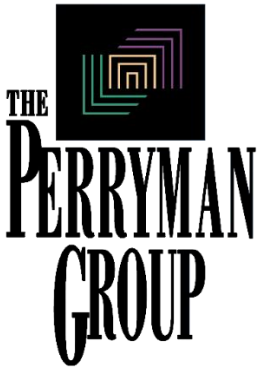
The Economic Impact of Excessive Tort Costs on US Households

April 2025



Contents

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Executive Summary

- The civil justice system is a crucial institutional framework in every developed country, including the United States. However, it is possible for it to become unbalanced, leading to punitive, random, or unpredictable outcomes. When the system becomes unpredictable, misallocations of society's scarce economic and human resources may occur, negatively affecting economic activity, reducing opportunities and earnings, and placing upward pressure on prices.

- The Perryman Group has measured the effects of excessive tort costs on the United States and each state's economy for a number of years and recently estimated that overall effects total $557.8 billion in output (gross product) each year and more than 4.81 million jobs including multiplier effects. Consumers bear a significant portion of the burden of excessive tort costs.

- As resources are diverted to excessive torts, prices increase across the economy, leading to estimated **inflation costs** to US households of approximately **$320.0 billion** each year, an average of **$955** per person (**$2,437** per household). Average prices across all items are about **1.32%** higher than they likely would be under a scenario where the civil justice system was balanced.

- Reducing resources available for productive activity also negatively affects economic growth and, therefore, earnings. The Perryman Group estimates that annual US **earnings losses** due to excess torts total almost **$354.4 billion**, which is **$1,058** per person (**$2,698** per household).

- Summing losses due to inflation costs and earnings, the **total burden** of excess tort cost borne by consumers rises to almost **$674.4 billion**, which is **$2,014** per person (**$5,135** per household). The consumer burden is much higher in some states.

- Consumers bear a substantial portion of excess tort costs. Households also deal with other issues associated with an unbalanced civil justice system such as reduced numbers of healthcare providers and slower product innovation. Tort reform could significantly reduce or eliminate these costs, with notable benefits for consumers.

Introduction

The civil justice system is a crucial institutional framework in every developed country, including the United States. When functioning properly, the system provides a fair and equitable forum for the resolution of disputes among parties, appropriately compensating those that have legitimately been harmed and acting as an effective deterrent to undesirable behavior.

However, it is possible for the civil justice system to become unbalanced, leading to punitive, random, or unpredictable outcomes. When exorbitant levels of damages or numbers of awards are generated or when the system becomes unpredictable, misallocations of society's scarce economic and human resources may occur. Such misallocations negatively affect economic activity, reducing opportunities and earnings. In addition, they place upward pressure on prices.

Consumers bear a significant portion of the burden of excessive tort costs.

Consumers bear a significant portion of the burden of excessive tort costs. The Perryman Group (TPG) has quantified the aggregate excess costs associated with the current system on a number of occasions, allocating harms across states based on the cost relative to overall economic activity and examining the resulting downstream effects.[1] The purpose of this study is to estimate the portion of excessive tort costs which is specifically borne by consumers both through higher inflation and lower earnings potential. Some specific price effects are also provided for illustrative purposes.

[1] See, *for example*, Economic Benefits of Tort Reform, An Assessment of Excessive US Tort Costs and Potential Economic Benefits of Reform, The Perryman Group, 2024.

Background

A tort is either an act or an omission that harms or injures another person.[2] Tort lawsuits comprise the majority of civil litigation, and a wide variety of types of cases fall within the category. While there is clearly a need for a system which encourages fair and safe behavior by individuals and firms alike, as noted there is the potential for imbalances to arise.

Problems with excessive tort costs can include a variety of negative outcomes. For example, the cost and risk of doing business can rise and incentives for innovation may decline.

In certain industries, excess tort costs are particularly problematic, such as manufacturing. Health care delivery is also vulnerable to excessive tort costs, with higher medical malpractice insurance rates as well as a greater incidence of "defensive medicine" whereby providers order tests or procedures which may not be needed in order to lessen liability risks. As a result, insurance premiums and health care costs may increase. Some providers may choose to leave the field or the geographic area, reducing the supply of doctors and other professionals.

> If the justice system generates exorbitant levels of damages or numbers of awards, it may result in negative impacts through the misallocation of society's scarce economic and human resources.

The volume of lawsuits of questionable merit can rise, causing inefficiencies in the judicial system. This diversion of resources from productive activity or the consumer spending stream decreases the potential for economic growth and development.

Tort reform generally refers to making changes to the civil justice system to limit either the ability to file a lawsuit or the amount of damages that can be received. Tort reform can cover many areas of

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[2] Tort, Wex Legal Dictionary, Legal Information Institute, Cornell Law School, (n.d.), https://www.law.cornell.edu/wex/tort.

legislation, with one of the most common types involving setting caps to limit punitive and noneconomic damages. These damages go beyond the direct costs arising from the harm caused by the defendant, and without caps can become excessive.

When the civil justice system is unbalanced, tort reform can improve economic health and development. In this way, states can become more attractive for desirable corporate locations and expansions, and the specific burdens on consumers can be lessened.

Impact of Excessive Tort Costs on Consumers

As noted, The Perryman Group has measured the effects of excessive tort costs on the United States and each state's economy for a number of years. This analysis involves first estimating the overall direct costs of the liability system. It is essential in any advanced economy to have a robust system to protect intellectual property, sustain the legal framework, adjudicate legitimate disputes, and provide a viable platform for business activity. However, a portion of current costs are excessive compared to the situation in other developed areas with similar standards of living and well-developed judicial systems (such as the European Union). Based on this assessment, The Perryman Group estimates that **$247.0 billion** of the US tort system outlays were necessary and that the excessive burden was **$367.8 billion.** These excess costs lead to dynamic effects throughout the economy, increasing the overall effects. A significant portion of these costs are borne by consumers.

The Perryman Group estimates that the excessive burden of the US tort system totals **$367.8 billion** per year, with dynamic effects throughout the economy increasing the overall effects. A significant portion of these costs are borne by consumers.

The US burden was allocated across the 50 states and the District of Columbia based on overall economic and demographic patterns as well as the concentration of factors which are indicative of the extent of tort activity. In addition, excess costs were then allocated across industrial categories, with the resulting values used as inputs to the impact assessment simulations to quantify multiplier effects. The Perryman Group estimates that the total current impact of excessive tort costs on the US economy (not only direct, but also indirect and induced) includes losses of an estimated $557.8 billion in output (gross product) each year and more than 4.81 million jobs when dynamic effects are considered. These overall impacts were utilized in estimating the effects directly on consumers due to higher costs and reduced earnings.

Methods used are summarized on the following page and explained in further detail in Appendix A of this report.

Measuring Economic Impacts

Any economic stimulus, whether positive or negative, generates dynamic responses throughout the economy. In this instance, excessive costs of the tort system lead to negative multiplier effects rippling through the economy. A substantial portion of this burden is borne by consumers.

The Perryman Group compared estimated US tort system costs to those in other countries with well-developed judicial systems (such as the European Union) to quantify the amount of excess costs. Dynamic effects were then measured using integrated simulations of The Perryman Group's input-output assessment and econometric models (the US Multi-Regional Impact Assessment System and the US Multi-Regional Econometric Model), which are described in further detail in the Appendices to this report) developed by the firm almost 40 years ago and consistently maintained and updated since that time. These models have been used in hundreds of analyses for clients ranging from major corporations to government agencies. The impact system uses a variety of data (from surveys, industry information, and other sources) to describe the various goods and services (known as resources or inputs) required to produce another good/service. This process allows for estimation of the total economic impact (including multiplier effects) of excessive tort costs, which represents the potential benefits of tort reform. Through integrating this system with the econometric model, the dynamic effects on productivity and other economic phenomena can be estimated. The models used in the current analysis reflect the specific industrial composition and characteristics of the national and individual state economies.

Total economic effects are quantified for key measures of business activity:

- **Total expenditures** (or total spending) measure the dollars changing hands as a result of the economic stimulus.
- **Gross product** (or output) is production of goods and services that will come about in each area as a result of the activity. This measure is parallel to the gross domestic product numbers commonly reported by various media outlets and is a subset of total expenditures.
- **Personal income** is dollars that end up in the hands of people in the area; the vast majority of this aggregate derives from the earnings of employees, but payments such as interest and rents are also included.
- **Job gains** are expressed as permanent jobs because effects would be ongoing.

Business activity also generates incremental taxes to the State and local governments. Monetary values were quantified on a constant (2023) basis to eliminate the effects of inflation. See the Appendices for additional information regarding the methods and assumptions used in this analysis.

Inflation Costs

As resources are diverted to excessive torts, prices increase across the economy. In addition, price pressures on items such as insurance contribute to higher prices. The Perryman Group estimates that excess torts lead to inflation costs to US households of approximately **$320.0 billion** each year, an average of **$955** per person (**$2,437** per household).

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The magnitude of these inflation effects varies across states depending on the state's level of excess torts and economic structure. The District of Columbia has by far the highest inflation losses, with **$9,096** per household, followed by California (**$3,876**), New York (**$3,860**), and Washington (**$3,703**). The lowest inflation costs per household are in Mississippi (**$756**) and West Virginia (**$1,039**). Household costs for all states are included in Appendix B.

States with the Highest Inflation Losses Due to Excess Tort Costs

Area	Annual Inflation Costs per Household
District of Columbia	-$9,096
California	-$3,876
New York	-$3,860
Washington	-$3,703
Massachusetts	-$3,688
Connecticut	-$3,103
Alaska	-$2,923
New Jersey	-$2,783
Delaware	-$2,731
Colorado	-$2,704

Note: Based on estimated inflation due to excess tort costs.
Source: The Perryman Group

The increase in prices for a selection of items which is associated with excess tort costs was also quantified. The Perryman Group estimates that average prices across all items are about 1.32% higher than they would be under a scenario where the civil justice system was balanced. For some items, the price effects are substantially higher. Prescriptions, for example, are about 9.02% more expensive due to excess tort costs, with home insurance 4.56% higher and auto insurance 2.50% higher.

> Prices are estimated to be about 1.32% higher than they would be without excess tort costs, with substantially greater effects for some items such as prescriptions (9.02% higher).

Increase in Prices for Specific Items Related to Excess Tort Costs: US Average	
All Items	**1.32%**
Groceries	0.32%
Milk	0.39%
Eggs	0.22%
Cheese	0.61%
Baby Formula	0.26%
Beer	0.32%
Tobacco Products	1.63%
Soap/Detergent	2.15%
Prescriptions	9.02%
Restaurant Meals	0.36%
Health Insurance	2.71%
Auto Insurance	2.50%
Home Insurance	4.56%
Televisions	0.71%
Smartphones	0.59%
Washing Machines	0.32%

Note: Based on estimated inflation due to excess tort costs.
Source: The Perryman Group

The degree to which prices are higher due to excess tort costs ranges across states from 0.720% up to 2.54%; rates for all states as well as for specific items are included in Appendix B.

Earnings Losses

As noted, excess tort costs also divert resources from more productive activity, negatively affecting economic growth and, therefore, earnings. The Perryman Group estimates that annual US earnings losses due to excess torts total almost **$354.4 billion**, which is **$1,058** per person (**$2,698** per household).

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Earnings losses range from more than **$10,000** per household per year in the District of Columbia to **$826** in Mississippi; results for all states are in Appendix B.

States with the Highest Earnings Losses Due to Excess Tort Costs

Area	Annual Earnings Losses per Household
District of Columbia	-$10,044
California	-$4,430
Washington	-$4,092
Massachusetts	-$4,072
New York	-$4,054
Connecticut	-$3,377
New Jersey	-$3,143
Colorado	-$3,033
Illinois	-$3,009
Texas	-$2,951

Note: Based on estimated earnings losses due to excess tort costs.
Source: The Perryman Group

Total Household Losses

Summing losses due to inflation costs and earnings reductions provides an estimate of the total burden of excess tort cost borne by consumers. The Perryman Group estimates that the cost to US consumers associated with excess torts and their effects on inflation and earnings total almost **$674.4 billion**, which is **$2,014** per person (**$5,135** per household).

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Total costs range from more than **$19,140** per household per year in the District of Columbia to **$1,582** in Mississippi. Results for all states are in Appendix B.

States with the Highest Total Losses Due to Excess Tort Costs

Area	Annual Inflation Costs and Earnings Losses per Household
District of Columbia	-$19,140
California	-$8,306
New York	-$7,914
Washington	-$7,795
Massachusetts	-$7,761
Connecticut	-$6,480
New Jersey	-$5,925
Alaska	-$5,744
Colorado	-$5,736
Illinois	-$5,569

Note: Based on estimated inflation costs and earnings losses due to excess tort costs.
Source: The Perryman Group

Conclusion

The civil justice system is crucial to the proper functioning of society as well as the economy. However, it can become unbalanced due to issues such as excessive noneconomic damages awards. Excess tort costs or a lack of predictability can cause misallocation of resources and unreasonably constrain economic growth.

Tort reform could significantly reduce or eliminate the costs of excessive torts, with notable benefits for consumers.

Consumers bear a substantial portion of these costs through channels such as higher prices and reduced earnings. The Perryman Group estimates that imbalances in the civil justice system cost US households an average of **$5,135** per year, with much higher expenses in some states.

Even beyond these negative effects, households also have to deal with other issues associated with an unbalanced civil justice system such as reduced numbers of healthcare providers and slower product innovation. Tort reform could significantly reduce or eliminate these costs, with notable benefits for consumers.

Appendix A: Methods Used

US Multi-Regional Impact Assessment System

The basic modeling technique employed in this study is known as dynamic input-output analysis. This input-output segment of the methodology essentially uses extensive survey data, industry information, and a variety of corroborative source materials to create a matrix describing the various goods and services (known as resources or inputs) required to produce one unit (a dollar's worth) of output for a given sector. Once the base information is compiled, it can be mathematically simulated to generate evaluations of the magnitude of successive rounds of activity involved in the overall production process.

There are two essential steps in conducting an input-output analysis once the system is operational. The first major endeavor is to accurately define the levels of direct activity to be evaluated.

Direct Effects

In order to measure the effects of excessive tort costs on the United States economy and its various states, it is initially necessary to estimate the current overall direct costs of the liability system. One key input to this analysis stems from a 2022 study sponsored by the Institute for Legal Reform of the US Chamber of Commerce. This assessment included a detailed review of insurance claims and other data across a spectrum of categories. It was estimated that, as of 2020, the aggregate outlays were $442.966 billion.[3]

Another consistent source of estimates of the magnitude of the tort system that was maintained for many years dating back to the 1950s has been periodic reports by Towers Watson and its predecessors. Although this measure has not been updated in recent years, the lengthy available time series exhibits a high (between 94% and 98%) degree of correlation with standard economic data series related to the legal system that are provided by the Bureau of Economic Analysis and the Bureau of the Census and exhibiting statistical significance at the 0.01

[3] Tort Costs in America An Empirical Analysis of Costs and Compensation of the US Tort System, US Chamber of Commerce Institute for Legal Reform, November 2022.

level.[4] Consequently, it can be estimated and projected forward using models that are statistically significant and exhibit excellent empirical properties.

The Towers Watson values are based on insurance industry data related to benefit payments and legal and administrative expenses with appropriate adjustments. They capture several aspects of the overall cost of the litigation system but fail to fully incorporate efficiency losses and administrative costs because excessive tort costs typically represent a tax on economic activity. As a result, it may be estimated using well-established methods analogous to the "welfare triangle" approach to taxation effects.[5] The approach has been widely used in numerous contexts, including prior studies of this issue.[6]

The incremental administrative burden imposed by an inefficient and costly tort system may be conceptualized by the economic framework of rent seeking and rent avoiding behavior.[7] TPG implemented these various modifications to the Towers Watson approach and estimated the overall cost of the system to be $478.214 billion as of 2016. This value is highly comparable to (modestly above) the estimate from the Institute for Legal Reform. For purposes of conservatism in the analysis, the lower value was adopted. It was then projected forward using the econometric model described below to generate a current estimate of **$614.9 billion**. This level was used as the starting point in defining the direct excess costs incurred in each step.

It must be noted that, as described in the report, it is essential in any advanced economy to have a robust framework to protect intellectual property, sustain the legal framework, adjudicate legitimate disputes, and provide a viable platform for business activity. Thus, there are necessary and legitimate costs associated with

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[4] US Tort Cost Trends, 2011 Update, Towers Watson, 2012.

[5] See, for example, Jorgenson, Dale W. and Kun-Young Yun, Investment, Vol. 3: Lifting the Burden: Tax Reform, the Cost of Capital, and U.S. Economic Growth (Cambridge, Mass.: MIT Press, 2001). The original estimation concept was presented in Harberger, Arnold C., Monopoly and Resource Allocation, American Economic Review 44 (1954), pp. 77–87.

[6] See, for example, President's Council of Economic Advisers, Who Pays for Tort Liability Claims? An Economic Analysis of the US Tort Liability System (April 2002), p. 12; Economic Benefits of Tort Reform, An Assessment of Excessive US Tort Costs and Potential Economic Benefits of Reform, The Perryman Group, 2022; Economic Benefits of Tort Reform, An Assessment of Excessive US Tort Costs and Potential Economic Benefits of Reform, The Perryman Group, 2023; An Assessment of Excessive Tort Costs in California and Potential Economic Benefits of Reform, The Perryman Group, 2019; An Assessment of Excessive Tort Costs in Florida and Potential Economic Benefits of Reform, The Perryman Group, 2019; An Assessment of Excessive Tort Costs in Illinois and Potential Economic Benefits of Reform, The Perryman Group, 2019; An Assessment of Excessive Tort Costs in Louisiana and Potential Economic Benefits of Reform, The Perryman Group, 2019; An Assessment of Excessive Tort Costs in Missouri and Potential Economic Benefits of Reform, The Perryman Group, 2019; An Assessment of Excessive Tort Costs in West Virginia and Potential Economic Benefits of Reform, The Perryman Group, 2019; and The Impact of the Proposed Judicial Reforms in House Bill 4 (HB4) on Business Activity in Texas: An Initial Assessment, The Perryman Group, 2003.

[7] The classic reference outlining this process is Tullock, Gordon, The Welfare Costs of Tariffs, Monopolies and Theft, Western Economic Journal 5 (1967), pp. 224–32.

the judicial system. The next step in this investigation was to determine the portion of the costs quantified above which constitutes an excessive burden. Numerous studies have compared the relative outlays associated with the tort process in various countries.[8] By comparing the costs (as a percentage of the Gross Domestic Product) in other developed areas with similar standards of living and well-developed judicial systems (such as the European Union), it is possible to determine a reasonable estimate of the level of resources required to support an efficient and well-functioning tort resolution process. TPG integrated this information into the computation process and found that **$247.0 billion** of the outlays were necessary and, thus, the excessive burden was **$367.8 billion**. This amount is likely understated in that (1) the benchmark countries include several positive outliers, thus overstating the actual resource commitment that is needed and (2) the percentage of US output absorbed by the tort process has expanded markedly since this assessment was completed.

Once the US burden is quantified, it is necessary to allocate the aggregate amount across the 50 states and the District of Columbia. The requirements are estimated based on overall economic and demographic magnitudes, that is, larger business complexes and populations generate the need for higher outlays. This process is used to measure the proportion of the estimated cost that is appropriate for each area. The total system expenditures in the various locales are then approximated based on the concentration of factors which are indicative of the extent of tort activity as described above. The differential between the required and overall system costs constitutes the direct excessive burden in each state.

The final task prior to implementation of the impact assessment model is the allocation of the excess costs across industrial categories. This determination is accomplished using the direct requirements coefficients from the USMRIAS for segments of activity that are correlated with tort expenses. This approach requires assignment of effects across more than 500 sectors reflecting the composition of each economy. The resulting values become the inputs for the individual simulations that are conducted in the second phase of the empirical analysis.

[8] See, for example, International Comparison of Litigation Costs, Canada, Europe, Japan, and the United States, US Chamber, Institute for Legal Reform, June 2013 update.

Model Simulation

The second major phase of the analysis is the simulation of the input-output system to measure overall economic effects of the direct excess costs of the current situation. The present study was conducted within the context of the US Multi-Regional Impact Assessment System (USMRIAS) which was developed and is maintained by The Perryman Group. This model has been used in hundreds of diverse applications across the country and has an excellent reputation for accuracy and credibility; it has also been peer reviewed on multiple occasions. The submodels used in the current simulations reflect the unique industrial structure of each state. As a part of this analysis, the USMRIAS is integrated with a dynamic econometric model in order to capture the various market responses to the excess costs. It should be noted that the results of the model can also be reviewed in a converse manner. In other words, the losses associated with excess costs may also be interpreted as the potential gains from reforms if these unnecessary outlays are eliminated.

It should be noted that the overall US impacts are determined as the sum of the individual state analyses. This approach modestly understates the overall consequences of excessive tort costs due to spillover effects across areas. Because reforms are generally implemented on an individual state basis, the more conservative representation of aggregate effects is more appropriate.

The USMRIAS is somewhat similar in format to the Input-Output Model of the United States and the Regional Input-Output Modeling System, both of which are maintained by the US Department of Commerce. The model developed by TPG, however, incorporates several important enhancements and refinements. Specifically, the expanded system includes (1) comprehensive 500-sector coverage for any county, multi-county, or urban region; (2) calculation of both total expenditures and value-added by industry and region; (3) direct estimation of expenditures for multiple basic input choices (expenditures, output, income, or employment); (4) extensive parameter localization; (5) price adjustments for real and nominal assessments by sectors and areas; (6) measurement of the induced impacts associated with payrolls and consumer spending; (7) embedded modules to estimate multi-sectoral direct spending effects; (8) estimation of retail spending activity by consumers; and (9) comprehensive linkage and integration capabilities with a wide variety of econometric, real estate, occupational, and fiscal impact models. Moreover, the model uses specific local taxing patterns to estimate the fiscal effects of activity on a detailed sectoral basis.

The impact assessment (input-output) process essentially estimates the amounts of all types of goods and services required to produce one unit (a dollar's worth)

of a specific type of output. For purposes of illustrating the nature of the system, it is useful to think of inputs and outputs in dollar (rather than physical) terms. As an example, the construction of a new building will require specific dollar amounts of lumber, glass, concrete, hand tools, architectural services, interior design services, paint, plumbing, and numerous other elements. Each of these suppliers must, in turn, purchase additional dollar amounts of inputs. This process continues through multiple rounds of production, thus generating subsequent increments to business activity. The initial process of building the facility is known as the *direct effect*. The ensuing transactions in the output chain constitute the *indirect effect*.

Another pattern that arises in response to any direct economic activity comes from the payroll dollars received by employees at each stage of the production cycle. As workers are compensated, they use some of their income for taxes, savings, and purchases from external markets. A substantial portion, however, is spent locally on food, clothing, health care services, utilities, housing, recreation, and other items. Typical purchasing patterns in the relevant areas are obtained from the Center for Community and Economic Research *Cost of Living Index*, a privately compiled inter-regional measure which has been widely used for several decades, and the *Consumer Expenditure Survey* of the US Department of Labor. These initial outlays by area residents generate further secondary activity as local providers acquire inputs to meet this consumer demand. These consumer spending impacts are known as the *induced effect*. The USMRIAS is designed to provide realistic, yet conservative, estimates of these phenomena.

Sources for information used in this process include the Bureau of the Census, the Bureau of Labor Statistics, the Regional Economic Information System of the US Department of Commerce, and other public and private sources. The pricing data are compiled from the US Department of Labor and the US Department of Commerce. The verification and testing procedures make use of extensive public and private sources.

Impacts were measured in constant 2023 dollars to eliminate the effects of inflation.

Estimates of Costs to Consumers

Once the overall costs of excess torts were quantified, the next phase of the analysis involved estimation of the portion of these costs which affect consumers (as opposed to businesses). The Perryman Group's models and systems were utilized to isolate consumer-related impacts as well as the effects of excess torts

on inflation across each state's economy and for specific items. This process initially involves the determination of the portion of the excess costs that is borne by consumers making use of the elasticity estimates derived from the econometric model described below. Allocations to individual items were derived by isolating the costs parameters within the relevant supply chains of each of the products, In addition, earnings losses associated with reduced economic activity were estimated by state as part of the simulation process described above and incorporated in the prior study of overall impacts.[9]

Measures of Business Activity

The USMRIAS generates estimates of the effect on several measures of business activity. The most comprehensive measure of economic activity used in this study is **Total Expenditures**. This measure incorporates every dollar that changes hands in any transaction. For example, suppose a farmer sells wheat to a miller for $0.50; the miller then sells flour to a baker for $0.75; the baker, in turn, sells bread to a customer for $1.25. The Total Expenditures recorded in this instance would be $2.50, that is, $0.50 + $0.75 + $1.25. This measure is quite broad but is useful in that (1) it reflects the overall interplay of all industries in the economy, and (2) some key fiscal variables such as sales taxes are linked to aggregate spending.

A second measure of business activity frequently employed in this analysis is that of **Gross Product**. This indicator represents the regional equivalent of Gross Domestic Product, the most commonly reported statistic regarding national economic performance. In other words, the Gross Product of Texas is the amount of US output that is produced in that state; it is defined as the value of all final goods produced in a given region for a specific period of time. Stated differently, it captures the amount of value-added (gross area product) over intermediate goods and services at each stage of the production process, that is, it eliminates the double counting in the Total Expenditures concept. Using the example above, the Gross Product is $1.25 (the value of the bread) rather than $2.50. Alternatively, it may be viewed as the sum of the value-added by the farmer, $0.50; the miller, $0.25 ($0.75 - $0.50); and the baker, $0.50 ($1.25 - $0.75). The total value-added is, therefore, $1.25, which is equivalent to the final value of the

[9] Economic Benefits of Tort Reform, An Assessment of Excessive US Tort Costs and Potential Economic Benefits of Reform, The Perryman Group, 2024.

bread. In many industries, the primary component of value-added is the wage and salary payments to employees.

The third gauge of economic activity used in this evaluation is **Personal Income**. As the name implies, Personal Income is simply the income received by individuals, whether in the form of wages, salaries, interest, dividends, proprietors' profits, or other sources. It may thus be viewed as the segment of overall impacts which flows directly to the citizenry.

The final aggregates used, **Jobs and Job-Years,** reflect the full-time equivalent jobs generated by an activity. For an economic stimulus expected to endure (such as the ongoing operations of a facility), the Jobs measure is used. It should be noted that, unlike the dollar values described above, Jobs is a "stock" rather than a "flow." In other words, if an area produces $1 million in output in 2021 and $1 million in 2022, it is appropriate to say that $2 million was achieved in the 2021-22 period. If the same area has 100 people working in 2021 and 100 in 2022, it only has 100 Jobs. When a flow of jobs is measured, such as in a construction project or a cumulative assessment over multiple years, it is appropriate to measure employment in Job-Years (one person working for one year, though it could be multiple individuals working partial years). This concept is distinct from Jobs, which anticipates that the relevant positions will be maintained on a continuing basis.

In addition to the economic aggregates, the model fully integrates the specific provisions and rate structures associated with major sources of federal, State, and local revenues on a detailed industrial basis, allowing for the estimation of the **fiscal benefits** associated with the economic stimulus.

US Multi-Regional Econometric Model

Overview

The US Multi-Regional Econometric Model was developed by Dr. M. Ray Perryman, President and CEO of The Perryman Group (TPG), about 40 years ago and has been consistently maintained, expanded, and updated since that time. It is formulated in an internally consistent manner and is designed to permit the integration of relevant global, national, state, and local factors into the projection process. It is the result of four decades of continuing research in econometrics, economic theory, statistical methods, and key policy issues and behavioral

patterns, as well as intensive, ongoing study of all aspects of the global, US, state, and metropolitan area economies. It is extensively used by scores of federal and State governmental entities on an ongoing basis, as well as hundreds of major corporations. It can be integrated with The Perryman Group's other models and systems to provide dynamic projections.

This section describes the forecasting process in a comprehensive manner, focusing on both the modeling and the supplemental analysis. The overall methodology, while certainly not ensuring perfect foresight, permits an enormous body of relevant information to impact the economic outlook in a systematic manner.

Model Logic and Structure

The Model revolves around a core system which projects output (real and nominal), income (real and nominal), and employment by industry in a simultaneous manner. For the purposes of illustration, it is useful to initially consider the employment functions. Essentially, employment within the system is a derived demand relationship obtained from a neo-Classical production function. The expressions are augmented to include dynamic temporal adjustments to changes in relative factor input costs, output and (implicitly) productivity, and technological progress over time. Thus, the typical equation includes output, the relative real cost of labor and capital, dynamic lag structures, and a technological adjustment parameter. The functional form is logarithmic, thus preserving the theoretical consistency with the neo-Classical formulation.

The income segment of the model is divided into wage and non-wage components. The wage equations, like their employment counterparts, are individually estimated at the 3-digit North American Industry Classification System (NAICS) level of aggregation. Hence, income by place of work is measured for approximately 90 production categories. The wage equations measure real compensation, with the form of the variable structure differing between "basic" and "non-basic."

The basic industries, comprised primarily of the various components of Mining, Agriculture, and Manufacturing, are export-oriented, i.e., they bring external dollars into the area and form the core of the economy. The production of these sectors typically flows into national and international markets; hence, the labor markets are influenced by conditions in areas beyond the borders of the particular region. Thus, real (inflation-adjusted) wages in the basic industry are expressed as a function of the corresponding national rates, as well as measures of local labor

market conditions (the reciprocal of the unemployment rate), dynamic adjustment parameters, and ongoing trends.

The "non-basic" sectors are somewhat different in nature, as the strength of their labor markets is linked to the health of the local export sectors. Consequently, wages in these industries are related to those in the basic segment of the economy. The relationship also includes the local labor market measures contained in the basic wage equations.

Note that compensation rates in the export or "basic" sectors provide a key element of the interaction of the regional economies with national and international market phenomena, while the "non-basic" or local industries are strongly impacted by area production levels. Given the wage and employment equations, multiplicative identities in each industry provide expressions for total compensation; these totals may then be aggregated to determine aggregate wage and salary income. Simple linkage equations are then estimated for the calculation of personal income by place of work.

The non-labor aspects of personal income are modeled at the regional level using straightforward empirical expressions relating to national performance, dynamic responses, and evolving temporal patterns. In some instances (such as dividends, rents, and others) national variables (for example, interest rates) directly enter the forecasting system. These factors have numerous other implicit linkages into the system resulting from their simultaneous interaction with other phenomena in national and international markets which are explicitly included in various expressions.

The output or gross area product expressions are also developed at the 3-digit NAICS level. Regional output for basic industries is linked to national performance in the relevant industries, local and national production in key related sectors, relative area and national labor costs in the industry, dynamic adjustment parameters, and ongoing changes in industrial interrelationships (driven by technological changes in production processes).

Output in the non-basic sectors is modeled as a function of basic production levels, output in related local support industries (if applicable), dynamic temporal adjustments, and ongoing patterns. The inter-industry linkages are obtained from the input-output (impact assessment) system which is part of the overall integrated modeling structure maintained by The Perryman Group. Note that the dominant component of the econometric system involves the simultaneous estimation and projection of output (real and nominal), income (real and nominal), and employment at a disaggregated industrial level. This process, of necessity,

also produces projections of regional price deflators by industry. These values are affected by both national pricing patterns and local cost variations and permit changes in prices to impact other aspects of economic behavior. Income is converted from real to nominal terms using relevant Consumer Price Indices, which fluctuate in response to national pricing patterns and unique local phenomena.

Several other components of the model are critical to the forecasting process. The demographic module includes (1) a linkage equation between wage and salary (establishment) employment and household employment, (2) a labor force participation rate function, and (3) a complete population system with endogenous migration. Given household employment, labor force participation (which is a function of economic conditions and evolving patterns of worker preferences), and the working-age population, the unemployment rate and level become identities.

The population system uses Census information, fertility rates, and life tables to determine the "natural" changes in population by age group. Migration, the most difficult segment of population dynamics to track, is estimated in relation to relative regional and extra-regional economic conditions over time. Because evolving economic conditions determine migration in the system, population changes are allowed to interact simultaneously with overall economic conditions. Through this process, migration is treated as endogenous to the system, thus allowing population to vary in accordance with relative business performance (particularly employment).

Real retail sales is related to income, interest rates, dynamic adjustments, and patterns in consumer behavior on a store group basis. It is expressed on an inflation-adjusted basis. Inflation at the state level relates to national patterns, indicators of relative economic conditions, and ongoing trends. As noted earlier, prices are endogenous to the system.

A final significant segment of the forecasting system relates to real estate absorption and activity. The short-term demand for various types of property is determined by underlying economic and demographic factors, with short-term adjustments to reflect the current status of the pertinent building cycle. In some instances, this portion of the forecast requires integration with the US Multi-Regional Industry-Occupation System which is maintained by The Perryman Group. This system also allows any employment simulation or forecast from the econometric model to be translated into a highly detailed occupational profile.

The overall US Multi-Regional Econometric Model contains numerous additional specifications, and individual expressions are modified to reflect alternative lag structures, empirical properties of the estimates, simulation requirements, and similar phenomena. Moreover, it is updated on an ongoing basis as new data releases become available. Nonetheless, the above synopsis offers a basic understanding of the overall structure and underlying logic of the system.

Model Simulation and Multi-Regional Structure

The initial phase of the simulation process is the execution of a standard non-linear algorithm for the state system and that of each of the individual sub-areas. The external assumptions are derived from scenarios developed through national and international models and extensive analysis by The Perryman Group.

Once the initial simulations are completed, they are merged into a single system with additive constraints and interregional flows. Using information on minimum regional requirements, import needs, export potential, and locations, it becomes possible to balance the various forecasts into a mathematically consistent set of results. This process is, in effect, a disciplining exercise with regard to the individual regional (including metropolitan and rural) systems. By compelling equilibrium across all regions and sectors, the algorithm ensures that the patterns in state activity are reasonable in light of smaller area dynamics and, conversely, that the regional outlooks are within plausible performance levels for the state as a whole.

The iterative simulation process has the additional property of imposing a global convergence criterion across the entire multi-regional system, with balance being achieved simultaneously on both a sectoral and a geographic basis. This approach is particularly critical on non-linear dynamic systems, as independent simulations of individual systems often yield unstable, non-convergent outcomes.

It should be noted that the underlying data for the modeling and simulation process are frequently updated and revised by the various public and private entities compiling them. Whenever those modifications to the database occur, they bring corresponding changes to the structural parameter estimates of the various systems and the solutions to the simulation and forecasting system. The multi-regional version of the econometric model is re-estimated and simulated with each such data release, thus providing a constantly evolving and current assessment of state and local business activity.

The Final Forecast

The process described above is followed to produce an initial set of projections. Through the comprehensive multi-regional modeling and simulation process, a systematic analysis is generated which accounts for both historical patterns in economic performance and inter-relationships and the best available information on the future course of pertinent external factors. While the best available techniques and data are employed in this effort, they are not capable of directly capturing "street sense," i.e., the contemporaneous and often non-quantifiable information that can materially affect economic outcomes. In order to provide a comprehensive approach to the prediction of business conditions, it is necessary to compile and assimilate extensive material regarding current events and factors both across the state of Texas and elsewhere.

This critical aspect of the forecasting methodology includes activities such as (1) daily review of hundreds of financial and business publications and electronic information sites; (2) review of major newspapers and online news sources in the state on a daily basis; (3) dozens of hours of direct telephone interviews with key business and political leaders in all parts of the state; (4) face-to-face discussions with representatives of major industry groups; and (5) frequent site visits to the various regions of the state. The insights arising from this "fact finding" are analyzed and evaluated for their effects on the likely course of the future activity.

Another vital information resource stems from the firm's ongoing interaction with key players in the international, domestic, and state economic scenes. Such activities include visiting with corporate groups on a regular basis and being regularly involved in the policy process at all levels. The firm is also an active participant in many major corporate relocations, economic development initiatives, and regulatory proceedings.

Once organized, this information is carefully assessed and, when appropriate, independently verified. The impact on specific communities and sectors that is distinct from what is captured by the econometric system is then factored into the forecast analysis. For example, the opening or closing of a major facility, particularly in a relatively small area, can cause a sudden change in business performance that will not be accounted for by either a modeling system based on historical relationships or expected (primarily national and international) factors.

The final step in the forecasting process is the integration of this material into the results in a logical and mathematically consistent manner. In some instances, this task is accomplished through "constant adjustment factors" which augment relevant equations. In other cases, anticipated changes in industrial structure or

regulatory parameters are initially simulated within the context of the Multi-Regional Impact Assessment System to estimate their ultimate effects by sector. Those findings are then factored into the simulation as constant adjustments on a distributed temporal basis. Once this scenario is formulated, the extended system is again balanced across regions and sectors through an iterative simulation algorithm analogous to that described in the preceding section.

Appendix B: Detailed Results

Consumer Inflation Costs by State

Consumer Inflation Costs by State			
	State Total ($Billions)	Per Person	Per Household
Alabama	-$2.54	-$497	-$1,239
Alaska	-$0.81	-$1,103	-$2,923
Arizona	-$5.19	-$698	-$1,784
Arkansas	-$1.42	-$464	-$1,156
California	-$53.10	-$1,363	-$3,876
Colorado	-$6.56	-$1,117	-$2,704
Connecticut	-$4.48	-$1,238	-$3,103
Delaware	-$1.13	-$1,091	-$2,731
District of Columbia	-$3.04	-$4,484	-$9,096
Florida	-$16.23	-$718	-$1,810
Georgia	-$8.77	-$795	-$2,114
Hawaii	-$1.16	-$811	-$2,358
Idaho	-$1.02	-$521	-$1,397
Illinois	-$12.98	-$1,034	-$2,560
Indiana	-$5.26	-$767	-$1,910
Iowa	-$2.72	-$849	-$2,035
Kansas	-$2.50	-$850	-$2,103
Kentucky	-$2.50	-$553	-$1,350
Louisiana	-$2.76	-$602	-$1,502
Maine	-$0.87	-$623	-$1,411
Maryland	-$6.17	-$998	-$2,586
Massachusetts	-$10.33	-$1,475	-$3,688
Michigan	-$6.72	-$670	-$1,636
Minnesota	-$5.54	-$966	-$2,364
Mississippi	-$0.88	-$300	-$756
Missouri	-$4.30	-$695	-$1,684
Montana	-$0.61	-$536	-$1,284
Nebraska	-$2.19	-$1,109	-$2,696
Nevada	-$2.58	-$808	-$2,107
New Hampshire	-$1.30	-$924	-$2,274
New Jersey	-$9.85	-$1,060	-$2,783
New Mexico	-$1.16	-$549	-$1,355

Consumer Inflation Costs by State

	State Total ($Billions)	Per Person	Per Household
New York	-$30.14	-$1,540	-$3,860
North Carolina	-$8.10	-$748	-$1,844
North Dakota	-$0.88	-$1,121	-$2,599
Ohio	-$9.24	-$784	-$1,879
Oklahoma	-$2.20	-$543	-$1,385
Oregon	-$3.54	-$836	-$2,019
Pennsylvania	-$10.66	-$823	-$2,003
Rhode Island	-$0.81	-$743	-$1,834
South Carolina	-$2.79	-$520	-$1,283
South Dakota	-$0.76	-$827	-$2,008
Tennessee	-$5.66	-$794	-$1,959
Texas	-$29.25	-$959	-$2,597
Utah	-$3.09	-$904	-$2,646
Vermont	-$0.43	-$663	-$1,535
Virginia	-$8.65	-$992	-$2,541
Washington	-$11.48	-$1,470	-$3,703
West Virginia	-$0.77	-$436	-$1,039
Wisconsin	-$4.29	-$726	-$1,720
Wyoming	-$0.57	-$980	-$2,313
United States	**-$320.01**	**-$955**	**-$2,437**

Note: Estimated costs to consumers due to excess costs of the US tort system.
Source: The Perryman Group

Earnings Losses by State

Earnings Losses by State			
	State Total ($Billions)	Per Person	Per Household
Alabama	-$2.78	-$545	-$1,357
Alaska	-$0.78	-$1,065	-$2,821
Arizona	-$5.71	-$769	-$1,966
Arkansas	-$1.55	-$507	-$1,260
California	-$60.69	-$1,558	-$4,430
Colorado	-$7.36	-$1,253	-$3,033
Connecticut	-$4.87	-$1,347	-$3,377
Delaware	-$1.12	-$1,083	-$2,711
District of Columbia	-$3.36	-$4,951	-$10,044
Florida	-$17.73	-$784	-$1,978
Georgia	-$9.88	-$896	-$2,380
Hawaii	-$1.22	-$849	-$2,467
Idaho	-$1.08	-$550	-$1,473
Illinois	-$15.26	-$1,216	-$3,009
Indiana	-$5.78	-$843	-$2,099
Iowa	-$2.94	-$917	-$2,200
Kansas	-$2.73	-$928	-$2,298
Kentucky	-$2.73	-$603	-$1,472
Louisiana	-$2.94	-$643	-$1,604
Maine	-$0.91	-$654	-$1,480
Maryland	-$6.78	-$1,097	-$2,844
Massachusetts	-$11.41	-$1,629	-$4,072
Michigan	-$7.14	-$711	-$1,738
Minnesota	-$6.21	-$1,082	-$2,648
Mississippi	-$0.96	-$328	-$826
Missouri	-$4.78	-$772	-$1,870
Montana	-$0.63	-$557	-$1,335
Nebraska	-$2.33	-$1,177	-$2,862
Nevada	-$2.55	-$799	-$2,084
New Hampshire	-$1.38	-$987	-$2,431
New Jersey	-$11.12	-$1,197	-$3,143
New Mexico	-$1.22	-$579	-$1,428
New York	-$31.66	-$1,618	-$4,054
North Carolina	-$8.92	-$823	-$2,030
North Dakota	-$0.91	-$1,158	-$2,686

Earnings Losses by State			
	State Total ($Billions)	**Per Person**	**Per Household**
Ohio	-$10.31	-$875	-$2,097
Oklahoma	-$2.38	-$588	-$1,499
Oregon	-$3.79	-$896	-$2,164
Pennsylvania	-$11.99	-$925	-$2,252
Rhode Island	-$0.87	-$790	-$1,950
South Carolina	-$3.02	-$563	-$1,389
South Dakota	-$0.80	-$871	-$2,116
Tennessee	-$6.45	-$905	-$2,233
Texas	-$33.23	-$1,089	-$2,951
Utah	-$3.35	-$980	-$2,869
Vermont	-$0.44	-$680	-$1,575
Virginia	-$9.58	-$1,099	-$2,816
Washington	-$12.69	-$1,624	-$4,092
West Virginia	-$0.76	-$427	-$1,017
Wisconsin	-$4.67	-$791	-$1,873
Wyoming	-$0.56	-$961	-$2,269
United States	**-$354.38**	**-$1,058**	**-$2,698**

Note: Estimated earnings losses due to excess costs of the US tort system.
Source: The Perryman Group

Total Consumer Losses by State (Inflation Costs and Lost Earnings)

Total Consumer Losses by State: Inflation Costs and Lost Earnings			
	State Total ($Billions)	**Per Person**	**Per Household**
Alabama	-$5.32	-$1,042	-$2,595
Alaska	-$1.59	-$2,168	-$5,744
Arizona	-$10.90	-$1,467	-$3,750
Arkansas	-$2.98	-$971	-$2,416
California	-$113.79	-$2,920	-$8,306
Colorado	-$13.93	-$2,370	-$5,736
Connecticut	-$9.35	-$2,585	-$6,480
Delaware	-$2.24	-$2,173	-$5,443
District of Columbia	-$6.41	-$9,434	-$19,140
Florida	-$33.96	-$1,502	-$3,788
Georgia	-$18.65	-$1,691	-$4,494
Hawaii	-$2.38	-$1,661	-$4,825
Idaho	-$2.10	-$1,071	-$2,870
Illinois	-$28.24	-$2,250	-$5,569
Indiana	-$11.05	-$1,610	-$4,009
Iowa	-$5.66	-$1,766	-$4,235
Kansas	-$5.23	-$1,778	-$4,400
Kentucky	-$5.23	-$1,156	-$2,822
Louisiana	-$5.70	-$1,246	-$3,107
Maine	-$1.78	-$1,276	-$2,891
Maryland	-$12.95	-$2,095	-$5,430
Massachusetts	-$21.74	-$3,105	-$7,761
Michigan	-$13.86	-$1,381	-$3,374
Minnesota	-$11.75	-$2,048	-$5,012
Mississippi	-$1.85	-$628	-$1,582
Missouri	-$9.09	-$1,466	-$3,554
Montana	-$1.24	-$1,093	-$2,619
Nebraska	-$4.52	-$2,286	-$5,557
Nevada	-$5.13	-$1,607	-$4,191
New Hampshire	-$2.68	-$1,911	-$4,705
New Jersey	-$20.97	-$2,257	-$5,925
New Mexico	-$2.38	-$1,128	-$2,783
New York	-$61.80	-$3,158	-$7,914
North Carolina	-$17.02	-$1,571	-$3,875

Total Consumer Losses by State: Inflation Costs and Lost Earnings	State Total ($Billions)	Per Person	Per Household
North Dakota	-$1.79	-$2,279	-$5,284
Ohio	-$19.55	-$1,659	-$3,976
Oklahoma	-$4.58	-$1,131	-$2,885
Oregon	-$7.33	-$1,731	-$4,183
Pennsylvania	-$22.65	-$1,748	-$4,254
Rhode Island	-$1.68	-$1,533	-$3,784
South Carolina	-$5.82	-$1,083	-$2,671
South Dakota	-$1.56	-$1,698	-$4,123
Tennessee	-$12.11	-$1,699	-$4,192
Texas	-$62.48	-$2,048	-$5,549
Utah	-$6.44	-$1,884	-$5,514
Vermont	-$0.87	-$1,343	-$3,110
Virginia	-$18.23	-$2,091	-$5,357
Washington	-$24.17	-$3,094	-$7,795
West Virginia	-$1.53	-$864	-$2,056
Wisconsin	-$8.97	-$1,517	-$3,593
Wyoming	-$1.13	-$1,941	-$4,582
United States	**-$674.38**	**-$2,014**	**-$5,135**

Note: Estimated inflation costs and earnings losses due to excess costs of the US tort system.
Source: The Perryman Group

Summary of Losses by State

The Annual Cost of Excess Torts to Alabama Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$2.54	-$497	-$1,239
Earnings Losses	-$2.78	-$545	-$1,357
Total Losses to Consumers	**-$5.32**	**-$1,042**	**-$2,595**
Incremental Cost of Specific Items			
All Items			**1.008%**
All Groceries			0.242%
Milk			0.299%
Eggs			0.168%
Cheese			0.469%
Baby Formula			0.200%
Beer			0.246%
Tobacco Products			1.245%
Soap/Detergent			1.646%
Prescriptions			6.892%
Restaurant Meal			0.275%
Health Insurance			2.074%
Auto Insurance			1.908%
Home Insurance			3.484%
Television			0.539%
Smartphone			0.450%
Washing Machines			0.247%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Alaska Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$0.81	-$1,103	-$2,923
Earnings Losses	-$0.78	-$1,065	-$2,821
Total Losses to Consumers	**-$1.59**	**-$2,168**	**-$5,744**
Incremental Cost of Specific Items			
All Items			**1.472%**
All Groceries			0.353%
Milk			0.437%
Eggs			0.245%
Cheese			0.686%
Baby Formula			0.292%
Beer			0.359%
Tobacco Products			1.818%
Soap/Detergent			2.404%
Prescriptions			10.066%
Restaurant Meal			0.402%
Health Insurance			3.030%
Auto Insurance			2.787%
Home Insurance			5.088%
Television			0.788%
Smartphone			0.657%
Washing Machines			0.361%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Arizona Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$5.19	-$698	-$1,784
Earnings Losses	-$5.71	-$769	-$1,966
Total Losses to Consumers	**-$10.90**	**-$1,467**	**-$3,750**
Incremental Cost of Specific Items			
All Items			**1.148%**
All Groceries			0.275%
Milk			0.340%
Eggs			0.191%
Cheese			0.535%
Baby Formula			0.227%
Beer			0.280%
Tobacco Products			1.418%
Soap/Detergent			1.874%
Prescriptions			7.848%
Restaurant Meal			0.313%
Health Insurance			2.362%
Auto Insurance			2.173%
Home Insurance			3.967%
Television			0.614%
Smartphone			0.512%
Washing Machines			0.281%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Arkansas Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$1.42	-$464	-$1,156
Earnings Losses	-$1.55	-$507	-$1,260
Total Losses to Consumers	**-$2.98**	**-$971**	**-$2,416**
Incremental Cost of Specific Items			
All Items			**0.911%**
All Groceries			0.219%
Milk			0.270%
Eggs			0.152%
Cheese			0.424%
Baby Formula			0.180%
Beer			0.222%
Tobacco Products			1.125%
Soap/Detergent			1.488%
Prescriptions			6.230%
Restaurant Meal			0.249%
Health Insurance			1.875%
Auto Insurance			1.725%
Home Insurance			3.149%
Television			0.487%
Smartphone			0.407%
Washing Machines			0.223%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to California Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$53.10	-$1,363	-$3,876
Earnings Losses	-$60.69	-$1,558	-$4,430
Total Losses to Consumers	**-$113.79**	**-$2,920**	**-$8,306**
Incremental Cost of Specific Items			
All Items			**1.537%**
All Groceries			0.369%
Milk			0.456%
Eggs			0.256%
Cheese			0.716%
Baby Formula			0.304%
Beer			0.374%
Tobacco Products			1.898%
Soap/Detergent			2.510%
Prescriptions			10.509%
Restaurant Meal			0.420%
Health Insurance			3.163%
Auto Insurance			2.910%
Home Insurance			5.312%
Television			0.822%
Smartphone			0.686%
Washing Machines			0.377%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Colorado Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$6.56	-$1,117	-$2,704
Earnings Losses	-$7.36	-$1,253	-$3,033
Total Losses to Consumers	**-$13.93**	**-$2,370**	**-$5,736**
Incremental Cost of Specific Items			
All Items			**1.421%**
All Groceries			0.341%
Milk			0.421%
Eggs			0.237%
Cheese			0.662%
Baby Formula			0.281%
Beer			0.346%
Tobacco Products			1.754%
Soap/Detergent			2.320%
Prescriptions			9.713%
Restaurant Meal			0.388%
Health Insurance			2.923%
Auto Insurance			2.689%
Home Insurance			4.910%
Television			0.760%
Smartphone			0.634%
Washing Machines			0.348%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Connecticut Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$4.48	-$1,238	-$3,103
Earnings Losses	-$4.87	-$1,347	-$3,377
Total Losses to Consumers	**-$9.35**	**-$2,585**	**-$6,480**
Incremental Cost of Specific Items			
All Items			**1.443%**
All Groceries			0.346%
Milk			0.428%
Eggs			0.241%
Cheese			0.672%
Baby Formula			0.286%
Beer			0.351%
Tobacco Products			1.782%
Soap/Detergent			2.356%
Prescriptions			9.866%
Restaurant Meal			0.394%
Health Insurance			2.969%
Auto Insurance			2.732%
Home Insurance			4.987%
Television			0.772%
Smartphone			0.644%
Washing Machines			0.353%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Delaware Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$1.13	-$1,091	-$2,731
Earnings Losses	-$1.12	-$1,083	-$2,711
Total Losses to Consumers	**-$2.24**	**-$2,173**	**-$5,443**
Incremental Cost of Specific Items			
All Items			**1.326%**
All Groceries			0.318%
Milk			0.393%
Eggs			0.221%
Cheese			0.617%
Baby Formula			0.263%
Beer			0.323%
Tobacco Products			1.638%
Soap/Detergent			2.165%
Prescriptions			9.066%
Restaurant Meal			0.362%
Health Insurance			2.729%
Auto Insurance			2.510%
Home Insurance			4.583%
Television			0.709%
Smartphone			0.592%
Washing Machines			0.325%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to District of Columbia Consumers

	State Total ($Billions)	Per Person	Per Household
Inflation Costs	-$3.04	-$4,484	-$9,096
Earnings Losses	-$3.36	-$4,951	-$10,044
Total Losses to Consumers	**-$6.41**	**-$9,434**	**-$19,140**
Incremental Cost of Specific Items			
All Items			**2.543%**
All Groceries			0.610%
Milk			0.755%
Eggs			0.424%
Cheese			1.184%
Baby Formula			0.504%
Beer			0.619%
Tobacco Products			3.141%
Soap/Detergent			4.153%
Prescriptions			17.390%
Restaurant Meal			0.695%
Health Insurance			5.234%
Auto Insurance			4.815%
Home Insurance			8.790%
Television			1.361%
Smartphone			1.135%
Washing Machines			0.623%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Florida Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$16.23	-$718	-$1,810
Earnings Losses	-$17.73	-$784	-$1,978
Total Losses to Consumers	**-$33.96**	**-$1,502**	**-$3,788**
Incremental Cost of Specific Items			
All Items			**1.130%**
All Groceries			0.271%
Milk			0.335%
Eggs			0.188%
Cheese			0.526%
Baby Formula			0.224%
Beer			0.275%
Tobacco Products			1.395%
Soap/Detergent			1.845%
Prescriptions			7.725%
Restaurant Meal			0.309%
Health Insurance			2.325%
Auto Insurance			2.139%
Home Insurance			3.905%
Television			0.604%
Smartphone			0.504%
Washing Machines			0.277%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Georgia Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$8.77	-$795	-$2,114
Earnings Losses	-$9.88	-$896	-$2,380
Total Losses to Consumers	**-$18.65**	**-$1,691**	**-$4,494**
Incremental Cost of Specific Items			
All Items			**1.217%**
All Groceries			0.292%
Milk			0.361%
Eggs			0.203%
Cheese			0.567%
Baby Formula			0.241%
Beer			0.296%
Tobacco Products			1.503%
Soap/Detergent			1.988%
Prescriptions			8.322%
Restaurant Meal			0.332%
Health Insurance			2.505%
Auto Insurance			2.304%
Home Insurance			4.207%
Television			0.651%
Smartphone			0.543%
Washing Machines			0.298%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Hawaii Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$1.16	-$811	-$2,358
Earnings Losses	-$1.22	-$849	-$2,467
Total Losses to Consumers	**-$2.38**	**-$1,661**	**-$4,825**
Incremental Cost of Specific Items			
All Items			**1.333%**
All Groceries			0.320%
Milk			0.396%
Eggs			0.222%
Cheese			0.621%
Baby Formula			0.264%
Beer			0.325%
Tobacco Products			1.647%
Soap/Detergent			2.178%
Prescriptions			9.117%
Restaurant Meal			0.364%
Health Insurance			2.744%
Auto Insurance			2.524%
Home Insurance			4.608%
Television			0.713%
Smartphone			0.595%
Washing Machines			0.327%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Idaho Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$1.02	-$521	-$1,397
Earnings Losses	-$1.08	-$550	-$1,473
Total Losses to Consumers	**-$2.10**	**-$1,071**	**-$2,870**
Incremental Cost of Specific Items			
All Items			**0.971%**
All Groceries			0.233%
Milk			0.288%
Eggs			0.162%
Cheese			0.452%
Baby Formula			0.192%
Beer			0.237%
Tobacco Products			1.200%
Soap/Detergent			1.586%
Prescriptions			6.642%
Restaurant Meal			0.265%
Health Insurance			1.999%
Auto Insurance			1.839%
Home Insurance			3.357%
Television			0.520%
Smartphone			0.434%
Washing Machines			0.238%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Illinois Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$12.98	-$1,034	-$2,560
Earnings Losses	-$15.26	-$1,216	-$3,009
Total Losses to Consumers	**-$28.24**	**-$2,250**	**-$5,569**
Incremental Cost of Specific Items			
All Items			**1.315%**
All Groceries			0.315%
Milk			0.390%
Eggs			0.219%
Cheese			0.612%
Baby Formula			0.260%
Beer			0.320%
Tobacco Products			1.624%
Soap/Detergent			2.147%
Prescriptions			8.988%
Restaurant Meal			0.359%
Health Insurance			2.705%
Auto Insurance			2.488%
Home Insurance			4.543%
Television			0.703%
Smartphone			0.587%
Washing Machines			0.322%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Indiana Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$5.26	-$767	-$1,910
Earnings Losses	-$5.78	-$843	-$2,099
Total Losses to Consumers	**-$11.05**	**-$1,610**	**-$4,009**
Incremental Cost of Specific Items			
All Items			**1.158%**
All Groceries			0.278%
Milk			0.344%
Eggs			0.193%
Cheese			0.539%
Baby Formula			0.229%
Beer			0.282%
Tobacco Products			1.430%
Soap/Detergent			1.891%
Prescriptions			7.918%
Restaurant Meal			0.316%
Health Insurance			2.383%
Auto Insurance			2.192%
Home Insurance			4.002%
Television			0.620%
Smartphone			0.517%
Washing Machines			0.284%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Iowa Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$2.72	-$849	-$2,035
Earnings Losses	-$2.94	-$917	-$2,200
Total Losses to Consumers	**-$5.66**	**-$1,766**	**-$4,235**
Incremental Cost of Specific Items			
All Items			**1.217%**
All Groceries			0.292%
Milk			0.361%
Eggs			0.203%
Cheese			0.567%
Baby Formula			0.241%
Beer			0.296%
Tobacco Products			1.503%
Soap/Detergent			1.987%
Prescriptions			8.320%
Restaurant Meal			0.332%
Health Insurance			2.504%
Auto Insurance			2.303%
Home Insurance			4.205%
Television			0.651%
Smartphone			0.543%
Washing Machines			0.298%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Kansas Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$2.50	-$850	-$2,103
Earnings Losses	-$2.73	-$928	-$2,298
Total Losses to Consumers	**-$5.23**	**-$1,778**	**-$4,400**
Incremental Cost of Specific Items			
All Items			**1.253%**
All Groceries			0.301%
Milk			0.372%
Eggs			0.209%
Cheese			0.583%
Baby Formula			0.248%
Beer			0.305%
Tobacco Products			1.547%
Soap/Detergent			2.045%
Prescriptions			8.563%
Restaurant Meal			0.342%
Health Insurance			2.577%
Auto Insurance			2.371%
Home Insurance			4.329%
Television			0.670%
Smartphone			0.559%
Washing Machines			0.307%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Kentucky Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$2.50	-$553	-$1,350
Earnings Losses	-$2.73	-$603	-$1,472
Total Losses to Consumers	**-$5.23**	**-$1,156**	**-$2,822**
Incremental Cost of Specific Items			
All Items			**1.025%**
All Groceries			0.246%
Milk			0.304%
Eggs			0.171%
Cheese			0.477%
Baby Formula			0.203%
Beer			0.250%
Tobacco Products			1.265%
Soap/Detergent			1.673%
Prescriptions			7.004%
Restaurant Meal			0.280%
Health Insurance			2.108%
Auto Insurance			1.939%
Home Insurance			3.541%
Television			0.548%
Smartphone			0.457%
Washing Machines			0.251%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Louisiana Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$2.76	-$602	-$1,502
Earnings Losses	-$2.94	-$643	-$1,604
Total Losses to Consumers	**-$5.70**	**-$1,246**	**-$3,107**
Incremental Cost of Specific Items			
All Items			**0.997%**
All Groceries			0.239%
Milk			0.296%
Eggs			0.166%
Cheese			0.464%
Baby Formula			0.197%
Beer			0.243%
Tobacco Products			1.231%
Soap/Detergent			1.628%
Prescriptions			6.814%
Restaurant Meal			0.272%
Health Insurance			2.051%
Auto Insurance			1.887%
Home Insurance			3.444%
Television			0.533%
Smartphone			0.445%
Washing Machines			0.244%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Maine Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$0.87	-$623	-$1,411
Earnings Losses	-$0.91	-$654	-$1,480
Total Losses to Consumers	**-$1.78**	**-$1,276**	**-$2,891**
Incremental Cost of Specific Items			
All Items			**1.082%**
All Groceries			0.260%
Milk			0.321%
Eggs			0.180%
Cheese			0.504%
Baby Formula			0.214%
Beer			0.263%
Tobacco Products			1.336%
Soap/Detergent			1.766%
Prescriptions			7.394%
Restaurant Meal			0.295%
Health Insurance			2.225%
Auto Insurance			2.047%
Home Insurance			3.738%
Television			0.579%
Smartphone			0.483%
Washing Machines			0.265%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Maryland Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$6.17	-$998	-$2,586
Earnings Losses	-$6.78	-$1,097	-$2,844
Total Losses to Consumers	**-$12.95**	**-$2,095**	**-$5,430**
Incremental Cost of Specific Items			
All Items			**1.515%**
All Groceries			0.364%
Milk			0.449%
Eggs			0.253%
Cheese			0.705%
Baby Formula			0.300%
Beer			0.369%
Tobacco Products			1.871%
Soap/Detergent			2.474%
Prescriptions			10.358%
Restaurant Meal			0.414%
Health Insurance			3.117%
Auto Insurance			2.868%
Home Insurance			5.236%
Television			0.810%
Smartphone			0.676%
Washing Machines			0.371%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Massachusetts Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$10.33	-$1,475	-$3,688
Earnings Losses	-$11.41	-$1,629	-$4,072
Total Losses to Consumers	**-$21.74**	**-$3,105**	**-$7,761**
Incremental Cost of Specific Items			
All Items			**1.547%**
All Groceries			0.371%
Milk			0.459%
Eggs			0.258%
Cheese			0.720%
Baby Formula			0.306%
Beer			0.377%
Tobacco Products			1.911%
Soap/Detergent			2.527%
Prescriptions			10.578%
Restaurant Meal			0.423%
Health Insurance			3.184%
Auto Insurance			2.929%
Home Insurance			5.347%
Television			0.828%
Smartphone			0.690%
Washing Machines			0.379%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Michigan Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$6.72	-$670	-$1,636
Earnings Losses	-$7.14	-$711	-$1,738
Total Losses to Consumers	**-$13.86**	**-$1,381**	**-$3,374**
Incremental Cost of Specific Items			
All Items			**1.132%**
All Groceries			0.272%
Milk			0.336%
Eggs			0.189%
Cheese			0.527%
Baby Formula			0.224%
Beer			0.276%
Tobacco Products			1.398%
Soap/Detergent			1.849%
Prescriptions			7.742%
Restaurant Meal			0.309%
Health Insurance			2.330%
Auto Insurance			2.143%
Home Insurance			3.913%
Television			0.606%
Smartphone			0.505%
Washing Machines			0.277%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Minnesota Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$5.54	-$966	-$2,364
Earnings Losses	-$6.21	-$1,082	-$2,648
Total Losses to Consumers	**-$11.75**	**-$2,048**	**-$5,012**
Incremental Cost of Specific Items			
All Items			**1.291%**
All Groceries			0.310%
Milk			0.383%
Eggs			0.215%
Cheese			0.601%
Baby Formula			0.256%
Beer			0.314%
Tobacco Products			1.595%
Soap/Detergent			2.108%
Prescriptions			8.828%
Restaurant Meal			0.353%
Health Insurance			2.657%
Auto Insurance			2.444%
Home Insurance			4.462%
Television			0.691%
Smartphone			0.576%
Washing Machines			0.316%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Mississippi Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$0.88	-$300	-$756
Earnings Losses	-$0.96	-$328	-$826
Total Losses to Consumers	**-$1.85**	**-$628**	**-$1,582**
Incremental Cost of Specific Items			
All Items			**0.720%**
All Groceries			0.173%
Milk			0.214%
Eggs			0.120%
Cheese			0.335%
Baby Formula			0.143%
Beer			0.175%
Tobacco Products			0.889%
Soap/Detergent			1.175%
Prescriptions			4.921%
Restaurant Meal			0.197%
Health Insurance			1.481%
Auto Insurance			1.363%
Home Insurance			2.488%
Television			0.385%
Smartphone			0.321%
Washing Machines			0.176%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Missouri Consumers

	State Total ($Billions)	Per Person	Per Household
Inflation Costs	-$4.30	-$695	-$1,684
Earnings Losses	-$4.78	-$772	-$1,870
Total Losses to Consumers	**-$9.09**	**-$1,466**	**-$3,554**
Incremental Cost of Specific Items			
All Items			**1.137%**
All Groceries			0.273%
Milk			0.337%
Eggs			0.190%
Cheese			0.530%
Baby Formula			0.225%
Beer			0.277%
Tobacco Products			1.404%
Soap/Detergent			1.857%
Prescriptions			7.774%
Restaurant Meal			0.311%
Health Insurance			2.340%
Auto Insurance			2.152%
Home Insurance			3.930%
Television			0.608%
Smartphone			0.507%
Washing Machines			0.279%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Montana Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$0.61	-$536	-$1,284
Earnings Losses	-$0.63	-$557	-$1,335
Total Losses to Consumers	**-$1.24**	**-$1,093**	**-$2,619**
Incremental Cost of Specific Items			
All Items			**0.988%**
All Groceries			0.237%
Milk			0.293%
Eggs			0.165%
Cheese			0.460%
Baby Formula			0.196%
Beer			0.241%
Tobacco Products			1.220%
Soap/Detergent			1.613%
Prescriptions			6.754%
Restaurant Meal			0.270%
Health Insurance			2.033%
Auto Insurance			1.870%
Home Insurance			3.414%
Television			0.528%
Smartphone			0.441%
Washing Machines			0.242%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Nebraska Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$2.19	-$1,109	-$2,696
Earnings Losses	-$2.33	-$1,177	-$2,862
Total Losses to Consumers	**-$4.52**	**-$2,286**	**-$5,557**
Incremental Cost of Specific Items			
All Items			**1.378%**
All Groceries			0.331%
Milk			0.409%
Eggs			0.230%
Cheese			0.642%
Baby Formula			0.273%
Beer			0.336%
Tobacco Products			1.702%
Soap/Detergent			2.250%
Prescriptions			9.422%
Restaurant Meal			0.376%
Health Insurance			2.836%
Auto Insurance			2.609%
Home Insurance			4.763%
Television			0.737%
Smartphone			0.615%
Washing Machines			0.338%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Nevada Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$2.58	-$808	-$2,107
Earnings Losses	-$2.55	-$799	-$2,084
Total Losses to Consumers	**-$5.13**	**-$1,607**	**-$4,191**
Incremental Cost of Specific Items			
All Items			**1.193%**
All Groceries			0.286%
Milk			0.354%
Eggs			0.199%
Cheese			0.555%
Baby Formula			0.236%
Beer			0.290%
Tobacco Products			1.473%
Soap/Detergent			1.948%
Prescriptions			8.154%
Restaurant Meal			0.326%
Health Insurance			2.454%
Auto Insurance			2.258%
Home Insurance			4.122%
Television			0.638%
Smartphone			0.532%
Washing Machines			0.292%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to New Hampshire Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$1.30	-$924	-$2,274
Earnings Losses	-$1.38	-$987	-$2,431
Total Losses to Consumers	**-$2.68**	**-$1,911**	**-$4,705**
Incremental Cost of Specific Items			
All Items			**1.288%**
All Groceries			0.309%
Milk			0.382%
Eggs			0.215%
Cheese			0.600%
Baby Formula			0.255%
Beer			0.314%
Tobacco Products			1.591%
Soap/Detergent			2.103%
Prescriptions			8.806%
Restaurant Meal			0.352%
Health Insurance			2.650%
Auto Insurance			2.438%
Home Insurance			4.451%
Television			0.689%
Smartphone			0.575%
Washing Machines			0.316%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to New Jersey Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$9.85	-$1,060	-$2,783
Earnings Losses	-$11.12	-$1,197	-$3,143
Total Losses to Consumers	**-$20.97**	**-$2,257**	**-$5,925**
Incremental Cost of Specific Items			
All Items			**1.358%**
All Groceries			0.326%
Milk			0.403%
Eggs			0.226%
Cheese			0.632%
Baby Formula			0.269%
Beer			0.331%
Tobacco Products			1.677%
Soap/Detergent			2.218%
Prescriptions			9.285%
Restaurant Meal			0.371%
Health Insurance			2.795%
Auto Insurance			2.571%
Home Insurance			4.694%
Television			0.727%
Smartphone			0.606%
Washing Machines			0.333%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to New Mexico Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$1.16	-$549	-$1,355
Earnings Losses	-$1.22	-$579	-$1,428
Total Losses to Consumers	**-$2.38**	**-$1,128**	**-$2,783**
Incremental Cost of Specific Items			
All Items			**1.159%**
All Groceries			0.278%
Milk			0.344%
Eggs			0.193%
Cheese			0.540%
Baby Formula			0.230%
Beer			0.282%
Tobacco Products			1.431%
Soap/Detergent			1.893%
Prescriptions			7.925%
Restaurant Meal			0.317%
Health Insurance			2.385%
Auto Insurance			2.194%
Home Insurance			4.006%
Television			0.620%
Smartphone			0.517%
Washing Machines			0.284%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to New York Consumers

	State Total ($Billions)	Per Person	Per Household
Inflation Costs	-$30.14	-$1,540	-$3,860
Earnings Losses	-$31.66	-$1,618	-$4,054
Total Losses to Consumers	**-$61.80**	**-$3,158**	**-$7,914**
Incremental Cost of Specific Items			
All Items			**1.552%**
All Groceries			0.372%
Milk			0.460%
Eggs			0.259%
Cheese			0.723%
Baby Formula			0.307%
Beer			0.378%
Tobacco Products			1.917%
Soap/Detergent			2.534%
Prescriptions			10.611%
Restaurant Meal			0.424%
Health Insurance			3.193%
Auto Insurance			2.938%
Home Insurance			5.364%
Television			0.830%
Smartphone			0.693%
Washing Machines			0.380%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to North Carolina Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$8.10	-$748	-$1,844
Earnings Losses	-$8.92	-$823	-$2,030
Total Losses to Consumers	**-$17.02**	**-$1,571**	**-$3,875**
Incremental Cost of Specific Items			
All Items			**1.198%**
All Groceries			0.287%
Milk			0.355%
Eggs			0.200%
Cheese			0.558%
Baby Formula			0.237%
Beer			0.292%
Tobacco Products			1.479%
Soap/Detergent			1.956%
Prescriptions			8.190%
Restaurant Meal			0.327%
Health Insurance			2.465%
Auto Insurance			2.267%
Home Insurance			4.140%
Television			0.641%
Smartphone			0.535%
Washing Machines			0.293%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to North Dakota Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$0.88	-$1,121	-$2,599
Earnings Losses	-$0.91	-$1,158	-$2,686
Total Losses to Consumers	**-$1.79**	**-$2,279**	**-$5,284**
Incremental Cost of Specific Items			
All Items			**1.313%**
All Groceries			0.315%
Milk			0.390%
Eggs			0.219%
Cheese			0.612%
Baby Formula			0.260%
Beer			0.320%
Tobacco Products			1.622%
Soap/Detergent			2.145%
Prescriptions			8.980%
Restaurant Meal			0.359%
Health Insurance			2.703%
Auto Insurance			2.486%
Home Insurance			4.539%
Television			0.703%
Smartphone			0.586%
Washing Machines			0.322%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Ohio Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$9.24	-$784	-$1,879
Earnings Losses	-$10.31	-$875	-$2,097
Total Losses to Consumers	**-$19.55**	**-$1,659**	**-$3,976**
Incremental Cost of Specific Items			
All Items			**1.176%**
All Groceries			0.282%
Milk			0.349%
Eggs			0.196%
Cheese			0.548%
Baby Formula			0.233%
Beer			0.286%
Tobacco Products			1.452%
Soap/Detergent			1.920%
Prescriptions			8.039%
Restaurant Meal			0.321%
Health Insurance			2.419%
Auto Insurance			2.226%
Home Insurance			4.063%
Television			0.629%
Smartphone			0.525%
Washing Machines			0.288%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Oklahoma Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$2.20	-$543	-$1,385
Earnings Losses	-$2.38	-$588	-$1,499
Total Losses to Consumers	**-$4.58**	**-$1,131**	**-$2,885**
Incremental Cost of Specific Items			
All Items			**1.029%**
All Groceries			0.247%
Milk			0.305%
Eggs			0.172%
Cheese			0.479%
Baby Formula			0.204%
Beer			0.251%
Tobacco Products			1.271%
Soap/Detergent			1.680%
Prescriptions			7.035%
Restaurant Meal			0.281%
Health Insurance			2.117%
Auto Insurance			1.948%
Home Insurance			3.556%
Television			0.550%
Smartphone			0.459%
Washing Machines			0.252%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Oregon Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$3.54	-$836	-$2,019
Earnings Losses	-$3.79	-$896	-$2,164
Total Losses to Consumers	**-$7.33**	**-$1,731**	**-$4,183**
Incremental Cost of Specific Items			
All Items			**1.290%**
All Groceries			0.310%
Milk			0.383%
Eggs			0.215%
Cheese			0.601%
Baby Formula			0.256%
Beer			0.314%
Tobacco Products			1.594%
Soap/Detergent			2.107%
Prescriptions			8.822%
Restaurant Meal			0.352%
Health Insurance			2.655%
Auto Insurance			2.442%
Home Insurance			4.459%
Television			0.690%
Smartphone			0.576%
Washing Machines			0.316%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Pennsylvania Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$10.66	-$823	-$2,003
Earnings Losses	-$11.99	-$925	-$2,252
Total Losses to Consumers	**-$22.65**	**-$1,748**	**-$4,254**
Incremental Cost of Specific Items			
All Items			**1.212%**
All Groceries			0.291%
Milk			0.359%
Eggs			0.202%
Cheese			0.564%
Baby Formula			0.240%
Beer			0.295%
Tobacco Products			1.497%
Soap/Detergent			1.979%
Prescriptions			8.286%
Restaurant Meal			0.331%
Health Insurance			2.494%
Auto Insurance			2.294%
Home Insurance			4.188%
Television			0.648%
Smartphone			0.541%
Washing Machines			0.297%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Rhode Island Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$0.81	-$743	-$1,834
Earnings Losses	-$0.87	-$790	-$1,950
Total Losses to Consumers	**-$1.68**	**-$1,533**	**-$3,784**
Incremental Cost of Specific Items			
All Items			**1.215%**
All Groceries			0.291%
Milk			0.360%
Eggs			0.203%
Cheese			0.566%
Baby Formula			0.241%
Beer			0.296%
Tobacco Products			1.500%
Soap/Detergent			1.983%
Prescriptions			8.304%
Restaurant Meal			0.332%
Health Insurance			2.499%
Auto Insurance			2.299%
Home Insurance			4.198%
Television			0.650%
Smartphone			0.542%
Washing Machines			0.298%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to South Carolina Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$2.79	-$520	-$1,283
Earnings Losses	-$3.02	-$563	-$1,389
Total Losses to Consumers	**-$5.82**	**-$1,083**	**-$2,671**
Incremental Cost of Specific Items			
All Items			**1.005%**
All Groceries			0.241%
Milk			0.298%
Eggs			0.168%
Cheese			0.468%
Baby Formula			0.199%
Beer			0.245%
Tobacco Products			1.241%
Soap/Detergent			1.641%
Prescriptions			6.869%
Restaurant Meal			0.274%
Health Insurance			2.067%
Auto Insurance			1.902%
Home Insurance			3.472%
Television			0.537%
Smartphone			0.448%
Washing Machines			0.246%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to South Dakota Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$0.76	-$827	-$2,008
Earnings Losses	-$0.80	-$871	-$2,116
Total Losses to Consumers	**-$1.56**	**-$1,698**	**-$4,123**
Incremental Cost of Specific Items			
All Items			**1.167%**
All Groceries			0.280%
Milk			0.346%
Eggs			0.195%
Cheese			0.544%
Baby Formula			0.231%
Beer			0.284%
Tobacco Products			1.442%
Soap/Detergent			1.906%
Prescriptions			7.980%
Restaurant Meal			0.319%
Health Insurance			2.402%
Auto Insurance			2.209%
Home Insurance			4.034%
Television			0.624%
Smartphone			0.521%
Washing Machines			0.286%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Tennessee Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$5.66	-$794	-$1,959
Earnings Losses	-$6.45	-$905	-$2,233
Total Losses to Consumers	**-$12.11**	**-$1,699**	**-$4,192**
Incremental Cost of Specific Items			
All Items			**1.202%**
All Groceries			0.288%
Milk			0.356%
Eggs			0.200%
Cheese			0.560%
Baby Formula			0.238%
Beer			0.293%
Tobacco Products			1.484%
Soap/Detergent			1.962%
Prescriptions			8.216%
Restaurant Meal			0.328%
Health Insurance			2.473%
Auto Insurance			2.275%
Home Insurance			4.153%
Television			0.643%
Smartphone			0.536%
Washing Machines			0.294%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Texas Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$29.25	-$959	-$2,597
Earnings Losses	-$33.23	-$1,089	-$2,951
Total Losses to Consumers	**-$62.48**	**-$2,048**	**-$5,549**
Incremental Cost of Specific Items			
All Items			**1.257%**
All Groceries			0.302%
Milk			0.373%
Eggs			0.210%
Cheese			0.585%
Baby Formula			0.249%
Beer			0.306%
Tobacco Products			1.552%
Soap/Detergent			2.053%
Prescriptions			8.595%
Restaurant Meal			0.343%
Health Insurance			2.587%
Auto Insurance			2.380%
Home Insurance			4.345%
Television			0.672%
Smartphone			0.561%
Washing Machines			0.308%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Utah Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$3.09	-$904	-$2,646
Earnings Losses	-$3.35	-$980	-$2,869
Total Losses to Consumers	**-$6.44**	**-$1,884**	**-$5,514**
Incremental Cost of Specific Items			
All Items			**1.267%**
All Groceries			0.304%
Milk			0.376%
Eggs			0.211%
Cheese			0.590%
Baby Formula			0.251%
Beer			0.309%
Tobacco Products			1.564%
Soap/Detergent			2.068%
Prescriptions			8.660%
Restaurant Meal			0.346%
Health Insurance			2.606%
Auto Insurance			2.398%
Home Insurance			4.378%
Television			0.678%
Smartphone			0.565%
Washing Machines			0.310%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Vermont Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$0.43	-$663	-$1,535
Earnings Losses	-$0.44	-$680	-$1,575
Total Losses to Consumers	**-$0.87**	**-$1,343**	**-$3,110**
Incremental Cost of Specific Items			
All Items			**1.154%**
All Groceries			0.277%
Milk			0.342%
Eggs			0.192%
Cheese			0.537%
Baby Formula			0.229%
Beer			0.281%
Tobacco Products			1.425%
Soap/Detergent			1.884%
Prescriptions			7.890%
Restaurant Meal			0.315%
Health Insurance			2.374%
Auto Insurance			2.184%
Home Insurance			3.988%
Television			0.617%
Smartphone			0.515%
Washing Machines			0.283%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Virginia Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$8.65	-$992	-$2,541
Earnings Losses	-$9.58	-$1,099	-$2,816
Total Losses to Consumers	**-$18.23**	**-$2,091**	**-$5,357**
Incremental Cost of Specific Items			
All Items			**1.462%**
All Groceries			0.351%
Milk			0.434%
Eggs			0.244%
Cheese			0.681%
Baby Formula			0.290%
Beer			0.356%
Tobacco Products			1.806%
Soap/Detergent			2.388%
Prescriptions			9.998%
Restaurant Meal			0.399%
Health Insurance			3.009%
Auto Insurance			2.768%
Home Insurance			5.054%
Television			0.782%
Smartphone			0.653%
Washing Machines			0.358%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Washington Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$11.48	-$1,470	-$3,703
Earnings Losses	-$12.69	-$1,624	-$4,092
Total Losses to Consumers	**-$24.17**	**-$3,094**	**-$7,795**
Incremental Cost of Specific Items			
All Items			**1.612%**
All Groceries			0.387%
Milk			0.478%
Eggs			0.269%
Cheese			0.751%
Baby Formula			0.319%
Beer			0.393%
Tobacco Products			1.991%
Soap/Detergent			2.632%
Prescriptions			11.021%
Restaurant Meal			0.440%
Health Insurance			3.317%
Auto Insurance			3.051%
Home Insurance			5.571%
Television			0.862%
Smartphone			0.719%
Washing Machines			0.395%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to West Virginia Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$0.77	-$436	-$1,039
Earnings Losses	-$0.76	-$427	-$1,017
Total Losses to Consumers	**-$1.53**	**-$864**	**-$2,056**
Incremental Cost of Specific Items			
All Items			**0.920%**
All Groceries			0.221%
Milk			0.273%
Eggs			0.153%
Cheese			0.429%
Baby Formula			0.182%
Beer			0.224%
Tobacco Products			1.137%
Soap/Detergent			1.503%
Prescriptions			6.293%
Restaurant Meal			0.251%
Health Insurance			1.894%
Auto Insurance			1.742%
Home Insurance			3.181%
Television			0.492%
Smartphone			0.411%
Washing Machines			0.225%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Wisconsin Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$4.29	-$726	-$1,720
Earnings Losses	-$4.67	-$791	-$1,873
Total Losses to Consumers	**-$8.97**	**-$1,517**	**-$3,593**
Incremental Cost of Specific Items			
All Items			**1.154%**
All Groceries			0.277%
Milk			0.342%
Eggs			0.192%
Cheese			0.538%
Baby Formula			0.229%
Beer			0.281%
Tobacco Products			1.426%
Soap/Detergent			1.885%
Prescriptions			7.892%
Restaurant Meal			0.315%
Health Insurance			2.375%
Auto Insurance			2.185%
Home Insurance			3.990%
Television			0.618%
Smartphone			0.515%
Washing Machines			0.283%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to Wyoming Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$0.57	-$980	-$2,313
Earnings Losses	-$0.56	-$961	-$2,269
Total Losses to Consumers	**-$1.13**	**-$1,941**	**-$4,582**
Incremental Cost of Specific Items			
All Items			**1.339%**
All Groceries			0.321%
Milk			0.397%
Eggs			0.223%
Cheese			0.623%
Baby Formula			0.265%
Beer			0.326%
Tobacco Products			1.654%
Soap/Detergent			2.186%
Prescriptions			9.154%
Restaurant Meal			0.366%
Health Insurance			2.755%
Auto Insurance			2.534%
Home Insurance			4.627%
Television			0.716%
Smartphone			0.597%
Washing Machines			0.328%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group

The Annual Cost of Excess Torts to United States Consumers			
	State Total ($Billions)	**Per Person**	**Per Household**
Inflation Costs	-$320.01	-$955	-$2,437
Earnings Losses	-$354.38	-$1,058	-$2,698
Total Losses to Consumers	**-$674.38**	**-$2,014**	**-$5,135**
Incremental Cost of Specific Items			
All Items			**1.319%**
All Groceries			0.317%
Milk			0.391%
Eggs			0.220%
Cheese			0.614%
Baby Formula			0.261%
Beer			0.321%
Tobacco Products			1.629%
Soap/Detergent			2.155%
Prescriptions			9.021%
Restaurant Meal			0.360%
Health Insurance			2.715%
Auto Insurance			2.498%
Home Insurance			4.560%
Television			0.706%
Smartphone			0.589%
Washing Machines			0.323%

Note: Estimated annual costs to consumers due to inflation costs and lost earnings associated with excess costs of the US tort system.
Source: The Perryman Group