

ExpertPages®

The Leading Online Directory
of Expert Witnesses

a unit of the

Advice Company

Expert Witness Fees & Practices Survey

An Assessment of Current Fees & Practices by
Professionals Actively Engaged as Expert
Witnesses or Litigation Consultants.

Executive Summary

About This Report

This year, as we have done on at least a biennial basis for over a decade, the Advice Companies ExpertPages unit conducted a detailed survey among experts in multiple fields who were actively working as expert witnesses or litigation consultants.

In addition to inviting participation from a cross-section of ExpertPages Members, we also invited participation response from a cross-section of non-member experts to both expand the universe of experts surveyed and to serve as a control group.

The Survey, conducted entirely online, is based on the confidential responses from almost 700 experts in numerous fields throughout North America. Of the total, approximately 40% were current ExpertPages accredited Members and 60% were not. The Survey questionnaire asked more than 20 questions, with additional questions added to enable respondents to elaborate based on their field of expertise or earlier responses.

The experts candidly shared facts about their work, fees, and arrangements with clients, knowing that their responses would be kept completely confidential, not attributed to them, and be used only in aggregate form.

We, together with DeBow Communications, Ltd., an independent market research firm, have carefully analyzed the data to ensure that the Comprehensive Report would be as reliable and valuable as possible for experts as well as attorneys and other members of the legal profession that retain experts. Unless otherwise noted, the data reported is based on a sufficient number of responses to provide statistical validity.

To help determine relevant trends, where meaningful, we have also compared the results of this Survey with those of the previous ExpertPages Fees & Practices Surveys.

This Executive Summary of the Expert Witness Fees & Practices Survey Report provides real world answers to some of the most asked questions regarding the fees and practices of expert witnesses and litigation consultants.

Copies of the full, comprehensive Report – free to ExpertPages Members – are available to non-Members for \$150 directly on Amazon, or by contacting ceo@adviceco.com.

Gerry H. Goldsholle
Founder & CEO
Advice Company

A Note on Terminology

Expert Witness / Litigation Consultant

The term “expert witness” generally refers to experts who are expected to prepare a formal report to be filed with a court or administrative agency and/or to testify as an expert in a pre-trial deposition and/or at trial in the litigation.

The term “litigation consultant” typically refers to an expert, often a professional, who works with attorneys to analyze and confidentially report on relevant factual issues requiring special expertise, either before or after litigation commences. Most experts generally serve in both capacities. In this report, unless otherwise specified, we will describe all experts surveyed as an “expert.”

Case / Engagement / Assignment / Project

Attorneys and insurance company executives will generally use the term “Case,” whereas experts tend to use the terms “Engagement,” “Assignment” or “Project” when referring to the same matter. In this report, we will use the terms “case” and “engagement” synonymously.

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<http://ExpertPages.com>

Methodology

The Advice Company’s ExpertPages unit retained DeBow Communications Ltd., New York, NY (www.debow.com), an independent market research firm, to conduct an online survey of professionals identified as expert witnesses or litigation consultants.

Nearly 700 responses from experts in numerous fields throughout North America contributed to the survey. Of the total, approximately 40% were current ExpertPages accredited Members and 60% were not. The detailed survey covered numerous facets of each professional’s involvement in expert witness or consulting work. The margin of error is +/- 3.7 percentage points overall, although margins of error are higher in sub-groups. Subsequent to the closing date, numerous individual and sub-group interviews were conducted to clarify certain verbatim comments.

This project is a collaborative effort with invaluable input and analysis from our consulting statistician, Suzy Fuquea, and key staff members of the Advice Company.

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Executive Summary

What Do Experts Charge?

We found that virtually all experts base their charges using an hourly rate plus expenses, either exclusively, or by using a combination of a flat fee and an hourly rate. Reported rates ranged from a low of \$150 per hour to over \$750 per hour. On average, less than half (43%) of respondents reported a general hourly rate of less than \$300 per hour. More than one-in-four (30%) said their general hourly rate was between \$300 and \$400 dollars per hour and an additional one-in-four (22%) charged in excess of \$400 per hour. A few (5%) charged more than \$600 per hour.

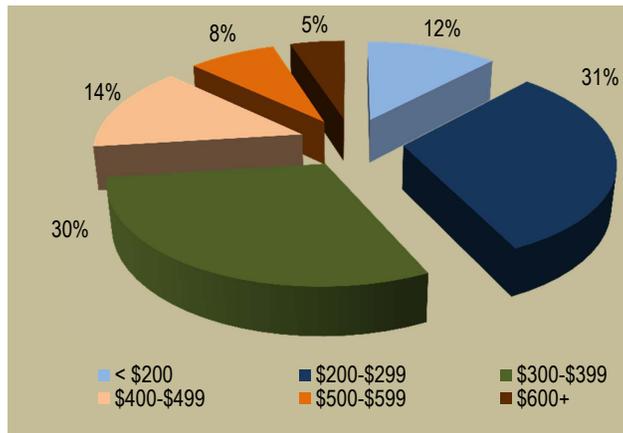


Chart # 1 Q. What is your general hourly rate?

Overall, our estimated average hourly rate is \$341, an increase of \$15 (4.6%) over 2014's average hourly rate of \$326. This was a meaningful change from two earlier Surveys where rates between 2010 (\$312) and 2012 (\$314) were statistically unchanged.

We explored the many factors that contribute to the variation in hourly rates and earnings among individual experts including Field of Expertise, Geographical Location, Number & Duration of Engagements and Expected Earnings on a per engagement basis.

Field of Expertise, as in the past, proved to be the most consistent predictor of average hourly rates. Pharmacology & Toxicology (\$496) and Physicians (\$458) lead all fields, while experts in Family, Custody & Seniors (\$215) matters trail all others.

Field of Expertise	Hourly Rate
Pharmacology & Toxicology	\$496
Physicians	\$458
Mktg, Sales, Dist & Retail	\$440
ACCT, Business & Financial	\$422
Tech, Internet, & IP	\$413
Health & Hospitals	\$389
Food, Hotel & Restaurant	\$387
Insurance	\$367
Real Estate, Prop Mgmt.	\$350
Design, Manufacturing	\$335
Other Medically Related Svcs.	\$334
Employment & Vocational	\$334
Economics	\$325
ENGR, Environ & Science	\$313
Psyc & Counseling (Non-MDs)	\$308
Investigative & Forensic	\$293
Security	\$291
Criminal & Penal	\$287
Accidents, Injuries & Safety	\$278
Auto, Aviation, Boat & Rail	\$276
Law Enforcement Practices	\$260
Documents & Handwriting	\$260
Construction & Architecture	\$260
Family, Custody & Seniors	\$215

Chart # 2 Q. What is your general hourly rate? / In what field are you an expert? (Please select closest category).

Our examination of other factors contributing to the variation in hourly rates showed no clear predictive patterns; however they provide a much better understanding of the totality of the highly complex expert witness space.

How Do Experts Construct Their Rates?

For example, although Documents & Handwriting experts charge among the lowest hourly rates (\$260) of all the expert fields, they also report the highest number of new engagements each year (41). As they typically spend relatively few hours (10) on each engagement, they yield average expected earnings per case of \$2,600. Physicians, on the other hand, have very high hourly rates (\$458), fall mid-range in terms of the number of new engagements (15) each year, and spend an average of 14 hours per expert engagement, yielding average expected earnings per case of \$6,412.

Technology, Internet & Intellectual Property (Tech, Internet & IP) experts have relatively lower hourly rates (\$413 vs. \$458 for Physicians), but average essentially the same number of new engagements (14 vs. 15 per year). However, Tech, Internet & IP experts report that they devote a dramatically greater number of hours per average engagement (75) than Physicians (14).

The net result when we look at expected earnings per engagement is that Tech, Internet & IP experts, despite an hourly rate marginally lower than Physicians (\$413 vs. \$458), can expect average earnings of \$30,975 per engagement, almost five times greater than that of Physicians at \$6,412, and annual earnings of \$433,650 vs. \$96,180 for Physicians. The one important caveat being that these are all averages, and most experts – as we discuss later in this report – do this work on a less than full-time basis.

Beyond “Field of Expertise,” the other factors we found to have the most effect on experts’ rates were Experience, Prominence/Celebrity/Insider and Nature of Clients. As expected, we found that experts’ average hourly rates tended to rise with experience. New experts – those with less than three years’ experience – charge lower hourly rates on average (\$280), than experts with three to nineteen years’ experience (\$349). Of interest is the unusually lower average hourly rate (\$340) for those experts twenty or more years’ experience. In further reviewing the data, this was explained by a possible overweight in our sample of lower fee “Fields” and

Another possible factor that appears to have contributed to these survey results is what may be termed the Prominence or Celebrity of the expert, a phenomenon which also appears in several fields and experience bands.

While working for Plaintiffs (Plaintiffs, Claimants, Prosecutors) rather than Defendants (Defendants, Insurers) is generally more lucrative, working exclusively for the Plaintiffs side is clearly the path to higher average hourly rates. On average, experts who work Exclusively for Plaintiffs, earn 24% more per hour (\$361 vs. \$292) than those that work Exclusively for Defense.

As expected, those with a mix of clients earned 18% more than those who work Exclusively for Defendants (\$346 vs. \$292). For reasons discussed at length in the Report, we found that the mix – either mostly Plaintiff or Defendant or About half and half – at \$346 in each instance – made no statistical difference.

Experts Business Practices

Experts are becoming more willing to negotiate their rates & fees. An expert's base rate often contains built-in adjustments involving a higher fee for depositions and court appearances and a lower base rate for non-productive travel time. However, apart from the built-in adjustments that they use on all cases, more than half of experts (55%) will make adjustments in their rate schedules based on the nature of the case, the client, or the circumstances. Among the experts who report that they do vary their fees – either higher or lower – by case, their reasons for doing so ranged from “Whether I have to pay a referral fee” (mostly higher) to “The ability of the client to afford my fees” (mostly lower).

Other Important Takeaways

Use of Written Fee Agreements (WFA) continues to grow. Almost three-out-of-four (73%) experts now use formal, signed Retainer Agreements all of the time, most of the time, or except for Former Clients or Government Agencies. The remainder either use a WFA sometimes (13%), or only when a client insists (14%). The use of a WFA most or all of the time by 73% in 2016 continues the uptrend in the use of formal, signed Retainer Agreements from previous surveys in 2010 (53%), 2012 (62%) and 2014 (64%).

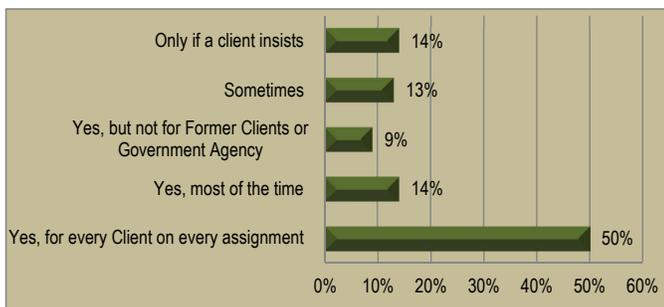


Chart # 15 Q. Do you always insist on a formal, signed, Retainer Agreement?

Generally require a minimum fee for engagements. A majority (60%), Always or Most Often, require a minimum fee for engagements. One-in-four (25%) – Rarely (9%) or Never (16%) – require a minimum fee. A majority (65%) set that minimum fee between \$1,000 and \$5,000.

Rarely have trouble collecting fees. Other than the occasional slow pay experienced by many, if not most businesses today, most experts (53%) – rarely (27%) or never (26%) – have collection issues. Very few (2%) reported that they quite often experience collection issues.

Most Experts do some work through referral agencies. Almost three-in-four experts (73%) currently are working with referral agencies. Although most of those report that they receive the same rates (67%) as when they are working directly with attorneys, almost one-in-four (30%) report that, when working with referral agencies, the rates they receive are lower than the rates they earn when they deal directly with attorneys.

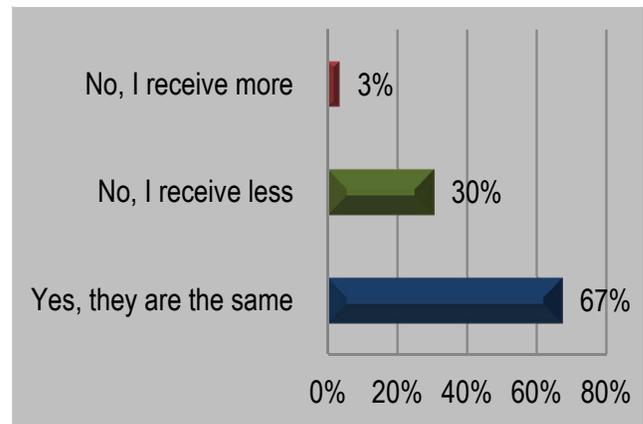


Chart # 21a Q. When working through referral agencies, are the rates you receive the same as what you receive when working with attorneys directly?

Experts generally do this work on a less than full-time basis. Almost six-in-ten experts (57%) spend less than one third of their professional time as an Expert Witness or Litigation Consultant either 29% stating Less than 10% and 28% stating 11-33%. This year the Median falls in the 11-33% range as compared to the 34-66% range in 2014.

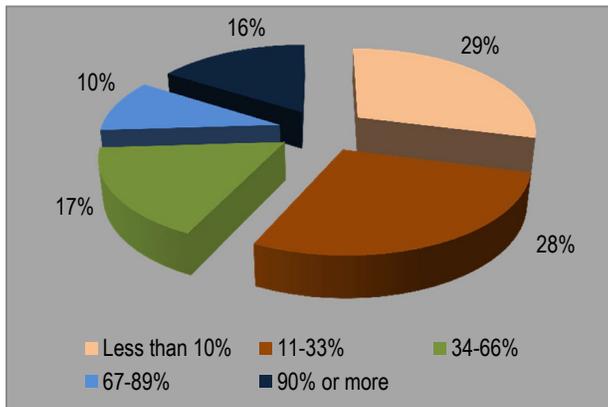


Chart # 30 Q. What percentage of your professional activity consists of work as an expert witness and/or a consultant in legal related matters?

Few are employed, full-time, as expert witnesses or litigation consultants Only one-in-five (19%) work full-time for a firm that is primarily involved in Expert Witness / Litigation Consulting work. Somewhat less than half (45%) work for a firm or institution that is NOT involved in Expert Witness / Litigation Consultant work (e.g., Accounting or Engineering Firm, University, non-Profit, Government, Medical Practice, etc.) but spend some time on that work.

More than one-in-three (36%) are either semi-retired (22%) or fully retired (14%) from their normal profession and spend some time on Expert Witness work.

Most are self-employed and work in a small setting (workplace), few work in larger organizations, or with other experts. The great majority (83%) are self-employed with a small staff, if any (72%), or work in a professional firm but are the only one that does Expert Witness / Litigation Consultant work (11%). Less than one-in-five (17%) work in a professional firm with others who do Expert Witness / Litigation Consultant work (9%), or in an academic institution (6%) or for a governmental agency (2%).

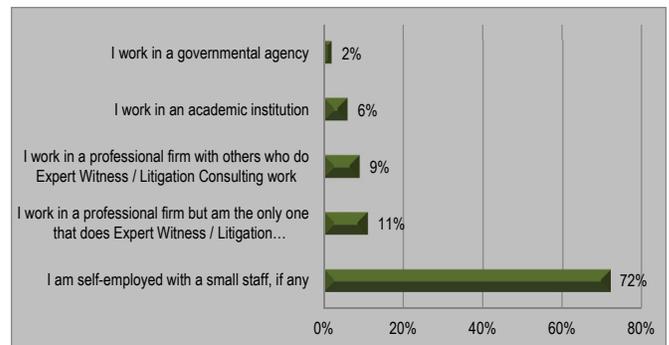


Chart # 32 Q. Please tell us about the setting (workplace) in which you work?

Almost all experts do some travel, but most do relatively little. Approximately nine-of-ten experts (88%) do some travel away from their primary workplace, but most (60%) do so less than 10% of the time. An additional 30% travel from 11%-25% of the time and only 4% spend more than 50% of their time away from their primary workplace.

Most Experts have One Curriculum Vitae (CV), and review it on a periodic basis. Seven-out-of-ten experts (70%) have one Curriculum Vitae (CV) and use the same one for both their normal profession as well as for their Expert Witness work. About half (47%) review their CVs only when they add new information with an additional 41% doing so Quarterly (17%), Semi-Annually or Annually (12% in both instances). The remaining 12% do so only Occasionally.

Experts are not overly concerned regarding Identity Theft or negative Social Media impacts. The clear majority of Experts (between 60 – 70% in each instance) did not seem overly concerned with Identity Theft or negative Social Media impacts with only 30% searching their Name on Google, Bing or other search engines to look for disparaging comments or for others using their name either Often (20%) or Very Often (10%). Asked if they reviewed their website to see if it has been hacked, significantly more (37% vs. 30% for Search Engines) said that they review their site either Often (25%) or Very Often (12%). Of most concern (41% vs. 37% for website and 30% for Search Engines) were those who Often (28%) or Very Often (13%) checked their LinkedIn or other Social Media listings to ensure that their listing had not been tampered with.

Tracking Billable Time. Eight-out-of-ten experts keep track of their billable hours on Paper records such as a paper timesheet or Calendar (42%) or in a Word or Excel type document on their computer (38%). Only 15% utilize an App or Time Tracking program on their computer and/or mobile device. Very few (5%) employ an Integrated Time and Document Management system.

ExpertPages Members have higher average hourly rates and more yearly engagements than non-members. In the past year, the average hourly rate of ExpertPages Members (\$349) was 12% higher than that of non-members (\$334). Members also averaged a 20% higher number of engagements (17) than non-members (14).

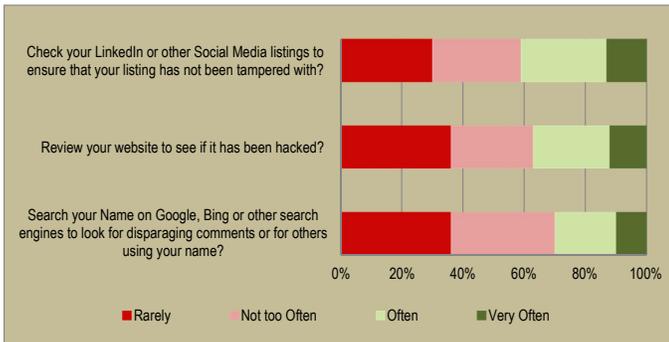


Chart #27 Q. To protect your identity and reputation how often do you, or a member of your staff: Search your Name on Google, Bing or other search engines to look for disparaging comments or for others using your name?; Review your website to see if it has been hacked?; Check your LinkedIn or other Social Media listings to ensure that your listing has not been tampered with?

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