

AREA

AMERICAN
REHABILITATION
ECONOMICS
ASSOCIATION

Bringing recognition to the combined use of vocational evaluation, economic loss assessment, life care planning, and functional capacity evaluation as a field of study, and providing a peer-exchange forum for rehabilitation and economic experts who practice within this growing branch of knowledge.

NEWSLETTER WINTER 2024

Ron Smolarski, MA, CEA '99 - Editor

AREA Spring Conference, Thursday May 16 to Saturday May 18, 2024, in Savannah, Georgia, will be having a unique forensic training experience with a mock trial, multiple experts, and a roundtable expert discussion, as the main focus of the conference.



Get ready for an exceptional experience! Additionally, we are thrilled to present a panel of industry inspirational professionals who will share their insights, fostering dynamic discussions on current trends and future developments. The conference is not only a platform for learning but also a prime opportunity for networking to connect with fellow attendees and speakers. You can build valuable relationships and explore potential collaborations through the AREA Conference. Expect cutting edge insights and innovative discussions that will keep you ahead of the curve in your field. Join us for an unforgettable learning experience that promises to broaden your horizons and fuel your passion for excellence. Save the date and secure your spot at this unique conference---it's an event you won't want to miss.

CONSIDERING SITTING FOR THE CEA EXAM AT THE 2024 AREA CONFERENCE IN SAVANNAH?

You should. Here's why ...

- The CEA certification can be invaluable to vocational experts, CPAs, MBAs, or economists wishing to expand their practices by taking on forensic economic work.
- CEA-holders have demonstrated their proficiency for calculating lost earning capacity, worklife expectancy, loss of economic support (wrongful death), lost household services, and the present value of life care plan costs. No other credential attests to such proficiency in forensic economic calculations.
- The CEA is the only certification that addresses the composite calculations of multiple personal damages in a litigation setting.
- Attorneys want experts with experience or special knowledge. CEA training provided by AREA can help those wanting to get into this field to be better prepared. And with experience and a passing test score, the CEA itself will provide additional support for those as they move forward in this field.

For more information, see the AREA Membership & Certification webpage at <http://www.a-r-e-a.org>. In addition, feel free to contact CEA certificants among AREA's members as listed in the Membership section of our webpage.

– Courtesy of Nora Ostrofe, MBA, CEA '05

UPCOMING CONFERENCE

2024 Annual Conference

"The Art of Collaboration"

May 16-18, 2024

Location: Hotel Indigo Savannah Historic District

201 W. Bay Street

Savannah, Georgia

Hotel Registration for "AREA 2024 Conference" [here](#)

HELP IS NEEDED — PLEASE READ

One of AREA's long-time members, John Berg, recently experienced a devastating family tragedy. John's son, Thomas, suffered a catastrophic spinal cord injury. He is expected to require months of additional hospital and rehabilitation care, and John has been by his side this entire time. John has not been accepting any new work, and does not plan to until at least towards the end of this year.

John reached out to a non-profit fundraising organization (tax-deductible gifts) named **Help Hope Live**, to help pay the huge costs directly to the providers. Gifts are accepted, and your gift is non-taxable. The following URL leads you to a video, and a brief summary may be seen there. This has also been shared on the IARP Listserv.

<https://helphopelive.org/campaign/22050>

TIPS FROM A PRO by Ron Smolarski, MA, CEA '99

✓ Organize your file into sections and tabs for easy access during deposition or trial. Consider the following; using a 6-section divided file

- Table of Contents:
 - ◆ Date of referral
 - ◆ Date of evaluations
 - ◆ Date of injury
 - ◆ Total costs of your work (Travel time hours, Professional Time)
- Subset Table of Contents for each section, Tab each document; numbering should match section table of contents; examples below.
 - ◆ 1st Section:
 - ◇ 1) Physician responses to your specific questions regarding the evaluatee,
 - ◇ 2) Therapist responses
 - ◇ 3) Progress Notes
 - ◆ 2nd Section: Intake notes
 - ◇ 4) Vocational intake notes
 - ◇ 5) Life Care Plan Intake
 - ◇ 6) Economic intake notes
 - ◆ 3rd Section: Raw Data, Test results, Objective & subjective data that you relied upon for your final conclusions (examples below)
 - ◇ 7) Vocational Testing Results
 - ◇ 8) Judgment & Safety Results
 - ◇ 9) Situational Assessment Results
 - ◆ 4th Section: Work product-final reports (Vocational Assessment, Life Care Plan, Economic Damages Evaluations, Functional Capacity Evaluation, Resources & References)
 - ◇ 10) 2023 Final Reports
 - ◇ 10a) Vocational Assessment
 - ⇒ Medical Reviewed
 - ⇒ Summary
 - ◇ 10b) Functional Capacity Evaluation
 - ◇ 10c) Life Care Plan
 - ◇ 10d) Understanding Forensic Economic Report
 - ◇ 10e) Economic Damages Evaluation
 - ⇒ Case Overview
 - ⇒ Damages Summary
 - ◇ 10f) Resources & References

[{next page}](#)

TIPS FROM A PRO (cont'd)

- ◆ 5th Section: Notice of Deposition or Trial, All correspondence, travel/hotel, Blank copies of physician and therapist letters
 - ◇ 11) Notice of Deposition or Trial
 - ◇ 12) Correspondence
 - ◇ 13) Travel/Hotel
 - ◇ 14) Blank physician letter
 - ◇ 15) Blank therapist letter
- ◆ 6th Section: Invoices, copies of payment, estimates, contract/fee agreement, attorney referral form, HIPAA, estimate checklist for forensic evaluation
 - ◇ 16) Invoice #000 Payment, Check #000, \$999.99
 - ◇ 17) Invoice #000
 - ◇ 18) Invoice #001 Payment, Check #000, \$999.99
 - ◇ 19) Invoice #001
 - ◇ 20) Retainer \$999.99, Check #
 - ◇ 21) Contract/Fee Agreement
 - ◇ 22) Estimate
 - ◇ 23) Estimate Cover Letter
 - ◇ 24) HIPAA
 - ◇ 25) Attorney Referral Form
 - ◇ 26) Estimate Checklist

EXAMPLE OF UNDERSTANDING A FORENSIC ECONOMIC REPORT by Ron Smolarski, MA, CEA '99

- √ There are approximately 15 different reports with each geared for past/future medical, household chores, wage capacity / wage loss, and benefits.

Future Wage Loss, Future Medical, Household Services & Benefits

Loss Calculations

The economic loss sustained by the plaintiff as the result of an injury is composed of the loss of income earned from <his/her> job or occupation, the lost fringe benefits that are part of that income stream, and the loss of household services that <he/she> would have performed had the injury not occurred. These losses are mitigated by the income earned after the injury (including the fringe benefits earned during this time), and the household services the plaintiff has been able to perform. In addition, there are future medical costs, or costs that have occurred or which can be predicted to occur in the future.

The Summary page of the report shows the results of the calculation of these damages. The Damages Summary is divided into Present Values and Future Values. Future values, to a forensic economist, are the unadjusted, actual stream of payments (costs) stretching into the future or into the past. The present value of each of these future payments is the amount it would take, if invested today with interest compounded, to equal the amount of the payment at the point it is to be made. Similarly, the present value of past payments is the amount it would have become had it been invested at the point it would have been made. These individual payment streams are then added to give the individual totals, which are added to give the past, future, and grand totals.

Interest and Discount Rates

This report takes into account lost income and injury related costs for the time after the trial or settlement (future).

The method used to project the future lost income and costs is called the “constant-dollar” method. In plain English, this means that the dollars to be received in the future are assumed to have the same average purchasing power as dollars received today. Although this will most likely not be the case in reality, there are certain advantages to ignoring the inflation that will probably take place. [{next page}](#)

EXAMPLE OF UNDERSTANDING A FORENSIC ECONOMIC REPORT (cont'd)

The most important advantage is that we are spared the hopeless task of trying to predict future rates of inflation. These future inflation rates affect all the projected variables: namely, income, costs, and interest rates. Although future inflation rates are unpredictable, inflation affects these other variables in roughly the same way. Consequently, they all tend to move together. Thus, even though any one of the variables, considered alone, is difficult to predict, the relationship among the three variables is quite stable, and therefore, predictable.

On the page labeled Lost Income, in the charts labeled “Pre-Trial Lost Income”, and “Post-Trial Lost Income”, the fourth and seventh columns list the constant-dollar earnings the plaintiff would have had, growing at the rate shown in the “Post-Trial Growth” column in “Projected Employment Without Injury” and “Actual and Projected Employment With Injury” charts.

In recent years, earnings have grown an average of .82% faster than inflation indicated in the Economic Report of the President 2022 and U.S. Bureau of Labor Statistics [Table B-30 - CPI-U].

Now, since we have removed the inflation component from the projected income, costs, and services, we must also remove the inflation component from the interest rate used to discount future dollars to present value.

While there is a disagreement among forensic economists concerning the “true” zero-inflation rate of interest, I use -0.15% (net interest rate) based on the Economic Report of the President 2022 and Bureau of Labor Statistics [Table B-42 – CPI-U], [10-year average]. I use a real growth rate of 0.82%, based on The Economic Report of the President 2022 and U.S. Bureau of Labor Statistics [Table B-30—Hourly Earnings]. Other non-medical growth rate is 0.82% (real rate), the medical growth rate is 3.04%. The Present Value of Loss column is calculated by applying a discount rate that is the spread between the real interest rate and the real growth rate ($-0.15\% + 0.82\% = 0.67\%$), to the future values.

2022 The Economic Report of the President / U.S. Bureau of Labor Statistics				
Year	Table B-42 (Interest)	CPI-U Consumer Price Index January-January	Table B-30 (Wages)	(Medical Care Services)
2012	1.80%	1.60%	2.4%	3.60%
2013	2.35%	1.60%	1.9%	2.50%
2014	2.54%	-0.10%	2.4%	2.30%
2015	2.14%	1.40%	2.3%	3.30%
2016	1.84%	2.50%	2.0%	3.60%
2017	2.33%	2.10%	2.8%	2.00%
2018	2.91%	1.60%	3.3%	2.40%
2019	2.14%	2.30%	2.9%	5.10%
2020	0.89%	1.40%	5.3%	2.90%
2021	1.45%	7.50%	4.8%	2.70%
10 yr. average	2.04%	2.19%	3.01%	3.04%
Source	Table B-42 Bond yields and interest rates, 1950-2021			
	Table B-30 Hours and earnings in private nonagricultural industries, 1976-2021			
	BLS.gov CPI / Medical Care Services January Report Tables 2 and 3 for 2012-2022			

HEAR YE! HEAR YE!

Ron Smolarski, MA gave a presentation at the IARP Conference held in Arlington, Virginia in October. His presentation, “Determine Transferable Skills Scientifically and Obtain Access to Employment, Wage Capacity and Training Potential,” is based upon data developed by Dr. Billy McCroskey (MVQS). If you would like a free copy of his presentation and handouts, which include Clinical Intake, Evaluatee Subjective Rating Record, Area of Body Affected by Injury, Functional Capacity Evaluation Raw Data, The McGill Pain Questionnaire, Neuropsychologist letter and tables, Physician letter, Dictionary of Occupational Titles information, PowerPoint presentation and other data useful to the vocational practitioner, email Ron Smolarski at ron@beaconrehab.com.

HOW TO KEEP A SHARP FORENSIC DAMAGE EDGE TO YOUR IMAGE, WORK PRODUCT, PROFESSIONAL SERVICE

1. **Stay Informed:** Keep yourself updated on the latest developments, research, and trends in your industry. Subscribe to relevant publications, follow thought leader on social media, and participate in industry forums.
2. **Network Actively:** Build a strong professional network by attending conferences, workshops, and networking events. Engage in meaningful conversations, seek mentorship, and connect with peers to exchange ideas and insights.
3. **Seek Feedback:** Actively seek feedback on your work and be open to constructive criticism. This helps you identify areas for improvement and refine your expertise over time.
4. **Specialize:** Consider specializing in a niche within your field. Deepening your knowledge in a specific area allows you to become a go-to expert in that domain, enhancing your professional credibility.
5. **Mentorship and Coaching:** Either seek a mentor or coach to guide you or consider mentoring others. The exchange for knowledge benefits both parties and contributes to personal and professional growth.
6. **Embrace Technology:** Stay tech-savvy and be willing to adopt new tools and technologies that can enhance your efficiency and effectiveness in your field.
7. **Attend Professional Development Programs:** Enroll in workshops, courses, or certifications that can enhance your skills and provide you with new perspectives on your areas of expertise.
8. **Write and Publish:** Contribute articles, papers, or even a blog in your field. Sharing your insights through writing not only establishes you as an authority but also helps you organize and clarify your thoughts.
9. **Public Speaking:** Presenting at conferences, webinars, or workshops not only showcases your expertise but also hones your communication skills. Practice articulating complex ideas in a way that's accessible to a broader audience.
10. **Collaborate with Peers:** Collaborate on projects with colleagues or professional from related fields. Working in diverse teams exposes you to different approaches and expands your problem-solving skills.

by Ron Smolarski, MA, CEA '99

ASSOCIATIONS AND ORGANIZATIONS

American Rehabilitation Economics Association (AREA)

<https://www.a-r-e-a.org>

The American Board of Vocational Experts (ABVE)

<https://abve.net>

International Association of Rehabilitation Professionals (IARP)

<https://rehabpro.org>

American Academy of Economic and Financial Experts (AAEFE)

<https://aaefe.org>

Bureau of Labor Statistics (BLS)

<https://www.bls.gov>

National Association of Forensic Economics (NAFE)

<https://www.nafe.net>

Collegium of Pecuniary Damages Experts (CPDE)

<https://thecpde.info>

The International Commission on Health Care Certification (ICHCC)

<https://www.ichcc.org>

Commission on Rehabilitation Counselor Certification (CRCC)

<https://crccertification.com>

DO YOU HAVE WHAT IT TAKES??

The term of art is ... alphabet soup. Do you have an alphabet soup of professional CREDENTIALS next to your name yet? Did you also know that AREA's newest credential, "EA," does not require trial experience? Become an Earnings Analyst. You're welcome!

Attention "**Associate**" members! Have you gained 3 years of experience to qualify as a Professional member? If so, level-up!!!

AREA is the only international certifying body that has this unique blend of professions in pecuniary damages and loss assessment. In addition to membership status, unique designations available only through AREA are the **RFE** (Registered Forensic Economist), **FVE** (Forensic Vocational Expert), **EA** (Earnings Analyst) and **CEA** (Certified Earnings Analyst). Unlike some credentials, ours are actually named such that they truly spell out your specific area/s of expertise. These credentials may help you market yourself to new clients!

BEGINNING IMMEDIATELY!!

All new members of AREA—registering between now and the Savannah conference in May 2024— have the option to be listed as a **Friend of the Association** (a \$250 value!) at no charge during their first year. As a further incentive, existing members who recommended the new person's membership also are given the option to be listed as a Friend of the Association at no charge, for 1 year. – Bob Paré, MS, FVE '19

I'M NEW, WHAT DO I DO?

AREA's annual conferences have what we call pre-conference Boot Camp sessions. These sessions are designed for those who want to learn how to use Excel and economic statistics, wage growth rates, medical care growth rates, discount rates, worklife expectancy, life expectancy, earning capacity, present value calculations, and a variety of advanced forensic economic topics, too. These sessions are to help you prepare to take our certification exam, and/or, to simply become a better and more educated forensic expert. Additionally, AREA's website contains a number of links to websites that contain additional and useful information. Check it out at <https://www.a-r-e-a.org/>.

DOES THE COMPETITION MEASURE UP?

Tired of reading the same boilerplate report over and over again? Instead of complaining, why not do something about it? Consider spreading the word about all that an AREA membership has to offer. Forensic work can be isolative sometimes, only knowing other experts if they are on the other side of the table, or if they use your report as a foundation for their report. At an AREA conference, you get to meet the actual person behind the pen (or word processor), even if they are of a different "damages" specialty. Send them a copy of this AREA newsletter, and recommend membership in AREA! For more membership information, please contact our Vice-President, External, Ron Smolarski, MA, CEA'99, CLCP, CRC, CDEII, ABVE/D, IPEC at ron@beaconrehab.com.

VOCATIONAL ECONOMISTS NEED FRIENDS, TOO!

Sponsors are now immediately sought for periodic virtual webinars at the requested donation of \$75 per sponsor. Newsletter sponsor options are also available in an advertising form.

If you are a **Friend of the Association**, you'll get exposure. We have more Friends than ever right now. Thank you to Beacon Rehab; Premier Vocational Experts; Re-Employment Resources, L.C.; Forensic JobStats; Walstra Expert Witness Company; Jacqueline Crawford-Apperson, M.S., C.R.C.; Consultative Review & Rehabilitation; Shipp Needham Economic Analysis; VME VocMedEcon; Terry Dinneen (a founding member and Past President of AREA); Ronald Rosenberg, Ph.D. (longtime AREA member); OSC Vocational Systems, Inc.; SkillTran; Thomas Roney, LLC; William Houston Reed, Ph.D., Ltd; and Raymond E. Cestar Jr., FVE '23, Vocational Expert.

Please contact Bob Paré, MS, FVE '19 at rpare@consultativerehab.com for more information. We extend a big thank-you to all sponsors for their invaluable contributions to AREA.

WELCOME NEW MEMBERS

Christopher Skerritt

CONGRATULATIONS NEW CERTIFICANTS AND REGISTRANTS

Christopher Skerritt, FVE '23

THE EARNINGS ANALYST (TEA) ... BECAUSE “BEST JOURNAL ON THE PLANET” IS NOT A TITLE WE COULD USE

Along with the Collegium of Pecuniary Damages Experts (CPDE), AREA co-publishes *The Earnings Analyst* (TEA) Journal. Do you have an interesting case? Don't keep it to yourself, tell us! TEA is a peer-reviewed professional journal that provides a great opportunity to publish, for those working in the fields of forensic economics, vocational analysis, or life care planning. If you have information which has been researched and proven effective in analyzing your forensic work, please consider submitting an article to TEA. Your experience, research and findings can help many in our field become better at their work. If you have questions about how to make a submission, please contact Nora Ostrofe, Rachel Duchon or Cloie Johnson through the journal's website, <https://theearningsanalyst.com/>.

TEA's Volume 18 HAS BEEN RELEASED! Current articles include: “CMS Health Care Price Projections and Issues for Damages Experts, Updated for 2021-2030;” “Estimating the Loss of Social Security Benefits;” and “Exploring the Possibility of Worklife Expectancies for Specific Disabilities.”

Members of AREA and/or CPDE are benefited not only with great collegial discussion and camaraderie, but with access to the peer-review journal, *The Earnings Analyst*. As you may know, peer-reviewed journals provide foundation for generally accepted methodologies and research within our practices which highlight our knowledge, training, experience and specialized knowledge.

Members' unlimited access to *The Earnings Analyst* begins with simple registration for access. If you have not done this yet, please follow the instructions below. Furthermore, if you have problems, please reach out for assistance. Below are the instructions:

Go to <https://theearningsanalyst.com/>. At the top right there is a registration tab. Click on this link and follow the instructions. From that point forward, you will have full access to the journal using the *member/subscriber* link on the right-hand side.

10 Savannah Must-Dos for First-Time Visitors

Savannah Top Tours & Activities

FORENSIC ECONOMICS

From Dr. Thomas Ireland's website at <https://www.umsi.edu/~irelandt/ForensicEconomics/QuestionsforNewState.pdf>

The following is a list of questions a forensic economist might want to ask when taking on an assignment to calculate damages in a personal injury or wrongful death action in a new state.

1. Do you take out taxes in PI or WD?
2. Do you subtract personal maintenance or some measure of personal consumption in WD?
3. Does the subtraction apply to spousal income or only to the decedent's income?
4. What happens if the decedent was a parent and the claimants are children who would grow up and move out from under the support of the decedent parent?
5. Are there any special requirements about discount rates?
6. Are there restrictions as to general methods
7. What collateral sources can be subtracted in what kinds of cases?
8. What periodic payment provisions exist in the state?
9. What is the state's approach to "lost chance of survival and/or recovery" litigation?
10. What is in the states preferred jury instructions?
11. Are there key cases with respect to damages that a new FE should be advised to read and follow?
12. Is the state a *Daubert*, *Frye*, *Frye-plus* or "anything goes" state with respect to admitting economic testimony?
13. How does one reduce the chances of being challenged in a motion in limine in the state?
14. How are cases involving the death of a child handled in the state?
15. How has "earning capacity" been interpreted in the state?
16. What is the language of the damages section of the Wrongful Death Act?
17. How do survival actions work in the state?
18. What special rules exist with respect to what must be included in an expert's report?
19. Is an expert report required?
20. special rules exist for medical malpractice cases?
21. What special rules, if any, exist for valuing household services?
22. What legal decisions have spoken about valuing household services?
23. Is the provision of household services considered equivalent to earning capacity in the commercial labor market or as a part of consortium?
24. How does remarriage affect a wrongful death damages calculation?
25. In addition to all of the above, what advice would you give to a new FE doing a case in the state at hand?
26. Are depositions usually held?
27. What do experts need to divulge about their incomes from forensic consulting, academic pay, non-forensic consulting activities and other sources?
28. Can an expert be forced to divulge tax records and, if so, under what circumstances?
29. Are opposing experts permitted to be present at depositions and/or trials and under what circumstances?
30. How are an expert's opinions conveyed to the other side in the litigation and what are the time lines by which such conveyance must occur?
31. Has the state adopted its version of federal rules of evidence 701-706 and, if so, what is the statute reference?
32. Are discovery deposition transcripts allowed as admissible evidence if the deponent is unavailable for trial (as in federal court), or must a special evidentiary deposition be taken?

To ensure receipt of future newsletters and educational announcements, email your CONTACT INFORMATION — full name, firm name, cell number, and preferred email address — to area@gasvcs.net, with ADD ME TO YOUR EMAIL LIST in the subject line.

FRIENDS OF THE ASSOCIATION ... THANK YOU!



**BEACON
REHAB**
Established 1979

Certified Life Care Planner CLCP
Forensic Economist CEA
Vocational Expert IPEC, CRC, ABVE/D, CVE
Certified Functional Capacity Evaluator CDEII



Consultative **R**ever & **R**ehabilitation



PREMIER VOCATIONAL EXPERTS
Life Care Planning & Rehabilitation Services



Vocational Expert Witnesses



SHIPP NEEDHAM
Economic Analysis, LLC



**RE-EMPLOYMENT
RESOURCES, L.C.**



Thomas Roney LLC
Economic Consulting



VOCMEDICON



Jacqueline Crawford-Apperson,
M.S., C.R.C.
Forensic Vocational Counselor
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**WALSTRA
EXPERT
WITNESS
COMPANY**

TERRY DINNEEN
**A Founding Member and
Past President of AREA**

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ROSENBERG PHD**