

the FORECAST

A Newsletter of the National Association of Forensic Economics



Features: pg 7-10
Rotating Columns: pg 10-11

NAFE Events: pg 12-14

Featured pictures from
the 2018 EEA meeting
in Boston

President's Letter

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

Dear NAFE members:

I want to thank all the members who braved the winter elements to attend the Eastern Economic Association meetings in Boston, MA, March 2-3, 2018. Thanks to Chris Young for organizing the sessions and adapting to changing schedules. All flights from my airport (DFW) were cancelled and I was disappointed that I could not attend. For all of you who are curious about how long it takes to find your checked bag which never left the DFW airport, the answer is 4 hours (after trying in vain for 8 hours to find a flight)!

The International Meeting is scheduled in Bath, England for May 25, 2018. The Western Economic Association International meeting will be in Vancouver, BC, with NAFE sessions on June 28-29, 2018. The preliminary program is available at <http://www.weai.org/Content/Files/Prelim-Prog-Vancouver.pdf>. Thanks to Christina Tapia for organizing six interesting sessions including one with a lively debate on the employment effects of the minimum wage. The Midwestern meetings will be in Memphis, TN, Nov. 1-3, 2018. The Southern Economic

Association meetings will be in our nation's capital, Washington, D.C., Nov. 18-20, 2018. Please read this issue of *The Forecast* for more details about all of these conferences and consider attending. You will find each of these meetings enjoyable and rewarding. I look forward to meeting you.

I like to highlight a few NAFE members' accomplishments in each issue. I want to recognize Patrick Anderson for founding the Michigan Remembers 9-11 Fund. He appeared Feb. 6, 2018 on Ann Curry's PBS series "We'll Meet Again" to tell his story of the experiences and heroism on that fateful day in NYC. Paul Bjorkland will now be working with Marc Weinstein, Tom Ireland and Lane Hudgins as a special editor for the Reviews and Cases of Note section of the *Journal of Legal Economics*. Thanks to Dave Jones for informing us that Martin Duffy, a long-time member of NAFE who died in 2010, ran his first Boston Marathon (with a few hundred people) in 1970. He ran his last, his 40th consecutive, in 2009. He was #3 on the active list when he died. Also Dave missed his first Boston Marathon since 2004 because the weather conditions were cold with fierce winds and driving rain. It's time for some good Spring time weather! •



Photos:
1) Sarah Betz, Steve Shapiro and Elias Grivoyannis
2) Frank Tinari with his grandson at the EEA NAFE reception

National Association of
Forensic Economics, Inc.

Board of Directors

PRESIDENT

Michael Nieswiadomy
University of North Texas

PAST PRESIDENT

Lawrence Spizman
Spizman Economic Associates

VICE PRESIDENTS

Western Region
Christina P. Tapia
Northwest Economics, LLC

Southern Region
Gilbert Mathis
Murray State University

Eastern Region
Christopher Young
SOBEL & CO., LLC

Midwest Region
William H. Rogers
Lindenwood University

At-Large
Scott Gilbert
Southern Illinois University-
Carbondale

At-Large
David Tucek
Value Economics, LLC

EXECUTIVE DIRECTOR

Marc Weinstein
Team Economics

EDITOR, *THE FORECAST*

Lane Hudgins
Lane Hudgins Analysis

"EXPERT OPINION" COLUMN EDITOR

David Schap
College of the Holy Cross

PRODUCTION EDITOR

Nancy L. Eldredge

GRAPHIC DESIGN, *THE FORECAST*

Amanda Morgenstern
Morgenstern Design



In This Issue

- 1 • President's Letter, Mike Nieswiadomy

Member News

- 3-4 • From the Executive Director, Marc Weinstein
- 3 • Welcome New Members!
- 5-6 • *The Forecast* Plays 20 Questions
with Frank Slesnick

Features

- 7-8 • Recent Research on the Effects of Minimum Wage
Ordinances and Policies by Christina P. Tapia
- 9-10 • Lost Profits Damages: Court Standards, New v.
Unestablished Businesses, and the Economist's Analysis
by Josefina V. Tranfa-Abboud

Rotating Columns

- 10-11 • What's on Your Nighttable?
Review of Bryan Caplan's *The Case Against Education - Why the
Education System is a Waste of Time and Money* by Frank Slesnick

Meeting & Regional Updates

- 12 • Featured Meeting City
- 13-14 • Meetings & Regional Updates
- 15 • Call for Submissions

Please send comments, suggestions, and news items for *The Forecast* to the Production Editor, Nancy Eldredge, at the addresses above. 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.

The Forecast – A Newsletter of the National Association of Forensic Economics is published four times per year by the National Association of Forensic Economics (NAFE). NAFE, its officers, editors and members, do not promote, endorse, or recommend any opinions, products, or services presented or discussed in this newsletter. All information found in this newsletter is for informational purposes only, is not intended as forensic economic, economic, or legal advice, and is not to be considered 'peer-reviewed.' Views expressed in this newsletter are not necessarily the views of NAFE, its officers, editors or members. All portions of this publication are copyrighted and cannot be reprinted or reused without the permission of the National Association of Forensic Economics, or other copyright holders.



P.O. Box 394
Mount Union, PA 17066



nancy@nafe.net



Tel: 866.370.6233
Fax: 814.542.3253



nafe.net

From the Executive Director

Marc Weinstein, Executive Director

Included in this newsletter are draft minutes from the most recent NAFE Membership Meeting held January 5, 2018. 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 2019 in conjunction with the NAFE sessions at the ASSA meeting in Atlanta, GA.

Additionally, minutes from the January 5, 2018 NAFE Board of Directors Meeting will be published in the next issue of *The Forecast* following approval at the summer board meeting.

Draft Minutes of the Annual Membership Meeting January 5, 2018

Philadelphia Marriott Downtown Hotel

ASSA Annual Conference Philadelphia, PA

1. Michael Nieswiadomy called the meeting to order at 5:02 PM and provided his final opening remarks. Mike thanked Marc Weinstein, David Tucek, and Scott Gilbert for organizing the NAFE Sessions at the ASSA.

2. Marc Weinstein presented the minutes from the January 6, 2017 Membership Meeting in Chicago, IL 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 (Constantine Boukidis, Steven Shapiro) that the Membership approve the Annual Membership Meeting minutes from January 6, 2017 (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 19th Annual NAFE Winter Meeting which was scheduled to be held in Puerto Rico on Friday and Saturday January 26-27, 2018 had to be cancelled due to Hurricane Maria. He and Charles Baum have decided to hold next year's Winter Meeting the same as was expected this year on Friday and Saturday January 25-26, 2019 back in Puerto Rico. If you have any interest in attending, you should contact either one of them.

5. In Chris Young's absence (due to weather), Larry Spizman announced the NAFE sessions at the 44th Eastern Economic Association ("EEA") Annual Meeting will be in Boston, MA on March 2-3, 2018 at the Sheraton Boston Hotel. Consistent with prior years, it was announced that one session will be held on Friday March 2, 2018 followed by a NAFE Reception at the Summer Shack directly across the street from the hotel. Larry also indicated that there will be three sessions on Saturday March 3, 2018. If you plan to attend and/or want to present a paper, serve as a discussant, or chair a session, contact Chris Young.

6. Jack Ward announced that the 15th Annual NAFE International meeting will be held in Bath, England on Saturday May 25, 2018 at the Francis Hotel by Sofitel. He noted it will be the week after Prince Harry and Meghan Markle's wedding. If anyone is interested, they should contact Jack Ward.

7. Bill Brandt announced that NAFE's sessions at the 93rd Western Economic Association International ("WEAI") Annual Meeting will be held on Thursday and Friday June 28-29, 2018 at the Sheraton Vancouver Wall Centre located in Vancouver, British Columbia, Canada. Bill noted that he will assist Christina Tapia as the incoming Western VP and as in past years, they are planning to hold three sessions on Thursday June 28 and two or three additional sessions on Friday June 29. They are planning to have the reception on Thursday June 28, 2018. If anyone wants to present a paper, please contact Bill or Christina.

8. David Rosenbaum noted that the Missouri Valley Economic Association ("MVEA") 55th Annual Conference will be held on November 1-3, 2018 in Memphis, TN. William Rogers will be taking over for David at the conclusion of this Membership Meeting and David will assist William if NAFE decides to hold a session.

9. In Gil Mathis' absence due to the weather, Larry Spizman announced that the Southern Economic Association 88th Annual Conference will be held on Sunday through Tuesday,

Welcome New Members!

The following is a list of new NAFE members for the period January 1, 2018 through March 31, 2018.

Tim Carpenter, Roanoke, VA, US
Eddy Fung, Burnaby, BC, Canada
Mark Gauthier, Tampa, FL, US
Thomas Hutson, Albany, NY, US
James Joyner, Spartanburg, SC, US
Scott Kimber, Salt Lake City, UT, US
Raymond Sauer, Clemson, SC, US
Ethan Weisman, Sarasota, FL, US
Pamela Wickes, Albany, NY, US
Michael Willoughby, La Jolla, CA, US

November 18-20, 2018 at the Marriott Marquis in Washington, DC. NAFE will most likely plan our sessions on Sunday November 18, 2018. Please contact Gil if you want to present a paper or participate in the conference.

10. David Tucek announced that the NAFE sessions for the ASSA next year will be in Atlanta, GA on Friday and Saturday January 4-5, 2019. As has been tradition, we will be planning one session on Friday afternoon January 4, 2019 followed by our Annual Membership Meeting and the cocktail reception. Three additional sessions will be held on Saturday January 5, 2019.

11. David Rosenbaum encouraged people to attend the 30th AAEFE Annual Meeting in Las Vegas, Nevada on Thursday and Friday April 12-13, 2018 at the New York-New York Hotel & Casino. He noted that sessions will be held all day on Thursday April 12 and one half of the day on Friday April 13, 2018 so not to interfere with the CPDE Conference. If you're interested in attending, go to the AAEFE site to register.

12. Scott Gilbert announced that the AREA Annual Meeting will be held on Thursday through Saturday June 21-23, 2018 at the Sheraton Austin Hotel at the Capitol in Austin, TX. Anyone interested in attending should go to the AREA Website.

13. Lane Hudgins discussed NAFE members big presence and participation at the recent conference for The Association for Integrity and Responsible Leadership in Economics and Associated Professions ("AIRLEAP") at Lindenwood University in October 2017. Gary Skoog noted that he participated in some of their sessions years ago. Lane noted that

the hope to hold sessions in participation with regional meetings as well as another stand-alone conference in October 2019.

14. Mike Nieswiadomy presented the results from the November 2017 elections for the President-Elect as well as the Western and Midwest Vice President positions illustrated below. Kevin Cahill was selected President-Elect. Bill Brandt is the outgoing Western Vice President and David Rosenbaum is the outgoing Midwest Vice President; their terms to cease at the conclusion of this meeting. Christina Tapia and William Rogers were elected and will each serve a three-year term as the Western and Midwest Vice President, respectively. Mike thanked both Bill and David for doing a great job for NAFE.

15. Steve Shapiro presented his report on the *Journal of Forensic Economics* (“JFE”). He indicated that in last year’s membership meeting minutes he noted they were working with Allen Press to have the JFE indexed in *PePRc.org* and that has happened. Steve also informed the members that there are currently three completed papers uploaded to the JFE website for the new issue, two more will be uploaded shortly, and they need to have one or two more to get a full issue to press. Also, a symposium issue is under review with a special symposium editor. Steve expressed the need for referees as without the peer review, we cannot publish issues of the Journal. So, if you’re asked to review a paper, the Board of Editors requests that you accept and consider doing so in a timely manner. A brief discussion took place on Allen Press’ typesetting for the JFE and their process.

Lastly, Steve presented the Ward Piette Research Award for 2017 to Gary R Skoog, James E. Ciecka and Kurt V. Krueger for their article “The Markov Process Model of Labor Force Activity: Extended Tables of Central Tendency, Shape, Percentile Points, and Bootstrap Standard Errors” published in the *Journal of Forensic Economics* 22(2), 2011. Gary accepted the award on behalf of the authors and thanked everyone as he was honored to receive the prestigious award.

16. Lane Hudgins presented her report for *The Forecast* (NAFE Newsletter) and discussed the ISSUU digital platform which provides statistics as to what readers are viewing, for how

long, what they’re sharing, which links are being used, etc. ISSUU also indicates which columns are most popular; Schap’s Expert Opinion Column. Lane thanked everyone who submitted pictures to her for consideration into *The Forecast* and recommended if you want to get in, wear bright colors. She also discussed NAFE’s attempt at branding and the new banner you will see at conferences and meetings. Last and as has been consistent since the first issue, Lane is constantly seeking input, “positive comments only, please” on developing content for *The Forecast*. While she’s the Editor, it is a collective process of the members, for the members, it’s been a job well done by all.

17. David Rosenbaum noted that the “2017 Survey of NAFE Members: Their Methods, Estimates, and Perspectives” article will be coming out in the next issue of the JFE. He also indicated that within the year to please look out for the new survey and participate. He thanked the Board of Directors for approving use of the membership list to seek respondents for the new survey.

18. Mike Nieswiadomy discussed NAFE’s continuing efforts to obtain a specific, stand-alone *Journal of Economic Literature* (“JEL”) for Forensic Economics. Currently, FE is a subcategory mixed in with K13 “Tort Law and Product Liability; Forensic Economics”. Larry Spizman previously attempted to obtain our own code for FE unsuccessfully. Mike hopes to seek the assistance from Victor Matheson, as he was successful at obtaining Z2 “Sports Economics”, to spearhead a new attempt.

19. Larry Spizman presented the “Past Presidents’ Award” to David Schap for his outstanding service to the association as the past Eastern VP, his “State Law” Project contained on the NAFE Member Produced Content Section of the NAFE.net, and his overall excellent contributions to NAFE, in general. David was unable to make it to Philadelphia due to the weather, but Larry gave an excellent tribute in his absence.

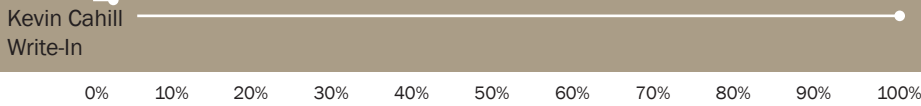
I. At 5:44 PM, since no additional business currently existed, it was moved and seconded (Constantine Boukidis, Kenneth Betz) to adjourn the Annual Membership Meeting (unanimously).

EXHIBIT LIST

- A: Minutes of the Annual Membership Meeting from January 6, 2017
- B: Financial Statements prepared by The Block Teitelman Group and a Membership Report •

Q1 President-Elect

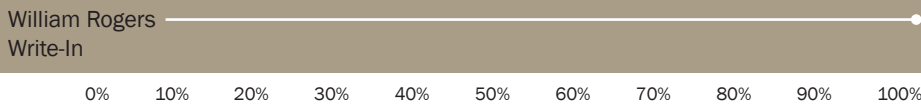
Answered: 139 Skipped: 3



Answer Choices	Responses
Kevin Cahill	99.28%
Write-In	0.72%
Total	139

Q2 Midwest Vice-President

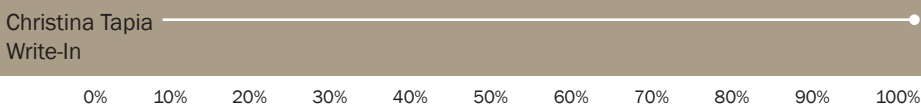
Answered: 135 Skipped: 7



Answer Choices	Responses
William Rogers	100.00%
Write-In	0.00%
Total	135

Q3 Western Vice-President

Answered: 137 Skipped: 5



Answer Choices	Responses
Christina Tapia	100.00%
Write-In	0.00%
Total	137



The Forecast Plays 20 Questions with Frank Slesnick

Frank Slesnick has been a member of NAFE since the organization was founded in 1986 and has contributed greatly to our profession through his many outstanding publications. For their 1999 Journal of Forensic Economics paper titled “The Valuation of Earning Capacity Definition, Measurement and Evidence,” Frank and Stephen Horner were the 2014 recipients of the Ward-Piette Research Prize in Forensic Economics. Frank is also an excellent book reviewer and has contributed many excellent book reviews not only to the Journal of Forensic Economics and the Journal of Legal Economics, but also to this newsletter. This issue features Frank’s excellent review of the very topical book The Case Against Education – Why the Education System Is a Waste of Time and Money by Bryan Caplan. I know you will enjoy reading it as much as I did. Thank you, Frank, for agreeing to be our featured member and for contributing so much to this newsletter!

Where were you born and raised? *My mother, a dietitian, and my father, a social worker, moved to Cincinnati, Ohio in 1940 where I was born and raised. I grew up in an apartment, which was located on a dead end street off of another dead end street. There were probably 25 kids playing in the street at any one time and all the drivers knew enough to go no more than 10 mph. The street was surrounded by large woods, which pretty much guaranteed a bad case of poison ivy every year.*

Where did you go to school? *My undergraduate degree is from Oberlin College, where I majored in economics. It was one of the few subjects that I both enjoyed and received a high enough grade to average out other classes that were less than stellar. I did my graduate work in economics at the University of Minnesota. The school has a superior reputation in that field and since my mother was born and raised in Minneapolis, it was always nice to have relatives close by for a Sunday meal and pleasant company.*

First job? *My very first job was shelving books and checking them out at the local public library for \$.65/hour. (Yes, I do remember the exact figure.) During my undergraduate days, I worked for the Cincinnati Recreation Commission managing and maintaining four clay tennis courts near my house and teaching tennis lessons. My first “real” job after graduate school was working as an assistant professor at Denison University in Granville, Ohio.*

How long have you lived at your current address? *I have lived full time in a gated community called Kings Point near Tampa, Florida since 2005. It is a COA consisting of 110 individual associations and governed by a Federation Board. It*

has been a great place to live although at times I did not enjoy being the association’s president during my eight years in that position. Being president meant enforcing the rules of a 300-page Owner’s Manual.

What is one word that describes you? *My personal choice is “worry-wart”, especially the night before a testimony. My friends would say “frugal”, in particular when determining individual shares of the check at an expensive restaurant.*

What is your most marked characteristic? *I would say that I prepare to the extreme. For a testimony, I might spend 10 hours reviewing everything I can think of including hypothetical questions that could be posed during cross-examination. (I don’t charge for the entire ten hours.) Also, I believe that I get along with most people.*

When and where are you happiest? *I am definitely happiest when I am with my family. This even includes when I visit my daughter in Boston over Christmas, there is 30 inches of snow on the ground, and I am asked whether I can be in charge of sledding with a six-year-old.*

What trait do you most admire in others? *The Yiddish term is “mensch”, which roughly means that he or she is a good person. But it really means more than that. (And it is something that seems to be absent in Washington these days.)*

What is your favorite hobby? *I still love teaching and offer two classes a year covering economic issues at an adult education college nearby. It is nice to teach a class where there are no exams, most members participate, and they have some background in the real world. Since it only pays \$75 per course, I would call it a hobby. Also, I started taking piano lessons three years ago after a 60-year break.*

Beach, City or Mountains? *Being near Tampa, I love the beach. But my favorite trips are out West where I can go hiking in the mountains. That is why I look forward to FFEW meetings, which are in prime western locations. Also, my son and I have fished and hiked in Montana.*

Favorite movie? Favorite Book? *I am not a big movie fan, but thoroughly enjoy most Steven Spielberg shows. I also belong to a movie club where I recently saw Bridge of Spies with Tom Hanks. It is a great movie. For fiction I would include all three of the Stieg Larsson books (e.g., The Girl Who Kicked The Hornet’s Nest), The Yiddish Policemen’s Union by Michael Chabon, A Confederacy of Dunces by John Kennedy Toole, and Fahrenheit 451 by Ray Bradbury. For non-fiction, I like all the books I have reviewed for The Forecast and the two forensic economic journals, with Illiberal Reformers by Thomas Leonard being my favorite. Also, I highly recommend The Wizard and the Prophet by Charles Mann, which I just completed.*

Guilty pleasures? *Going to Westshore Pizza in Tampa with a friend and ordering the special, which is an 18” pepperoni and mushroom pizza and a pitcher of beer, all for \$15.99. (There is usually little to take home in a box.)*

Proudest accomplishment? *That’s easy – it is my wonderful children. I would like to take a lot of the credit, but quite frankly I think we were lucky they have done so well. In second place is receiving the first Ward-Piette Research Prize in 2014 with Stephen Horner.*

Cats or dogs? *I definitely prefer cats. I have lived with them most of my life and have two now who may easily outlive me. Cats are loyal and affectionate – when they feel like it.*

cont. from page 5...

And you don't have to walk them at 6:00 A.M. or when it is raining.

How do you describe your profession and what you do to someone you just met?

I give an example. A person gets into an auto accident and suffers one or more categories of loss including lost earnings, additional medical costs, and lost household services. I try to come up with a total equal to what has to be given to them today for all losses, past and future. Given the age of the people I talk with in a retirement community, I tell them that their economic losses probably would not be much and perhaps they would have to focus on non-economic damages such as loss of consortium or pain and suffering. I have heard that my description has left people depressed.

Approximately how many cases have you worked on? *I get asked this in almost every testimony and, after 39 years, it is largely a guess. My guess is about 800, or 20 per year, which is about all I wanted to do since most of that time I was teaching four courses a semester.*

What issue in your work do you find most vexing? *One issue is dealing with experts who, from my perspective as an economist, have no idea what they are doing. Also, it vexes me not to have sufficient data to properly calculate economic loss. The worst situation is being told on the witness stand about some piece of information you never heard before and would have been critical for your calculations, like the plaintiff had returned to his previous job six weeks ago.*

How many years have you been a NAFE member? *I have been a member since the beginning, 1986. I joined because the organization looked like an ideal way to both meet other forensic economists and obtain information critical for researching and writing my reports. To say I was flying blind for a few years (I began consulting in 1979) would not be too far off the mark.*

Favorite NAFE meeting location? Least Favorite? (Any reasons?) *My favorite locations have been San Diego, Vancouver and Lake Tahoe, although I am not attending the WEAL this year. My least favorite is any city that is not out west and is colder than Florida.*

I have mellowed on Atlanta and Boston, but only because my children live there.

What is your favorite thing about NAFE? *There are many. First, it is an outstanding source of information. This includes a professional journal, a list-serve where people can exchange ideas, and sponsoring several professional meetings a year where papers are presented and people can have face-to-face discussions. Second, I have co-authored many papers over the years. These individuals were not only professional colleagues, but several have become close friends. As a final point, I was able to turn my knowledge and experience as a forensic economic consultant into an upper-level economics course at Bellarmine University, which I taught for about ten years. Quite frankly, for me I cannot imagine doing well in this profession if NAFE did not exist. •*



Photos:
 1) Frank Tinari
 2) Steve Shapiro, Josefina Tranfa-Abboud, Marc Weinstein, Carolyn Cho and Craig Allen

Recent Research on the Effects of Minimum Wage Ordinances & Policies

Christina P. Tapia¹

Please join us for this special NAFE Session

NAFE members attending the Western Meeting at the 93rd Annual Western Economic Association International Conference (WEAI) in Vancouver, B.C. (June 28-29),² will have the opportunity to hear from some of the leading researchers who have forged into a controversial economic and public policy debate regarding minimum wage. We will also have the honor of hearing from Orley Ashenfelter, Professor of Economics at Princeton University and WEAI President who will discuss some of the research presented during the session.

Since 2009, the federal minimum wage has been \$7.25. However, 29 states plus Washington D.C. have a minimum wage that is higher than the minimum wage (ranging from \$7.50 in New Mexico to \$12.50 in Washington D.C.). Sixteen states have a minimum wage equal to or less than the federal rate, and five states have no minimum wage requirement.³

In recent years, several municipalities have implemented their own minimum-wage policy. For example, cities including Seattle, Los Angeles, San Francisco, and New York have enacted a \$15.00 minimum wage. Often, these policies are shaped by public debate and concern regarding income inequality and affordability for low-wage workers living in high cost-of-living urban areas.

Seattle is on the front lines of this debate. Seattle's minimum wage ordinance went into effect on April 1, 2015 with an increase from \$9.47 to \$11.00 and annual increases on January 1st each year thereafter.⁴ The increases have been phased in over time depending on the size of the employer and whether the employer contributes to employees' health insurance. Specifically, the ordinance provided for an increase in the minimum wage in the City of Seattle to \$15.00 per hour by January 1, 2018 for large employers (500+ employees) who contribute to employees' health insurance and one year earlier (January 1, 2017) for employers who do not provide employee health insurance. For small firms (500 or fewer employees), the ordinance provided for an increase in the minimum wage to \$15.00 per hour by January 1, 2021 if the employer contributes to employees' health insurance or if the employee earns tips. Alternatively, small employers have until January 1, 2019 if they do not provide employee health insurance or if the employee does not earn tips. In each scenario, once the minimum wage reaches \$15.00 per hour, the wage rate is increased each year based on the Consumer Price Index (CPI-W) for the Seattle-Tacoma-Bremerton area.

Economists have seized the opportunity to analyze data from Seattle's minimum wage policy implementation to examine the impact on low-wage workers. Two of the economists leading this research include Jacob Vigdor, Ph.D. from the University of Washington and Michael Reich, Ph.D. from the University of California at Berkeley. Both economists will present their research, and discuss each other's work, at a NAFE session on Thursday, June 28th, at the Western Meeting in Vancouver, B.C. Below is a brief synopsis of each economist and his research on this issue.

In January 2014, the Mayor of Seattle formed an Income Inequality Advisory Committee to address public concern regarding income inequality, affordability and real wages for Seattle workers. This committee included representatives from Seattle City Council, local businesses, unions, and the Chamber of Commerce. Based on that committee's recommendation and the Mayor's proposal, the Seattle City Council passed a minimum wage ordinance, which at that time, was the highest minimum wage in the country.

The City of Seattle contracted with Jacob Vigdor, Ph.D. and his team to evaluate and monitor the effects of this ordinance.⁵ Jacob Vigdor earned his Ph.D. in Economics from Harvard and is a professor at the Evans School of Public Policy and Governance at the University of Washington in Seattle.⁶ He also serves as Principal Investigator and Director of the Seattle Minimum Wage Study (MWS) and the Northwest Applied Public Policy Lab. He holds affiliations as a research associate at the National Bureau of Economic Research, an adjunct fellow at the Manhattan Institute for Policy Research, and an external fellow at the Centre for Research and

Analysis of Migration at University College London. At the U.W. Evans School, he specializes in teaching quantitative methods, with an emphasis on techniques for inferring the causal impact of policy interventions.

The Minimum Wage Study (MWS) at the U.W. started in 2015 "to explore the impacts of local minimum wage ordinances in Seattle and other cities."⁷ In their research, Dr. Vigdor and the MWS team use state administrative records, national surveys, surveys and in-depth interviews with firms, area price data collected from local firms, and longitudinal in-depth interviews with low-wage workers. The objective of the multi-year, mixed-method study is to "offer a comprehensive assessment of the impact of local minimum wage ordinances on employment and earnings, income, and health; to generate insight into the responses of firms and nonprofits; and to illuminate mechanisms through which the minimum wage ordinances may affect low-wage workers and households."⁸

Dr. Vigdor's MWS team continues to collect data and monitor effects of Seattle's minimum wage ordinance. In June of 2017 they published a report, "Minimum Wage Increases, Wages, and Low-wage Employment: Evidence from Seattle,"⁹ focusing on the effects on Seattle's low-wage labor market (defined as paying \$19.00 per hour or less). This initial report examined the impact of two consecutive wage increases from \$9.47 per hour to as much as \$11.00 per hour on April 1, 2015, and from \$11.00 per hour to as much as \$13.00 per hour on January 1, 2016.

After the second increase to as much as \$13.00 per hour on January 1, 2016, Vigdor and the MWS team found a 3% increase in hourly wages for low-wage employees and a 9% reduction in hours worked.¹⁰ Moreover, they found a reduction of over \$100 million per year in total payroll for low-wage jobs (measured as the sum of increased wages received less wages lost due to employment reductions). On average, payroll losses amounted to \$125 per job per month. Research by Vigdor and the MWS team is ongoing with plans for additional analysis including how the effects of the Seattle

1. Consulting Economist, Northwest Economics, LLC, Seattle, WA. Contact at: christina@nweconomics.com

2. <http://www.weai.org/AC2018>

3. <https://www.dol.gov/whd/minwage/america.htm>

4. <https://www.seattle.gov/laborstandards/ordinances/minimum-wage>

5. <https://evans.uw.edu/policy-impact/minimum-wage-study>

6. <https://evans.uw.edu/profile/vigdor>

cont. on page 8...

cont. from page 7...

minimum wage differ across workers with different personal and family characteristics and how higher minimum wages impact worker productivity.

Another economist, Michael Reich, and his colleagues have also tackled the challenging research question of assessing the impact of Seattle's minimum wage policy. Michael Reich earned his Ph.D. in Economics from Harvard and is Professor of Economics at the University of California at Berkeley. He is also Co-chair of the Center on Wage and Employment Dynamics (CWED) at the Institute for Research on Labor and Employment (IRLE) at U.C. Berkeley, serving as Director of IRLE from 2004 to 2015.

The City of Seattle also asked Dr. Reich and the CWED to analyze the minimum wage policy effects. In a memorandum to the Mayor of Seattle and the Seattle Director of the Office of Policy and Innovation, Dr. Reich responded to their request for "comments on the new report by the Seattle Minimum Wage Team of the University of Washington." In this letter, Dr. Reich critiqued the work of Vigdor and his MWS team stating that they "arrive at quite different conclusions" and that he believed that the conclusions presented in Dr. Vigdor's MWS report are "unwarranted."

In the same month that Dr. Vigdor and his MWS team issued their June 2017 report, Dr. Reich and his team issued a report titled "Seattle's Minimum Wage Experience 2015-2016."

Like Dr. Vigdor and his MWS team, this report was the first in a series that Dr. Reich and CWED plan to produce based on their ongoing research. In this June 2017 report, the analysis examined wage increases up to \$13.00 per hour (including the increase implemented on January 1, 2016) and was limited to workers in the Seattle food services industry as an "intense user of minimum wage workers." Looking at workers in the Seattle food services industry, Dr. Reich and his team found that wages did increase "indicating the policy achieved its goal." However, in contrast to Dr. Vigdor and the MWS analysis, they found that employment (in food service) was not affected.

In addition to continued monitoring of effects in Seattle, Dr. Reich and the CWED plan to present similar studies of other cities implementing minimum wage increases including Chicago, Oakland, San Francisco, San Jose and New York City. At the Western Meeting session on Thursday, June 28, Dr. Reich will present his paper, "*The New Wave of Minimum Wage Policies: Evidence from Six Cities*" and will serve as the discussant for Dr. Vigdor's presentation. Dr. Vigdor will present his current research regarding "Seattle's Minimum Wage Ordinance: Impacts on Wages, Workers, Jobs, and Establishments" and he will serve as a discussant for Dr. Reich's presentation.

In addition to Dr. Vigdor and Dr. Reich, our third presenter during this session will be David Green of the Vancouver School of Economics at the University of British Columbia presenting his paper "*The Minimum Wage, Turnover, and the Shape of the Wage Distribution*." Dr. Green is a Professor of Economics and Director of the Vancouver School of Economics at U.B.C., and an International Fellow at the Institute for Fiscal Studies in London. Finally, we are honored to have Orley Ashenfelter join us for this session. While space precludes a complete listing of Dr. Ashenfelter's background and accomplishments, briefly, he is a Professor of Economics at Princeton University, former editor of the *Law and Economics Review* and the *American Economic Review*, and current President of the WEAL. Don't miss this engaging session at the Western Meeting in Vancouver this June. •

7. https://evans.uw.edu/sites/default/files/MWS%20overview_final.pdf

8. https://evans.uw.edu/sites/default/files/MWS%20overview_final.pdf

9. https://evans.uw.edu/sites/default/files/w23532_0.pdf

10. https://evans.uw.edu/sites/default/files/w23532_0.pdf



Recent Topics Seen on the NAFE-L Listserve

- *How should taxes be handled in an FCTA case?*
- *Has Georgia state law changed, regarding discount rates?*
- *Could someone direct me to a source for starting salaries for a Ph.D. in XXX?*
- *When a plaintiff has been working part-time, how should worklife expectancy be applied?*
- *How could I go about valuing commuting time for an employment case?*
- *I'm planning to write a paper on XXX; is anyone interested in co-authoring?*
- *I'm sharing the updated U.S. Life Tables (yes, all 18 of them), which I condensed into a single Excel file for all to use.*
- *I'm alerting everyone that Kaiser Family Foundation's latest Employer Health Benefit Survey has just been released.*

Each of the queries above yielded one or more responses, sometimes within minutes. If you are not yet subscribed to NAFE-L, you are missing out on this valuable benefit of your NAFE membership, a wealth of knowledge, and opportunities for you to contribute to the profession.

NAFE-L is a simple-to-use email system to discuss forensic economics questions and issues with experts in the field and receive valuable, real-time feedback. For more information and to sign-up, visit NAFE.net/NAFE-L.

Photo: Steve Shapiro, Christopher Young and Luigi D'onorio Demeo

Lost Profits Damages: Court Standards, New v. Unestablished Businesses, and the Economist's Analysis

Josefina V. Tranfa-Abboud, Ph.D., CFE, MAFF

Given the multitude of factors -both internal and external- that may alter business operations and financial performance, when facing a legal dispute, a decline in financial performance that coincides with the timing of the disputed event is often not sufficient basis to establish a 100 percent causal relationship between a decline in profits and an alleged harmful act. The general position of the courts is that lost profits damages are recoverable when: (1) it can be demonstrated that the plaintiff was damaged, (2) that the actions of defendant are the proximate cause of the plaintiff's lost profits damages, and (3) that lost profits damages can be estimated within reasonable certainty.ⁱ

Because the general standard of the courts is that damages estimates be "within reasonable certainty",ⁱⁱ and to be objective and not speculative,ⁱⁱⁱ in order for a lost profits damages to effectively sustain rebuttal, such analysis must, to the best level the data allows, isolate effects on business operations and on financial performance resulting from the harmful act, rather than offer a measure of damages that may be reflective of effects resulting from unrelated events. In other words, the analysis has to provide an estimate of damages that is reflective of the negative impact on financial performance resulting from the action(s) of defendant(s),^{iv} and has to "isolate" the effects of exogenous factors from the effects of the alleged wrongdoing.

Accordingly, two points must be addressed by the economist: (a) the reliable identification of the portion of lost expected profits that are proximately caused by defendant(s)'s wrongdoing, and (b) the expert's methodology must yield a reasonably certain estimate of lost profits. In order to do so, factors such as the history of the business (new business venture relative to a long-standing business history), the characteristics of management, internal policies, customer base, the specific industry, the general and local economic conditions, and any factors related to vendors and the customer base are all subject to evaluation.

Therefore, lost profits quantification requires a multifactor evaluation,^v that includes a careful selection of the applicable methodology and the relevant data, and the estimation of lost revenues and avoided costs, financial performance pre- and post-incident, the damages period, and mitigation, as well as the economic and industry outlook.

Significant differences exist between an analysis of lost profits damages for an established business and a lost profits damages analysis involving a new/unestablished business or business endeavor. Despite the *Modern New Business Rule*,^{vi} under which unestablished businesses can recover damages, the evaluation is even more challenging in the case of newer/unestablished businesses/unestablished business endeavors due to the limitations in availability of historical data.^{vii, viii} According to Beaton and Farmer: "... legal and evidentiary requirements are often heightened when measuring damages for new businesses."^{ix, x, xi} In fact, because damages can only be recovered to the extent that the evidence permits,^{xii} lost profits damages are more frequently denied to new/unestablished businesses relative to established businesses, particularly in breach of contract claims.^{xiii}

However, irrespective of the business history, in isolating the effects of the harmful act from other potential causes of declined financial performance, it is key to benchmark the trends in the business historical performance relative to the historical trends in the economy, the industry, the local economy and market.

The application of the methodology, however, often proves to be challenging due to data limitations. Depending on the type and amount of data available, the analysis may allow for regression models as a powerful tool to isolate the effects of simultaneous factors. However, in many situations, and particularly in the case of new/unestablished businesses, a simpler approach may prove to be a more viable alternative.^{xiv}

In the case of more established businesses with sufficient historical financial performance data, pre- and post-incident data can be used to isolate the effects of unrelated factors from the effects of the disputed event. For example, the financial performance of the business in the presence of general or local economic downturns occurring a few years prior to the period of damages, and the timing of the business' recovery from prior, unrelated shocks, can

tell a compelling story about the potential magnitude of the effects and duration of the wrongdoing.

When analyzing a new/unestablished business, however, business-specific financial and non- financial data potentially exists only post-incident. For new/unestablished businesses, it is the post-incident data and facts that can allow the economic damages expert to construct an estimate of lost profit damages that isolates the effects of the disputed event from the effects of other, unrelated factors that may have affected the business' financial performance.

While this may prove to be more challenging for new/unestablished businesses, it is often the case that *ex post* analysis principles can be combined with the principles of the yardstick approach via the identification of internal and external proxy benchmarks.^{xv}

For a new business, post-incident and post-incident internal benchmarks are often more critical because it is challenging to demonstrate that an unrelated business' success constitutes a measure of the potential success of the business that is being analyzed. Internal benchmarks can demonstrate, or disprove, management's resilience and ability to turn a profit in post-incident endeavors, either alternative or parallel. Moreover, while positive post-incident financial performance is many times considered as mitigation of damages, such information can actually prove useful in providing substantiation for a claim of lost profits damages. Put in simple terms, it is more difficult to prove that the enterprise would have been successful if there is no proof of post-incident accomplishments.

Similarly, to any other situations in which economic damages are estimated, the reliability of the damages model and corresponding results hinges upon the quality of the data. The more reliable and the closer the data is to the specific circumstances analyzed, the higher the chances of constructing an economic damages model and estimate that can be defensible and withstand cross-examination. Lack of post-incident data on the activities of a new/unestablished business plaintiff can be effectively used by an opposing economic

cont. on page 10...

1. Economist, Founder and Managing Director, Analytical Economics Associates LLC, Morristown, NJ.
Contact at: jtabboud@analyticaleconomics.com

cont. from page 9...

damages expert to disprove the reliability of the damages estimate on the grounds that the lack of data would unavoidably result in assumptions that may be unduly speculative.

Because of the timing characteristics of the legal process, the involvement of the economic damages expert typically occurs at a date that is likely years removed from the date of the disputed incident. Given the lag between the incident and the timing of economic damages expert's retention and analysis, the economic damages expert (regardless of whether the expert is retained by the plaintiff or by the defendant) can often take full advantage of the additional data available post-incident in demonstrating or disproving lost profits damages to a new business. •

References

- i. Weil, Roman L., Daniel G. Lentz & David P. Hoffman, *Litigation Services Handbook – The Role of the Financial Expert*, Fifth Edition, John Wiley & Sons, Inc., 2012; Chapter 4.
- ii. *Celebrity Cruises, Inc. v. Essef Corp.*, 478 F.Supp. 2d 440, 447-55 (S.D.N.Y. 2007); *Texaco, Inc. v. Penzoil Corp.*, 729 S.W.2d 768, 831, 866.
- iii. *Russell v. Alliance Life Ins. Co. of N. Am.*, 2015 U.S. Dist. LEXIS 1946 (Jan. 8, 2015).
- iv. National Market Share, Inc. Sterling National Bank, 392 F.3d 520, 525 (2d Cir. 2004).
- v. Fannon, Nancy J.: *The Comprehensive Guide to Lost Profits and Other Commercial Damages*, Third Edition, Volume 1, BVR, 2014.
- vi. Bollas, Bernadette J., *The New Business Rule and the Denial of Lost Profits*. Ohio State Law Journal, vol. 48, no. 3 (1987).
- vii. Bollas, Bernadette J., *The New Business Rule and the Denial of Lost Profits*. Ohio State Law Journal, vol. 48, no. 3 (1987).
- viii. Anderson, Patrick L., *The Economics of Business Valuation, Towards and Value Functional Approach*. Stanford Economics and Finance, 2012.
- ix. Fannon, Nancy J.: *The Comprehensive Guide to Lost Profits and Other Commercial Damages*, Third Edition, Volume 1, BVR, 2014; Chapter 12.
- x. Fannon, Nancy J.: *The Comprehensive Guide to Lost Profits and Other Commercial Damages*, Third Edition, Volume 1, BVR, 2014; Chapter 12.
- xi. This is also the case for businesses with a long-standing history of operations but with relatively new presence in a new business -and possibly unchartered- market segment. See *TAS Distrib. Co. v. Cummings Engine Co.* (7th Cir. 2007).
- xii. Weil, Roman L., Daniel G. Lentz & David P. Hoffman, *Litigation Services Handbook – The Role of the Financial Expert*, Fifth Edition, John Wiley & Sons, Inc., 2012; Chapter 4.
- xiii. Fannon, Nancy J.: *The Comprehensive Guide to Lost Profits and Other Commercial Damages*, Third Edition, Volume 1, BVR, 2014; Chapter 12.
- xiv. Gaughan, Patrick A., *Measuring Business Interruption Losses and Other Commercial Damages*. Second Edition. John Wiley & Sons, Inc., 2009.
- xv. Weil, Roman L., Daniel G. Lentz & David P. Hoffman, *Litigation Services Handbook – The Role of the Financial Expert*, Fifth Edition, John Wiley & Sons, Inc., 2012; Chapter 4.



Photos:
1) Steve Shapiro
2) Sarah Betz and
Jennifer Polhemus

What's on Your Nighttable?

Frank Slesnick¹

A Book Review of Bryan Caplan, The Case Against Education - Why the Education System Is a Waste of Time and Money, Princeton University Press, 2018, \$29.95, 395 pp.

Bryan Caplan, an economist at George Mason University, has written a book that with little exaggeration can be described as a bombshell. According to Caplan, most education in the U.S. is for the most part not worth the money, either to the student or the taxpayer. Students forget most of what they learn, social benefits are overrated, and the payoff to education is largely due to credential inflation. Public funding for schools should be reduced drastically and there should be more emphasis on vocational training. That would cut back on the number getting educated and lead to lower levels of education becoming more valuable. In a nutshell, education helps one get a job but does not provide the skills to perform at a job.

Education is still a good investment for the individual because firms will use the education degree as a signal of skills such as intelligence, conscientiousness, and especially conformity. But since sending a successful signal for one person implies you are better than other people with fewer education credentials that implies people are just playing a zero-sum game. When I acquire a higher-level credential that means others now have less valuable credentials. Put differently, it would make little difference if the average level of education fell. If that happened, public expenditures would be saved, and individuals would save the time and expense of attaining more education. In fact, other than basic literacy and numeracy skills, people learn very little in school that is directly useful in the job market. Education does not improve your productivity but rather reveals to the firm your preexisting traits that are useful in the labor market, especially if you graduate. Caplan points out that much of the activities of students on campus show that signaling is the main benefit of attending college. For example, if human capital was the main payoff, then students would generally not cheat, would be upset if classes were cancelled, and spend little time socializing rather than studying. Evidence indicates students often cheat, look for easy courses, spend significant amounts of time socializing, and are generally thrilled when classes are cancelled.

Some claim that even if education often does not teach specific job skills, it teaches them how to think. Caplan, however, claims that education fails to durably improve critical thinking, at least outside the classroom. To get good at something, you need a lot of practice. Caplan believes that going out and getting a job will likely prepare people better than being in school, being bored, and learning little that is useful.

Even if education doesn't provide skills useful in the labor market, it does help those who acquire more education make more money. Both human capital advocates and signaling advocates assume education does pay off financially for individuals, although for different reasons. The human capital model says more education will increase your income because it improves skills while the signaling model says that it certifies the skills you already possessed. But is it true that education is responsible for the differences in income that show up in the government data – for example, that the average BA graduate makes about 73% more than the average HS graduate? The answer is “No” because a direct comparison does not take into account ability bias. For example, if the average high school graduate decides to attain a BA degree, it is unlikely that they will have earned a 73% education premium relative to her or him deciding to not attend college.

Caplan also talks about the so-called “sheepskin effect”. If, in fact, the human capital model is correct, then a person who dropped out the last semester should still get most of their education premium. In fact, the return to attending high or college is mediocre unless the person actually graduates. Further, if education only provided skills, then a bartender with a BA degree should get roughly the same income as a bartender who dropped out of high school. Again, that is not the case. In fact, college graduates earn 70% to 90% more than high school dropouts even when they are in the same occupation. All of this argues strongly for the importance of the signaling effect.

Caplan has a lengthy analysis of both the private rate of return and the social rate of return of education. Considering the private rate of return, benefits are measured as equivalent to the education premium (adjusted for taxes and transfers) and costs are estimated by estimating tuition plus foregone earnings. Caplan looks at this for both a “good student” who has the profile of the average college graduate and “all others” who have the profile of the average high school graduate.

Caplan, however, looks at other benefits than those mentioned. Education, in addition to increasing earnings, might also lead to greater job satisfaction, better health, and an improved level of happiness. Caplan makes “educated guesses” at these amounts since research is skimpy once one goes beyond earnings. According to Caplan, high school pays an average of 7.4%, with the biggest return occurring in the last year. For college, the average return is 4.9%. Since these returns are adjusted for inflation, they do show that for the good student, both high school and college is often a good investment. Caplan also looks at the return for the fair and poor students and they are considerably smaller due to this group's low completion rate. The bottom line here is that for almost any student, graduating high school is worthwhile, but only the better students will benefit from a college degree.

Estimating the social rate of return is difficult but Caplan provides a range of estimates. If education conforms to the human capital model by providing enhanced skills to individuals, then the additional earnings of the better educated minus the attendant costs are also society's benefits. But in a signaling model, other than providing information to firms concerning the worker's productivity, education has little social value at least in reference to enhanced earnings.

Caplan indicates that there may be social benefits aside from education's impact on earnings. These include, among others, the net impact of taxes and transfers, the impact of education on health, greater participation in the democratic process, and reductions in crime rates. Despite all these potential social benefits derived from more education, Caplan's estimate of the social rate of return is low for good students and abysmal for fair or poor students. If signaling is 80% of the education premium and improved skills is just 20%, then the social rate of return is “beyond bleak”. Even when signaling is at Caplan's lowest estimate of one-third, the only group where college makes sense from society's perspective is for excellent students.

Caplan believes we should cut most or all government funding, which is 80% of the total spent on education, given its poor social return. He recommends we stop requiring “useless coursework”, which includes, among others, art, music, and foreign language. In addition, the cost of education should be shifted from taxpayers to students and families.

Many will say that raising the cost of education will hurt the poor and that we should do the opposite – that is, help subsidize those who cannot afford it. But if more people wind up with a BA degree, then the good or excellent students will no longer be able to signal their

value to employers. The result will be these students will likely opt for even higher degrees than the BA, which will lead to even more credential inflation. In the end, the poor student will have spent time and money on a credential that has little value. This arises from what Caplan refers to as “social desirability bias”, which tends to occur frequently when spending is through the political process. Individuals will favor more spending on education because it either makes them feel good or they believe it is the socially acceptable view rather than analyzing what is its actual value.

The author also devotes an entire chapter discussing the advantages of vocational education. For Caplan, it is better to train people for careers they are likely to enter rather than careers they would never pursue. Although advocating more vocational education sounds like one is labeling individuals as somehow not fit for higher education, he asks whether this is worse than forcing many students to be bored and then dropping out of higher-level education programs they are not prepared for.

Caplan spends a lot of time discussing and answering objections to his signaling conclusions, which is one of the strong points of the book. Is signaling everything? If signaling is used to measure intelligence, couldn't firms find a cheaper way of finding out potential employee's productivity such as an IQ test? How do you know poetry will not be useful on the job? Won't online education preempt bricks and mortar education so this whole discussion is basically talking about something that will not exist in the near future, at least at the college level? Why do the vast majority, including other countries, believe that education is vital for a country's future? How can you say that a marginal student should not have the right to seek a higher education? If you eliminate all public subsidies, what does that mean for those students whose families have low incomes even though they may be excellent students? Won't vocational training lead students to focus on narrow occupations rather than prepare them for an uncertain future? Why Do You Hate Education?

In sum, I strongly recommend this book even if you fundamentally disagree with his analysis and his recommendations are unlikely to be implemented. Further, the forensic economist may realize that when examining a plaintiff, not everyone is going to achieve that BA or post-graduate degree. •

NAFE Visits

VANCOUVER, BRITISH COLUMBIA

Vancouver is known for its expansive views and wonderful climate. If you have travelled to this west coast city see how many of these sites you recognize, and if you haven't visited perhaps the images will encourage you to attend the upcoming NAFE sessions to be held June 28th and 29th in conjunction with the 93rd Annual WEAI Conference. We hope to see you there! •



Meeting Updates

International Meeting Meeting Announcement

15th Annual International Conference of the
National Association of Forensic Economics
Bath, England - May 25, 2018

NAFE's 15th Annual International Conference is scheduled this month on May 25th.
Please look for an International Meeting update in the next issue of *The Forecast*.
John Ward (wardjo@umkc.edu) - Meeting Organizer

Western Meeting Join us at the WEAI in Vancouver, Canada

93rd Annual Conference of the Western Economic Association International
Vancouver, British Columbia, Canada
NAFE Sessions Dates: June 28-29, 2018
Hotel: Sheraton Vancouver Wall Centre
Housing Link: <http://www.weai.org/2018HotelInfo>
Conference Information: <http://www.weai.org/AC2018>

NAFE will be holding six sessions at the 93rd Annual Conference of the Western Economic Association International in Vancouver, B.C., Canada. There will be three sessions on Thursday, June 28, and three sessions on Friday, June 29, with a NAFE reception following the final session on Thursday, June 28. Register now and be sure to reserve a hotel room at the conference rate. The deadline to register at the "early bird" conference rate (\$45 discount) is May 15th.

See below for the current schedule:

Thursday, June 28 Session 1- 8:15 a.m.

"Refuting Bogus Statistics in Litigation: A Case Study"
Kevin Cahill, Boston College (cahillkc@bc.edu)

"The Growth of Subrogation and the Future of Personal Injury Litigation"
Stephen Spurr, Wayne State University (sspurr@wayne.edu)

"Mitigating Future Economic Damages in Disputes Revolving Credit Damages"
Roman Garagulagian, Forensic Economic Services (Roman@Rule703.com)

Session 2- 10:15 a.m.

"Earning Capacity of Undocumented Workers"
Nikanor I. Volkov, Eugene W. Stetson School of Business and Economics,
Mercer University (volkov_ni@mercer.edu)

"Earnings Growth: Panel and Cross-Sectional Dataset Comparisons"
William H. Rogers, W.H. Rogers, L.L.C. (william@whrogersecon.com)

Session 3- 2:30 p.m.

"The Minimum Wage, Turnover, and the Shape of the Wage Distribution"
David Green,* Vancouver School of Economics, UBC (david.green@ubc.ca)
Joint with Pierre Brochu (University of Ottawa), Thomas Lemieux
(Vancouver School of Economics, UBC), and James Townsend (University of Winnipeg)

"Seattle's Minimum Wage Ordinance: Impacts on Wages, Workers, Jobs, and Establishments"
Jacob L. Vigdor, Evans School of Public Policy & Governance, University of Washington
(jvigdor@uw.edu)

"The New Wave of Minimum Wage Policies:
Evidence from Six Cities"
Michael Reich, Department of Economics and
Institute for Research on Labor and
Employment; University of California, Berkeley
(mreich@econ.berkeley.edu)

*Orley Ashenfelter, WEAI President and Princeton Professor of Economics, will serve as a discussant during this session.

NAFE Reception: After the final session on Thursday, join us for a reception and social event at 'Relish the Pub' (<http://www.relishthepub.com/relish/menu.asp>). 'Relish the Pub' is within walking distance of the hotel at 888 Nelson Street (between Hornby & Howe), or see this Google Map for the location: <https://goo.gl/maps/NHzUFDx8yBK2>. Additional details to be announced.

Friday, June 29 Session 1- 8:15 a.m.

"Cryptocurrency Return and Risk
Metric Estimation"
Steven J. Shapiro, New York Institute of
Technology (sshapi01@nyit.edu)

"Quantifying Pension & Employment Benefit Loss
- Approaches & Considerations"
Stephen Cheng, Westcoast Actuaries Inc.
(Stephen.Cheng@westcoast-actuaries.com)
and Neil Chicoine, Westcoast Actuaries Inc.
(neil.chicoine@westcoast-actuaries.com)

"Effects of the Tax Cuts and Jobs Act on
Neutralizing the Adverse Effect of State and
Federal Income Taxes on Lump Sum Awards
in Employment Cases"
Mike Nieswiadomy,* Department of Economics,
University of North Texas
(Michael.nieswiadomy@unt.edu)
and Tom Loudat (tomloud@earthlink.net)

Session 2- 10:15 a.m.

Panel: Analysis and Rebuttal of Economic
Damages in Wrongful Death Case Study

Jim Rodgers, Professor Emeritus, Pennsylvania
State University (jdr@psu.edu)
William H. Rogers, W.H. Rogers, L.L.C.
(william@whrogersecon.com)
Tom Roney, Thomas Roney, L.L.C.
(TRoney@thomasroneyllc.com)

Session 3- 2:30 p.m.

"Higher-order Markov Estimates of Worklife"
Matthew Cushing & David Rosenbaum
(mcushing1@unl.edu; drosenbaum@unl.edu)

"A Cohort Approach to Worklife Estimation"
Matthew Cushing & David Rosenbaum
(mcushing1@unl.edu; drosenbaum@unl.edu)

"Worklife Norms, Risks, and Duration"
Scott Gilbert, Department of Economics,
Southern Illinois University Carbondale
(gilberts@siu.edu)

Christina Tapia

(christina@nweconomics.com)

Vice President – Western Region

Midwestern Meeting No NAFE Sessions Planned

55th Annual Conference of the Missouri
Valley Economic Association
Memphis, TN - November 1-3, 2018
Hotel: Sheraton Memphis
Downtown Hotel
Housing Link:
<https://www.starwoodmeeting.com/events/start.action?id=1804198327&key=2FBE097E>
Conference Information:
<http://www.mvea.net/annual-conference.html>

Because the annual conferences of the Missouri Valley Economic Association and the Southern Economic Association will both be held in November this year, NAFE will not be planning sessions at the Missouri Valley Economic Association meeting. Please contact William Rogers, Vice President – Midwest, at william@whrogersecon.com for more information.

William Rogers

(william@whrogersecon.com)

Vice President – Midwest Region

Southern Meeting

Call for Papers & Discussants

Southern Economic Association 88th Annual Meeting

Washington, D.C. – Nov. 18-20, 2018

Hotel: Marriott Marquis Washington, D.C.

Hotel Reservations: May be found at sea2018@unc.edu

Conference Information: www.southerneconomic.org

The Southern Economic Association 88th Annual Meeting will be held November 18-20, 2018 at the Marriott Marquis Washington, D.C. At this point we do not have a definite date but our sessions will probably be on Sunday, November 18th.

We plan to have three sessions at this meeting and currently have commitments for three papers on timely topics and three presentations by federal employees with respect to data that we frequently use. We invite your participation as a presenter or discussant.

For further information on program participation please contact Gil Mathis at: gil.mathis@murraystate.edu or (270) 809-4283.

Gilbert Mathis (gil.mathis@murraystate.edu)

(270) 809-4283

Vice President – Southern Region

National Meeting

Call for Discussant

2019 ASSA Annual Meeting

2019 ASSA Annual Meeting

Atlanta, GA – January 4-6, 2019

Hotel Information: Atlanta Marriott Marquis (probably)

Conference Information: Not yet available

The 2019 ASSA annual meeting will be held January 4-6, 2019 (Friday, Saturday, Sunday) in Atlanta, GA. Dave Tucek and Scott Gilbert are organizing the NAFE sessions and are pleased to announce that they have lined up twelve papers to fill four sessions. However, Dave and Scott are still in the process of matching papers to discussants. Please contact Dave at david.tucek@valueeconomics.com or Scott at gilberts@siu.edu if you would like to be a discussant.

David Tucek

(david.tucek@valueeconomics.com)

& Scott Gilbert (gilberts@siu.edu)

- Vice Presidents - At Large

Winter Meeting

Accepting Paper

& Panel Discussion Proposals

19th Annual NAFE Winter Meeting

San Juan, Puerto Rico - Jan. 25-26, 2019

Hotel: TBD

The 2019 NAFE Winter Meeting will be on Friday, January 25, and Saturday, January 26, 2019. Please “save the dates” on your calendar. The meeting location has not been finalized as of this date, but we are moving forward with plans to have the 2019 Winter Meeting in San Juan, Puerto Rico.

Paper proposals and roundtable/panel discussion proposals are invited for four sessions, two each on Friday and Saturday mornings, January 25 and 26, 2019. 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.

Art Eubank (art@eubankeconomics.com)

& Charles Baum

(baumeconomics@gmail.com)

- Meeting Organizers

Eastern Meeting

2019 Meeting Information Coming Soon!

With the NAFE sessions at the 2018 Eastern Economic Association Annual Conference recently completed, information is not yet available for the 2019 meeting. Please see the August issue of *The Forecast* for updated information about planned NAFE sessions at this meeting or check out the EEA website: <https://www.ramapo.edu/eea/> for general meeting information as it becomes available.

Meetings of Other Associations

American Academy of Economic & Financial Experts

AAEFE 31st Annual Meeting

Las Vegas, NV – April 25 & 26, 2019

Conference Information: check

www.aaefe.org/annual-meeting for information as it becomes available.

American Rehabilitation Economics Association

Early Bird Conference Deadline is May 25th

AREA 2018 Annual Conference

Austin, TX – June 21-23, 2018

Hotel: Sheraton Austin Hotel

at The Capitol

Conference Schedule & Registration Form:

http://www.a-r-e-a.org/?page_id=456

Call for Submissions and Book Reviews

The Forecast — A Newsletter of the National Association of Forensic Economics encourages submissions on topics of interest to practicing forensic economists and the NAFE community of members.

If you have an idea for a newsletter article or if there is a book - either a current or past release - that you would like to introduce to your peers, then please consider preparing an article or review for our newsletter. It is contributions from NAFE members that make our newsletter appealing and informative and we would appreciate having yours.

Submissions and reviews should be amiable and well-reasoned in nature, should not refer to subjects of active litigation, and should be approximately 1500 words or less. Submissions should be in Microsoft Word, and all tables and charts should be submitted as part of the MS Word file and as separate pdf files. Accepted submissions may need to be edited for space constraints and the production schedule will determine when articles will be published. Submissions can be sent to Nancy Eldredge at nancy@nafe.net, or directly to me at lane@lh-analysis.com.

Submitting an article or book review for publication is easy and I am always happy to answer questions regarding possible submissions. If you have an idea you think could work for submission, please do not hesitate to contact me, *The Forecast* editor, at lane@lh-analysis.com.

We look forward to seeing your submission!

Sincerely,
Lane Hudgins, Editor



Photo: Patrick Fitzgerald

The latest from the
**JOURNAL
OF
FORENSIC ECONOMICS**

Contents of Volume XXVII, Number 1, published January 2018

ARTICLES

Charles L. Baum II and James D. Rodgers
Maternal Household Services and Children

Robert Baumann and David Schap
Staggered Wage Net Discount Rates:
Accounting for Possibly “Sticky” Wages

David I. Rosenbaum, David Schap, & Michael R. Luthy
2017 Survey of NAFE Members: Their Methods,
Estimates, and Perspectives

COMMENTS

J. B. Heaton
Positive Equity Prices with Insolvency
Under Legal Solvency Tests

SPECIAL SECTION

Assessing Economic Damages in Personal Injury
and Wrongful Death Litigation in the States

David I. Rosenbaum and Kimberly Knoshaug
Assessing Economic Damages in Personal
Injury and Wrongful Death Litigation: The
State of Iowa

BOOK REVIEW

NAFE MEMBERS DIRECTORY

SUBMISSION GUIDELINES

This issue is now available in its entirety at
www.journalofforensiceconomics.com

CHANGE SERVICE REQUESTED

NAFE Events

Mark your calendars
for these upcoming
NAFE meetings and sessions

2018

NAFE INTERNATIONAL MEETING

Bath, England – NAFE Meeting Date: May 25, 2018

WESTERN ECONOMIC ASSOCIATION INTERNATIONAL

Vancouver, Canada – NAFE Sessions: June 28-29, 2018

MISSOURI VALLEY ECONOMIC ASSOCIATION

Memphis - Meeting dates: November 1-3, 2018

(No NAFE Sessions Planned)

SOUTHERN ECONOMIC ASSOCIATION

Washington, D.C. – Meeting Dates: November 18-20, 2018

2019

AMERICAN ECONOMIC ASSOCIATION – ASSA

Atlanta – Meeting Dates: January 4-6, 2019

NAFE WINTER MEETING

San Juan, Puerto Rico – Meeting Dates: January 25-26, 2019

EASTERN ECONOMIC ASSOCIATION

TBA

Look for meeting details inside



Photo Above: Ken Betz, Justin Lompado, Ryan Lum and Jennifer Polhemus

Photo Below: David Schap and Elias Grivoyannis

