

the FORECAST

A Newsletter of the National Association of Forensic Economics



Features: pg 6

NAFE Events: pg 10

Featured photos from
NAFE Sessions at the
EEA in Boston

President's Letter

Kevin Cahill, President, NAFE
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Dear NAFE members:

I hope you are all staying safe and healthy. Like everyone, NAFE as an organization is adapting to this new environment that has been unexpectedly thrust upon us.

First and foremost, we will prioritize the health of our members, our families, and our communities. A large portion of our membership belongs to at least one vulnerable population category, and we should all take the necessary precautions given our individual circumstances. In particular, as our state economies begin to open, please abide by the recommendations of your local officials. Here in Idaho, for example, the state is opening in phases, but public interactions for those who belong to a vulnerable population do not resume until the fourth and final phase. And even then social distancing plans will remain in place. The way we live and work will be different for quite some time.

Speaking of changes, at this point in my letter I usually talk about what has happened recently and what lies ahead regarding our conference sessions. No surprise, the shutdown has thrown us a curve ball in this regard. First, though, prior to the shutdown NAFE held our annual sessions at the Eastern Economic Association meetings in Boston in February, and I would like to thank Christopher Young and Robert Baumann for organizing the sessions. Chris and Rob organized four sessions that covered the economics of personal injury, the economics of business and related disputes, race, gender, and religion in forensic economics, and calculations and consideration of hedonic damages in personal injury. We all look forward to the next time we can have in-person sessions like this one, with the expectation that it might be several months away.

Regarding upcoming conferences, Marc Weinstein, Christina Tapia, and I made the call to cancel our sessions at the Western Economic Association International meetings, originally scheduled to take place in Denver in June before the WEAI made the decision to host an

entirely virtual conference. As we stated in March, we did so out of respect for our members' need for stability and the ability to plan in the coming months. Also, not surprisingly, the NAFE International Meetings originally scheduled for May 22, 2020 in Toledo, Spain were cancelled as well.

On the plus side, in place of NAFE's in-person sessions Christina Tapia has put together two great virtual sessions for WEAI's now all-virtual conference. These sessions will be held Friday, June 26 and will be free for all members – see *Meeting & Regional Updates* in this newsletter for details. Also, Marc

cont. on page 7...



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In This Issue

- 1 • President’s Letter
Kevin Cahill

Member News

- 3 • From the Executive Director,
Marc Weinstein
- 5 • Welcome New Members

Features & Reviews

- 6 • “Year of Wonders”? More like:
“Year of Wondering if it will Ever End”
Lane Hudgins
- 10 • Book Review of Michael Blastland’s
The Hidden Half. How the World
Conceals its Secrets
Frank Slesnick

Meeting & Regional Updates

- 10 • Meetings & Regional Updates

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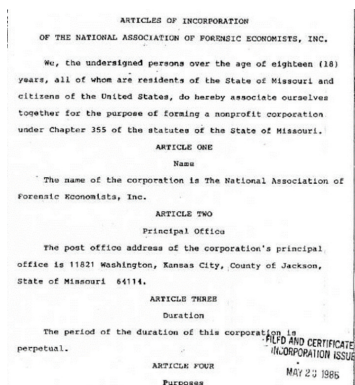
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Proclamation

From the Executive Director

Marc Weinstein, Executive Director, NAFE



The National Association of Forensic Economists (“NAFE”) was officially incorporated by John and Pam Ward, and Linda McDaniel in Kansas City, County of Jackson, State of Missouri on May 23, 1986. Effective January 3, 1992, the organization’s name was broadened and officially changed to the National Association of Forensic Economics. Thus, being that May 23rd is NAFE’s birthday, we proclaim that May 23rd will be recognized as International Forensic Economists’ Day. On this day each year, practicing Forensic Economists can appreciate the efforts of NAFE and its purpose of *Promoting the Advancement of Forensic Economics*.

Whereas, since 1986, the National Association of Forensic Economists was formed as a professional association of forensic economists; and

Whereas, the organization will publish an educational journal that will be known as the *Journal of Forensic Economics*; and

Whereas, the organization will arrange for annual meetings of the membership as prescribed in the bylaws; and

Whereas, since the organization will continue their efforts of *Promoting the Advancement of Forensic Economics*;

Therefore, be it resolved that the current Board of Directors of NAFE do hereby proclaim May 23rd annually, as

International Forensic Economists’ Day

On the occasion of the first International Forensic Economists’ Day established to celebrate the long history of our professional organization, Scott Gilbert had the excellent idea to invite NAFE members on NAFE-L to comment on the benefits of NAFE membership. Here are the responses:

“Has NAFE added value to your practice in forensic economics or an allied field, and if so what are the top three reasons for this value added?”

Yes, very much so:

1. My NAFE experience at conferences and online has made me aware of many developments in forensic economics and allied fields. This has made me a more informed forensic economics practitioner.
2. My interactions with NAFE members have improved my ability to interact productively with people involved in forensic economics cases.
3. NAFE’s Ethics Statement has been useful in some forensic economics cases where I have had ethical concerns.

Happy Int’l Forensic Economists’ Day!

Scott Gilbert

Gilbert Economics, LLC

The idea for the formation of NAFE originated at a session of the Atlantic Economic Association in Rome in 1985. The session was labeled, “Forecasting Economic Damages” And consisted of three participants and my wife, Pam, as an audience. John Adams and I were presenters and we had one discussant for both papers. During our session John and I talked about the value of putting together a list of names of economists around the country doing expert damages testimony and we decided to share this information. Over the next several months we had a list of about 80 individuals. I moved ahead with the incorporation of the National Association of Forensic Economists (later changed to the National Association of Forensic Economics) and Jerry Olson and I scheduled a meeting of the group for the ASSA in 1987, using our growing mailing list of FE’s. Our first meeting was a great success, with all participants enthusiastic for more meetings, the creation of a journal and the sharing of information and war stories. Jerry, myself and our wives, Jane and Pam, hauled up a variety of intoxicants and snacks from an area liquor store to our suite and we had our first NAFE cocktail reception - a great success. Those attending constituted the core for our organization in its first years. Mike Brookshire, Bob Thornton, Barry Ben-Zion,

cont. on page 4...

cont. from page 3...

Eli Schwartz, John Adams, Frank Slesnick and Jim Rodgers, just to name a few of our attendees, became good friends as well as valuable resources for the organization's growth. At the time I had just left a Dean's position at my University and was looking for a new adventure. Over the next 3 1/2 decades NAFE has been that adventure.

John Ward
John Ward Economics

NAFE has provided such a foundation for my practice. The list serve has been a great source of information, excellent advice, and up until a few years ago, a tremendous source of entertainment during the various bloodlettings we used to have. While my membership in other professional organizations has limited my participation in the NAFE conferences, I treasure the time spent at each one, especially the Caribbean meetings.

(Jack) and those who started NAFE have set the standard that we have to follow. Again, thank you for your contribution.

Allyn Needham
Shipp Needham Economic Analysis, LLC

For me, the people I have met are the number one benefit of NAFE that adds value to my practice. Almost without exception, NAFE members are both interesting and challenging. Plus, they are always willing to offer help and advice.

Next up, I would have to list both our meetings and NAFE-L. Both provide a venue to interact with folks who I wouldn't be exposed to otherwise, both in person and electronically. The presentations at our meetings and the list serve discussions often provide ideas or viewpoints that wouldn't have otherwise occurred to me. Finally, there is the *Journal of Forensic Economics*. It not only provides resources like the S-C-K WLE tables, it also provides a foundation for the methodology I use in my practice and, importantly, my criticisms of the methodological errors of opposing experts.

Dave Tucek
Value Economics, LLC

My first case was in/about 1963. At that time there were only a few doing FE work and virtually no literature. I knew, of course, how to compute present value and use life expectancy tables, however, there wasn't anything, that I could find, that covered the many other aspects such

as wage increases and discount rates. I managed to find a few court cases, in other jurisdictions, that gave me some guidance but not much.

Some twenty, or so, years later I heard about NAFE so I attended the first session I could. One thing led to another and I have been a member since. Over the years, the articles in the *Journal* have proved invaluable as have the sessions I have attended. In fact, one of the biggest regrets I have is that my physical condition prevents me from attending meetings.

I haven't retired and still am kept busy but do miss meeting with those I have known for a long time and with those I would just meet. There is always something new to learn.

Ev Dillman

I joined NAFE around 1989 when the ASSA Annual Meeting was held in New York City. There was a display ad in the back of one of the AEA journals that advertised the NAFE cocktail party. I recall attending that cocktail party, meeting a group of "interesting" characters and I was then hooked on NAFE.

In my early years in NAFE, I recall Jim Rodgers mentoring me and other younger FEs on the basics of this business when I attended NAFE sessions at the Eastern meetings. To use a nickname from a post by Marc Weinstein, I miss seeing Dr. J at recent meetings. When I started going to the International Meetings, I was very fortunate to be mentored by Jack "George Washington" Ward.

To cut to the chase, it would have been a lot harder to have an FE practice without the interactions that I had with NAFE members over the years. Papers published in the *Journal of Forensic Economics (JFE)* and our sessions at academic meetings have helped me refine my techniques that I use to analyze damages. Many of my closest friends are fellow FEs that I have had the privilege of getting to know really well at meetings, and as I get older I really treasure those friendships.

Steve Shapiro
Analytic Resources, LLC

I heard about NAFE and the *Journal of Forensic Economics* from a colleague that was retiring. I had just started my practice. This was around 25 years ago. The best parts? Definitely the people. I have made a number of friends and have learned so much from people. Also

knowing a handful of people that I can call about questions that still arise. Another great part? The meetings. This is where relationships get cemented. Also, the *Journal of Forensic Economics*, both as a way to learn new things and as an outlet for my own research interests.

David Rosenbaum

The biggest benefit I have received from NAFE relates to the people. From the very first annual NAFE meeting I attended at the ASSA in San Diego until now, it has always been the people. From Steve Shapiro making me feel welcome at that very first conference (he was NAFE President at the time), to Gary Skoog answering questions I had about his, Jim and Kurt's WLE work and more that are much too numerous to enumerate here, up the present time as a NAFE Board member, again, it has always been the people. Not to minimize the *Journal of Forensic Economics* or the NAFE-L, which are also valuable resources, if it wasn't for the people of this organization and their willingness to share their knowledge (Tom Ireland and Jim Rodgers in particular come to mind here), NAFE would not be the great organization it is.

I have been in the forensic economics field since 1997 and a NAFE member since 2003. I have attended every national meeting since 2011 and many Western regional meetings and I always go back to the people. I have met people who are not only colleagues who I respect very much, but also are great friends. None of that would have been possible without NAFE.

Congratulations to NAFE on International Forensic Economists Day! May NAFE continue to grow and promote forensic economics.

Constantine M. Boukidis
WWM Analytics, LLC

I'm a sole practitioner. The people of NAFE are my colleagues & my co-workers and my lifeline to the profession.

Top 3 reasons:

1. Professional development,
2. Camaraderie,
3. Resource for critical information.

William G. Brandt
Brandt Forensic Economics

As one of the initial members of the Board of Editors of the then named *Journal of Forensic Economists* and as a (long-past

referee for the Journal) I want to add my appreciation for the Journal and the list serve.

The values of these two have been well described in the tributes on the list serve. For me, the most valuable benefit has been the prompt and extremely helpful responses posted in response to issues I encountered in cases on which I was working. To be able to draw on the experience of list members in this way has been an unparalleled benefit.

Jerry Miner

As a solo practitioner that started just a few years ago as an FE, I place huge value on the generosity of the many NAFE members that have been doing this longer. As others have already expressed, I cannot think how I would have reached the place I'm at now without them sharing their knowledge and experience.

As a scholar, the *Journal of Forensic Economics* has been both a valuable research outlet and a plentiful source of knowledge and ideas.

As a person, I've benefited by the growing friendship and camaraderie of many NAFE members at conferences and parties.

Thank you NAFE!

Antonio Avalos

Being a member of NAFE has undoubtedly added value to my practice.

The top 3 reasons:

1. The willingness of NAFE members to share their knowledge - Without the encouragement, advice, and assistance of experienced NAFE FE's like Larry Spizman, Tom Ireland, and Art Eubank I may not have even had a practice.
2. The meetings – Not only are they a great opportunity to meet other FE's, get advice, and learn about important and timely research in forensic economics but NAFE meetings & sessions also offer opportunities to become more involved in NAFE and develop research, writing, and presentation skills – all necessary for this field of work. (Bonus: NAFE meetings are also fun.)
3. The *Journal of Forensic Economics* – The work of the past and present editors make this journal an invaluable resource for a practicing FE (shout-out to Executive Editors Jim Ciecka & Steve Shapiro, Managing Editor Kurt Krueger, and Production Editor Nancy Eldredge).

And without the state series (edited by Jim Rodgers and Bob Male) I would have been swept out to sea – thanks for providing a life rope!

Lane Hudgins

Lane Hudgins Analysis

Top three reasons:

Learning from experienced folks that:

1. Share:
 - i. Thoughts;
 - ii. Past experiences
 - iii. Resources.
2. Contribute to:
 - i. The FE field;
 - ii. Growth of a member's practice;
 - iii. Growth of member's academics.
3. Have fun:
 - i. At the meetings;
 - ii. At the cocktail party;
 - iii. After the cocktail party!

Happy birthday NAFE.

Roman Garagulagian

Forensic Economic Services

Growing up in Philadelphia, I first learned about NAFE while I was in high school, which immediately sparked my interest in Forensic Economics. While I always wanted to be like Dr. J and play for the Sixers, I immediately realized that perhaps I should seek to emulate Jim Rodgers (Dr. Jim, who was at Penn State at the time) as he was the Dr. J of Forensic Economics (to me in Philly - no slight to Jack, et al).

I followed that path through college and at my first NAFE meeting (Eastern) - after the sessions - I was able to sit next to Jim at dinner and pick his brain. Since that day I have considered him a friend and mentor who is always willing to lend an ear and provide assistance. So, my list would consist of the following:

1. The many friendships and mentors I have experienced via NAFE, in addition to Jim;
2. The vast body of information contained in the *Journal of Forensic Economics*, and on the NAFE-L; and
3. The opportunity to have a leadership position in this amazing association and continue to learn from members all over the world.

Thank you to all the NAFE members, and I wish everyone a Happy International Forensic Economists' Day!

Marc Weinstein

Team Economics

Executive Director, NAFE

Welcome New Members

The following is a list of new NAFE members for the period January – April 2020

Mark E. Anderson, Holladay, UT

Michael Steward Borzilleri, Harpers Ferry, WV

Neil A. Burell, Miami, FL

Mandi L. Dodd, Alton, IL

Robert Eisenstadt, Charleston, SC

Paul Gazaleh, Hightstown, NJ

Vanessa Hill, Berkeley, CA

Lawrence Horan, Canyon Lake, TX

Christina Hughes, Reno, NV

Justin Klinkenberg, Santa Ana, CA

Beth Ann Mascetta, Pittsburgh, PA

Aaron Pacitti, Cambridge, NY

Frank Pankow, Phoenix, AZ

Daniel Paul Scheitrum, Tucson, AZ

David A. Swanson, Las Vegas, NV

Christopher Todd Thomas, Metairie, LA

Stephanie R. Uhl, Chicago, IL

Karl Weisheit, Plano, TX

Sandra K. White, Santa Ana, CA



“Year of Wonders”? - More like: “Year of Wondering If It Will Ever End”

Lane Hudgins, Editor, *The Forecast*



Quarantine has itself become a plague befalling our household, much worse in its toll than the actual virus (touch wood). In short order it seemed like we were living in one of the frat houses that my children had only recently abandoned when they had to return home from college.

While I haven't yet eaten carrot cake with my hands, I did eat a bowl of cream cheese frosting one day just for fun, so I have learned what type of person I am during quarantine.

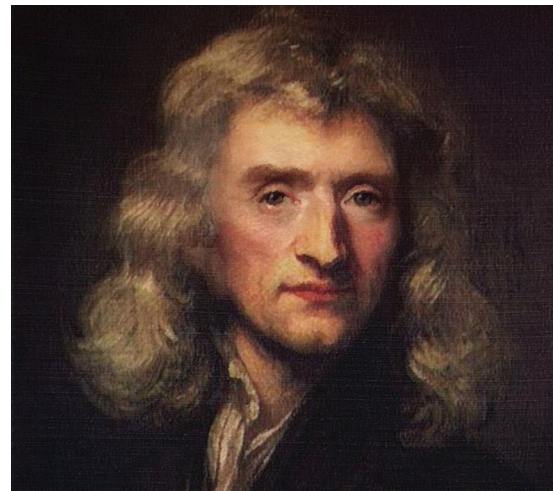
But even if I and those in my household have not spent much time bettering ourselves, we have found several lessons in economics to be true:

1. College tuition really and truly is an investment – in parent's sanity.
2. There is diminishing marginal utility of leisure even in a world of seemingly unlimited X-Box use. and...
3. Household services are undervalued no matter which method you use to value them.

I hope all NAFE members and readers of this newsletter have remained safe and healthy since the *The Forecast* was last published. And while this period may not prove to be as constructive for you as the time of plague was for Newton (see the following article), I wish you all a rewarding time at work and home – with plenty of carrot cake to enjoy however you see fit. •

How Isaac Newton Turned Isolation From the Great Plague Into a “Year of Wonders”¹

Kerry McDonald²



College students around the world left campus this month, unsure when they would return and what daily life would look like until then. Forced to leave their friends and classmates behind and return to their childhood bedrooms, young people, who on average are less impacted by COVID-19's dire health effects, may understandably feel angry and resentful. Free and independent, with their futures full of possibility, these students are now home and isolated. It can seem wholly unfair and depressing. But the story of another college student in a similar predicament might provide some hope and inspiration.

Isaac Newton's Quarantine Experience

In 1665, “social distancing” orders emptied campuses throughout England, as the bubonic plague raged, killing 100,000 people (roughly one-quarter of London's population), in just 18 months. A 24-year-old student from Trinity College, Cambridge was among those forced to leave campus and return indefinitely to his childhood home.

His name was Isaac Newton and his time at home during the epidemic would be called his “year of wonders.”

Away from university life, and unbounded by curriculum constraints and professor's whims, Newton dove into discovery. According to *The Washington Post*: “Without his professors to guide him, Newton apparently thrived.” At home, he built bookshelves and created a small office for himself, filling a blank notebook with his ideas and calculations. Absent the

1. This article was originally published on [FEE.org](https://www.fee.org). Read the original article [here](#).

2. Kerry McDonald is a Senior Education Fellow at FEE and author of *Unschooling: Raising Curious, Well-Educated Children Outside the Conventional Classroom* (Chicago Review Press, 2019). She is also an adjunct scholar at The Cato Institute and a regular Forbes contributor. Kerry has a B.A. in economics from Bowdoin College and an M.Ed. in education policy from Harvard University. She lives in Cambridge, Massachusetts with her husband and four children. You can sign up for her weekly newsletter on parenting and education [here](#).

cont. from cover...

Weinstein and Steve Shapiro are currently spearheading an effort to launch a NAFE Webinar series. The plan for the first webinar, with the date currently being scheduled, is a presentation by Kurt Krueger titled, "Opportunity Wage Valuation of Household Services." We think webinars like this one will provide us all an opportunity to interact and keep up to date on topics at the forefront of forensic economics.

Please note that, as with most everything coronavirus related, schedules and plans are subject to change. We will be sure to keep you posted about the webinar series and other NAFE activities. •

distractions of typical daily life, Newton's creativity flourished. During this time away he discovered differential and integral calculus, formulated a theory of universal gravitation, and explored optics, experimenting with prisms and investigating light.

Newton biographer James Gleick writes: "The plague year was his transfiguration. Solitary and almost incommunicado, he became the world's paramount mathematician." (p. 34). Newton himself would say about this forced time away from university life: 'For in those days I was in the prime of my age for invention & minded Mathematics & Philosophy more than at any time since.'

The Great Plague eventually ended and Newton returned to Trinity College to complete his studies, becoming a fellow and ultimately a professor. The discoveries he made during his time away from campus, though, would form the foundation of his historic career for years to come and become some of the greatest scientific breakthroughs.

This is a trying time for all of us, as our lives are upended and our routines are disrupted due to the pandemic. There is much to despair about. But this could also be a time for reflection and discovery. The sudden change to the rhythm of our days, and the associated isolation, could unleash our imaginations and inventiveness in ways that might have been impossible under ordinary circumstances.

Rather than being a nadir, this "social distancing" experience could be the peak of your creativity and production. This could be the time when you formulate your greatest ideas and do your best work. This could be your year of wonders. •



Book Review of Michael Blastland's *The Hidden Half. How the World Conceals its Secrets*¹

Frank Slesnick²

The recently published book titled *The Hidden Half. How the World Conceals its Secrets* by Michael Blastland, is an interesting study which primarily tells the story of why we know less than we think we know. There is a "hidden half" that we often ignore. Blastland is a journalist, not an academic. Hence, this is a very readable book containing no technical jargon, equations, etc.

In typical journalistic style, Blastland describes a study done examining crayfish, the marmokrebs. The crayfish had identical genes and, to the extent possible, the same environment as they matured. Yet they were very different in their behavior. The author ruminates that perhaps the differences lie in the minutiae of the marmokreb's experience such as their exposure to sunlight or other so-called "micro influences." The researchers conducting the study attached names to these elusive factors such as "intangible variation" and "developmental noise".

When Blastland talks about "noise" rather than signal, this is similar to what the economist does in their own research. A model is developed and several independent variables are empirically tested. What the independent variables cannot explain gets dumped into the error term, which hopefully does not overwhelm the ability of the model to explain the dependent variable.

Blastland notes that the basic attitude towards the error term, or what he refers to as noise, is that over time we will get closer and closer to limiting the impact of the noise so we will get closer and closer to the truth. But Blastland does not believe that will be the case. "We need to face the possibility that big influences are not as orderly or consistent as we expect, that the way things turn out is bound less by observable laws, forces or common factors than by the mass of uncommon factors, the jumble of hidden, micro-influences." (Page 11)

Blastland does not believe we can explain away these influences by doing better research to reduce the error term. The unexplained is a much more powerful force than we can imagine, as the author demonstrates through numerous examples. Researchers often claim far more than is actually the case. We should not give up research, but we need a better appreciation, perhaps a greater humbleness, of what we know and don't know. Then perhaps we will actually get further in our quest for greater knowledge.

An interesting example concerns the study of twins. Economists have used identical twin studies both for those twins in the same family, which apparently controls for both heredity and early family environment, and identical twins raised in different families, which controls for heredity but not environment. Blastland indicates

that even for those twins raised in the same family, there are sometimes substantial differences such as differences in the rates of schizophrenia. Why is this? The author indicates the answer is that no one really knows. It is likely due to literally millions of small experiences along life's path, but if that is the case, how could one possibly sort all of these factors out? One can throw up their hands and just put all these factors into the error term of the regression equation, but as Blastland states, "Yet these nameless, hidden causes can be as powerful as all known causes put together, and all we can do is wave our hands vaguely and move on."

One author cited by Blastland claims that the reasons for this hidden half is that the mind is not deep with what economists might call a stable utility function. Rather, "Our underlying preferences and desires are illusory, continually re-invented for each new time and situation." (Page 59) This also implies that beliefs can be more easily manipulated than suspected. Again, the author does not believe our behavior is a random walk, but on the other hand, it is not as regular as we think it should be.

A simple way of putting this is that what we think we know does not "travel well". For example, research studies may be idiosyncratic to the circumstances in which the study was conducted. Trying to find out what educational programs will be most beneficial for diverse populations is very difficult as discovered by those who wish to impose a national or even state-wide curriculum. Blastland cites several examples from the economic development literature. Apparently, the details of life can break the chain of transporting a successful program from one location to another. One author cited by Blastland indicated it does not take much to break the chain and calls this reasoning "the weakest-link principle."

Some might argue that one must simply work harder to find the "omitted variables." But econometricians know that this is very difficult. And we can't consider the impact of everything. One then runs into the problem of "irrelevant variables" even assuming one could find the appropriate data.

Blastland then goes from the "here is not there" problem to the "now is not then" problem, which looks at the issue of how you use historical data to forecast the future. This again is well-trod material that all economists are familiar with. The author describes the somewhat hopeless task of accurately forecasting GDP. In fact, we are not even sure what happened in the past, at least the recent past. This does not mean that we give up on understanding GDP growth, but rather modify what we can possibly know about growth (more long-term forecasting) and less about short-term growth (the fluctuations from quarter to quarter). One needs to recognize that what we are talking about is Knightian uncertainty and not Knightian risk.

Blastland also looks at the well-known phenomenon where research biases towards positive results as opposed to a negative results. Attempts to replicate studies even in top journals have found that a shockingly high percentage cannot, in fact, be replicated. Again, the

1. Atlantic Books, 2019.

2. Professor Emeritus of Economics, W. Fielding Rubel School of Business, Bellarmine University.

author is not saying that we give up on research or that such research has not brought huge advances in our knowledge and our wellbeing. Nor is it necessarily the result of malicious intent. However, our preference for finding “something” rather than “nothing” makes it very difficult to separate the wheat from the chaff. Or to put this differently, we are facing too many false positives. Thus, in our pursuit of knowledge, we not only have to be careful of how both place and time can disrupt our often overconfident conclusions, but also the way we go about pursuing this knowledge can cause problems itself.

In one of the chapters titled “Big is not small”, the author talks about the difficulty of going from a general model down to the particulars. This is known in jurisprudence circles as the G2i problem, or “General to individual.” Science is generally conducted at the general or population level. The relationship between smoking and lung cancer is for large groups but this does not guarantee that a lifetime smoker will contract lung cancer (or even a non-smoker will not get lung cancer).

What this means is that we may be able to say that smoking a certain number of cigarettes per day will increase the probability of lung cancer by X% but this may say very little about the plaintiff John Smith. Courts demand to know that smoking causes cancer within the general population and that smoking caused John Smith’s lung cancer.

Perhaps one could load additional risk factors into the equation such as age, family history, level of physical activity, and others. But there is no guarantee that bringing in multiple variables will improve accuracy. Worse, if the variables are simply a list of things to consider, then one is left with the “experience and training” of the expert, which can be subject to manipulation and abuse. As Daniel Kahneman stated in *Thinking Fast and Slow*, “If subjective confidence is not to be trusted, how can we evaluate the probable validity of intuitive judgment? When do judgments reflect true expertise? The answer comes from the two basic conditions for acquiring a skill: an environment that is sufficiently regular to be predictable; an opportunity to learn these regularities through prolonged practice.” (Page 240) Clearly, Kahneman’s conditions require continuous and accurate feedback, but the forecasts of most expert witnesses do not function in such an environment.

Blastland goes on to say that we need to be clear concerning what scale we are talking about – either big or small. Or put differently, either G or i. We generally do know something about the big scale. Because of that, we can apply our knowledge at the group level. For example, we know that smokers have a higher rate of lung cancer. The government can then institute certain policies such as putting a high tax on cigarettes or limiting the sale of cigarettes. Such policies should work somewhere in terms of an average impact but we have little idea which individuals will have their behavior altered. This is, in fact, similar to policies related to disability. The data on disability collected by the government involves populations, which is then used to institute various policies designed to lead the

disabled back to a more productive life. But such data were never intended to be used at the individual level and hence is of little use in the courtroom, at least in its present form.

In one of the later chapters titled “The ignorant chicken”, Blastland goes after the ambitions of government programs. The author notes, “the consensus was it was a rare day when something worked as intended. It was also agreed that this fact did little to tame the rhetoric.” (Page 208) Policies were instituted because those in charge “knew” that they would work, the policy would then often fail, and after much soul-searching a new diagnosis would be revealed that was supposed to do a much better job. This is not to deny that there is causality in the world and that we are well-served searching for causes. But we cannot be blind to the fact that there is a hidden half that is not easily perceived. Further, “If the detailed, small pictures of people’s personal lives aren’t consistent with the big picture drawn by the state, will they trust what the state tells them?” (Page 215)

In the last chapter, Blastland takes a stab at what can be done about the hidden half. One approach is to “experiment and adapt.” Blastland frequently cites the work of Esther Duflo, the Nobel Prize winning economist who has done significant research examining what should be done to aid developing countries where her approach emphasizes small field experiments rather than instituting policies based upon general theories.

Another suggestion is to “triangulate.” That is, to try things out in a variety of ways. This would imply more might be done to encourage the development of policy first at the state and local level rather than impose rules and regulations initially at the federal level. Of course, some policies such as actions concerning climate change may not be amenable to such an approach, but issues that intimately involve human interaction and response should promote a variety of courses of action.

Blastland also suggests that we “embrace uncertainty” and “get some “negative capability”. We should not be too quick to look for certainty because that frequently leads to the wrong path. An obvious example is screening where false positives can pile up very rapidly, which can be an even greater problem if the country is gripped in a pandemic. This does not mean that we fail to take policy actions that are necessary based on the evidence we have. As with the area of climate change, according to Blastland, researchers have a credible story to tell. But this is a complex enough topic that we should be open to changing views and not deny all challenges made to the existing story.

As a final recommendation, Blastland suggest that we relax a bit. “You are not the master of a world that can turn causes on a pinhead...Be determined as you like. Sometimes it will pay off. But beyond that, chill. It’s not in your hands, or in your head. It’s out there, in a half beyond your dominion. It will do what it will do, and you might never know why.” (Page 246) Or, adding one of my own favorite phrases, “Man plans and God laughs.” •

Meeting Updates

Western Meeting Schedule of Virtual Sessions

Virtual 95th Annual Conference of the Western Economic Association International

NAFE Sessions: June 26, 2020

Conference Registration:

email info@weai.org to be added to the attendee list.

Virtual sessions are free but registration via WEAI.org is required – Read this update for details!

NAFE is pleased to host two sessions on Friday, June 26th, as part of the Western Economic Association International (WEAI) Virtual 95th Annual Conference (<https://weai.org/conferences/view/8/Virtual-95th-Annual-Conference>).

All are welcome to attend the WEAI conference free of charge this year. Program participants, registrants, and WEAI members will be automatically invited to attend. If you are not a WEAI member, please email info@weai.org to be added to the attendee list. Feel free to contact me directly with questions (christina@nweconomics.com).

Details regarding the NAFE sessions are listed below; additional information (including Zoom links and presentation materials) will be provided as the date approaches. For now, remember to contact info@weai.org to be added to the attendee list and save the date to join us on Friday, June 26th!

Schedule of Virtual NAFE Sessions at the WEAI

Friday, June 26, 2020

Session 1 - 10:15 AM - 12:00 PM-Mountain

Bureau of Labor Statistics Data Overview & Update

Consumer Expenditure Surveys Program: Products, Trends, and Recent Changes
Aaron Cobet, Bureau of Labor Statistics

American Time Use Survey: What Can It Tell Us? How Can We Use It?

Rose Woods, Bureau of Labor Statistics

The Cost of Care: Measuring Medical Care in the Consumer Price Index

Brian Parker and Daniel Wang, Bureau of Labor Statistics

Session 2 - 12:30 PM - 1:45 PM-Mountain
Economic Consequences of Pandemics

The Costs and Consequences of the Coronavirus Pandemic: Three Lessons Now Apparent
Patrick Anderson, Anderson Economic Group, L.L.C.

Longer-Run Economic Consequences of Pandemics

Òscar Jordà, Federal Reserve Bank of San Francisco; *Sanjay R. Singh, University of California, Davis; Alan M. Taylor, University of California, Davis.

Christina P. Tapia

(christina@nweconomics.com)

Vice President – Western Region

Midwestern Meeting Call for Papers & Discussants

57th Annual Conference of the Missouri Valley Economic Association

Location: St. Louis, MO

Meeting Dates: October 15-17, 2020

NAFE Session Date: TBD

Conference Information: <https://www.mvea.net/annual-conference.html>

Hotel: Hyatt Regency St. Louis at the Arch – St. Louis, MO

Hotel Reservations: MVEA hotel link is not yet available

If you would like to submit a paper to present at NAFE's session at the upcoming MVEA, please send a proposal to William Rogers, Midwestern VP, william@whrogersecon.com. Deadline for submissions is August 9, 2019.

At this time the Missouri Valley Economic Association has not provided any special information or link to hotel registration. I will provide more information as it becomes available.

William H. Rogers

(william@whrogersecon.com)

Vice President – Midwestern Region

Southern Meeting Call for Papers, Discussants & Session Proposals

90th Annual Meeting of the Southern Economic Association

Location: New Orleans, LA

Meeting Dates: November 21-23, 2020

Hotel: New Orleans Marriott

Hotel Reservations: SEA hotel link is not yet available

Conference Information: <https://www.southerneconomic.org/conference/>

With the cancelation of the in-person sessions at the Western meeting this year due to Covid-19 we have requested an extra session at the Southern to accommodate all who had planned to attend and participate in that meeting.

NAFE will host 4 sessions this November in lovely New Orleans, Louisiana. With the additional session, there are openings available. Please contact Michele Gaines (mda@economicconsulting.com) if you wish to be a presenter or a discussant.

Michele Gaines

(mda@economicconsulting.com)

Vice President – Southern Region

National Meeting Make plans to attend – Sessions are Shaping Up

2021 ASSA Annual Meeting

Location: Chicago, IL

Meeting Dates: January 3-5, 2021

Hotel Information: Hyatt Regency Chicago

Conference Information:
Not yet available

NAFE's four sessions at the annual ASSA meeting are shaping up. Paper abstracts were due April 30, 2020 and final papers are due December 1, 2020.

Here is a preview of the topics to be presented in these sessions:

Equal Pay: Alex Morgan et al. v. United States Soccer Federation, Inc. The idea behind this session is to have the plaintiff and defense economists share how they approached determining economic damages. If the case has not been heard by the time of our meetings, then we'll have one NAFE member discuss the plaintiff's report and one of the defense's report. This session would be a joint one with the National Association of Sports Economists.

Damages Calculations: In employment, contract, and cyber-security cases, forensic economists face the challenge of determining the "but for" scenario. In the case of race and gender, developing a non-race or non-gender-based benchmark is always problematic. In cyber-security cases, often, a "counter-factual" must be constructed. This session explores how to establish the "pre-event" set of circumstances.

Valuation: Recursive Climate Change Modelling, Asset Valuation of Mini-Grids, Net Discount Rates: This discussion will flow along two lines. One: The role of recursive models. These models incorporate household and business decisions in environmental and climate change models and offer some promising ways to develop climate policy. Two: The question here: How to value the assets of a private for community-owned community grid when the main grid reaches the community site and the operator of the grid takes over ownership of the mini-grids assets? This valuation question arises in areas where decentralized energy generation is developed in anticipation of being connected to the main grid. Also included will be an exploration of “net discount rates” and why they are important – a familiar theme with a new look.

Life Care Planning: When it comes to the valuation of life care plans, plaintiff and defense experts often clash over data sources and their uses. What to look for when valuing life care plans will be outlined in this session. Also, issues of “data quality” in reports on economic damages and valuation of life care reports will be discussed as well.

Let us know if you would like to be a discussant or session chair – some positions may still need to be filled – contact: Jerome at jpaige@paigeandassociates.com or Ntino at cboukidis@vwmanalytics.com.

Update following NAFE’s sessions at the January 2020 ASSA Meeting:

We would like to announce that William A. Darity and A. Kristen Mullen, who presented at our joint session with the National Economic Association on “Enslavement, Racial Inequality and Making Victims Whole”, have had their book published. Details can be found at the following link:

From Here to Equality: Reparations for Black Americans in the Twenty-First Century. The University of North Carolina Press. (<https://uncpress.org/book/9781469654973/from-here-to-equality/>).

Jerome Paige
(jpaige@paigeandassociates.com)
& Constantine Boukidis
(cboukidis@vwmanalytics.com)
- Meeting Organizers
Vice Presidents - At Large

Winter Meeting Planning for 2021 / Call for Papers & Panel Discussion Proposals

21st Annual NAFE Winter Meeting
Location: Florida or Caribbean
Meeting Dates: January 29 & 30, 2021
Meeting Information:
Contact Organizers Art Eubank
& David Schap
Hotel: To be determined

The 2021 NAFE Winter Meeting will be on Friday, January 29, and Saturday, January 30, 2021. Please “save the dates” on your calendar. A meeting location has not been finalized as of this date, but we are moving forward with plans to have the 2021 Winter Meeting in Florida or the Caribbean.

Paper proposals and roundtable/panel discussion proposals are invited for four sessions, two each on Friday and Saturday mornings, January 29 and 30, 2021. 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 at art@eubankeconomics.com or David Schap at dschap@holycross.edu for additional information.

Art Eubank
(art@eubankeconomics.com)
& David Schap
(dschap@holycross.edu)
- Meeting Organizers

Eastern Meeting Information not yet available

Please check future issues of *The Forecast* or contact current Eastern VP Robert Baumann (rbaumann@holycross.edu) for information about NAFE sessions at the 2021 Eastern Economic Association Annual Conference as it becomes available or the current Eastern Region VP, Robert Baumann (rbaumann@holycross.edu) for additional information.

Robert Baumann
(rbaumann@holycross.edu)
Vice President
- Eastern Region

International Meeting 2020 Meeting Cancelled / Stay Tuned for Plans for 2021

Given the uncertainty about where we would be with the coronavirus and travel to Europe in late May, we decided to cancel the NAFE International Meeting that was scheduled for May 22, 2020 in Toledo, Spain.

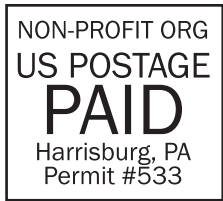
We will be reaching out to the hotel in Toledo that was to be the site of the meeting to see what we can plan for May 2021 instead.

When we have more information, we will announce plans for the 2021 International Meeting.

Stay safe and healthy.

John Ward (wardjo@umkc.edu)
& Steve Shapiro
(sshapiro@analyticresources.com)
- Meeting Organizers •





CHANGE SERVICE REQUESTED

Be sure to save the dates for these upcoming NAFE meetings and sessions

- Note that this information is subject to change -

Please watch for email announcements, check with meeting organizers, and watch meeting websites (if available) for information about possible changes to and cancellations of NAFE sessions.

2020

WESTERN ECONOMIC ASSOCIATION INTERNATIONAL
NAFE Virtual Sessions: June 26, 2020

MISSOURI VALLEY ECONOMIC ASSOCIATION
St. Louis – Meeting Dates: October 15 – 17, 2020

SOUTHERN ECONOMIC ASSOCIATION
New Orleans – Meeting Dates: November 21 - 23, 2020

2021

AMERICAN ECONOMIC ASSOCIATION -ASSA
Chicago – Meeting Dates: January 3-5, 2021

NAFE WINTER MEETING
Florida or Caribbean – NAFE Meeting Dates: January 29-30, 2021

EASTERN ECONOMIC ASSOCIATION - TBA

NAFE INTERNATIONAL MEETING - TBA



Look for meeting details inside