed to previous books, each of which touches upon one or a few key areas of forensic economics. What I attempted to do in this book was to cover all of the major topics one would address in doing an economic loss analysis, and to have the topics presented and analyzed by contributors who had already published in depth in each respective area. In fact, topics covered in other volumes are incorporated in the book.

LH: Once you had the idea for this book in mind, how did you begin to develop it?

FT: In putting this book together, I had to first decide on the topics for the chapters. I started out with twenty-one chapter ideas and then began figuring out who would be appropriate authors for each. The selection of potential chapter authors was based primarily on my knowledge of many NAFE members who publish on those topics. I then began inviting each prospective author to write on a particular topic. In most cases, they accepted the assignment. In a few instances, the invitees could not commit to a chapter assignment, and I then had to consider alternative authors. Thankfully, these authors agreed and I ended up with contributing authors who are experts on the topics covered in the book.

LH: What challenges did the format you had decided on for the book impose on you as editor?

FT: During the process of discussing the book with potential authors, two chapter ideas were dropped, either because they were not deserving of a full chapter treatment, or they were redundant of other chapters. As a result, there are nineteen chapters that comprise the book. Additionally, the sequencing of the chapter topics was challenging. In general, I followed what I envision are the 'adjustments' to the earnings loss calculation including worklife expectancy, fringe benefits, tax liabilities, personal consumption, and growth and discount rates. Additional related chapters deal with the calculation of potential future earnings of minors, and the potential effects of the Affordable Care Act. I then decided that the book needed to address service losses, employment and discrimination cases, and hedonic damages, as well as the views of practicing forensic economists, ethics in forensic economics, the 911 Victims Compensation Fund, and some other issues dealt with in the literature.

LH: Since publication have you thought of or received suggestions about topics that you might also have included?

FT: None so far, but there's always tomorrow...

LH: In developing this book, who did you see as the primary audience?

FT: First and foremost, I thought economic damages experts would want to be familiar with the contents of the book inasmuch as all of the key aspects of economic loss calculations are addressed in terms of both methodology and extant research. Second, university libraries and some academic economists would find the book a valuable addition to their holdings. Finally, litigating attorneys were viewed as part of the audience for the book.

LH: How do you see this book being used by attorneys?

FT: The book can be a valuable part of an attorney's tool kit while preparing to take a discovery deposition of a damages expert. Since the book contains summaries of the latest state of knowledge of various aspects of damages calculations, it can be a source of questioning of the opposing damages expert. A line of questioning might include: Is the expert following generally accepted methods in his or her field? Is the expert familiar with the latest research in his or her field? For the expert's calculation of earnings loss, does the expert know the difference between retirement age and worklife expectancy? Does the expert use current data sources in his or her analysis? Does the expert put forth a clear and credible basis for selection of key values such as the earnings base, the value of non-cash employment benefits and the annual rate of earnings increase? For the expert's calculation of loss of home services, does the expert know the difference between replacement cost and opportunity cost, and does the expert rely on a credible basis for selecting the hours of services allegedly lost? Several of the chapters in the new book address these questions head on, citing the literature and research that has developed over the past 30 years. Any damages expert should be familiar with the findings contained in this literature, which are brought together in the book.

LH: I have a sense from reading your book, particularly from your introduction to the field in Chapter 1, and your chapter on ethical concerns, that you are interested not only in the academic side of forensic economics, but also the practical side of this field. What is your experience as both an academic and practitioner?

FT: As an academic, I have long been intellectually curious regarding the reasons for doing the calculations we do. This has led

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to publication of a number of my research articles. At the same time, as I developed my consulting practice, I experienced the ethical challenges that occur now and then in our field, which led to further research and reflection. In addition, there was spillover from my many years of teaching in terms of effective writing and effective trial presentation of my findings and opinions in literally thousands of cases in which I worked.

LH: One thing that really stood out to me as I read this book is the depth of inquiry presented by the contributing authors. I had the sense that contributors were discussing how forensic economic methodology has developed and the literature that has come to be relied upon, as opposed to espousing particular methodologies. As an editor was this difficult to achieve?

FT: No, it wasn't difficult. At the outset I had asked contributors to write what might be termed a survey of the existing research on the topic they were addressing, and to identify what still needs to be addressed on the topic. Contributors did an outstanding job of showing how concepts developed in the literature and, in some cases, discussed alternative methodologies in a fair manner.

LH: Along with a successful academic and consulting career, what comes next for you after the publication of this book?

FT: Actually, I still have a few articles in the works at various stages, and I am contemplating writing in areas beyond forensic economics. As you may know, I had a seminal article published in the *Journal of Economic Education* on the use of music in teaching economic principles, and have had a number of op-ed pieces published.

Currently, I am interested in analyzing ticket reselling or scalping in a microeconomic context, and analyzing the meaning of distributional fairness for policy implementation. I am also considering publishing some books with respect to my hobby of sheet music collecting. And, of course, I continue to perform ballroom dance routines (see YouTube).

LH: Thank you so much, Dr. Tinari, for agreeing to answer these questions, and for providing some interesting background about your book for readers of *The Forecast*. It is an excellent reference that I highly recommend. I am very glad to have read it.

FT: Lane, I have enjoyed responding to your questions. Thanks for the opportunity. •

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Beauty and the Case Law

Daniel S. Hamermesh¹

- In Dr. Hamermesh's 2011 book *Beauty Pays*, he indicates that his research into the relationship between attractiveness and earnings led to his engagement as an economic expert evaluating the potential impact of disfigurement on earnings. For this issue of *The Forecast* I asked Dr. Hamermesh if he would elaborate on his experience as a forensic expert for NAFE members and I am very pleased this distinguished economist was willing to do so. Special thanks must also go to Dr. William King for introducing me to Dr. Hamermesh, which made this contribution to the newsletter possible. -lh

In the early 1990s, prompted by my discovery of an interesting set of data, I began working with Professor Jeff Biddle, my then-colleague at Michigan State University, on the role of beauty in labor markets. Our first study, distributed in unpublished semi-final form in Fall 1993 and published in the *American Economic Review* in 1994 (<https://utexas.a.pp.box.com/s/oqhy0vufg8osf35qgfkf>), received a lot of attention in the print and visual media. Since that initial work many other researchers have produced similar results, both for the US and for other countries. On average, good-looking people earn more, and bad-looking people are paid less than average-looking workers.

The magnitudes of the effects on earnings have differed within and across countries, but the general conclusion about the labor-market advantage of beauty seems very well supported. Taking eight different studies together, the Figure (see page 9) shows the relationship between a worker's position in the distribution of looks and his/her earnings advantage/disadvantage compared to an average-looking worker. The main thing to note is the consensus of the positive relationship between looks and earnings. One other interesting result is that studies usually find that the percentage effects of looks on earnings are larger among men than among women.

The media reports about this research apparently were seen by various plaintiffs' attorneys, who realized that disfigurement in an accident would reduce people's earnings by impairing their looks, creating an additional source of damages in a negligence case. In the mid-1990s, I began receiving calls from attorneys asking how much their clients' earnings were reduced because of the accident that damaged their looks. Over the years, I have written reports on this issue in about fifteen cases, all but one of which have been as an expert for the plaintiff. A number of these were brought on behalf of children who had been disfigured by dog-bites; several were brought on behalf of adults who were burnt in fires or explosions; and one was a "bad-baby" case, where the plaintiff alleged that an obstetrician's actions harmed the baby's physiognomy.

In our initial study, and in many others, people are classified on a five-point scale which, because of the rarity of classification as 5 (beautiful) and 1 (homely), we collapsed into the three categories above-average in looks, average in looks or below-average in looks. Other studies use continuous ratings, usually normalized so that variations in the beauty rating can be viewed as being measured in standard-deviation units.

In every case the attorney who engaged me has insisted on sending me photographs of the plaintiff before and after the injury. I never look at them! Not because I find the injuries to be disturbing, although I do; rather, it is because my view of the extent of physical damages is irrelevant for the analysis that I conduct. I am just one of thousands of people who will confront the plaintiff throughout his/her life and whose judgments about the person's looks will affect the life outcomes experienced, including the earnings the individual receives.

Rather than using my own possibly very unreliable rating of the extent of the disfiguration, in every case my Expert Report provides estimates of the loss under three alternative scenarios: Scenario 1, the damages if the individual's looks are reduced from above- to below-average; Scenario 2, damages if the person's beauty is reduced from above-average to average; or Scenario 3, damages if it drops from average to below-average. Clearly, the calculation under Scenario 1 yields the largest percentage loss.

1. Professor, Royal Holloway University of London, and Sue Killam Professor Emeritus, University of Texas at Austin. Editor-in-Chief, *IZA World of Labor*, and *IZA Network Director*,

Since studies generally find that the negative effect of bad looks on earnings is larger than the positive effect of good looks, the calculation under Scenario 3 yields a larger estimated loss than under Scenario 2.

To calculate the loss, I take data on earnings and a wide range of demographics from the Current Population Survey Merged Outgoing Rotation Groups, estimate a log-earnings regression for individuals in the state and of the gender of the plaintiff, then obtain a projected lifetime age-earnings profile specific to that person. For an adult who has already completed education and entered an occupation, I use the adjustments for these in estimating the profile; for a child, I impute the mid-point of his/her parents' education in calculating the profile. Using standard survival probabilities and discounting, I obtain the present value of earnings of the average person in that state-gender group (adjusted for education and, for adults, occupation). Nothing novel here! The novelty is applying one of the three beauty-damage Scenarios to estimating the size of the loss. I typically use the estimated percentage earnings differences found for men, or for women, in our 1994 study and apply these to the discounted lifetime earnings totals. But one could average in results found in more studies and obtain somewhat different estimates of the size of the monetary loss.

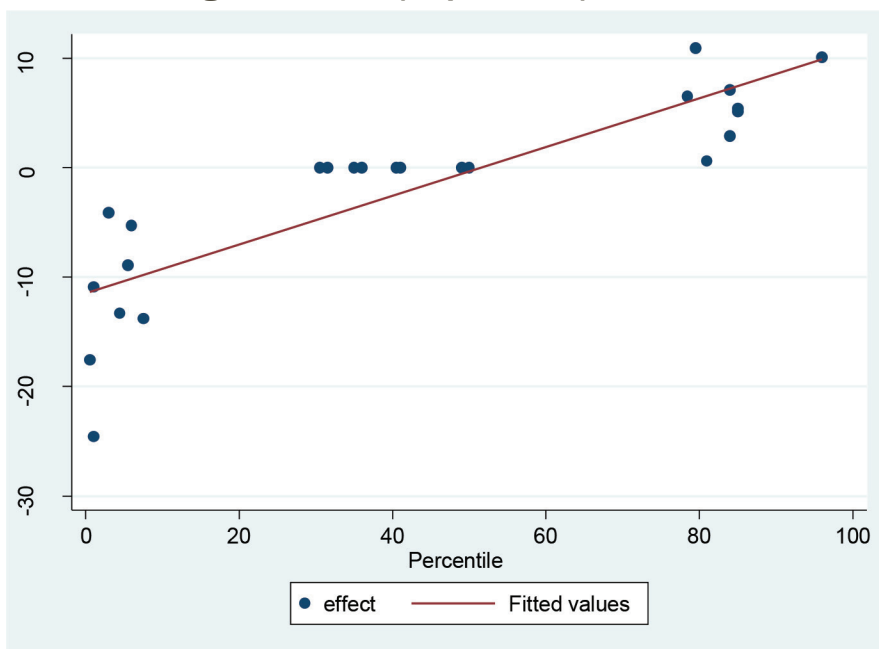
The results of these calculations of course vary, with the largest (for recent college or even advanced-degree graduates, those groups with the highest annual earnings and the longest income streams) being the largest. For such a person, the estimated loss under Scenario 1 is a bit more than \$100,000; but for a child of working-class parents who suffered a disfiguring dog-bite, the loss under Scenario 2 will be less than \$20,000.

The only time I was engaged by the defendant was in a "bad baby" case, in which the plaintiff hired an expert who used an unpublished version of our 1994 paper to estimate the loss in lifetime earnings resulting from the obstetrician's alleged errors. In that unpublished version, we related wages to a five-fold classification of beauty in which only 1 percent of the underlying sample was classified as "homely." The plaintiff's expert applied the very large point estimate of the negative impact on earnings of being in that lowest one percentile of looks and came up with a very large estimated loss. In my Rebuttal, I pointed out his error—the unreliability of the estimate that he used—and explained that its unreliability was precisely why we included only three, well-populated categories of beauty in the published study.

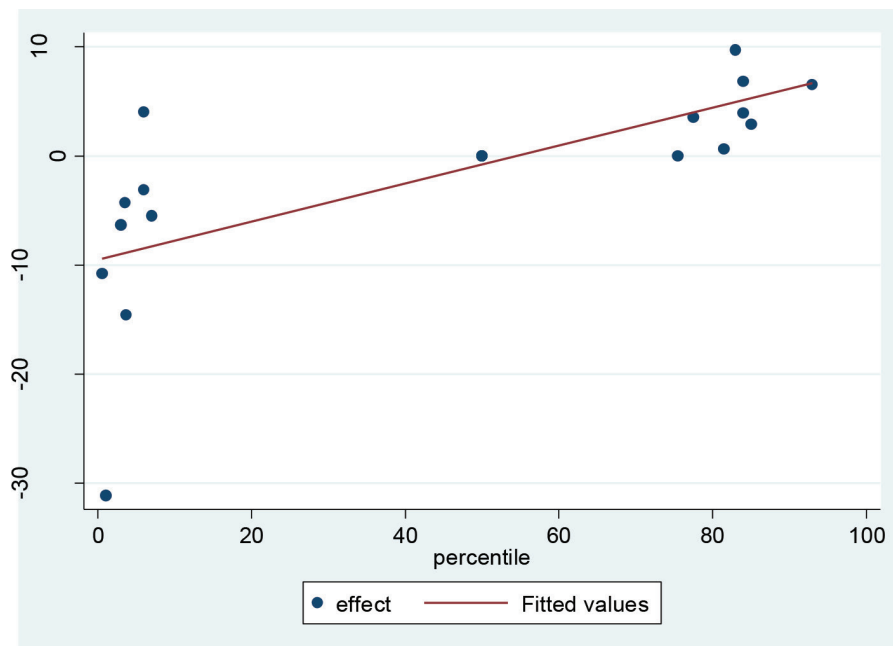
Only once among the fifteen cases did my Expert Report lead to a deposition by the

opposing side, an absence that did not make me unhappy. Sadly, in not a single case have I been able to discover the extent to which my Report might have altered the outcome of the case, either the direction of any decision or the size of any settlement. I thus cannot say whether my efforts have been worthwhile for plaintiffs. (They are worthwhile for me—I enjoy writing Expert Reports based in part on my own research!) Clearly, none of the estimated losses that I have produced is immense; but they can represent a substantial accretion to the total estimated monetary loss suffered by the plaintiff. Given the size of my fee (each Report takes me about two hours to produce), adding these additional losses will probably lead to a net gain for the plaintiff, so long as there is even a small chance that it alters the probability of winning the suit or increasing the agreed-upon damages. •

Percent Effects of Differences in Beauty on Men's Earnings—8 Studies (slope = 0.22)



Percent Effects of Differences in Beauty on Women's Earnings—8 Studies (slope = 0.17)



The Court Reporter at Deposition

Scott Gilbert¹

When a forensic economist (FE) appears at a deposition to answer questions related to their work on a case, they expect to see various people in the meeting room: the attorney(s) that hired the economist, the attorney(s) on the opposing side, and the court reporter. The court reporter is an important person in the room – of course they are recording what’s being said but they can be important for other reasons too.

I’d like to share some thoughts about court reporters in depositions that are not being recorded on video. Unlike a trial, in deposition there is no jury or judge to address in replying to opposing counsel’s questions. Absent a jury or judge, who is the most important person in the deposition room? It could be the forensic economist – on whose words all hang. It could be opposing counsel who has demanded the deposition take place. The forensic economist may also consider their retaining counsel to be most important, since they hired the FE.

On the other hand, the economist – or other expert witness – might usefully act as if the court reporter is the most important person in the deposition room. Treating them as such, the expert witness will make sure that the reporter is able to understand each word spoken. The expert witness will slow down a bit, and will likely glance at the reporter occasionally. In effect, the expert witness will give the reporter some of the attention given to a jury or judge at trial. Opposing counsel, seeing this habit, will be less happy than if the expert stays riveted on him/her, and will get the idea that the expert will address the jury or judge effectively at trial. Your opponent’s stride will break a little.

Given that the court reporter will likely say little, the expert may be challenged to think of the reporter as an “important” person. But at trial it is usually a similarly silent jury that the FE must succeed in communicating to.

At the start of deposition, the expert is typically introduced to the court reporter. The expert could do worse than taking a few moments after that introduction – and before going into whatever “zone” they are comfortable with during deposition – to briefly consider the court

reporter as the most important person in the room. In addition to committing the recorder’s name to memory, the expert may momentarily imagine the sort of company the reporter works for, the sort of experts they most often record at deposition, how long they have been in their profession, and how bored they get listening to economists drone on. Some recorders will present a business card, and this might further stimulate the expert’s brief flight of imagination.

The court reporter will not always be paying attention to what the expert is saying at any given point, aside from writing it down. If the economist expert can speak in such a way that the court reporter pays more attention – and understands more – than they usually would at an economist’s deposition, the economist will be better off. This takes effort, but it’s an enjoyable and useful habit.

During breaks in the deposition, and when things finish up, do you remember the court reporter’s name? Do you use it when thanking them for their work? If the answer is “yes,” the deposition day is a bit better than if you do not. If you also treat the reporter as the most important person in the room, with occasional glances and keen intent to clearly communicate and be understood, so much the better. •

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Expert Opinion

- *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 presentation concerns *Jones and Laughlin Steel v. Pfeifer*, among the most important cases relevant to the practice of forensic economics. There is perhaps no more appropriate forensic economist to opine on the case than James D. Rodgers, among the most salient figures in the *National Association of Forensic Economics*. Known personally to a great

many NAFE members by virtue of his regular conference attendance and presentations, Dr. Rodgers is a NAFE Past President and former Executive Director. His professional writings have appeared in top caliber journals in economics, and forensic economists have been guided and instructed by his specialized articles that have appeared in the *Journal of Forensic Economics* and elsewhere. His insightful comments on the Pfeifer decision now follow. -David Schap

Ruminations From My Most Recent Reading of *J & L Steel Corp. v. Pfeifer*

James D. Rodgers¹

I was asked by David Schap to write a note for *The Forecast* about *Jones & Laughlin Steel v. Howard E. Pfeifer*, 462 U.S. 523 (1983), the personal injury case that is arguably the most famous among forensic economic experts (FEs) due to it being packed with gold nuggets of wisdom about methods used and issues arising in estimating economic damages from personal injury. My first reaction to David’s request was to wonder what I could possibly have to say about this case that was fresh and original—and if you take the trouble to finish reading what I have to say you may wonder that too. It had been almost one year since I read the case, not quite long enough to violate Tom Ireland’s sage advice that every FE should re-read *Pfeifer* once a year (Ireland, 2016, p. 274). So I re-read the case and several other papers that have discussed *Pfeifer*.²

I was struck by the emphasis of the Court stating that its opinion is limited to suits filed under § 5(b) of the Longshoremen’s and Harbor Workers’ Compensation Act (LHWCA). The Court notes (p. 547): “We limit our attention to suits under § 5(b) of the Act, noting that Congress

has provided generally for an award of damages but has not given specific guidance regarding how they are to be calculated. Within that narrow context, we shall define the general boundaries within which a particular award will be considered acceptable.” Hence, one could argue that the *Pfeifer* Court wanted its decision to apply only to § 5(b) cases of the LHWCA, but, at the same time, recognized that it could have imposed the decision of the Court of Appeals of the Third Circuit on all federal courts but chose not to do so, regarding the creation of such a general rule as a task for Congress (pp. 550-51). However, its influence has been much broader than on just personal injury cases brought under § 5(b). In *Strangways, et al.*, published in 2014, it is noted that (p. 75):

“Pfeifer has proven to be a Rosetta stone for the Federal Courts to use as precedent in future lost income decisions. Recently Westlaw showed over 3,300 citations to the decision, many for the general proposition that lump sum awards must be discounted, but many cases also cite *Pfeifer* because it authorizes the litigants and trial courts to choose any of three methods of accounting for inflation and discount rate so long as it fairly compensates the plaintiff and the court explains its reasoning.”

The three methods authorized by the *Pfeifer* Court are: (1) the market discount rate method (sometimes referred to as the “case by case” method), wherein the stream of nominal future wages (after income taxes and work expenses) are discounted to present worth with a nominal after-tax interest rate; (2) the below-market discount rate method, wherein future real wages (after income taxes and work expenses) are discounted by the real after-tax interest rate; and (3) the total offset method, whereby future wage growth and future interest rates are assumed to offset each other.³ The Court explained methods (1), (2) and (3), respectively, this way (note the emphasis on inflation, which was running in double digits in the years leading up to the *Pfeifer* decision):

“In calculating an award for a longshoreman’s lost earnings caused by the negligence of the vessel, the discount rate should be chosen on the basis of the factors that are used to estimate the lost stream of earnings. If the trier of fact relies on a specific forecast of the future rate of price inflation, and if the estimated lost stream of future earnings is calculated to include price inflation along with individual factors and societal factors, then the proper discount rate would be the after-tax market interest rate. But since specific forecasts of future price inflation remain too unreliable to be useful in many cases, it will normally be a costly and ultimately unproductive waste of longshoremen’s resources to make such forecasts the centerpiece of litigation under §5(b). As Judge Newman has warned: “The average accident trial should not be converted into a graduate seminar on economic forecasting.” *Doca v. Marina Mercante Nicaraguense, S.A.*, 634 F.2d, at 39. For that reason, both plaintiffs and trial courts should be discouraged from pursuing that approach.

On the other hand, if forecasts of future price inflation are not used, it is necessary to choose an appropriate below-market discount rate. As long as inflation continues, one must ask how much should be “offset” against the market rate. Once again, that amount should be chosen on the basis of the same factors that are used to estimate the lost stream of earnings. If full account is taken of the individual and societal factors (excepting price inflation) that can be expected to have resulted in wage increases, then all that should be set off against the market interest rate is an estimate of future price inflation. This would result in one of the ‘real interest rate’ approaches described above. Although we find the economic evidence distinctly inconclusive regarding an essential premise of these approaches [that the real interest rate is stable over time], we do not believe a trial court adopting such an approach in a suit under §5(b) should be reversed if it adopts a rate between 1 and 3% and explains its choice.

There may be a sound economic argument for even further setoffs. In 1976, Professor Carlson of the Purdue Economics Department wrote an article in the *American Bar Associate Journal* contending that in the long run societal factors excepting price

inflation—largely productivity gains—match (or even slightly exceed) the “real interest rate.” Carlson, *Economic Analysis v. Courtroom Controversy*, 62 A.B.A.J. 628 (1976). He thus recommended that the estimated lost stream of future wages be calculated without considering either price inflation or societal productivity gains. All that would be considered would be individual seniority and promotion gains. If this were done, he concluded that the entire market interest rate including both inflation and the real interest rate, would be more than adequately offset” (pp. 547-550).

Several points about these three approaches can be made. First, there is an inconsistency in the Court’s discussion of approaches (1) and (2). The Court argues that (1) requires making a specific price inflation forecast which the Court characterizes as unreliable. This unreliability suggests to the Court the desirability of using approach (2), “the below-market discount rate” approach, which seemingly does not require a forecast of future price inflation. But, of course, if the problem with the “market interest rate” approach is that inflation forecasts are unreliable, then that problem is not avoided using the “below market discount rate” approach because knowing that “below market discount rate” requires having the very same forecast of future price inflation in order to compute the below market discount rate.⁴

Second, a paper could be written about the various types of productivity referenced in the court decisions applying approach (3), mentioned in *Pfeifer*, and how these types of productivity relate (or not) to movements along the age-earnings profile (individual productivity increases with age and experience) and shifts in the age-earnings profile (societal or economy-wide productivity increases). One of the most detailed treatments of “individual” productivity increases that would need to be treated in such a paper is that found in *Feldman v. Allegheny Airlines, Inc.*, 524 F.2d 384 (CA2 1975). Would the court consider the typical growth in earnings during the age 18-45 period sufficiently “certain and predictable” to be incorporated?

cont. on page 12...

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2. Ireland (2001, 2002, 2007, 2016), Wolfson and Wolfson (2002), and Strangways, Rubin and Zugelder (2014). *The Journal of Forensic Economics (JFE)* references 41 JFE articles in response to a search on the name “Pfeifer.”

3. There are several variants of “total offset,” depending on whether all factors (inflation, societal productivity factors and individual productivity factors) causing wage increases are offset against the discount rate (as in *Beaulieu v. Elliott*, 434 P.2d 665, Alaska 1967), or only the part due to inflation (*Kaczkowski v. Bolubasz*, 421 A.2d 1027, Pennsylvania 1980), or only the part due to inflation and societal productivity increases (*Gowdy v. United States*, 271 F.Supp. 733, WD Mich. 1967), or only the part due to inflation, societal productivity factors and individual productivity factors not certain and predictable but permitting wage increases due to seniority step increases (*State v. Guinn*, 555 P.2d 530, Alaska 1976). An evaluation of the handling of productivity in the *Kaczkowski* decision is provided by Thornton (1994).

4. This point has been observed by others, e.g., Peláez, p. 56.

cont. from page 11...

Third, the economy has changed in many ways since the *Pfeifer* decision. The growth in real earnings being enjoyed by workers at all levels of educational attainment in the years leading up to 1983 appears to have been replaced since the year 2000 by stagnant or declining real earnings growth for a considerable share of workers in the labor force.⁵ At the same time, at least since 2008, real interest rates have also been so low that a reasonable below market rate applying approach (2) might actually be lower than the *Pfeifer* 1% to 3% range. Another change since *Pfeifer* is the introduction of TIPS bonds. One could wonder, like Krueger (2016, p. 162), whether the court would have modified approach (2) to require use of current rates on TIPS bonds rather than specifying the 1% to 3% range, if these securities had been offered in 1983. However, for relatively large awards, the Strangways, et al. paper (abstract) suggests caution in using TIPS because such a security does not "...lend itself to a simple adjustment to the rate for taxes nor eliminate the need to consider expected inflation."

Some additional highlights for me from my most recent reading of *Pfeifer* are as follows:

1. The *Pfeifer* Court emphasizes that any award for lost earnings must be a "rough approximation" (p. 546) and cautions against "delusive exactness" (p. 552). In this context, the court mentions, without criticizing, some simplifications: (a) the Court discusses the problem of determining the length of working life and the hazards of death, disability and retirement, and notes that the parties agreed to the simplifying assumption that *Pfeifer* would have retired at age 65 (p. 534); (b) the Court notes that the parties also agreed to the simplification that "all elements in the stream would offset each other except for gross wages" (p. 534). In other words, the parties agreed to assume that the value of employer-provided fringe benefits exactly offset the sum of federal and state income taxes and (perhaps) work expenses. The Court notes that "...workers often incur unreimbursed costs, such as transportation to work and uniforms, that the injured worker will not incur. These costs should also be deducted in estimating the lost earnings stream" (p. 534). A paper could be written investigating work expenses, and the variability of such costs among workers, with the objective of evaluating the merits of what might be called the "Grossman rule" (after FE Leroy Grossman) of offsetting fringe benefits, on the one hand, against federal and state income taxes and work expenses, on the other. In what situations is such a rule a reasonable approximation?

5. "Appears" because quality improvements and the introduction of new goods and services are not easily measured and may bias price and quantity measurements. See Hulten (2016) and Feldstein (2016). The decline in the growth of real earnings by age, educational attainment and sex is discussed in Foster (2014).

2. While rejecting the idea of making the total offset rule of *Kaczowski v. Bolubasz*, 421 A.2d 1027 (1980), mandatory in federal courts, the Court notes that "...nothing prevents parties interested in keeping litigation costs under control from stipulating to its use before trial (p. 551). In addition, the Court in footnote 31 cites sources suggesting that the Carlson rule of total offset might under compensate some plaintiffs (though under compensation is unlikely to be true today with the generally low rates of societal productivity growth), and in footnote 32 spells out in some detail how the Carlson total offset method would work:

"...all that would be needed would be a table of the after-tax values of present salaries and fringe benefits for different positions and levels of seniority ("steps") within an industry. Presumably, this would be a matter of stipulation before trial, as well. The trier of fact would be instructed to determine how many years the injured worker would have spent at each step. It would multiply the number of years the worker would spend at each step by the current net value of each step (as shown in the table) and then add up the results. The trier of fact would be spared the need to cope with inflation estimates, productivity trends and present value tables."

3. In footnote 23, the Court discusses the implications of alternative assumptions about how the plaintiff will invest an award. If it is assumed that the worker invests the award in a mixed portfolio of safe short-term, intermediate-term and long-term bonds maturing at each year of his expected work life, no interest rate forecast is needed. On the other hand, if the worker is assumed to invest the award in safe short-term notes, future market interest rates must be forecast. The Court notes that "We perceive no intrinsic reason to prefer one assumption over the other, but most 'offset' analyses seem to adopt the latter."

In conclusion, my main goal in writing this note is to encourage readers to read, or re-read, the *Pfeifer* decision. My forecast is that you will do a better job in practicing the art and science of forensic economics if you do.

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Photo: Session attendees

NAFE in San Diego



Please join NAFE June 26 and 27, 2017 for 6 engrossing sessions and 1 fabulous reception. To help you prepare for your visit here are a few other facts and figures about the city and its region:

Basic Stats

City population: 1.37 million (8th largest city in the United States)

Weather: Average June Temperature: High 71°F – Low 62°F

Tourism

Number of visitors to San Diego in 2016: 34.9 million

Number of cruise ships that dock in San Diego Harbor each year: 200

Approximate number of people who attended the first Comic-Con in 1970: 100

- Today Comic-Con is San Diego's largest convention with registration capped at 130,000. Badges typically sell out within an hour and a half. Perhaps NAFE sessions would attract more people if we started wearing costumes? ;)

Things that are wet

Average Yearly Precipitation: 10.3 inches

Gallons of water imported to San Diego EACH DAY: 168 million

Years San Diego was known as The Tuna Capital of the World: From the mid-1930's through the 1970's

- San Diego's Tuna Harbor Park, which is just south of the USS Midway Museum, gets its name from this tuna-fishing past. This park is also home to The Fish Market restaurant and its more upscale sister-restaurant found upstairs, the Top of the Market. These are great restaurants for watching the sunset, but they can be very busy.

Number of fish you can find at the Birch Aquarium: 5,000+

- As part of the Scripps Institution of Oceanography the Birch Aquarium in La Jolla is home to more than 5,000 fish. And if you happen to be in La Jolla you should visit La Jolla Cove to watch the seals and sea lions. La Jolla is also where you will find....

Places to hike

- Torrey Pines State Natural Reserve: As a nature reserve, Torrey Pines is one of the largest unspoiled land areas on the southern California coast with maritime chaparral, rare Torrey pines and migrating seabirds. And if you are in La Jolla and happen to be hungry after all that hiking, you may want to consider Truluck's Seafood, Steak and Crab House for seafood or steaks, or Piatti for Italian.

For hiking in San Diego, visit:

- Mission Trails Regional Park: Located about 8 miles from downtown San Diego, this recreational area features the 5-Peak Challenge and over 60 miles of trails.

History, parks and other sites

Year San Diego was founded: 1769

- San Diego started as a mission and a fort. Its historic past from the early Mexican-American period (1821-1872) is on view in Old Town San Diego State Historic Park. This area of San Diego is filled with historic buildings, fountains, restaurants and a weekly artisans market. Not far away is San Diego's Heritage Park where many of the city's Victorian homes have been moved and restored. Heritage Park is also home to San Diego's first synagogue, Temple Beth Israel, constructed in 1889.

Year Balboa Park was founded: 1868

Number of museums and cultural institutions in Balboa Park: 17+

- This includes the Japanese Friendship Garden, the San Diego Natural History Museum, the Fleet Science Center, the San Diego Model Railroad Museum, the Mingei International Museum, the Timken Museum of Art, the San Diego Automotive Museum, the San Diego Art Institute, Museum of Art, and Museum of Photographic Arts, and the San Diego Museum of Man. For information and planning there is an app available on the Balboa Park website: <https://www.balboapark.org/explore/museums>. (As an aside, if you get tired from walking through the 1,200-acre park, The Prado has a nice patio where you can rest and enjoy a glass of wine. If pubs are more to your liking, not far from the park is Hamilton's Tavern, which is considered one of the top beer bars in the country with an excellent selection of craft beers.
- And don't forget Balboa Park is home to the San Diego Zoo, which features more than 3,500 rare and endangered animals and 700,000 exotic plants.

Number of missions on the California

Missions Trail: 21

Missions and Asistencias in San Diego: 5

- San Diego County is home to the most missions in the country. Following the California Missions Trail, which begins in San Diego, will take you to several of the missions located nearby (Mission San Diego de Alcalá, Mission San Luis Rey, Mission San Antonio de Pala and Mission Santa Ysabel) with the famous Mission San Juan Capistrano just a short drive from San Diego in Orange County.

With great weather and so many things to do and see, San Diego is a perfect backdrop for a June meeting. We hope to see you at the NAFE sessions!

Meeting Updates

International Meeting

Preliminary Program

14th Annual International Conference of the National Association of Forensic Economics
Milan, Italy – May 27, 2017

The preliminary program for the 14th NAFE *International Conference: A Transatlantic Dialogue* to be held May 27, 2017 in Milan, Italy is as follows:

- 8:00-8:15 Introduction: *Elisabetta, Matteo and Jack Ward*
- 8:15-10:15 Morning Paper Session 1: Art Eubank, Chair
- Patrick Anderson, Presenter, *Election Forensics: Detecting and Deterring Fraud*. Richard Royston, Discussant
 - Antonio Avalos, Presenter, *General Guidelines for the Conversion of Damages Calculated in Foreign Currency: Commercial Litigation*. Matteo Merini, Discussant
 - Robert Minnehan, Presenter, *Comparison of National Health Care Systems: Economic Damages Implications*. Manny Smith, Discussant
- 10:15-10:30 Coffee Break
- 10:30-11:45 Afternoon Session 1: Round Table Panel
- Ten Decisions of Note in WI/DP Litigation*. Steve Shapiro, Moderator
- 11:45-1:00 Lunch
- 1:00 – 3:00 Afternoon Paper Session 2: Merle Dimbath, Chair
- Ed Foster, Presenter, *Laddering Discount Rates and Pension Valuation*. Gary Skoog, Discussant
 - Barry Ben-Zion, Presenter, *Tort Reform in California: Changes in Expert Discovery and Damages Analysis*.
 - Bill Brandt, Presenter, *A Transactional Analysis of Income Loss Claims*.
 - Manny Smith, Presenter, *Tax Assistance Fund: An Update After Three Years*.
- 3:00-3:15 Coffee Break
- 3:15- 4:15 Afternoon Session 3: Roundtable Discussion
- Most Unusual Case of the Past Year and Issue of a Forensic Economic Practice*. Robert Bohm, Moderator
- 4:15-4:30 Planning Ahead: Where Do We Go Next Year? • Jack Ward, Moderator

Jack Ward, Organizer - ward@johnwardeconomics.com

Western Meeting

The agenda is set! Thanks to all who agreed to participate and those who plan to attend.

Western Economic Association International 92nd Annual Conference
San Diego, CA – NAFE Sessions June 26-27, 2017

Conference Information: <http://www.weai.org/AC2017> (Conference Home Page),
<http://www.weai.org/Registration/Fees> (Conference Registration – NAFE Members pay Member Rate)

Hotel: Marriott Marquis & Marina, San Diego, California

Housing Link: <http://www.weai.org/2017HotelInfo>

There will be six NAFE sessions held June 26th and 27th in conjunction with the Western Economic Association International's annual conference at the Marriott Marquis & Marina in San Diego, California. In addition, there will be a social event the evening of June 26th with the location to be announced.

June 26

NAFE Session I: 8:15 AM-10:00 AM Chair: Lawrence Spizman

Panel: *Fair Calculations Act* Symposium

Panelists: Lawrence Spizman, David Macpherson & Kevin Cahill

NAFE Session II: 10:15 AM-12:00 PM Chair: Peter Formuzis

Update - *Assessing Economic Damages in Personal Injury & Wrongful Death Litigation: The State of California*. Presenter: Barry Ben-Zion, Discussant: Marianne Inouye
Sargon Enterprises, Inc. v. USC: A Case Study Regarding Judicial Gatekeeping & Expert

Damages Testimony. Presenter: Jennifer Polhemus, Discussants: Dave Weiner & Ed Garcia

Interaction Between Causation and Damages
Presenter: Craig Allen, Discussant: Michele Angerstein-Gaines

NAFE Session III: 2:30 PM-4:15 PM
Chair: Thomas R. Ireland

Panel: *Earnings Capacity vs. Expected Earnings*
Panelists: Thomas R. Ireland, Barry Ben-Zion, Stephen Horner, Stephanie Rizzardi & Jack Ward

NAFE Reception: 6:00 PM Location TBA

June 27

NAFE Session IV: 8:15 AM-10:00 AM
Chair: William Rogers

Modelling the Impact of Recidivism on Worklife Expectancy
Presenter: Mike L. Nieswiadomy, Discussant: Gary Skoog

Using the Integrated Health Information Survey to Rehabilitate the CPS Disability Variables
Presenter: Thomas Carroll, Discussant: Steven Shapiro

Using the NHIS Data to Calculate the Unconditional Expected PV of Lost Household Services
Presenter: David Riverbank, Discussant: David Macpherson

NAFE Session V: 10:15 AM-12:00 PM
Chair: Marc Weinstein

The ACA and Tort Awards: The Road Ahead, Part 1
Presenter: Victor Matheson, Discussant: Tom Dawson

The ACA and Tort Awards: The Road Ahead, Part 2
Presenter: Richard Lockley, Discussant: Jerome Paige

Benchmarking Against Industry Data Over Time
Presenter: Logan Kelly, Discussant: Fernando Torres

NAFE Session VI: 2:30 PM-4:15 PM
Chair: Steven Shapiro

Panel: *Fair Value vs. Fair Market Value*
Panelists: Steven Shapiro, Chris Young and Bob Trout

Please contact Bill Brandt at 206.201.3033 or bill@brandtforensiceconomics.com
William Brandt
Vice President – Western Region

Mid-Western Meeting Call for Papers/Participants

The 54th Annual Conference of the Missouri Valley Economic Association Kansas City, MO - October 26-28, 2017
Conference Information: <http://www.mvea.net/conferences.html>
Hotel: Kansas City Marriott Country Club Plaza
Housing Link: http://www.marriott.com/meeting-event-hotels/group-corporate-travel/groupCorp.mi?resLinkData=Missouri%20Valley%20Economic%20Associaion%202017%5Emcip%60valvala%7Cvalvalb%60159.00%60USD%60false%604%6010/24/17%6010/30/17%6010/9/17&app=resvlink&stop_mobi=yes

NAFE will have one session at the Missouri Valley Economics Association Annual Conference. If you are interested in presenting, please contact Dave at: drosenbaum@unl.edu.
David Rosenbaum
Vice President – Midwestern Region

Southern Meeting Call for Papers & Discussants

87th Annual Meeting,
Southern Economic Association
Tampa, FL – November 17-19, 2017
Conference Information:
<https://www.sea@utc.edu>
Hotel: Tampa Marriott Waterside Hotel and Marina
Hotel Reservations: (423) 425-4118

For the NAFE program at the Southern Economic Association meetings we have requested the date of Saturday, November 19th for our sessions. Currently we have three papers promised and a couple more under consideration. We are also working on a panel. Our plans are to have at least two sessions. We welcome additional presenters and discussants – contact Dr. Mathis at gmathis@murraystate.edu or (270) 809-4283 if you are interested in contributions. Additional information is available at <http://southerneconomic.org>
Gil Mathis
Vice President – Southern Region

National Meeting Call for Papers & Discussants

2018 ASSA Annual Meeting
The City of Brotherly Love:
Philadelphia, PA
NAFE Sessions: January 5 & 6, 2018
Conference Information:
<https://www.aeaweb.org/conference/>

Hotel Information: Housing for the ASSA typically opens the second week in September

The NAFE paper sessions at the 2018 Allied Social Sciences Association (ASSA) conference are being planned for January 5 and 6, 2018 in Philadelphia, Pennsylvania. At our Friday afternoon session, January 5, 2018 at 2:30 PM, Kenneth Feinberg, Esq. will be our guest, speaking on “Unconventional Responses to Unique Catastrophes: Tailoring the Law to Meet the Challenges.” His talk will focus on the unique compensation programs he has designed and administered over the years, e.g. the 9/11 Victim Compensation Fund, the BP Oil Spill Fund, the Boston Marathon Bombings Fund, the Virginia Tech Shootings, to name a few. Also, if you would like to present a paper, please email a brief abstract (preferably as a pdf file) to Marc Weinstein (mweinstein@teameconomics.com). Last, if you plan to attend the conference and would like to discuss a paper, kindly inform Marc via e-mail. For additional information regarding the ASSA conference, click on the conference website link above.

Marc Weinstein, David Tucek & Scott Gilbert
- Meeting Organizers

Winter Meeting Call for Papers & Panel Discussion Proposals – Meeting Location Not Finalized

19th Annual NAFE Winter Meeting
In or Near the Caribbean –
January 27 & 28, 2018
Hotel Name: Not finalized

The 2018 NAFE Winter Meeting will be held Friday, January 26, and Saturday, January 27, 2018. Please “save the dates” on your calendar. The meeting location has not been finalized as of this date, but we are exploring warm venues in or near the Caribbean.

Paper proposals and roundtable/panel discussion proposals are invited for four sessions, two each on Friday and Saturday mornings, January 26 and 27, 2018. 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.

Please contact Art Eubank (art@eubankeconomics.com) or Charles Baum (baumeconomics@gmail.com) for additional information.

Art Eubank & Charles Baum
- Meeting Organizers

Eastern Meeting Recap – NAFE Sessions at the 2017 EEA Meeting in New York

The 2017 Eastern meeting was held February 24-25 at the Sheraton New York Times Square Hotel. Thirty-five people attended the sessions featuring nine presenters who spoke on topics influenced by up-to-the minute public policy debates with guest speaker Emily O. Slater of Burford Capital presenting a talk on litigation financing. Past Eastern Economic Association president Mary Lesser, a great friend of NAFE, also joined the sessions. An enjoyable time was had at our usual nook at Rosie O’Grady’s on New York’s Seventh Avenue and several attendees took in the many Broadway theater productions near the venue. Also of note, NAFE President Mike Nieswiadomy and his wife Claire enjoyed their first visit to the Big Apple. As always, it was a successful meeting and a great opportunity to enjoy the city and learn from other NAFE members.

Craig Allen
Past Vice-President – Eastern Region

Next up for the Eastern Meeting:

Please check future issues of *The Forecast* for information regarding NAFE sessions at the 2018 Eastern Economic Association conference as it becomes available.

Meetings of Other Associations American Rehabilitation Economics Association

AREA 2017 Annual Conference
San Diego, CA – May 11-13, 2017
Hotel: The Bay Club Hotel and Marina
Hotel Reservations: Please call 800.672.0800 or 619.224.8888
Additional Conference Information:
www.a-r-e-a.org/

American Academy of Economic & Financial Experts

AAEFE 30th Annual Meeting
Las Vegas, NV – April 12 & 13, 2018
Hotel: New York New York Hotel & Casino
Conference Information: check www.aafee.org/annual-meeting for information and updates

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NAFE Events

Mark your calendars
for these upcoming
NAFE meetings and sessions

2017

NAFE INTERNATIONAL MEETING
Milan, Italy – May 27, 2017

WESTERN ECONOMIC ASSOCIATION
San Diego – June 25-29, 2017

MISSOURI VALLEY ECONOMIC ASSOCIATION
Kansas City - October 26-28, 2017

SOUTHERN ECONOMIC ASSOCIATION
Tampa - November 17-19, 2017

2018

AMERICAN ECONOMIC ASSOCIATION – ASSA
Philadelphia- January 5-7, 2018

NAFE WINTER MEETING
Location not finalized – January 26-27, 2018

Look for meeting details inside



Photos from the 2017 EEA Meeting, New York City:
1) Mike Nieswiadomy & Jelani Butler
2) Jean Pierre-Berliet

NAFESM
National Association of Forensic Economics