

Book & Media Reviews

Books

Gamboa, Jr., A.M. (1995). The New Worklife Expectancy Tables. For persons with and without disability by gender and level of educational attainment. Vocational Econometrics, Inc.

The New Worklife Expectancy Tables ("Gamboa Tables"), presents worklife expectancies for persons with and without disabilities, based on data from the Current Population Survey (CPS), providing estimated worklife expectancies by age, gender, race and disability status.

This data is sometimes used for estimation of a loss of future earning capacity. The implicit approach is that the worklife expectancy (WLE) for non-disabled persons from Gamboa Tables would be used in the calculation of earning capacity for the person in their uninjured state, on the assumption that he or she would not ever have become disabled. This establishes the pre-injury earning capacity. A second calculation would assess the post-injury earning capacity of the person, using the WLE for disabled persons, on the assumption that he or she would not recover or deteriorate significantly. The difference in these two calculations would be an estimate of the loss of future earning capacity suffered as a result of the injury. The real world is not so simple.

First, consider the data for "non-disabled" persons. Because there is no assurance that the "non-disabled" person will not become disabled later, the standard of comparison should not be "non-disabled" persons, but rather "all persons". To use the artificial category of permanently non-disabled persons, instead, will increase estimated pre-injury worklife, and thus exaggerate economic losses. Gamboa Tables does not provide the data for "all persons", but this would be an easy addition.

Second, consider the data for disabled persons. Survey data on disabilities, particularly that collected by the payer of benefits, is prone to exaggeration of the severity of the effects of a disability. This will occur in all Government surveys, but Gamboa Tables is biased further by the nature of the CPS, which has a methodological tendency to produce lower estimates of the number of persons who have a work disability than other surveys, such as the National Health Interview Study or the Survey of Income and Program Participation. This will bias the CPS data for disabled persons toward more severe work disabilities, because the tendency will be for less-disabled persons to be under reported. More severe disabilities yield lower labor force participation rates, and lower WLE estimates. Thus, the

difference in WLE between disabled and non-disabled persons will be exaggerated.

On a more fundamental level, interpretation of the data for disabled persons presents severe problems. Gamboa Tables includes a warning: "[T]he tables are effective to the degree that the person using them understands how a particular subject may vary from the averages presented in the table." In order to understand "how a particular subject may vary from the averages," one must understand just what it is that is represented by these averages. If we cannot understand the data, they cannot be used reliably.

Consider the persons that are identified as having a "work disability" in the CPS. Some will have intellectual, psychological or physical problems. Some will have combinations of these. Some will have an injured right ankle and some will have asbestosis or AIDS. Just what level of disability is represented by the "average" figure given in Gamboa Tables? Until one knows how to describe the "average" disabled person in the table, it is not possible to know how a given person will differ from that average. Even if we had a list of all of the persons in the disabled category, so that we knew how many persons within the category had a right ankle impairment of 25%, we could not average all of their conditions together. What is the average of three right ankles at 25% impairment, six backs at 22% impairment, and one left hand at 75% impairment? Obviously, the question is meaningless. But, without an answer, Gamboa Tables provides no useful information for a specific injury case.

In summary, The New Worklife Expectancy Tables appears to be biased in directions that exaggerate damages. Even worse, the underlying concept of an average impairment, that leads to an average loss of worklife expectancy, is without useful quantitative content.

Stephen M. Horner, Ph.D.
Corpus Christi, TX