

REHB 674 Socioeconomic Costs of Acquired Disability

Instructor:
Office:
Phone:
Email:

Credits: 3
Online Class hours:
Online Office hours:

Text and materials:

Martin, G. D. (2006). *Determining economic damages. (With 2006 update and CD-ROM)*. Costa Mesa, CA: James Publishing. ISBN: 0-938065-41-6.

Supplemental materials

Choppa, A., Field, T., Reagles, T., & Rynd. (2003). *The valuation of household production in cases of personal injury and wrongful death*. Athens, GA: Elliott & Fitzpatrick. ISBN: 0-945019-88-2.

Dillman, E., Field, T., Horner, Slesnick, M., and Weed, R. (2002). *Approaches to estimating lost earnings: strategies for the rehabilitation consultant*. Athens, GA: Elliott & Fitzpatrick. ISBN:

Field, T., (1999). *Strategies for the rehabilitation consultant: transferability, loss of employment, lost earning capacity, and damages. (Rev.)*. Athens, GA: Elliott & Fitzpatrick. ISBN: 0-0945019-39-4 (\$24.95 retail)

Haveman, R., & Wolfe, B. (1999). *The economics of disability and disability policy*. Handbook of Health Economics.

Ireland, T., Horner, S., Rodgers, J., Gaughan, P., Trout, P., and Piette, M. (1998). *Expert Economic testimony: reference guides for judges and attorneys*. Tucson, AZ: Lawyers & Judges Publishing Co. Inc. ISBN0-913875-54-6.

Slesnick, F. *The valuation of earning capacity: definition, measurement, and evidence*. Journal of Forensic Economics. January 1999.

In addition, selected readings will be assigned in the following professional journals and references:

Forensic Economics Bibliographies
Readings in Current Research
The Journal of Forensic Economics (National Association of Forensic

Economics)

The Journal of Legal Economics (National Association of Forensic Economics)

The Litigation Economics Digest (National Association of Forensic Economics)

The Earnings Analyst (American Rehabilitation Economics Association)

Course Description:

Socioeconomic impact of acquired disabilities on individuals, their families, and estates.. Data sources and models for determining costs of: lost earnings; fringe benefits; household services; *consortium* (counsel, safety, care); *Life Care Plan* needs. Assumptions, methodologies, reliability, validity, acceptable standards of practice.

Student Learning Outcomes:

By completing this course, students will be able to do the following:

1. Describe the relationship between the forensic rehabilitation consultant and a forensic economist or certified earnings analyst.
2. Demonstrate their understanding of economic principles as they apply to varied litigation types in determining economic damages incurred by the plaintiff.
3. Demonstrate their understanding of necessary data needed and which may need to be requested for completing of an economic damages opinion for a case with specified parameters.
4. Describe various issues and concerns that surround the determination of economic damages in a lawsuit, such as growth rates for medical services and items, determination of earning capacity, establishing an employment path pre- and post-injury; and others.
5. Discern the application of various models, data, government references, and other aspects of establishing economic damages, in terms of the ultimate strength, admissibility, and understanding of opinions reached for the court (judge and jury).

Course Requirements and Grading Method:

A. Requirements:

In order to satisfactorily complete this course, the student will:

1. Successfully pass (70% or greater) 4 examinations covering the entirety of course content, including that content included in streamed lectures and threaded discussions. (Student Learning Outcomes: 1, 2, 3, 4, 5)(600 pts.;

60%)

2. Demonstrate application of economic references, databases, models, and practices in determining the present value of past and future damages incurred by an individual who has incurred significant injuries or has wrongfully died. (2, 3, 4)(250 pts.; 25%)
3. Discern and demonstrate understanding and application of various economic damages principles, models, databases, and practices through satisfactory participation in threaded discussions surrounding questions posed on Desire2Learn and/or critical review of a completed economic damages opinion for a specified case. (4, 5)(150 pts.; 15%)

B: Grading Method:

A	=	90.0% and above
B	=	80.0% to 89.9%
C	=	70.0% to 79.9%
D	=	60.0% to 69.9%
F	=	< 60.0%

Course Content and Tentative Schedule:

**Module/
Session**

Content

- | | |
|----------|--|
| 1 | Working with a Forensic Economist (or Certified Earnings Analyst} |
| 1.1 | The Art and science of Forensic Economics |
| 1.2 | What an Attorney Considers When Choosing an Economic Damages Expert |
| 1.3 | Qualifying the Economic Damages Expert |
| 1.4 | How to Locate an Economic or Earnings Analysis Expert |
| 1.5 | What Attorneys Should Learn About the Expert Before Retaining |
| 1.6 | How Experts are Qualified at Trial |
| 1.7 | Preparation of Experts for Trial |
| 1.8 | Dealing with Honest Differences Between Experts |
| 1.9 | The <i>Daubert</i> Test and Economic Damages Opinion |
| 2 | Overview of Data Needed to Determine Economic Damages |
| 2.1 | Introduction |
| 2.2 | Demographic Data |
| 2.3 | Medical and Related Data |
| 2.4 | Life and Work Life Expectancy and Time to Trial |
| 2.5 | Earnings Growth Rates and Interest Rates |

- 2.6 Occupational Earnings
- 2.7 Statistical Data
- 2.8 A Suggested Economic Damages Expert's Personal Library
- 2.9 Checklists for Obtaining Data
- 2.10 Proper Order of Presentation: Plaintiff or Defense?

3 Past and Future Earnings

- 3.1 Introduction to Wages and Earnings Loss or Capacity
- 3.2 Wage Differences Among Occupations
- 3.3 Demographic Factors and Earnings
- 3.4 Gender and Earnings
- 3.5 Race and Earnings
- 3.6 Age and Earnings
- 3.7 Geography and Earnings
- 3.8 Farm Workers Earnings
- 3.9 Issues with Wage & Earnings Data

Using Statistical Data

- 3.10 Interpreting Indexes
- 3.11 Using Union Contracts
- 3.12 Using Cohort Tables
- 3.13 The OASDHI Earnings Forecast to the Year 2080
- 3.14 Inflation Forecasts
- 3.15 The Employment Cost Index (ECI)
- 3.16 Measuring 50 Years of Economic Change
- 3.17 Additional Bureau of Labor Statistics Wage Studies
- 3.18 State Wage Surveys

Plaintiff's Employment Status

- 3.19 The Unemployed Plaintiff
- 3.20 The Retired Plaintiff
- 3.21 The Minor Plaintiff
- 3.22 The Illegal Alien Plaintiff

Other Types of Losses

- 3.23 Lost Business Profits
- 3.24 The Wrongfully Terminated Plaintiff
- 3.25 The Wrongful Birth
- 3.26 Special Problems in Earnings Data
- 3.27 Losses in Foreign Currency
- 3.28 Children Supporting Parents
- 3.29 Total Lifetime Earnings by Gender and Education

3.30 Perspective of this Module

4 Determining the Value of Employer Paid Benefits

- 4.1 Introduction to Benefits
- 4.2 Where to Find Benefit Information
- 4.3 Specific Benefits
- 4.4 Summarizing Lost Benefits
- 4.5 How to Determine the Loss

5 Adjusting for Personal Consumption and Support Factors

- 5.1 Introduction to Personal Consumption and Support
- 5.2 Defining Personal Consumption and Support factors
- 5.3 Combining Various Studies
- 5.4 Support of Consumption Factors

6 The Value of Household Services

- 6.1 Introduction to Valuation of Household Services
- 6.2 What are Household Services?
- 6.3 Studies of Hours and Wages
- 6.4 Adjusting Household Service Values
- 6.5 An Alternative Measure of Household Services Value

7 Life and Worklife Expectancy

- 7.1 Introduction to Life and Worklife Expectancy
- 7.2 Where to Locate Life Expectancy Tables
- 7.3 When to Use Life Expectancy
- 7.4 Worklife Expectancy Tables
- 7.5 Recent Worklife Model Innovations
- 7.6 Recent Worklife Model Innovations
- 7.7 Information the Economic Damages Will Need to Determine Worklife
- 7.8 Railroad Employee's Worklife Expectancy
- 7.9 The Decline in Average Retirement Age

8 Inclusion of Income Tax in an Evaluation

- 8.1 First There Was *Hall*
- 8.2 Next There Was *Liepelt*
- 8.3 The Came *Shaw*
- 8.4 Followed by *Trevino*
- 8.5 When to Make Tax Adjustments
- 8.6 Who Benefits from a Tax Adjustment

- 8.7 Who Really Won
- 8.8 How to Make the Tax Adjustment
- 8.9 The Tax Adjustment in Wrongful Termination

9 Utilizing Reports of Medical and Rehabilitation Professionals

- 9.1 Introduction to Medical and Rehabilitation Documents and Reports
- 9.2 How the Economic Damages Professional Uses These Reports
- 9.3 The Medical Care Cost Index
- 9.4 The Life Expectancy Quandary
- 9.5 Useless Reports from Experts
- 9.6 Sequence of Experts at Trial

10 Legal Opinions

- 10.1 In General
- 10.2 Introduction to Opinion Listings
- 10.3 List of Opinions

11 Interest Rates and Present Value

- 11.1 In General
- 11.2 What Determines and Interest Rate?
- 11.3 Some Definitions You Need to Know
- 11.4 What to Consider When choosing and Interest Rate
- 11.5 Bringing Past Losses to the Present
- 11.6 How Often Do You Discount?
- 11.7 How Much Difference Does One Percent Make?
- 11.8 Using Stripped Treasury Bonds

12 Sampling of Alternative Methods to Calculate Losses

- 12.1 In General – Alternative Methods
- 12.2 A Simplified Calculation to Find Case Value
- 12.3 The Nominal Rates Method v. The Offset Method
- 12.4 The Mathematics of the Partial Offset
- 12.5 Periodic Payments Required in Medical Malpractice Cases
- 12.6 Runoff Interest Rates
- 12.7 Net Discount Rate (NDR)
- 12.8 Worklife and LPE (Life, Participation, Employment)

13 Life Care Planning - Medical and Other Costs in Catastrophic Injury

15 Putting It All Together – Documentation Needs and the Full Picture

- 13.1 General Comments

- 13.2 The Preliminaries
- 13.3 A Personal Injury Report
- 13.4 A Wrongful Death and Survivor Action Reports
- 13.5 A Wrongful Birth Report
- 13.6 Analysis of Allegations of Discrimination from an Economics Point of View
- 13.7 A Final Note on Reports

16 Tactics and Strategy of the Attorney

- 14.1 Does the Attorney and/or the Case Need An Economic Damages Expert
- 14.2 What the Attorney is Looking for in the Right Expert for the Case
- 14.3 Instructions to the Expert
- 14.4 The Written Report
- 14.5 Deposition Order of Experts
- 14.6 Preparation of the Expert for Deposition
- 14.7 Preparation of the Expert for Trial
- 14.8 Deposition and Cross-Examination of a Plaintiff's Economic Damages Expert

17 Issues Surrounding Hedonic Damages – The Value of Human Life

- 15.1 Introduction
- 15.2 Perspective of this Module
- 15.3 Reports in the Public Media
- 15.4 A Sampling of Cases
- 15.5 Additional Commentary on Hedonic Damages
- 15.6 Loss of Life Enjoyment – An Economic Report
- 15.7 Proving Hedonic Damages When Expert Testimony is Not Allowed

18 Special Topics

- 16.1 General Comments
- 16.2 Probability vs. Possibility
- 16.3 Precedence and Forensic Economics
- 16.4 Work Time Differences
- 16.5 Commercial Computer Program