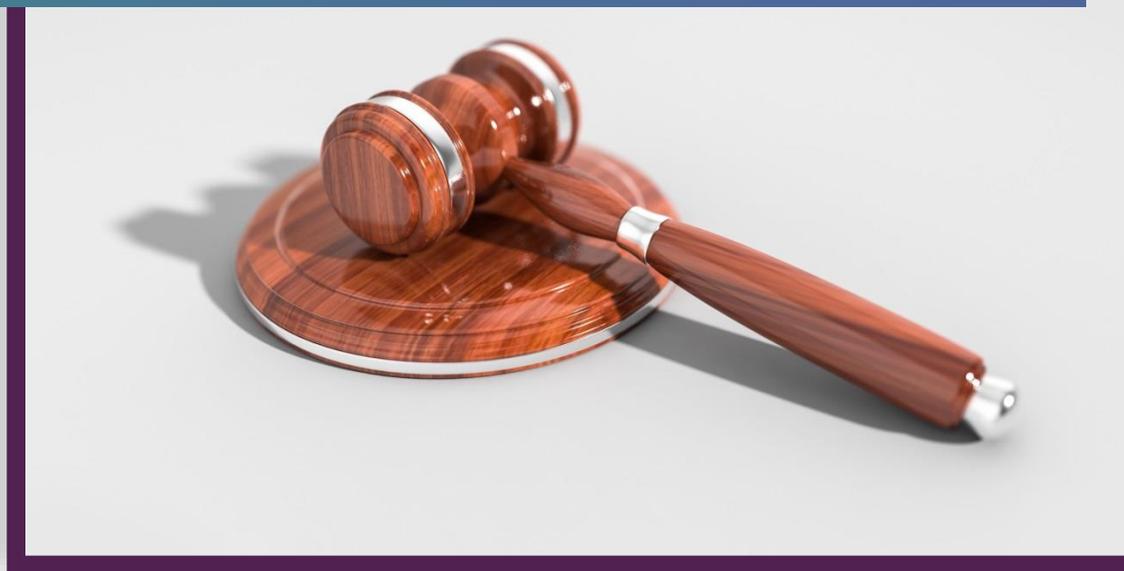


# ECONOMIC BENEFITS OF TORT REFORM

*An assessment of excessive US tort costs and potential economic benefits of reform*

December 2021



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## Introduction

The civil justice system is a crucial institutional framework in America. When working properly, the system provides a fair and equitable forum for the resolution of disputes among parties, appropriately compensating those that have legitimately been harmed. Additionally, it acts as an effective deterrent to undesirable behavior. The civil justice system is designed to provide proper remedies for injured parties and incentives for responsible actions; it is not intended to be punitive, random, or unpredictable.

As part of this framework, tort litigation can be highly beneficial to society in terms of promoting equal and impartial justice as well as establishing part of the critical context in which economic

activity can prosper. It provides for systematic resolution of disputes, reduces conflict, and encourages production using safe practices that benefit society as a whole.

*Tort reform can lead to substantial economic benefits, and states which have implemented reform have seen improved judicial efficiency and better economic performance.*

### The Perryman Group estimates that excessive tort costs to the US economy result in

- **\$284.8 billion** in annual direct costs,
- **\$429.35 billion** in annual output (gross product) and **4.24 million** jobs when dynamic effects are considered, and
- **\$70.3 billion** in annual federal revenues, **\$22.1 billion** in annual State revenues and **\$18.6 billion** in annual local government revenues.

Excess torts result in a “tort tax” of **\$1,303.10 per person.**

On the other hand, a flawed civil justice system which generates exorbitant levels of damages or numbers of awards and which is unpredictable in its outcomes may result in negative impacts through the misallocation of society’s scarce economic and human resources. When such imbalances occur, tort reform can lead to substantial economic benefits, and states which have implemented reforms have seen improved judicial efficiency and

measurable improvement in economic performance.

In order to evaluate the actual and potential economic benefits of tort reform in the US, states, and the District of Columbia, The Perryman Group (TPG) quantified the aggregate excess costs associated with the current system, allocated this amount across states, and examined the resulting downstream effects. Effective reform measures can reduce or eliminate these costs to the benefit of each state.

## Background

A tort is either an act or an omission that harms or injures another person.<sup>1</sup> Tort lawsuits make up the majority of civil litigation, and there are a wide variety of cases that fall under the category.<sup>2</sup> The three main types of tort cases are intentional torts, negligence, and strict liability.<sup>3</sup> Intentional torts are when a defendant purposefully harms a plaintiff and include battery, assault, and trespassing.<sup>4</sup> Negligence cases must prove that there was a breach of duty that caused an injury and would include car accidents and medical malpractice suits.<sup>5</sup> Strict liability torts are product liability cases where a defective product was made or sold and caused harm and do not depend on whether a level of care was met.<sup>6</sup>

*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.*

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, responding to the belief that verdicts in tort cases have grown to be excessive and distort economic activity in undesirable ways. The level of tort reform measures varies from state to state. Currently, approximately 30 states have laws capping the amount of damages that can be awarded in medical malpractice lawsuits, with values ranging from \$250,000 to \$2.35 million.<sup>7</sup>

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<sup>1</sup> Tort, Wex Legal Dictionary, Legal Information Institute, Cornell Law School, (n.d.), <https://www.law.cornell.edu/wex/tort>.

<sup>2</sup> The 3 Different Types of Tort Law, The Babcock Law Firm LLC, (n.d.), <https://www.injurylawcolorado.com/legal-library/tort-law-types.html>.

<sup>3</sup> Tort, Wex Legal Dictionary, Legal Information Institute, Cornell Law School, (n.d.), <https://www.law.cornell.edu/wex/tort>.

<sup>4</sup> Intentional Tort, Wex Legal Dictionary, Legal Information Institute, Cornell Law School, (n.d.), [https://www.law.cornell.edu/wex/intentional\\_tort](https://www.law.cornell.edu/wex/intentional_tort).

<sup>5</sup> Negligence, Wex Legal Dictionary, Legal Information Institute, Cornell Law School, (n.d.), <https://www.law.cornell.edu/wex/negligence>; The 3 Different Types of Tort Law, The Babcock Law Firm LLC, (n.d.), <https://www.injurylawcolorado.com/legal-library/tort-law-types.html>.

<sup>6</sup> Tort, Wex Legal Dictionary, Legal Information Institute, Cornell Law School, (n.d.), <https://www.law.cornell.edu/wex/tort>.

<sup>7</sup> Malpractice Damage Caps in All 50 States 2019 Update, (n.d.), <https://www.millerandzois.com/malpractice-damage-caps.html>, accessed 11-1-19.

## *Economic Costs of the US Tort System*

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The cost of the US civil justice system provides a framework for analysis of the economic impact of tort reform. Not all tort costs are due to excessive litigation and lawsuit abuse. Clearly, there is a need for a system to create incentives for firms to produce safe products, conduct business fairly, and otherwise follow the prevailing laws. It is also important that truly injured parties have a mechanism to be fully and fairly compensated. An efficient system leads to trust among market participants, enhanced business activity, and a higher standard of living.

However, an inadequately balanced justice system can be counterproductive. In particular, if the 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.

Some of these negative effects include (among others):

- increased costs and risks of doing business in an area,
- disincentives for innovations which promote consumer welfare,
- enhanced incentives to file lawsuits of questionable merit resulting in increased inefficiencies,
- higher insurance premiums than would exist under a more balanced approach,
- increased health care costs and declining availability of medical services,
- deterrence of economic development and job creation initiatives, and
- diversion of activity to unproductive purposes.

In short, an overly aggressive tort environment is a drain on the economy of a state and the country as a whole.

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The size of the tort system in the US has grown substantially over the years. There is also evidence that the US tort system is expensive by international

standards. A 2013 study by the US Chamber Institute for Legal Reform found that the US had the highest liability costs as a percentage of GDP among the advanced

western countries of the US, Canada, and the Eurozone.<sup>8</sup> These findings reflect both higher frequency of claims and higher claims cost in the US.<sup>9</sup> These findings suggest that the resources consumed by the tort system in the US are well above the level required to maintain an efficient and productive economy.

Excess expenditures reduce the competitiveness of American businesses. They also increase corporate incentives to locate factories elsewhere where there are more reasonable tort environments. Even variation among the litigation environment in the states affects where businesses choose to locate. A 2019 survey of corporate attorneys found that 89% of respondents indicated that the litigation environment in a state is likely to impact business decisions, an increase from 85% in 2017 and 75% in 2015.<sup>10</sup>

### *Industry-Specific Effects*

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Several industries are particularly hard hit by litigation including certain types of manufacturing and health care delivery. Highly litigated **manufacturing industries** include, among others, categories such as chemicals, pharmaceuticals, tires, power tools, welding equipment, and electrical equipment. Litigation has threatened the viability of numerous companies in these sectors.

The threat of litigation can significantly decrease product innovation. When businesses operate in a high-liability-risk environment, they respond by reducing investments in product innovation because new products have more uncertain safety characteristics and can leave them vulnerable to lawsuits.

An unbalanced civil justice system can also reduce product safety research and the availability of safety-enhancing equipment. In fact, a 2007 study by Paul H. Rubin and Joanna M. Shepherd demonstrated that tort reforms passed in the states between 1981 and 2000 prevented approximately 24,000 net accidental deaths from occurring in the US during that timeframe. The researchers argued that an overly expensive liability system increases the cost of many risk-reducing

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<sup>8</sup> International Comparisons of Litigation Costs, US Chamber Institute for Legal Reform, June 2013, p. 2.

<sup>9</sup> International Comparisons of Litigation Costs, US Chamber Institute for Legal Reform, June 2013, pp. 4-5.

<sup>10</sup> 2019 Lawsuit Climate Survey-Ranking the States, A Survey of the Fairness and Reasonableness of State Liability Systems, US Chamber, Institute for Legal Reform, September 2019, p. 3.

products and services, making them less accessible, and in some cases unavailable to consumers.<sup>11</sup>

Another vulnerable sector is **health care delivery**. Since 1975 (the first year for which insured medical malpractice costs were separately identified), the escalation in medical malpractice litigation costs has outpaced the increase in overall US tort costs. The result has been an enormous rise in insurance premiums for providers, in some cases leading to reductions in the provision of important procedures and practitioners leaving the profession.

An additional consequence of this phenomenon is an increase in “defensive medicine.” Defensive medicine is defined as when “doctors order tests, procedures, or visits, or avoid high-risk patients or procedures, primarily (but not necessarily solely) to reduce their exposure to malpractice liability” and also as administering “precautionary treatments with minimal expected medical benefit out of fear of legal liability.”<sup>12</sup>

Many of these tests are quite costly (in addition to other issues such as patients incurring needless pain or inconvenience). The savings from the reduction or

*Tort reform can enhance the efficiency of the economy and the competitiveness of the state's businesses.*

elimination of defensive medicine would allow millions of Americans to obtain health insurance. Moreover, the premature deaths and lost productivity due to lower

access to health care from liability-driven rising health care expenditures could be reduced. In addition, the supply of doctors tends to be restricted by the higher risk and costs associated with an excessive system, thus further reducing access to health care. In a 2008 study, The Perryman Group found that, after accounting for other factors, malpractice reforms in Texas led to a statistically significant increase in licensed physicians.<sup>13</sup>

<sup>11</sup> Rubin, Paul H. and Joanna M. Shepherd, Tort Reform and Accidental Deaths, *Journal of Law and Economics* Vol. 50, May 2007.

<sup>12</sup> Kessler, Daniel, and Mark McClellan, Do Doctors Practice Defensive Medicine?, *The Quarterly Journal of Economics*, Vol. 111, No. 2, May 1996.

<sup>13</sup> The Perryman Group, *A Texas Turnaround: The Impact of Tort Reform on Business Activity in the Lone Star State*, 2008.

## *Benefits of Tort Reform*

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Tort reform involves a number of benefits including enhancing product innovation, increasing productivity, reducing accidental deaths, improving access to health care through lower costs, and many others. These effects, in turn, enhance the efficiency of the economy and the competitiveness of the state's businesses.

Innovation is greater with reform; new products are often higher risk because they have a less well-defined safety history. Legal reform that decreases exposure to liability lawsuits has been shown to **enhance innovation and increase productivity and employment**.

Reform has also been linked to a net **decrease in accidental deaths** because it enables consumers to buy more risk-reducing products. A 2007 study found that there were actually fewer accidental deaths (non-motor-vehicle) from 1981-2000 in states that had tort reforms.<sup>14</sup> As reform ameliorates companies' expected liability from such products, they respond by lowering prices and increasing product offerings for items such as pharmaceuticals, safety equipment, and medical services and devices.

The Pacific Research Institute found a measurable link between a state's legal environment and the growth rate of its real, per capita output, and concluded that the position of states relative to one another in terms of civil justice frameworks explained about 12% of the variation among the 50 states in their output growth rates.<sup>15</sup> A later 2009 report analyzing how state tort reform affects tort losses and tort insurance premiums also found that out of the 25 tort reforms examined, 18 reforms significantly reduced tort losses and insurance premiums over the 1996 to 2006 time frame. The reforms that resulted in the greatest reduction were those aimed at reducing frivolous lawsuits, capping appeal bonds, setting negligence standards, and limiting non-economic-damages and medical-malpractice damages.<sup>16</sup>

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<sup>14</sup> Rubin, Paul H. and Joanna M. Shepherd, Tort Reform and Accidental Deaths, Journal of Law and Economics Vol. 50, May 2007.

<sup>15</sup> Pacific Research Institute, US Tort Liability Index: 2006 Report, May 2006.

<sup>16</sup> Tort Law Tally: How State Tort Reforms Affect Tort Losses and Tort Insurance Premiums, Pacific Research Institute, April 2009.

The Perryman Group has also reached a similar conclusion in several studies.<sup>17</sup> Economic benefits occur because tort reform enhances the efficiency, fairness, and predictability of the civil justice system.

### *Tort Reform and Economic Development*

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Tort reform can cover many areas of legislation, from setting the interest rate used to calculate judgments to trespasser liability laws. The most recognizable form of tort reform is caps set to limit punitive and noneconomic damages, which are the damages that go beyond the direct costs arising from the harm caused by the defendant. Other forms of tort reform include rules qualifying an expert witness in a case, limiting when medical malpractice may be applied, allowing a class action to form, and lowering the barriers for a more thorough representation of the general population to serve as jurors.<sup>18</sup> Any of these changes can involve economic benefits.

The Perryman Group has extensive experience in the area of economic development and has studied the relationship between the judicial system and economic growth in a variety of contexts including access, supply and compensation of judicial personnel, adequate court records, and numerous types of judicial reforms. Tort reform is an important aspect of fundamental economic health and development, which involves much of what state government does on an ongoing basis.

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<sup>17</sup> See, for example, The Perryman Group, *An Assessment of Excessive Tort Costs in California and Potential Economic Benefits of Reform*, 2019; The Perryman Group, *An Assessment of Excessive Tort Costs in Florida and Potential Economic Benefits of Reform*, 2019; The Perryman Group, *An Assessment of Excessive Tort Costs in Illinois and Potential Economic Benefits of Reform*, 2019; The Perryman Group, *An Assessment of Excessive Tort Costs in Louisiana and Potential Economic Benefits of Reform*, 2019; The Perryman Group, *An Assessment of Excessive Tort Costs in Missouri and Potential Economic Benefits of Reform*, 2019; The Perryman Group, *An Assessment of Excessive Tort Costs in West Virginia and Potential Economic Benefits of Reform*, 2019; and The Perryman Group, *The Impact of the Proposed Judicial Reforms in House Bill 4 (HB4) on Business Activity in Texas: An Initial Assessment*, 2003.

<sup>18</sup> A review of reforms in various states can be found in The American Tort Reform Association's yearly update of state tort reform enactments, <https://www.atra.org/resources/state-tort-reform-enactments/>; see also Cook, Andrew C., *Tort Reform Update: Recently Enacted Legislative Reforms and State Court Challenges*, The Federalist Society, December 2012.

The first requirement for prosperity is an overall environment that is conducive to economic success. The primary role of government in achieving a fundamental advantage is to perform its traditional functions in an exemplary fashion. Key aspects of fundamental economic development include an educated workforce, quality infrastructure, balanced and efficient judicial structure, and a stable and competitive tax and regulatory environment. Other initiatives which positively impact the costs of doing business (such as effective workers' compensation and unemployment insurance systems) or the quality of life (such as crime reduction or improved public health) also contribute to the overall climate for growth.

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*Improving the climate for economic development through actions such as tort reform can help states win the competition for desirable corporate locations and expansions.*

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Improving the climate for economic development through actions such as tort reform can help states to be more attractive for desirable corporate locations and expansions.

## Impact of Excessive Tort Costs

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

*The Perryman Group estimates that the excessive burden of the US tort system totals \$284.847 billion per year.*

overall direct costs of the liability system. One key input to this analysis stems from a 2018 study sponsored by the Institute for Legal Reform of the US Chamber of Commerce, which included a

detailed review of insurance claims and other data across a spectrum of categories.<sup>19</sup>

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.<sup>20</sup> Estimates were adjusted as needed and projected forward using models that are statistically significant and exhibit excellent empirical properties and were found to be highly comparable to (modestly above) the estimate from the Institute for Legal Reform. For purposes of conservatism in the present analysis, the lower value was adopted. It was then projected forward using the firm's econometric model (described in Appendix A) to generate a current estimate of the magnitude of the US tort system \$476.162 billion. This level was used as the starting point of in defining the direct excess costs.

As noted, 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. The Perryman Group estimated the portion of the costs quantified above which constitutes an excessive burden based on a comparison of 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). Based on this assessment, The Perryman Group estimates that \$191.315 billion of the

<sup>19</sup> Costs and Compensation of the US Tort System, US Chamber, Institute for Legal Reform, October 2018.

<sup>20</sup> U.S. Tort Cost Trends, 2011 Update, Towers Watson, 2012.

estimated US tort system outlays were necessary and, thus, the excessive burden was **\$284.847 billion**.

Once the US burden is quantified, it 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. The differential between the required and overall system costs constitutes the direct excessive burden in each state. Excess costs were then allocated across industrial categories, with the resulting values used as inputs to the impact assessment simulations to quantify multiplier effects. (See Appendix A for additional detail.)

These effects can be expected to rise over time in the absence of meaningful reforms. Descriptions of measures of economic activity and methods used for measuring economic impacts are briefly outlined on the following page and explained in further detail in the Appendix to this report.

## Measuring Economic Impacts

Any economic stimulus, whether positive or negative, generates multiplier effects throughout the economy. In this instance, excessive costs of the tort system lead to negative multiplier effects rippling through the economy.

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 (2020) basis to eliminate the effects of inflation. See the Appendices for additional information regarding the methods and assumptions used in this analysis.

## *Cost of Excessive Torts to the US Economy*

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Potential effects by state were summed to obtain a national total. The total current impact of excessive tort costs on the US economy includes losses of an estimated **\$429.35 billion** in output (gross product) each year and about **4.24 million** jobs when dynamic effects are considered. The reduction in output on a per capita basis implies a “tort tax” of **\$1,303.10** per person. All major industry groups are negatively affected, with the retail trade, business services, other services, and health services industries experiencing the greatest losses.

*The total current impact of excessive tort costs on the US economy includes losses of an estimated **\$429.35 billion** in output (gross product) each year and about **4.24 million** jobs when dynamic effects are considered.*

Business activity generates tax revenue, and the business activity losses due to excessive tort costs reduce receipts to the federal, State, and local governments.

*The yearly fiscal losses (as of 2020) are estimated to be **\$70.3 billion** in federal revenues, **\$22.1 billion** in state revenues and **\$18.6 billion** to local governments across the nation.*

The yearly fiscal losses (as of 2020) are estimated to be **\$70.3 billion** in federal revenues, **\$22.1 billion** in state revenues and **\$18.6 billion** to local governments across the nation. (Losses by state are located in Appendix B.)

Tort reform can reduce or eliminate these costs. Thus, these results may also be viewed as a measure of the benefits of reasonable reforms.

## The Current Annual Loss in US Business Activity Due to Excessive Tort Costs

Total Expenditures (Billions of 2020 Dollars)	Gross Product (Billions of 2020 Dollars)	Personal Income (Billions of 2020 Dollars)	Employment (Jobs)
<b>\$844.729</b>	<b>\$429.350</b>	<b>\$272.783</b>	<b>4,244,960</b>

Note: Based on The Perryman Group's estimate of excess costs of the US tort system quantified through a comparison of estimated US costs to those in other countries with well-developed judicial systems (such as the European Union) and related dynamic effects. Additional definitions of terms and explanation of methods and assumptions may be found on page 12 of this report and in Appendix A. Results by industry are included in Appendix B.

Source: US Multi-Regional Impact Assessment System, The Perryman Group

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.

### *Cost of Excessive Torts to State Economies*

The cost of excessive torts varies widely across states. In order to allow for a comparison given wide variation in the sizes of state populations and economies, The Perryman Group converted excessive costs into a "Tort Tax" measure. This measure is a per capita estimate of the losses in economic output (gross product).

The states with the highest tort taxes include Massachusetts, the District of Columbia, California, Washington, and New York, which are in the \$1,875.36 to \$1,978.54 range.

<b>States with the Highest “Tort Tax”</b>	
<b>Area</b>	<b>Annual Tort Tax</b>
<b>Massachusetts</b>	<b>\$1,978.54</b>
<b>District of Columbia</b>	<b>\$1,963.13</b>
<b>California</b>	<b>\$1,917.89</b>
<b>Washington</b>	<b>\$1,914.58</b>
<b>New York</b>	<b>\$1,875.36</b>
<b>Connecticut</b>	<b>\$1,764.46</b>
<b>North Dakota</b>	<b>\$1,675.27</b>
<b>Alaska</b>	<b>\$1,599.19</b>
<b>Illinois</b>	<b>\$1,543.70</b>
<b>Colorado</b>	<b>\$1,536.58</b>

Note: Based on The Perryman Group’s estimates of excess costs of the US tort system quantified through a comparison of estimated US costs to those in other countries with well-developed judicial systems (such as the European Union) and related dynamic effects. The “Tort Tax” is a measure of annual per capita economic losses (as measured by lost gross product) in the state associated with excessive torts. Additional explanation of methods and assumptions may be found in Appendix A. Economic losses due to excess torts are included in Appendix B by state and industry.

Source: US Multi-Regional Impact Assessment System, The Perryman Group

Results for all states on a detailed industrial basis are included in Appendix B.

## Conclusion

The judicial system is essential to resolving disputes, compensating those that have been harmed, and deterring undesirable behavior. However, if it becomes imbalanced or unpredictable, it can cause misallocation of resources and unreasonably constrain economic growth.

*Tort reform can significantly reduce excessive tort costs, leading to substantial economic benefits as well as other positive outcomes.*

As noted, The Perryman Group estimates that excessive tort costs are harming the economy, leading to a decrease in US business activity of an estimated **\$429.35 billion** in output (gross product) each year and **4.24 million** jobs (including dynamic effects). In terms of gross product per capita, these losses amount to a “tort tax” of **\$1,303.10** for every resident. The tort tax is much higher in some areas including Massachusetts, the District of Columbia, California, Washington, New York, and Connecticut.

Tort reform can significantly reduce or eliminate these costs, leading to substantial economic benefits as well as other positive outcomes. A strong and equitable judicial system is essential to a sustainable economy, and correcting imbalances is in the interest of individuals, businesses, and society as a whole.

## Appendix A: Methods Used

### *US Multi-Regional Impact Assessment System*

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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. 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 2018 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 2016, the aggregate outlays were \$428.966 billion.<sup>21</sup>

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 (almost 97%) 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.<sup>22</sup> 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

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<sup>21</sup> Costs and Compensation of the US Tort System, US Chamber, Institute for Legal Reform, October 2018.

<sup>22</sup> U.S. Tort Cost Trends, 2011 Update, Towers Watson, 2012.

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.<sup>23</sup> The approach has been widely used in numerous contexts, including prior studies of this issue.<sup>24</sup>

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.<sup>25</sup> 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 above to generate a current estimate of **\$476.162 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 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.<sup>26</sup> By comparing the costs (as a percentage of the

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<sup>23</sup> See, for example, Dale W. Jorgenson 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 Arnold C. Harberger, "Monopoly and Resource Allocation," *American Economic Review* 44 (1954), pp. 77–87.

<sup>24</sup> <sup>24</sup> See, for example, President's Council of Economic Advisers, *Who Pays for Tort Liability Claims? An Economic Analysis of the U.S. Tort Liability System* (April 2002), p. 12; The Perryman Group, *An Assessment of Excessive Tort Costs in California and Potential Economic Benefits of Reform*, 2019; The Perryman Group, *An Assessment of Excessive Tort Costs in Florida and Potential Economic Benefits of Reform*, 2019; The Perryman Group, *An Assessment of Excessive Tort Costs in Illinois and Potential Economic Benefits of Reform*, 2019; The Perryman Group, *An Assessment of Excessive Tort Costs in Louisiana and Potential Economic Benefits of Reform*, 2019; The Perryman Group, *An Assessment of Excessive Tort Costs in Missouri and Potential Economic Benefits of Reform*, 2019; The Perryman Group, *An Assessment of Excessive Tort Costs in West Virginia and Potential Economic Benefits of Reform*, 2019; and The Perryman Group, *The Impact of the Proposed Judicial Reforms in House Bill 4 (HB4) on Business Activity in Texas: An Initial Assessment*, 2003.

<sup>25</sup> The classic reference outlining this process is Gordon Tullock, "The Welfare Costs of Tariffs, Monopolies and Theft," *Western Economic Journal* 5 (1967), pp. 224–32.

<sup>26</sup> See, for example, *International Comparison of Litigation Costs, Canada, Europe, Japan, and the United States*, US Chamber, Institute for Legal Reform, June 2013 update.

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 \$191.315 billion of the outlays were necessary and, thus, the excessive burden was **\$284.847 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.

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 2020 dollars to eliminate the effects of inflation.

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 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 fourth measure, **Retail Sales**, represents the component of Total Expenditures which occurs in retail outlets (general merchandise stores, automobile dealers and service stations, building materials stores, food stores, drugstores, restaurants, and so forth). Retail Sales is a commonly used measure of consumer activity.

The final aggregates used are **Permanent Jobs and Person-Years of Employment**, 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 Permanent Jobs Measure is used. It should be noted that, unlike the dollar values described above, Permanent Jobs is a "stock" rather than a "flow." In other words, if an area produces \$1 million in output in 2016 and \$1 million in 2017, it is appropriate to say that \$2 million was achieved in the 2016-17 period. If the same area has 100 people working in 2016 and 100 in 2017, it only has 100 Permanent 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 Person-Years (a person working for a year). This concept is distinct from Permanent Jobs, which anticipates that the relevant positions will be maintained on a continuing basis. In this instance, the permanent jobs given the current size of the economy are measured.

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*

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### **Overview**

The US Multi-Regional Econometric Model (also known as the Texas Econometric Model) was developed by Dr. M. Ray Perryman, President and CEO of The Perryman Group (TPG), beginning 40 years ago as a Texas model and has been consistently maintained, expanded, and updated to a national level 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 more than three 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 is employed in the current analysis to generate estimates of the likely market responses to excessive tort costs by state (or, conversely, the likely benefits from effective reform measures).

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 US Multi-Regional Econometric 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 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 the appropriate Consumer Price Index.

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 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-level system and that of each of the individual sub-areas, if any, being examined. 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.

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 US Multi-Regional 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 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 and to achieve the property of statistical consistence, it is necessary to compile and assimilate extensive material regarding current events and factors affecting the forecast.

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 on a daily basis; (3) direct discussions with key business and political leaders; (4) face-to-face discussions with representatives of major industry groups; and (5) frequent site visits to various regions. 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. In the present instance, the impact system is embedded within the econometric system to allow the interaction of the excessive tort costs with market responses.

## Appendix B: Detailed Results

### *Tort Tax by State*

**Tort Tax by State:**  
Estimated 2020 Reduction in Output  
(Gross Product) on a Per Capita Basis  
by State

State	Annual Tort Tax
Massachusetts	\$1,978.54
District of Columbia	\$1,963.13
California	\$1,917.89
Washington	\$1,914.58
New York	\$1,875.36
Connecticut	\$1,764.46
North Dakota	\$1,675.27
Alaska	\$1,599.19
Illinois	\$1,543.70
Colorado	\$1,536.58
New Jersey	\$1,527.67
Maryland	\$1,490.06
Texas	\$1,457.23
Minnesota	\$1,429.72
Delaware	\$1,421.83
Nebraska	\$1,400.08
Wyoming	\$1,396.68
Virginia	\$1,318.89
Pennsylvania	\$1,281.12
Kansas	\$1,208.69
New Hampshire	\$1,200.22
Iowa	\$1,198.12
Hawaii	\$1,179.86
Utah	\$1,144.15
South Dakota	\$1,121.84
Ohio	\$1,120.63
Oregon	\$1,115.93
Georgia	\$1,111.28
Wisconsin	\$1,084.91
Indiana	\$1,021.79
Louisiana	\$1,010.57

### Tort Tax by State:

Estimated 2020 Reduction in Output  
(Gross Product) on a Per Capita Basis  
by State

State	Annual Tort Tax
Rhode Island	\$985.72
North Carolina	\$971.24
Tennessee	\$943.98
Oklahoma	\$940.31
Missouri	\$905.64
New Mexico	\$867.13
Nevada	\$857.78
Michigan	\$840.28
Vermont	\$831.97
Arizona	\$828.54
Florida	\$812.52
Montana	\$764.48
Kentucky	\$725.83
Maine	\$725.35
Idaho	\$682.91
Alabama	\$680.33
South Carolina	\$666.73
Arkansas	\$600.27
West Virginia	\$563.54
Mississippi	\$440.30

Note: Based on excess costs of the US tort system quantified through a comparison of estimated US costs to those in other countries with well-developed judicial systems (such as the European Union) and related dynamic effects.

Source: The Perryman Group.

## *Fiscal Impact of Excessive Torts*

### Fiscal Impact of Excessive Torts (in millions of 2020 dollars)

Area	Federal	State	Local
Alabama	-\$548.055	-\$169.574	-\$144.348
Alaska	-\$191.388	-\$58.238	-\$50.573
Arizona	-\$1,006.477	-\$306.171	-\$262.134
Arkansas	-\$297.763	-\$92.991	-\$78.642
	-		
California	\$12,358.678	-\$3,946.450	-\$3,269.433
Colorado	-\$1,460.709	-\$460.115	-\$384.274
Connecticut	-\$1,027.307	-\$318.947	-\$270.635
Delaware	-\$229.660	-\$69.744	-\$60.393
District of Columbia	-\$229.050	N/A	-\$132.185
Florida	-\$2,890.458	-\$912.670	-\$762.483
Georgia	-\$1,948.129	-\$617.745	-\$513.895
Hawaii	-\$271.727	-\$86.273	-\$72.008
Idaho	-\$204.214	-\$63.885	-\$54.110
Illinois	-\$3,180.600	-\$1,009.086	-\$839.994
Indiana	-\$1,129.769	-\$353.564	-\$299.108
Iowa	-\$620.411	-\$195.022	-\$164.814
Kansas	-\$576.472	-\$183.353	-\$152.777
Kentucky	-\$531.924	-\$167.980	-\$141.341
Louisiana	-\$768.401	-\$243.911	-\$203.592
Maine	-\$160.299	-\$50.024	-\$42.416
Maryland	-\$1,476.994	-\$463.792	-\$389.112
Massachusetts	-\$2,232.511	-\$698.875	-\$589.551
Michigan	-\$1,370.797	-\$428.453	-\$365.418
Minnesota	-\$1,323.934	-\$420.978	-\$350.820
Mississippi	-\$213.814	-\$67.033	-\$56.648
Missouri	-\$911.890	-\$284.175	-\$239.941
Montana	-\$135.216	-\$42.459	-\$35.886
Nebraska	-\$444.027	-\$138.568	-\$117.264
Nevada	-\$440.627	-\$137.046	-\$116.611
New Hampshire	-\$268.414	-\$83.726	-\$70.953
New Jersey	-\$2,221.074	-\$702.100	-\$586.797
New Mexico	-\$298.961	-\$94.342	-\$79.343
New York	-\$5,935.713	-\$1,853.674	-\$1,569.918
North Carolina	-\$1,685.282	-\$524.183	-\$444.433
North Dakota	-\$209.858	-\$65.650	-\$55.596

Area	Federal	State	Local
Ohio	-\$2,144.863	-\$672.808	-\$568.257
Oklahoma	-\$612.696	-\$195.264	-\$162.685
Oregon	-\$774.753	-\$243.237	-\$205.432
Pennsylvania	-\$2,680.617	-\$843.046	-\$709.513
Rhode Island	-\$170.563	-\$53.239	-\$45.223
South Carolina	-\$569.456	-\$174.920	-\$149.386
South Dakota	-\$163.926	-\$51.702	-\$43.616
Tennessee	-\$1,064.110	-\$330.230	-\$278.950
Texas	-\$7,003.250	-\$2,222.375	-\$1,845.423
Utah	-\$608.632	-\$191.771	-\$160.974
Vermont	-\$84.887	-\$26.278	-\$22.500
Virginia	-\$1,854.529	-\$581.357	-\$488.234
Washington	-\$2,411.064	-\$761.406	-\$636.982
West Virginia	-\$164.633	-\$50.842	-\$43.693
Wisconsin	-\$1,035.777	-\$325.807	-\$275.420
Wyoming	-\$133.128	-\$41.666	-\$35.410
	-		
<b>United States</b>	<b>\$70,277.486</b>	<b>-\$22,076.744</b>	<b>-\$18,639.144</b>

## *Impact of Excessive Torts: United States*

### The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in the United States

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$13.911 b	-\$4.099 b	-\$2.636 b	-38,096
Mining	-\$18.008 b	-\$4.333 b	-\$2.357 b	-12,995
Construction	-\$41.560 b	-\$9.378 b	-\$4.092 b	-16,415
Utilities	-\$51.105 b	-\$24.445 b	-\$20.144 b	-264,083
Total Manufacturing	-\$137.634 b	-\$44.940 b	-\$25.157 b	-333,263
Transportation and Utilities	-\$31.582 b	-\$21.365 b	-\$12.319 b	-130,156
Information	-\$107.848 b	-\$81.011 b	-\$47.117 b	-1,346,329
Wholesale Trade	-\$32.394 b	-\$21.027 b	-\$13.907 b	-176,619
Retail Trade	-\$26.376 b	-\$16.262 b	-\$6.943 b	-57,832
Financial Activities	-\$170.198 b	-\$61.356 b	-\$23.065 b	-218,417
Business Services	-\$120.012 b	-\$86.674 b	-\$70.703 b	-803,264
Health Services	-\$33.554 b	-\$23.188 b	-\$19.606 b	-302,123
Other Services	-\$60.550 b	-\$31.272 b	-\$24.737 b	-545,368
<b>TOTAL</b>	<b>-\$844.729 b</b>	<b>-\$429.350 b</b>	<b>-\$272.783 b</b>	<b>-4,244,960</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## *Impact of Excessive Torts: 50 States and the District of Columbia*

### The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Alaska

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.046 b	-\$0.013 b	-\$0.009 b	-126
Mining	-\$0.048 b	-\$0.012 b	-\$0.006 b	-35
Construction	-\$0.114 b	-\$0.026 b	-\$0.011 b	-45
Utilities	-\$0.148 b	-\$0.070 b	-\$0.058 b	-757
Total Manufacturing	-\$0.322 b	-\$0.105 b	-\$0.059 b	-779
Transportation and Utilities	-\$0.085 b	-\$0.058 b	-\$0.033 b	-351
Information	-\$0.271 b	-\$0.205 b	-\$0.120 b	-3,373
Wholesale Trade	-\$0.089 b	-\$0.058 b	-\$0.038 b	-484
Retail Trade	-\$0.072 b	-\$0.044 b	-\$0.019 b	-157
Financial Activities	-\$0.460 b	-\$0.169 b	-\$0.065 b	-622
Business Services	-\$0.361 b	-\$0.260 b	-\$0.212 b	-2,414
Health Services	-\$0.091 b	-\$0.063 b	-\$0.053 b	-824
Other Services	-\$0.167 b	-\$0.086 b	-\$0.068 b	-1,461
<b>TOTAL</b>	<b>-\$2.274 b</b>	<b>-\$1.169 b</b>	<b>-\$0.752 b</b>	<b>-11,428</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Alabama

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.105 b	-\$0.031 b	-\$0.020 b	-287
Mining	-\$0.141 b	-\$0.034 b	-\$0.019 b	-106
Construction	-\$0.391 b	-\$0.088 b	-\$0.038 b	-154
Utilities	-\$0.406 b	-\$0.194 b	-\$0.160 b	-2,101
Total Manufacturing	-\$1.176 b	-\$0.382 b	-\$0.213 b	-2,844
Transportation and Utilities	-\$0.240 b	-\$0.162 b	-\$0.093 b	-988
Information	-\$0.824 b	-\$0.618 b	-\$0.360 b	-10,286
Wholesale Trade	-\$0.260 b	-\$0.169 b	-\$0.112 b	-1,417
Retail Trade	-\$0.201 b	-\$0.124 b	-\$0.053 b	-442
Financial Activities	-\$1.239 b	-\$0.448 b	-\$0.169 b	-1,594
Business Services	-\$0.940 b	-\$0.679 b	-\$0.554 b	-6,289
Health Services	-\$0.258 b	-\$0.178 b	-\$0.151 b	-2,323
Other Services	-\$0.466 b	-\$0.241 b	-\$0.191 b	-4,178
<b>TOTAL</b>	<b>-\$6.647 b</b>	<b>-\$3.348 b</b>	<b>-\$2.132 b</b>	<b>-33,008</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Arkansas

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.059 b	-\$0.017 b	-\$0.011 b	-163
Mining	-\$0.076 b	-\$0.018 b	-\$0.010 b	-56
Construction	-\$0.175 b	-\$0.039 b	-\$0.017 b	-69
Utilities	-\$0.220 b	-\$0.105 b	-\$0.087 b	-1,138
Total Manufacturing	-\$0.610 b	-\$0.197 b	-\$0.110 b	-1,458
Transportation and Utilities	-\$0.131 b	-\$0.089 b	-\$0.051 b	-541
Information	-\$0.453 b	-\$0.340 b	-\$0.197 b	-5,653
Wholesale Trade	-\$0.142 b	-\$0.092 b	-\$0.061 b	-775
Retail Trade	-\$0.111 b	-\$0.068 b	-\$0.029 b	-242
Financial Activities	-\$0.698 b	-\$0.255 b	-\$0.098 b	-930
Business Services	-\$0.512 b	-\$0.370 b	-\$0.301 b	-3,425
Health Services	-\$0.141 b	-\$0.097 b	-\$0.082 b	-1,268
Other Services	-\$0.253 b	-\$0.131 b	-\$0.103 b	-2,280
<b>TOTAL</b>	<b>-\$3.581 b</b>	<b>-\$1.819 b</b>	<b>-\$1.159 b</b>	<b>-17,998</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Arizona

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.189 b	-\$0.056 b	-\$0.036 b	-518
Mining	-\$0.251 b	-\$0.061 b	-\$0.033 b	-186
Construction	-\$0.588 b	-\$0.133 b	-\$0.058 b	-232
Utilities	-\$0.715 b	-\$0.341 b	-\$0.281 b	-3,684
Total Manufacturing	-\$2.606 b	-\$0.793 b	-\$0.434 b	-5,875
Transportation and Utilities	-\$0.438 b	-\$0.296 b	-\$0.171 b	-1,806
Information	-\$1.457 b	-\$1.101 b	-\$0.641 b	-18,164
Wholesale Trade	-\$0.453 b	-\$0.294 b	-\$0.194 b	-2,469
Retail Trade	-\$0.367 b	-\$0.226 b	-\$0.097 b	-804
Financial Activities	-\$2.444 b	-\$0.873 b	-\$0.324 b	-3,070
Business Services	-\$1.695 b	-\$1.224 b	-\$0.998 b	-11,344
Health Services	-\$0.470 b	-\$0.324 b	-\$0.274 b	-4,228
Other Services	-\$0.825 b	-\$0.427 b	-\$0.337 b	-7,374
<b>TOTAL</b>	<b>-\$12.497 b</b>	<b>-\$6.149 b</b>	<b>-\$3.879 b</b>	<b>-59,753</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in California

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$2.723 b	-\$0.802 b	-\$0.516 b	-7,458
Mining	-\$3.240 b	-\$0.777 b	-\$0.423 b	-2,321
Construction	-\$7.190 b	-\$1.622 b	-\$0.708 b	-2,840
Utilities	-\$8.841 b	-\$4.237 b	-\$3.491 b	-45,770
Total Manufacturing	-\$22.482 b	-\$7.475 b	-\$4.218 b	-56,418
Transportation and Utilities	-\$5.627 b	-\$3.806 b	-\$2.195 b	-23,189
Information	-\$19.327 b	-\$14.502 b	-\$8.432 b	-241,339
Wholesale Trade	-\$5.658 b	-\$3.673 b	-\$2.429 b	-30,849
Retail Trade	-\$4.720 b	-\$2.910 b	-\$1.242 b	-10,349
Financial Activities	-\$31.039 b	-\$11.138 b	-\$4.161 b	-39,489
Business Services	-\$20.724 b	-\$14.967 b	-\$12.209 b	-138,708
Health Services	-\$5.932 b	-\$4.099 b	-\$3.466 b	-53,409
Other Services	-\$10.634 b	-\$5.495 b	-\$4.348 b	-96,637
<b>TOTAL</b>	<b>-\$148.136 b</b>	<b>-\$75.504 b</b>	<b>-\$47.838 b</b>	<b>-748,775</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Colorado

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.279 b	-\$0.082 b	-\$0.053 b	-766
Mining	-\$0.390 b	-\$0.094 b	-\$0.052 b	-285
Construction	-\$0.951 b	-\$0.215 b	-\$0.094 b	-375
Utilities	-\$1.035 b	-\$0.495 b	-\$0.408 b	-5,343
Total Manufacturing	-\$2.908 b	-\$0.930 b	-\$0.518 b	-6,738
Transportation and Utilities	-\$0.657 b	-\$0.444 b	-\$0.256 b	-2,707
Information	-\$2.243 b	-\$1.685 b	-\$0.980 b	-28,004
Wholesale Trade	-\$0.653 b	-\$0.424 b	-\$0.280 b	-3,560
Retail Trade	-\$0.548 b	-\$0.338 b	-\$0.144 b	-1,201
Financial Activities	-\$3.680 b	-\$1.304 b	-\$0.479 b	-4,522
Business Services	-\$2.487 b	-\$1.796 b	-\$1.465 b	-16,647
Health Services	-\$0.696 b	-\$0.481 b	-\$0.407 b	-6,270
Other Services	-\$1.231 b	-\$0.637 b	-\$0.503 b	-11,097
<b>TOTAL</b>	<b>-\$17.757 b</b>	<b>-\$8.924 b</b>	<b>-\$5.639 b</b>	<b>-87,515</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Connecticut

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.186 b	-\$0.055 b	-\$0.035 b	-508
Mining	-\$0.267 b	-\$0.064 b	-\$0.035 b	-194
Construction	-\$0.559 b	-\$0.126 b	-\$0.055 b	-221
Utilities	-\$0.755 b	-\$0.361 b	-\$0.297 b	-3,896
Total Manufacturing	-\$2.143 b	-\$0.689 b	-\$0.383 b	-4,915
Transportation and Utilities	-\$0.456 b	-\$0.308 b	-\$0.178 b	-1,879
Information	-\$1.528 b	-\$1.153 b	-\$0.672 b	-19,046
Wholesale Trade	-\$0.483 b	-\$0.314 b	-\$0.208 b	-2,636
Retail Trade	-\$0.390 b	-\$0.240 b	-\$0.103 b	-855
Financial Activities	-\$2.465 b	-\$0.885 b	-\$0.331 b	-3,119
Business Services	-\$1.777 b	-\$1.283 b	-\$1.047 b	-11,892
Health Services	-\$0.494 b	-\$0.342 b	-\$0.289 b	-4,451
Other Services	-\$0.883 b	-\$0.456 b	-\$0.360 b	-7,853
<b>TOTAL</b>	<b>-\$12.384 b</b>	<b>-\$6.276 b</b>	<b>-\$3.993 b</b>	<b>-61,465</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in District of Columbia

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.038 b	-\$0.011 b	-\$0.007 b	-103
Mining	-\$0.059 b	-\$0.014 b	-\$0.008 b	-44
Construction	-\$0.133 b	-\$0.030 b	-\$0.013 b	-52
Utilities	-\$0.165 b	-\$0.079 b	-\$0.065 b	-854
Total Manufacturing	-\$0.467 b	-\$0.151 b	-\$0.084 b	-1,092
Transportation and Utilities	-\$0.103 b	-\$0.070 b	-\$0.040 b	-424
Information	-\$0.349 b	-\$0.262 b	-\$0.153 b	-4,354
Wholesale Trade	-\$0.106 b	-\$0.069 b	-\$0.045 b	-575
Retail Trade	-\$0.086 b	-\$0.053 b	-\$0.023 b	-188
Financial Activities	-\$0.565 b	-\$0.201 b	-\$0.075 b	-704
Business Services	-\$0.391 b	-\$0.282 b	-\$0.230 b	-2,616
Health Services	-\$0.109 b	-\$0.076 b	-\$0.064 b	-985
Other Services	-\$0.197 b	-\$0.102 b	-\$0.080 b	-1,769
<b>TOTAL</b>	<b>-\$2.767 b</b>	<b>-\$1.399 b</b>	<b>-\$0.887 b</b>	<b>-13,759</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Delaware

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.039 b	-\$0.012 b	-\$0.007 b	-106
Mining	-\$0.054 b	-\$0.013 b	-\$0.006 b	-35
Construction	-\$0.132 b	-\$0.030 b	-\$0.013 b	-52
Utilities	-\$0.177 b	-\$0.084 b	-\$0.069 b	-906
Total Manufacturing	-\$0.471 b	-\$0.147 b	-\$0.081 b	-1,032
Transportation and Utilities	-\$0.101 b	-\$0.069 b	-\$0.040 b	-417
Information	-\$0.332 b	-\$0.251 b	-\$0.146 b	-4,142
Wholesale Trade	-\$0.106 b	-\$0.069 b	-\$0.046 b	-580
Retail Trade	-\$0.086 b	-\$0.053 b	-\$0.023 b	-187
Financial Activities	-\$0.541 b	-\$0.194 b	-\$0.072 b	-675
Business Services	-\$0.425 b	-\$0.307 b	-\$0.250 b	-2,846
Health Services	-\$0.112 b	-\$0.077 b	-\$0.065 b	-1,005
Other Services	-\$0.191 b	-\$0.099 b	-\$0.078 b	-1,688
<b>TOTAL</b>	<b>-\$2.767 b</b>	<b>-\$1.403 b</b>	<b>-\$0.897 b</b>	<b>-13,671</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Florida

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.656 b	-\$0.193 b	-\$0.124 b	-1,798
Mining	-\$0.732 b	-\$0.175 b	-\$0.096 b	-523
Construction	-\$1.548 b	-\$0.349 b	-\$0.152 b	-612
Utilities	-\$2.093 b	-\$0.999 b	-\$0.824 b	-10,796
Total Manufacturing	-\$5.510 b	-\$1.782 b	-\$0.993 b	-12,882
Transportation and Utilities	-\$1.300 b	-\$0.879 b	-\$0.507 b	-5,356
Information	-\$4.427 b	-\$3.330 b	-\$1.938 b	-55,245
Wholesale Trade	-\$1.280 b	-\$0.831 b	-\$0.550 b	-6,981
Retail Trade	-\$1.089 b	-\$0.671 b	-\$0.287 b	-2,387
Financial Activities	-\$7.350 b	-\$2.629 b	-\$0.978 b	-9,284
Business Services	-\$5.007 b	-\$3.616 b	-\$2.950 b	-33,513
Health Services	-\$1.397 b	-\$0.966 b	-\$0.816 b	-12,580
Other Services	-\$2.387 b	-\$1.237 b	-\$0.976 b	-21,475
<b>TOTAL</b>	<b>-\$34.775 b</b>	<b>-\$17.659 b</b>	<b>-\$11.189 b</b>	<b>-173,433</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Georgia

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.374 b	-\$0.110 b	-\$0.071 b	-1,026
Mining	-\$0.496 b	-\$0.119 b	-\$0.065 b	-359
Construction	-\$1.021 b	-\$0.230 b	-\$0.101 b	-403
Utilities	-\$1.400 b	-\$0.670 b	-\$0.552 b	-7,242
Total Manufacturing	-\$4.055 b	-\$1.314 b	-\$0.728 b	-9,692
Transportation and Utilities	-\$0.880 b	-\$0.596 b	-\$0.343 b	-3,628
Information	-\$3.031 b	-\$2.274 b	-\$1.322 b	-37,855
Wholesale Trade	-\$0.844 b	-\$0.548 b	-\$0.362 b	-4,602
Retail Trade	-\$0.717 b	-\$0.442 b	-\$0.189 b	-1,572
Financial Activities	-\$4.831 b	-\$1.727 b	-\$0.642 b	-6,086
Business Services	-\$3.278 b	-\$2.368 b	-\$1.931 b	-21,944
Health Services	-\$0.933 b	-\$0.645 b	-\$0.545 b	-8,400
Other Services	-\$1.657 b	-\$0.858 b	-\$0.678 b	-15,000
<b>TOTAL</b>	<b>-\$23.518 b</b>	<b>-\$11.902 b</b>	<b>-\$7.530 b</b>	<b>-117,809</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Hawaii

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.058 b	-\$0.017 b	-\$0.011 b	-158
Mining	-\$0.064 b	-\$0.015 b	-\$0.008 b	-42
Construction	-\$0.151 b	-\$0.034 b	-\$0.015 b	-60
Utilities	-\$0.199 b	-\$0.095 b	-\$0.078 b	-1,025
Total Manufacturing	-\$0.428 b	-\$0.144 b	-\$0.081 b	-1,115
Transportation and Utilities	-\$0.124 b	-\$0.084 b	-\$0.048 b	-510
Information	-\$0.415 b	-\$0.313 b	-\$0.182 b	-5,174
Wholesale Trade	-\$0.120 b	-\$0.078 b	-\$0.051 b	-653
Retail Trade	-\$0.104 b	-\$0.064 b	-\$0.027 b	-228
Financial Activities	-\$0.703 b	-\$0.249 b	-\$0.091 b	-864
Business Services	-\$0.492 b	-\$0.356 b	-\$0.290 b	-3,296
Health Services	-\$0.134 b	-\$0.092 b	-\$0.078 b	-1,204
Other Services	-\$0.231 b	-\$0.120 b	-\$0.094 b	-2,067
<b>TOTAL</b>	<b>-\$3.223 b</b>	<b>-\$1.660 b</b>	<b>-\$1.056 b</b>	<b>-16,396</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Iowa

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.129 b	-\$0.038 b	-\$0.024 b	-354
Mining	-\$0.154 b	-\$0.037 b	-\$0.021 b	-115
Construction	-\$0.326 b	-\$0.074 b	-\$0.032 b	-129
Utilities	-\$0.462 b	-\$0.221 b	-\$0.182 b	-2,383
Total Manufacturing	-\$1.283 b	-\$0.406 b	-\$0.225 b	-2,954
Transportation and Utilities	-\$0.277 b	-\$0.187 b	-\$0.108 b	-1,141
Information	-\$0.957 b	-\$0.717 b	-\$0.417 b	-11,950
Wholesale Trade	-\$0.306 b	-\$0.199 b	-\$0.131 b	-1,670
Retail Trade	-\$0.227 b	-\$0.140 b	-\$0.060 b	-497
Financial Activities	-\$1.376 b	-\$0.510 b	-\$0.198 b	-1,886
Business Services	-\$1.077 b	-\$0.778 b	-\$0.634 b	-7,207
Health Services	-\$0.296 b	-\$0.204 b	-\$0.173 b	-2,664
Other Services	-\$0.545 b	-\$0.281 b	-\$0.222 b	-4,878
<b>TOTAL</b>	<b>-\$7.414 b</b>	<b>-\$3.790 b</b>	<b>-\$2.428 b</b>	<b>-37,829</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Idaho

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.038 b	-\$0.011 b	-\$0.007 b	-104
Mining	-\$0.046 b	-\$0.011 b	-\$0.005 b	-30
Construction	-\$0.105 b	-\$0.024 b	-\$0.010 b	-41
Utilities	-\$0.151 b	-\$0.072 b	-\$0.059 b	-778
Total Manufacturing	-\$0.411 b	-\$0.131 b	-\$0.073 b	-946
Transportation and Utilities	-\$0.091 b	-\$0.062 b	-\$0.036 b	-376
Information	-\$0.307 b	-\$0.231 b	-\$0.134 b	-3,834
Wholesale Trade	-\$0.099 b	-\$0.064 b	-\$0.042 b	-537
Retail Trade	-\$0.076 b	-\$0.047 b	-\$0.020 b	-166
Financial Activities	-\$0.474 b	-\$0.178 b	-\$0.070 b	-671
Business Services	-\$0.362 b	-\$0.262 b	-\$0.213 b	-2,424
Health Services	-\$0.098 b	-\$0.068 b	-\$0.057 b	-881
Other Services	-\$0.171 b	-\$0.088 b	-\$0.070 b	-1,521
<b>TOTAL</b>	<b>-\$2.430 b</b>	<b>-\$1.248 b</b>	<b>-\$0.798 b</b>	<b>-12,310</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Illinois

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.643 b	-\$0.188 b	-\$0.122 b	-1,770
Mining	-\$0.842 b	-\$0.204 b	-\$0.113 b	-626
Construction	-\$2.079 b	-\$0.469 b	-\$0.205 b	-821
Utilities	-\$2.249 b	-\$1.080 b	-\$0.890 b	-11,663
Total Manufacturing	-\$6.592 b	-\$2.128 b	-\$1.195 b	-15,731
Transportation and Utilities	-\$1.425 b	-\$0.964 b	-\$0.556 b	-5,873
Information	-\$4.965 b	-\$3.719 b	-\$2.161 b	-62,025
Wholesale Trade	-\$1.510 b	-\$0.980 b	-\$0.648 b	-8,231
Retail Trade	-\$1.184 b	-\$0.730 b	-\$0.312 b	-2,596
Financial Activities	-\$7.605 b	-\$2.747 b	-\$1.035 b	-9,810
Business Services	-\$5.208 b	-\$3.761 b	-\$3.068 b	-34,856
Health Services	-\$1.491 b	-\$1.030 b	-\$0.871 b	-13,422
Other Services	-\$2.772 b	-\$1.432 b	-\$1.136 b	-25,180
<b>TOTAL</b>	<b>-\$38.564 b</b>	<b>-\$19.431 b</b>	<b>-\$12.311 b</b>	<b>-192,605</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Indiana

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.230 b	-\$0.068 b	-\$0.043 b	-627
Mining	-\$0.296 b	-\$0.072 b	-\$0.040 b	-223
Construction	-\$0.672 b	-\$0.152 b	-\$0.066 b	-266
Utilities	-\$0.849 b	-\$0.407 b	-\$0.335 b	-4,398
Total Manufacturing	-\$2.357 b	-\$0.762 b	-\$0.428 b	-5,630
Transportation and Utilities	-\$0.503 b	-\$0.341 b	-\$0.196 b	-2,074
Information	-\$1.737 b	-\$1.302 b	-\$0.757 b	-21,695
Wholesale Trade	-\$0.554 b	-\$0.360 b	-\$0.238 b	-3,022
Retail Trade	-\$0.422 b	-\$0.260 b	-\$0.111 b	-924
Financial Activities	-\$2.529 b	-\$0.912 b	-\$0.343 b	-3,233
Business Services	-\$1.918 b	-\$1.385 b	-\$1.130 b	-12,839
Health Services	-\$0.541 b	-\$0.374 b	-\$0.316 b	-4,869
Other Services	-\$0.986 b	-\$0.509 b	-\$0.403 b	-8,863
<b>TOTAL</b>	<b>-\$13.595 b</b>	<b>-\$6.902 b</b>	<b>-\$4.408 b</b>	<b>-68,664</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Kansas

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.118 b	-\$0.035 b	-\$0.022 b	-325
Mining	-\$0.152 b	-\$0.037 b	-\$0.020 b	-111
Construction	-\$0.356 b	-\$0.080 b	-\$0.035 b	-141
Utilities	-\$0.422 b	-\$0.202 b	-\$0.166 b	-2,181
Total Manufacturing	-\$1.116 b	-\$0.359 b	-\$0.200 b	-2,657
Transportation and Utilities	-\$0.261 b	-\$0.176 b	-\$0.102 b	-1,074
Information	-\$0.897 b	-\$0.673 b	-\$0.391 b	-11,205
Wholesale Trade	-\$0.261 b	-\$0.170 b	-\$0.112 b	-1,424
Retail Trade	-\$0.213 b	-\$0.131 b	-\$0.056 b	-467
Financial Activities	-\$1.380 b	-\$0.502 b	-\$0.191 b	-1,818
Business Services	-\$0.982 b	-\$0.710 b	-\$0.579 b	-6,576
Health Services	-\$0.278 b	-\$0.192 b	-\$0.162 b	-2,499
Other Services	-\$0.495 b	-\$0.256 b	-\$0.202 b	-4,454
<b>TOTAL</b>	<b>-\$6.931 b</b>	<b>-\$3.522 b</b>	<b>-\$2.240 b</b>	<b>-34,933</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Kentucky

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.111 b	-\$0.033 b	-\$0.021 b	-306
Mining	-\$0.140 b	-\$0.034 b	-\$0.019 b	-105
Construction	-\$0.366 b	-\$0.083 b	-\$0.036 b	-144
Utilities	-\$0.399 b	-\$0.191 b	-\$0.157 b	-2,062
Total Manufacturing	-\$0.998 b	-\$0.330 b	-\$0.186 b	-2,475
Transportation and Utilities	-\$0.239 b	-\$0.162 b	-\$0.093 b	-985
Information	-\$0.812 b	-\$0.611 b	-\$0.356 b	-10,129
Wholesale Trade	-\$0.255 b	-\$0.165 b	-\$0.109 b	-1,388
Retail Trade	-\$0.195 b	-\$0.120 b	-\$0.051 b	-428
Financial Activities	-\$1.208 b	-\$0.442 b	-\$0.169 b	-1,609
Business Services	-\$0.921 b	-\$0.666 b	-\$0.543 b	-6,168
Health Services	-\$0.255 b	-\$0.177 b	-\$0.149 b	-2,300
Other Services	-\$0.459 b	-\$0.237 b	-\$0.188 b	-4,136
<b>TOTAL</b>	<b>-\$6.358 b</b>	<b>-\$3.250 b</b>	<b>-\$2.079 b</b>	<b>-32,235</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Louisiana

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.160 b	-\$0.047 b	-\$0.030 b	-436
Mining	-\$0.202 b	-\$0.049 b	-\$0.026 b	-145
Construction	-\$0.482 b	-\$0.109 b	-\$0.047 b	-190
Utilities	-\$0.570 b	-\$0.272 b	-\$0.224 b	-2,939
Total Manufacturing	-\$1.426 b	-\$0.470 b	-\$0.263 b	-3,479
Transportation and Utilities	-\$0.350 b	-\$0.236 b	-\$0.136 b	-1,441
Information	-\$1.175 b	-\$0.885 b	-\$0.515 b	-14,664
Wholesale Trade	-\$0.337 b	-\$0.219 b	-\$0.145 b	-1,837
Retail Trade	-\$0.291 b	-\$0.179 b	-\$0.076 b	-637
Financial Activities	-\$1.860 b	-\$0.678 b	-\$0.258 b	-2,459
Business Services	-\$1.328 b	-\$0.959 b	-\$0.782 b	-8,886
Health Services	-\$0.372 b	-\$0.257 b	-\$0.217 b	-3,347
Other Services	-\$0.650 b	-\$0.335 b	-\$0.265 b	-5,841
<b>TOTAL</b>	<b>-\$9.202 b</b>	<b>-\$4.694 b</b>	<b>-\$2.987 b</b>	<b>-46,302</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Massachusetts

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.490 b	-\$0.145 b	-\$0.093 b	-1,341
Mining	-\$0.519 b	-\$0.123 b	-\$0.062 b	-339
Construction	-\$1.141 b	-\$0.257 b	-\$0.112 b	-451
Utilities	-\$1.617 b	-\$0.773 b	-\$0.637 b	-8,350
Total Manufacturing	-\$4.509 b	-\$1.482 b	-\$0.827 b	-10,977
Transportation and Utilities	-\$1.002 b	-\$0.678 b	-\$0.391 b	-4,130
Information	-\$3.355 b	-\$2.532 b	-\$1.474 b	-41,842
Wholesale Trade	-\$1.031 b	-\$0.669 b	-\$0.443 b	-5,622
Retail Trade	-\$0.845 b	-\$0.521 b	-\$0.222 b	-1,853
Financial Activities	-\$5.353 b	-\$1.948 b	-\$0.742 b	-7,013
Business Services	-\$3.849 b	-\$2.780 b	-\$2.268 b	-25,764
Health Services	-\$1.054 b	-\$0.729 b	-\$0.616 b	-9,492
Other Services	-\$1.942 b	-\$1.002 b	-\$0.793 b	-17,422
<b>TOTAL</b>	<b>-\$26.708 b</b>	<b>-\$13.639 b</b>	<b>-\$8.680 b</b>	<b>-134,595</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Maryland

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.239 b	-\$0.071 b	-\$0.045 b	-646
Mining	-\$0.382 b	-\$0.092 b	-\$0.051 b	-280
Construction	-\$0.813 b	-\$0.183 b	-\$0.080 b	-321
Utilities	-\$1.067 b	-\$0.510 b	-\$0.420 b	-5,508
Total Manufacturing	-\$2.934 b	-\$0.945 b	-\$0.526 b	-6,781
Transportation and Utilities	-\$0.665 b	-\$0.450 b	-\$0.259 b	-2,741
Information	-\$2.253 b	-\$1.694 b	-\$0.986 b	-28,115
Wholesale Trade	-\$0.705 b	-\$0.458 b	-\$0.303 b	-3,845
Retail Trade	-\$0.548 b	-\$0.338 b	-\$0.144 b	-1,201
Financial Activities	-\$3.699 b	-\$1.321 b	-\$0.490 b	-4,645
Business Services	-\$2.520 b	-\$1.820 b	-\$1.485 b	-16,868
Health Services	-\$0.706 b	-\$0.488 b	-\$0.412 b	-6,355
Other Services	-\$1.267 b	-\$0.653 b	-\$0.517 b	-11,384
<b>TOTAL</b>	<b>-\$17.798 b</b>	<b>-\$9.023 b</b>	<b>-\$5.719 b</b>	<b>-88,691</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Maine

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.025 b	-\$0.007 b	-\$0.005 b	-67
Mining	-\$0.037 b	-\$0.009 b	-\$0.004 b	-24
Construction	-\$0.086 b	-\$0.019 b	-\$0.008 b	-34
Utilities	-\$0.120 b	-\$0.057 b	-\$0.047 b	-616
Total Manufacturing	-\$0.318 b	-\$0.104 b	-\$0.058 b	-771
Transportation and Utilities	-\$0.071 b	-\$0.048 b	-\$0.028 b	-294
Information	-\$0.240 b	-\$0.181 b	-\$0.105 b	-2,993
Wholesale Trade	-\$0.076 b	-\$0.050 b	-\$0.033 b	-416
Retail Trade	-\$0.060 b	-\$0.037 b	-\$0.016 b	-131
Financial Activities	-\$0.374 b	-\$0.137 b	-\$0.053 b	-498
Business Services	-\$0.288 b	-\$0.208 b	-\$0.169 b	-1,925
Health Services	-\$0.076 b	-\$0.053 b	-\$0.045 b	-688
Other Services	-\$0.134 b	-\$0.069 b	-\$0.055 b	-1,194
<b>TOTAL</b>	<b>-\$1.906 b</b>	<b>-\$0.979 b</b>	<b>-\$0.626 b</b>	<b>-9,653</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Michigan

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.258 b	-\$0.076 b	-\$0.049 b	-707
Mining	-\$0.340 b	-\$0.082 b	-\$0.045 b	-252
Construction	-\$0.700 b	-\$0.158 b	-\$0.069 b	-277
Utilities	-\$1.044 b	-\$0.499 b	-\$0.411 b	-5,387
Total Manufacturing	-\$2.907 b	-\$0.940 b	-\$0.528 b	-6,880
Transportation and Utilities	-\$0.616 b	-\$0.417 b	-\$0.240 b	-2,538
Information	-\$2.073 b	-\$1.560 b	-\$0.908 b	-25,866
Wholesale Trade	-\$0.660 b	-\$0.428 b	-\$0.283 b	-3,597
Retail Trade	-\$0.505 b	-\$0.311 b	-\$0.133 b	-1,107
Financial Activities	-\$2.853 b	-\$1.070 b	-\$0.422 b	-4,005
Business Services	-\$2.438 b	-\$1.761 b	-\$1.436 b	-16,320
Health Services	-\$0.667 b	-\$0.461 b	-\$0.389 b	-6,002
Other Services	-\$1.189 b	-\$0.612 b	-\$0.484 b	-10,584
<b>TOTAL</b>	<b>-\$16.249 b</b>	<b>-\$8.375 b</b>	<b>-\$5.399 b</b>	<b>-83,520</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Minnesota

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.272 b	-\$0.080 b	-\$0.052 b	-747
Mining	-\$0.341 b	-\$0.082 b	-\$0.045 b	-246
Construction	-\$0.708 b	-\$0.160 b	-\$0.070 b	-280
Utilities	-\$0.957 b	-\$0.458 b	-\$0.377 b	-4,945
Total Manufacturing	-\$2.624 b	-\$0.853 b	-\$0.479 b	-6,386
Transportation and Utilities	-\$0.598 b	-\$0.404 b	-\$0.233 b	-2,463
Information	-\$2.078 b	-\$1.555 b	-\$0.904 b	-25,956
Wholesale Trade	-\$0.594 b	-\$0.386 b	-\$0.255 b	-3,240
Retail Trade	-\$0.491 b	-\$0.302 b	-\$0.129 b	-1,076
Financial Activities	-\$3.180 b	-\$1.152 b	-\$0.436 b	-4,130
Business Services	-\$2.255 b	-\$1.628 b	-\$1.328 b	-15,091
Health Services	-\$0.636 b	-\$0.439 b	-\$0.371 b	-5,723
Other Services	-\$1.136 b	-\$0.588 b	-\$0.464 b	-10,241
<b>TOTAL</b>	<b>-\$15.867 b</b>	<b>-\$8.088 b</b>	<b>-\$5.143 b</b>	<b>-80,524</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Missouri

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.192 b	-\$0.056 b	-\$0.036 b	-529
Mining	-\$0.235 b	-\$0.057 b	-\$0.031 b	-172
Construction	-\$0.532 b	-\$0.120 b	-\$0.052 b	-210
Utilities	-\$0.663 b	-\$0.317 b	-\$0.261 b	-3,427
Total Manufacturing	-\$1.970 b	-\$0.623 b	-\$0.345 b	-4,468
Transportation and Utilities	-\$0.403 b	-\$0.273 b	-\$0.157 b	-1,663
Information	-\$1.401 b	-\$1.047 b	-\$0.608 b	-17,504
Wholesale Trade	-\$0.415 b	-\$0.270 b	-\$0.178 b	-2,265
Retail Trade	-\$0.339 b	-\$0.209 b	-\$0.089 b	-743
Financial Activities	-\$2.177 b	-\$0.783 b	-\$0.293 b	-2,771
Business Services	-\$1.545 b	-\$1.116 b	-\$0.910 b	-10,339
Health Services	-\$0.431 b	-\$0.298 b	-\$0.252 b	-3,877
Other Services	-\$0.781 b	-\$0.404 b	-\$0.319 b	-7,090
<b>TOTAL</b>	<b>-\$11.083 b</b>	<b>-\$5.571 b</b>	<b>-\$3.534 b</b>	<b>-55,058</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Mississippi

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.044 b	-\$0.013 b	-\$0.008 b	-121
Mining	-\$0.051 b	-\$0.012 b	-\$0.006 b	-33
Construction	-\$0.132 b	-\$0.030 b	-\$0.013 b	-52
Utilities	-\$0.158 b	-\$0.076 b	-\$0.062 b	-818
Total Manufacturing	-\$0.427 b	-\$0.140 b	-\$0.078 b	-1,050
Transportation and Utilities	-\$0.095 b	-\$0.064 b	-\$0.037 b	-392
Information	-\$0.326 b	-\$0.245 b	-\$0.142 b	-4,077
Wholesale Trade	-\$0.104 b	-\$0.068 b	-\$0.045 b	-567
Retail Trade	-\$0.079 b	-\$0.049 b	-\$0.021 b	-174
Financial Activities	-\$0.481 b	-\$0.177 b	-\$0.068 b	-651
Business Services	-\$0.371 b	-\$0.268 b	-\$0.218 b	-2,480
Health Services	-\$0.102 b	-\$0.070 b	-\$0.060 b	-917
Other Services	-\$0.186 b	-\$0.096 b	-\$0.076 b	-1,667
<b>TOTAL</b>	<b>-\$2.556 b</b>	<b>-\$1.306 b</b>	<b>-\$0.834 b</b>	<b>-12,999</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Montana

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.022 b	-\$0.007 b	-\$0.004 b	-61
Mining	-\$0.035 b	-\$0.008 b	-\$0.005 b	-26
Construction	-\$0.094 b	-\$0.021 b	-\$0.009 b	-37
Utilities	-\$0.101 b	-\$0.048 b	-\$0.040 b	-522
Total Manufacturing	-\$0.234 b	-\$0.078 b	-\$0.044 b	-580
Transportation and Utilities	-\$0.061 b	-\$0.041 b	-\$0.024 b	-251
Information	-\$0.203 b	-\$0.153 b	-\$0.089 b	-2,527
Wholesale Trade	-\$0.066 b	-\$0.043 b	-\$0.028 b	-358
Retail Trade	-\$0.050 b	-\$0.031 b	-\$0.013 b	-111
Financial Activities	-\$0.317 b	-\$0.118 b	-\$0.046 b	-439
Business Services	-\$0.242 b	-\$0.175 b	-\$0.142 b	-1,619
Health Services	-\$0.065 b	-\$0.045 b	-\$0.038 b	-584
Other Services	-\$0.115 b	-\$0.059 b	-\$0.047 b	-1,019
<b>TOTAL</b>	<b>-\$1.605 b</b>	<b>-\$0.826 b</b>	<b>-\$0.529 b</b>	<b>-8,132</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in North Carolina

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.330 b	-\$0.097 b	-\$0.063 b	-905
Mining	-\$0.426 b	-\$0.102 b	-\$0.056 b	-308
Construction	-\$0.875 b	-\$0.197 b	-\$0.086 b	-345
Utilities	-\$1.244 b	-\$0.596 b	-\$0.491 b	-6,433
Total Manufacturing	-\$3.678 b	-\$1.187 b	-\$0.656 b	-8,639
Transportation and Utilities	-\$0.752 b	-\$0.509 b	-\$0.293 b	-3,098
Information	-\$2.551 b	-\$1.916 b	-\$1.115 b	-31,848
Wholesale Trade	-\$0.792 b	-\$0.514 b	-\$0.340 b	-4,317
Retail Trade	-\$0.630 b	-\$0.389 b	-\$0.166 b	-1,382
Financial Activities	-\$3.888 b	-\$1.401 b	-\$0.527 b	-4,974
Business Services	-\$2.878 b	-\$2.078 b	-\$1.695 b	-19,262
Health Services	-\$0.810 b	-\$0.560 b	-\$0.473 b	-7,295
Other Services	-\$1.453 b	-\$0.750 b	-\$0.594 b	-13,063
<b>TOTAL</b>	<b>-\$20.306 b</b>	<b>-\$10.296 b</b>	<b>-\$6.555 b</b>	<b>-101,870</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in North Dakota

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.040 b	-\$0.012 b	-\$0.008 b	-109
Mining	-\$0.054 b	-\$0.013 b	-\$0.007 b	-40
Construction	-\$0.177 b	-\$0.040 b	-\$0.017 b	-70
Utilities	-\$0.157 b	-\$0.075 b	-\$0.061 b	-806
Total Manufacturing	-\$0.353 b	-\$0.116 b	-\$0.065 b	-872
Transportation and Utilities	-\$0.094 b	-\$0.063 b	-\$0.037 b	-386
Information	-\$0.316 b	-\$0.238 b	-\$0.138 b	-3,946
Wholesale Trade	-\$0.101 b	-\$0.066 b	-\$0.043 b	-552
Retail Trade	-\$0.078 b	-\$0.048 b	-\$0.020 b	-170
Financial Activities	-\$0.483 b	-\$0.178 b	-\$0.068 b	-649
Business Services	-\$0.377 b	-\$0.272 b	-\$0.222 b	-2,522
Health Services	-\$0.101 b	-\$0.070 b	-\$0.059 b	-907
Other Services	-\$0.179 b	-\$0.092 b	-\$0.073 b	-1,595
<b>TOTAL</b>	<b>-\$2.508 b</b>	<b>-\$1.282 b</b>	<b>-\$0.820 b</b>	<b>-12,624</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Nebraska

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.089 b	-\$0.026 b	-\$0.017 b	-244
Mining	-\$0.103 b	-\$0.025 b	-\$0.012 b	-68
Construction	-\$0.244 b	-\$0.055 b	-\$0.024 b	-96
Utilities	-\$0.329 b	-\$0.157 b	-\$0.129 b	-1,697
Total Manufacturing	-\$0.907 b	-\$0.288 b	-\$0.160 b	-2,086
Transportation and Utilities	-\$0.200 b	-\$0.135 b	-\$0.078 b	-823
Information	-\$0.676 b	-\$0.507 b	-\$0.295 b	-8,443
Wholesale Trade	-\$0.218 b	-\$0.142 b	-\$0.094 b	-1,190
Retail Trade	-\$0.167 b	-\$0.103 b	-\$0.044 b	-367
Financial Activities	-\$1.034 b	-\$0.377 b	-\$0.144 b	-1,364
Business Services	-\$0.776 b	-\$0.561 b	-\$0.457 b	-5,196
Health Services	-\$0.214 b	-\$0.148 b	-\$0.125 b	-1,927
Other Services	-\$0.365 b	-\$0.189 b	-\$0.149 b	-3,272
<b>TOTAL</b>	<b>-\$5.322 b</b>	<b>-\$2.713 b</b>	<b>-\$1.728 b</b>	<b>-26,773</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in New Hampshire

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.046 b	-\$0.014 b	-\$0.009 b	-126
Mining	-\$0.064 b	-\$0.015 b	-\$0.008 b	-42
Construction	-\$0.138 b	-\$0.031 b	-\$0.014 b	-55
Utilities	-\$0.200 b	-\$0.095 b	-\$0.079 b	-1,031
Total Manufacturing	-\$0.510 b	-\$0.169 b	-\$0.095 b	-1,247
Transportation and Utilities	-\$0.120 b	-\$0.081 b	-\$0.047 b	-493
Information	-\$0.400 b	-\$0.302 b	-\$0.176 b	-4,993
Wholesale Trade	-\$0.131 b	-\$0.085 b	-\$0.056 b	-717
Retail Trade	-\$0.100 b	-\$0.062 b	-\$0.026 b	-220
Financial Activities	-\$0.648 b	-\$0.234 b	-\$0.089 b	-838
Business Services	-\$0.475 b	-\$0.343 b	-\$0.280 b	-3,178
Health Services	-\$0.129 b	-\$0.089 b	-\$0.075 b	-1,160
Other Services	-\$0.229 b	-\$0.119 b	-\$0.094 b	-2,042
<b>TOTAL</b>	<b>-\$3.191 b</b>	<b>-\$1.640 b</b>	<b>-\$1.046 b</b>	<b>-16,141</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in New Jersey

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.514 b	-\$0.151 b	-\$0.097 b	-1,411
Mining	-\$0.526 b	-\$0.125 b	-\$0.062 b	-342
Construction	-\$1.352 b	-\$0.305 b	-\$0.133 b	-534
Utilities	-\$1.609 b	-\$0.771 b	-\$0.635 b	-8,326
Total Manufacturing	-\$4.468 b	-\$1.461 b	-\$0.815 b	-10,742
Transportation and Utilities	-\$1.002 b	-\$0.678 b	-\$0.391 b	-4,130
Information	-\$3.403 b	-\$2.561 b	-\$1.490 b	-42,470
Wholesale Trade	-\$1.041 b	-\$0.676 b	-\$0.447 b	-5,674
Retail Trade	-\$0.834 b	-\$0.514 b	-\$0.220 b	-1,830
Financial Activities	-\$5.283 b	-\$1.914 b	-\$0.724 b	-6,863
Business Services	-\$3.724 b	-\$2.690 b	-\$2.194 b	-24,926
Health Services	-\$1.070 b	-\$0.739 b	-\$0.625 b	-9,633
Other Services	-\$1.902 b	-\$0.984 b	-\$0.778 b	-17,164
<b>TOTAL</b>	<b>-\$26.729 b</b>	<b>-\$13.569 b</b>	<b>-\$8.612 b</b>	<b>-134,047</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in New Mexico

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.055 b	-\$0.016 b	-\$0.010 b	-149
Mining	-\$0.078 b	-\$0.019 b	-\$0.010 b	-57
Construction	-\$0.190 b	-\$0.043 b	-\$0.019 b	-75
Utilities	-\$0.221 b	-\$0.105 b	-\$0.087 b	-1,137
Total Manufacturing	-\$0.517 b	-\$0.172 b	-\$0.097 b	-1,289
Transportation and Utilities	-\$0.136 b	-\$0.092 b	-\$0.053 b	-561
Information	-\$0.450 b	-\$0.340 b	-\$0.198 b	-5,615
Wholesale Trade	-\$0.137 b	-\$0.089 b	-\$0.059 b	-746
Retail Trade	-\$0.115 b	-\$0.071 b	-\$0.030 b	-252
Financial Activities	-\$0.716 b	-\$0.260 b	-\$0.099 b	-941
Business Services	-\$0.532 b	-\$0.384 b	-\$0.313 b	-3,561
Health Services	-\$0.145 b	-\$0.100 b	-\$0.085 b	-1,303
Other Services	-\$0.262 b	-\$0.135 b	-\$0.107 b	-2,340
<b>TOTAL</b>	<b>-\$3.554 b</b>	<b>-\$1.826 b</b>	<b>-\$1.167 b</b>	<b>-18,027</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Nevada

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.062 b	-\$0.019 b	-\$0.012 b	-165
Mining	-\$0.111 b	-\$0.027 b	-\$0.015 b	-81
Construction	-\$0.228 b	-\$0.052 b	-\$0.022 b	-90
Utilities	-\$0.336 b	-\$0.160 b	-\$0.132 b	-1,725
Total Manufacturing	-\$0.752 b	-\$0.244 b	-\$0.137 b	-1,761
Transportation and Utilities	-\$0.198 b	-\$0.134 b	-\$0.077 b	-818
Information	-\$0.642 b	-\$0.486 b	-\$0.284 b	-7,992
Wholesale Trade	-\$0.202 b	-\$0.131 b	-\$0.087 b	-1,102
Retail Trade	-\$0.169 b	-\$0.104 b	-\$0.045 b	-371
Financial Activities	-\$1.109 b	-\$0.406 b	-\$0.156 b	-1,490
Business Services	-\$0.820 b	-\$0.592 b	-\$0.483 b	-5,485
Health Services	-\$0.217 b	-\$0.150 b	-\$0.127 b	-1,954
Other Services	-\$0.362 b	-\$0.187 b	-\$0.147 b	-3,181
<b>TOTAL</b>	<b>-\$5.209 b</b>	<b>-\$2.692 b</b>	<b>-\$1.722 b</b>	<b>-26,216</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in New York

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.963 b	-\$0.287 b	-\$0.182 b	-2,615
Mining	-\$1.473 b	-\$0.355 b	-\$0.194 b	-1,075
Construction	-\$3.272 b	-\$0.738 b	-\$0.322 b	-1,292
Utilities	-\$4.388 b	-\$2.089 b	-\$1.722 b	-22,572
Total Manufacturing	-\$10.379 b	-\$3.487 b	-\$1.970 b	-26,508
Transportation and Utilities	-\$2.650 b	-\$1.793 b	-\$1.034 b	-10,922
Information	-\$8.892 b	-\$6.699 b	-\$3.899 b	-110,923
Wholesale Trade	-\$2.669 b	-\$1.733 b	-\$1.146 b	-14,554
Retail Trade	-\$2.298 b	-\$1.417 b	-\$0.605 b	-5,038
Financial Activities	-\$14.743 b	-\$5.375 b	-\$2.051 b	-19,381
Business Services	-\$10.536 b	-\$7.609 b	-\$6.207 b	-70,521
Health Services	-\$2.803 b	-\$1.937 b	-\$1.638 b	-25,238
Other Services	-\$5.348 b	-\$2.744 b	-\$2.174 b	-47,576
<b>TOTAL</b>	<b>-\$70.413 b</b>	<b>-\$36.263 b</b>	<b>-\$23.144 b</b>	<b>-358,217</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Ohio

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.427 b	-\$0.126 b	-\$0.081 b	-1,172
Mining	-\$0.561 b	-\$0.136 b	-\$0.076 b	-422
Construction	-\$1.408 b	-\$0.318 b	-\$0.139 b	-556
Utilities	-\$1.589 b	-\$0.762 b	-\$0.628 b	-8,229
Total Manufacturing	-\$4.499 b	-\$1.459 b	-\$0.820 b	-10,744
Transportation and Utilities	-\$0.958 b	-\$0.648 b	-\$0.374 b	-3,947
Information	-\$3.295 b	-\$2.472 b	-\$1.437 b	-41,151
Wholesale Trade	-\$1.030 b	-\$0.669 b	-\$0.442 b	-5,616
Retail Trade	-\$0.795 b	-\$0.490 b	-\$0.209 b	-1,743
Financial Activities	-\$4.733 b	-\$1.714 b	-\$0.648 b	-6,113
Business Services	-\$3.650 b	-\$2.636 b	-\$2.150 b	-24,427
Health Services	-\$1.019 b	-\$0.704 b	-\$0.596 b	-9,178
Other Services	-\$1.882 b	-\$0.971 b	-\$0.770 b	-16,965
<b>TOTAL</b>	<b>-\$25.846 b</b>	<b>-\$13.104 b</b>	<b>-\$8.369 b</b>	<b>-130,264</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Oklahoma

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.104 b	-\$0.031 b	-\$0.020 b	-284
Mining	-\$0.165 b	-\$0.040 b	-\$0.022 b	-121
Construction	-\$0.391 b	-\$0.088 b	-\$0.039 b	-155
Utilities	-\$0.455 b	-\$0.217 b	-\$0.179 b	-2,349
Total Manufacturing	-\$1.079 b	-\$0.357 b	-\$0.202 b	-2,699
Transportation and Utilities	-\$0.278 b	-\$0.188 b	-\$0.109 b	-1,148
Information	-\$0.946 b	-\$0.712 b	-\$0.414 b	-11,810
Wholesale Trade	-\$0.277 b	-\$0.180 b	-\$0.119 b	-1,511
Retail Trade	-\$0.232 b	-\$0.143 b	-\$0.061 b	-509
Financial Activities	-\$1.485 b	-\$0.540 b	-\$0.206 b	-1,958
Business Services	-\$1.071 b	-\$0.773 b	-\$0.631 b	-7,168
Health Services	-\$0.296 b	-\$0.205 b	-\$0.173 b	-2,665
Other Services	-\$0.518 b	-\$0.268 b	-\$0.212 b	-4,662
<b>TOTAL</b>	<b>-\$7.297 b</b>	<b>-\$3.743 b</b>	<b>-\$2.385 b</b>	<b>-37,039</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Oregon

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.151 b	-\$0.044 b	-\$0.029 b	-415
Mining	-\$0.192 b	-\$0.047 b	-\$0.026 b	-143
Construction	-\$0.452 b	-\$0.102 b	-\$0.044 b	-178
Utilities	-\$0.576 b	-\$0.275 b	-\$0.227 b	-2,973
Total Manufacturing	-\$1.562 b	-\$0.503 b	-\$0.280 b	-3,667
Transportation and Utilities	-\$0.349 b	-\$0.236 b	-\$0.136 b	-1,436
Information	-\$1.189 b	-\$0.892 b	-\$0.518 b	-14,853
Wholesale Trade	-\$0.365 b	-\$0.237 b	-\$0.157 b	-1,991
Retail Trade	-\$0.286 b	-\$0.176 b	-\$0.075 b	-627
Financial Activities	-\$1.754 b	-\$0.644 b	-\$0.248 b	-2,351
Business Services	-\$1.354 b	-\$0.978 b	-\$0.798 b	-9,064
Health Services	-\$0.372 b	-\$0.257 b	-\$0.217 b	-3,348
Other Services	-\$0.663 b	-\$0.342 b	-\$0.270 b	-5,943
<b>TOTAL</b>	<b>-\$9.265 b</b>	<b>-\$4.733 b</b>	<b>-\$3.026 b</b>	<b>-46,990</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Pennsylvania

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.444 b	-\$0.131 b	-\$0.084 b	-1,215
Mining	-\$0.709 b	-\$0.172 b	-\$0.096 b	-531
Construction	-\$1.796 b	-\$0.405 b	-\$0.177 b	-709
Utilities	-\$1.969 b	-\$0.944 b	-\$0.778 b	-10,195
Total Manufacturing	-\$5.363 b	-\$1.783 b	-\$1.006 b	-13,570
Transportation and Utilities	-\$1.195 b	-\$0.809 b	-\$0.466 b	-4,925
Information	-\$4.119 b	-\$3.093 b	-\$1.798 b	-51,425
Wholesale Trade	-\$1.277 b	-\$0.829 b	-\$0.548 b	-6,963
Retail Trade	-\$0.986 b	-\$0.608 b	-\$0.260 b	-2,162
Financial Activities	-\$6.161 b	-\$2.227 b	-\$0.840 b	-7,917
Business Services	-\$4.552 b	-\$3.288 b	-\$2.682 b	-30,470
Health Services	-\$1.277 b	-\$0.883 b	-\$0.746 b	-11,501
Other Services	-\$2.338 b	-\$1.207 b	-\$0.957 b	-21,096
<b>TOTAL</b>	<b>-\$32.186 b</b>	<b>-\$16.377 b</b>	<b>-\$10.437 b</b>	<b>-162,680</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Rhode Island

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.039 b	-\$0.012 b	-\$0.007 b	-107
Mining	-\$0.039 b	-\$0.009 b	-\$0.005 b	-26
Construction	-\$0.085 b	-\$0.019 b	-\$0.008 b	-34
Utilities	-\$0.127 b	-\$0.061 b	-\$0.050 b	-655
Total Manufacturing	-\$0.345 b	-\$0.112 b	-\$0.062 b	-818
Transportation and Utilities	-\$0.076 b	-\$0.051 b	-\$0.030 b	-313
Information	-\$0.255 b	-\$0.192 b	-\$0.112 b	-3,176
Wholesale Trade	-\$0.081 b	-\$0.053 b	-\$0.035 b	-442
Retail Trade	-\$0.064 b	-\$0.040 b	-\$0.017 b	-141
Financial Activities	-\$0.387 b	-\$0.143 b	-\$0.055 b	-524
Business Services	-\$0.302 b	-\$0.218 b	-\$0.178 b	-2,018
Health Services	-\$0.082 b	-\$0.057 b	-\$0.048 b	-737
Other Services	-\$0.148 b	-\$0.076 b	-\$0.060 b	-1,317
<b>TOTAL</b>	<b>-\$2.030 b</b>	<b>-\$1.042 b</b>	<b>-\$0.667 b</b>	<b>-10,309</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in South Carolina

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.109 b	-\$0.032 b	-\$0.021 b	-300
Mining	-\$0.146 b	-\$0.035 b	-\$0.019 b	-107
Construction	-\$0.308 b	-\$0.069 b	-\$0.030 b	-122
Utilities	-\$0.421 b	-\$0.201 b	-\$0.166 b	-2,176
Total Manufacturing	-\$1.271 b	-\$0.406 b	-\$0.224 b	-2,933
Transportation and Utilities	-\$0.248 b	-\$0.168 b	-\$0.097 b	-1,024
Information	-\$0.843 b	-\$0.635 b	-\$0.369 b	-10,520
Wholesale Trade	-\$0.271 b	-\$0.176 b	-\$0.116 b	-1,475
Retail Trade	-\$0.207 b	-\$0.128 b	-\$0.055 b	-455
Financial Activities	-\$1.362 b	-\$0.486 b	-\$0.180 b	-1,700
Business Services	-\$0.980 b	-\$0.707 b	-\$0.577 b	-6,556
Health Services	-\$0.269 b	-\$0.186 b	-\$0.157 b	-2,421
Other Services	-\$0.485 b	-\$0.250 b	-\$0.198 b	-4,329
<b>TOTAL</b>	<b>-\$6.920 b</b>	<b>-\$3.479 b</b>	<b>-\$2.209 b</b>	<b>-34,118</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in South Dakota

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.032 b	-\$0.010 b	-\$0.006 b	-89
Mining	-\$0.037 b	-\$0.009 b	-\$0.004 b	-24
Construction	-\$0.088 b	-\$0.020 b	-\$0.009 b	-35
Utilities	-\$0.122 b	-\$0.058 b	-\$0.048 b	-630
Total Manufacturing	-\$0.320 b	-\$0.102 b	-\$0.056 b	-741
Transportation and Utilities	-\$0.074 b	-\$0.050 b	-\$0.029 b	-305
Information	-\$0.252 b	-\$0.189 b	-\$0.110 b	-3,144
Wholesale Trade	-\$0.081 b	-\$0.053 b	-\$0.035 b	-442
Retail Trade	-\$0.061 b	-\$0.038 b	-\$0.016 b	-134
Financial Activities	-\$0.366 b	-\$0.135 b	-\$0.052 b	-497
Business Services	-\$0.290 b	-\$0.209 b	-\$0.171 b	-1,940
Health Services	-\$0.079 b	-\$0.055 b	-\$0.046 b	-716
Other Services	-\$0.145 b	-\$0.075 b	-\$0.059 b	-1,293
<b>TOTAL</b>	<b>-\$1.948 b</b>	<b>-\$1.001 b</b>	<b>-\$0.642 b</b>	<b>-9,990</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Tennessee

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.210 b	-\$0.062 b	-\$0.040 b	-577
Mining	-\$0.271 b	-\$0.065 b	-\$0.036 b	-199
Construction	-\$0.826 b	-\$0.186 b	-\$0.081 b	-326
Utilities	-\$0.759 b	-\$0.364 b	-\$0.300 b	-3,931
Total Manufacturing	-\$2.406 b	-\$0.771 b	-\$0.427 b	-5,656
Transportation and Utilities	-\$0.466 b	-\$0.315 b	-\$0.182 b	-1,921
Information	-\$1.617 b	-\$1.210 b	-\$0.703 b	-20,202
Wholesale Trade	-\$0.488 b	-\$0.317 b	-\$0.210 b	-2,662
Retail Trade	-\$0.391 b	-\$0.241 b	-\$0.103 b	-858
Financial Activities	-\$2.476 b	-\$0.890 b	-\$0.333 b	-3,154
Business Services	-\$1.753 b	-\$1.266 b	-\$1.033 b	-11,734
Health Services	-\$0.500 b	-\$0.346 b	-\$0.292 b	-4,503
Other Services	-\$0.903 b	-\$0.467 b	-\$0.370 b	-8,200
<b>TOTAL</b>	<b>-\$13.066 b</b>	<b>-\$6.501 b</b>	<b>-\$4.109 b</b>	<b>-63,922</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Texas

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$1.406 b	-\$0.413 b	-\$0.267 b	-3,858
Mining	-\$1.877 b	-\$0.450 b	-\$0.245 b	-1,345
Construction	-\$4.359 b	-\$0.984 b	-\$0.429 b	-1,722
Utilities	-\$5.019 b	-\$2.405 b	-\$1.982 b	-25,981
Total Manufacturing	-\$13.380 b	-\$4.384 b	-\$2.453 b	-32,650
Transportation and Utilities	-\$3.162 b	-\$2.139 b	-\$1.233 b	-13,030
Information	-\$10.904 b	-\$8.174 b	-\$4.751 b	-136,185
Wholesale Trade	-\$3.151 b	-\$2.046 b	-\$1.353 b	-17,182
Retail Trade	-\$2.604 b	-\$1.605 b	-\$0.685 b	-5,709
Financial Activities	-\$17.806 b	-\$6.318 b	-\$2.326 b	-22,035
Business Services	-\$11.704 b	-\$8.453 b	-\$6.895 b	-78,336
Health Services	-\$3.341 b	-\$2.309 b	-\$1.952 b	-30,081
Other Services	-\$5.999 b	-\$3.105 b	-\$2.455 b	-54,293
<b>TOTAL</b>	<b>-\$84.711 b</b>	<b>-\$42.785 b</b>	<b>-\$27.026 b</b>	<b>-422,407</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Utah

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.099 b	-\$0.030 b	-\$0.019 b	-268
Mining	-\$0.165 b	-\$0.040 b	-\$0.022 b	-122
Construction	-\$0.396 b	-\$0.089 b	-\$0.039 b	-156
Utilities	-\$0.449 b	-\$0.214 b	-\$0.177 b	-2,316
Total Manufacturing	-\$1.149 b	-\$0.375 b	-\$0.211 b	-2,788
Transportation and Utilities	-\$0.275 b	-\$0.186 b	-\$0.107 b	-1,133
Information	-\$0.930 b	-\$0.700 b	-\$0.407 b	-11,611
Wholesale Trade	-\$0.288 b	-\$0.187 b	-\$0.123 b	-1,568
Retail Trade	-\$0.231 b	-\$0.143 b	-\$0.061 b	-507
Financial Activities	-\$1.455 b	-\$0.524 b	-\$0.197 b	-1,857
Business Services	-\$1.055 b	-\$0.762 b	-\$0.622 b	-7,064
Health Services	-\$0.293 b	-\$0.202 b	-\$0.171 b	-2,638
Other Services	-\$0.515 b	-\$0.266 b	-\$0.210 b	-4,616
<b>TOTAL</b>	<b>-\$7.301 b</b>	<b>-\$3.718 b</b>	<b>-\$2.366 b</b>	<b>-36,645</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Virginia

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.311 b	-\$0.092 b	-\$0.059 b	-851
Mining	-\$0.478 b	-\$0.116 b	-\$0.064 b	-355
Construction	-\$1.131 b	-\$0.255 b	-\$0.111 b	-447
Utilities	-\$1.337 b	-\$0.639 b	-\$0.527 b	-6,907
Total Manufacturing	-\$3.879 b	-\$1.257 b	-\$0.697 b	-9,164
Transportation and Utilities	-\$0.829 b	-\$0.561 b	-\$0.323 b	-3,417
Information	-\$2.821 b	-\$2.123 b	-\$1.235 b	-35,207
Wholesale Trade	-\$0.824 b	-\$0.535 b	-\$0.354 b	-4,492
Retail Trade	-\$0.698 b	-\$0.430 b	-\$0.184 b	-1,530
Financial Activities	-\$4.502 b	-\$1.601 b	-\$0.591 b	-5,573
Business Services	-\$3.164 b	-\$2.285 b	-\$1.864 b	-21,176
Health Services	-\$0.884 b	-\$0.611 b	-\$0.517 b	-7,964
Other Services	-\$1.595 b	-\$0.825 b	-\$0.652 b	-14,358
<b>TOTAL</b>	<b>-\$22.455 b</b>	<b>-\$11.330 b</b>	<b>-\$7.178 b</b>	<b>-111,441</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Vermont

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.013 b	-\$0.004 b	-\$0.002 b	-34
Mining	-\$0.008 b	-\$0.002 b	-\$0.001 b	-7
Construction	-\$0.043 b	-\$0.010 b	-\$0.004 b	-17
Utilities	-\$0.064 b	-\$0.031 b	-\$0.025 b	-331
Total Manufacturing	-\$0.165 b	-\$0.054 b	-\$0.030 b	-391
Transportation and Utilities	-\$0.038 b	-\$0.026 b	-\$0.015 b	-156
Information	-\$0.124 b	-\$0.094 b	-\$0.055 b	-1,551
Wholesale Trade	-\$0.042 b	-\$0.027 b	-\$0.018 b	-226
Retail Trade	-\$0.032 b	-\$0.020 b	-\$0.008 b	-70
Financial Activities	-\$0.200 b	-\$0.074 b	-\$0.028 b	-268
Business Services	-\$0.156 b	-\$0.112 b	-\$0.092 b	-1,041
Health Services	-\$0.041 b	-\$0.028 b	-\$0.024 b	-365
Other Services	-\$0.075 b	-\$0.038 b	-\$0.030 b	-660
<b>TOTAL</b>	<b>-\$1.000 b</b>	<b>-\$0.519 b</b>	<b>-\$0.333 b</b>	<b>-5,119</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Washington

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.488 b	-\$0.144 b	-\$0.092 b	-1,333
Mining	-\$0.619 b	-\$0.149 b	-\$0.082 b	-454
Construction	-\$1.555 b	-\$0.351 b	-\$0.153 b	-614
Utilities	-\$1.744 b	-\$0.834 b	-\$0.687 b	-9,008
Total Manufacturing	-\$4.595 b	-\$1.507 b	-\$0.843 b	-11,208
Transportation and Utilities	-\$1.086 b	-\$0.735 b	-\$0.424 b	-4,475
Information	-\$3.736 b	-\$2.799 b	-\$1.626 b	-46,673
Wholesale Trade	-\$1.115 b	-\$0.724 b	-\$0.479 b	-6,081
Retail Trade	-\$0.894 b	-\$0.551 b	-\$0.235 b	-1,960
Financial Activities	-\$5.836 b	-\$2.105 b	-\$0.792 b	-7,499
Business Services	-\$4.123 b	-\$2.977 b	-\$2.429 b	-27,593
Health Services	-\$1.138 b	-\$0.787 b	-\$0.665 b	-10,249
Other Services	-\$2.065 b	-\$1.067 b	-\$0.844 b	-18,591
<b>TOTAL</b>	<b>-\$28.995 b</b>	<b>-\$14.730 b</b>	<b>-\$9.352 b</b>	<b>-145,738</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Wisconsin

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.220 b	-\$0.064 b	-\$0.042 b	-604
Mining	-\$0.237 b	-\$0.057 b	-\$0.028 b	-157
Construction	-\$0.515 b	-\$0.116 b	-\$0.051 b	-204
Utilities	-\$0.771 b	-\$0.369 b	-\$0.304 b	-3,986
Total Manufacturing	-\$2.207 b	-\$0.705 b	-\$0.393 b	-5,146
Transportation and Utilities	-\$0.464 b	-\$0.314 b	-\$0.181 b	-1,913
Information	-\$1.611 b	-\$1.206 b	-\$0.701 b	-20,124
Wholesale Trade	-\$0.503 b	-\$0.326 b	-\$0.216 b	-2,741
Retail Trade	-\$0.379 b	-\$0.234 b	-\$0.100 b	-831
Financial Activities	-\$2.225 b	-\$0.816 b	-\$0.313 b	-2,953
Business Services	-\$1.808 b	-\$1.306 b	-\$1.065 b	-12,100
Health Services	-\$0.497 b	-\$0.344 b	-\$0.291 b	-4,478
Other Services	-\$0.915 b	-\$0.472 b	-\$0.374 b	-8,200
<b>TOTAL</b>	<b>-\$12.352 b</b>	<b>-\$6.328 b</b>	<b>-\$4.057 b</b>	<b>-63,435</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in West Virginia

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.022 b	-\$0.007 b	-\$0.004 b	-60
Mining	-\$0.042 b	-\$0.010 b	-\$0.006 b	-32
Construction	-\$0.099 b	-\$0.022 b	-\$0.010 b	-39
Utilities	-\$0.129 b	-\$0.061 b	-\$0.050 b	-662
Total Manufacturing	-\$0.340 b	-\$0.108 b	-\$0.060 b	-777
Transportation and Utilities	-\$0.073 b	-\$0.049 b	-\$0.028 b	-300
Information	-\$0.241 b	-\$0.182 b	-\$0.106 b	-3,010
Wholesale Trade	-\$0.079 b	-\$0.051 b	-\$0.034 b	-432
Retail Trade	-\$0.061 b	-\$0.038 b	-\$0.016 b	-135
Financial Activities	-\$0.355 b	-\$0.133 b	-\$0.052 b	-494
Business Services	-\$0.299 b	-\$0.216 b	-\$0.176 b	-2,000
Health Services	-\$0.079 b	-\$0.055 b	-\$0.046 b	-714
Other Services	-\$0.141 b	-\$0.073 b	-\$0.057 b	-1,240
<b>TOTAL</b>	<b>-\$1.962 b</b>	<b>-\$1.006 b</b>	<b>-\$0.647 b</b>	<b>-9,895</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group

## The Estimated Annual Impact Associated with Excessive Tort Costs on Business Activity in Wyoming

Industry	Total Expenditures	Gross Product	Personal Income	Employment
Agriculture	-\$0.017 b	-\$0.005 b	-\$0.003 b	-47
Mining	-\$0.035 b	-\$0.008 b	-\$0.005 b	-25
Construction	-\$0.088 b	-\$0.020 b	-\$0.009 b	-35
Utilities	-\$0.104 b	-\$0.049 b	-\$0.041 b	-534
Total Manufacturing	-\$0.225 b	-\$0.074 b	-\$0.042 b	-557
Transportation and Utilities	-\$0.060 b	-\$0.041 b	-\$0.024 b	-249
Information	-\$0.196 b	-\$0.148 b	-\$0.087 b	-2,440
Wholesale Trade	-\$0.062 b	-\$0.040 b	-\$0.027 b	-338
Retail Trade	-\$0.051 b	-\$0.031 b	-\$0.013 b	-111
Financial Activities	-\$0.310 b	-\$0.115 b	-\$0.045 b	-426
Business Services	-\$0.244 b	-\$0.176 b	-\$0.144 b	-1,631
Health Services	-\$0.065 b	-\$0.045 b	-\$0.038 b	-583
Other Services	-\$0.117 b	-\$0.060 b	-\$0.047 b	-1,017
<b>TOTAL</b>	<b>-\$1.572 b</b>	<b>-\$0.813 b</b>	<b>-\$0.523 b</b>	<b>-7,993</b>

Units: Dollar amounts in billions of 2020 US dollars, employment in permanent jobs

Notes: Retail Trade includes Restaurants, Financial Activities includes Real Estate

Source: The Perryman Group