



**Expert Services in  
Economics & Statistics**

[www.welchcon.com](http://www.welchcon.com)

LOS ANGELES • TEXAS • WASHINGTON D.C.



## WHO WE ARE

Since 1976, Welch Consulting has been a leading provider of expert services in economics and statistics for the legal community. We assist clients with analyses of claims of discrimination, wage and hour allegations, damages in individual employment cases, damages in employment and consumer class actions, and lost profits or sales in business disputes. Outside of litigation, we provide assistance with affirmative action plans, audits of employment practices and statistical studies for clients under investigation by government agencies.

Welch Consulting principals are recognized authorities in economic analysis who provide credible testimony in court and regulatory settings. Our analytical expertise and nearly thirty years of experience in litigation support enables us to conduct rigorous analysis that meets the standards of accuracy, clarity, and punctuality imposed by the litigation environment.

Based in Los Angeles, California, and in Bryan, Texas and Washington, DC, our principals are supported by Ph.D. economists, programmers, and associate economists as well as by academics from leading universities. We have an extensive computer network, online reference data, and more than three decades of experience in managing large databases. These resources allow us to assemble teams that provide timely assistance in cases of any size.



## PRACTICE AREAS

Welch consultants are experienced in analyzing complex economic and statistical problems and in preparing this analysis for presentation as legal evidence. Such presentations demand the highest standards of accuracy and full documentation. We have proven our ability to meet these standards with analysis that is timely, relevant, and understandable to decision makers. Our major practice areas include:

### DISCRIMINATION LITIGATION

We provide statistical analyses for claims of discrimination on the basis of race, ethnicity, national origin, gender, or age.

**Employment** - In employment, we address a full range of discrimination issues, including hiring, pay, promotion, termination and placement.

**Financial Services** - In banking and insurance, we analyze allegations of redlining, disparate treatment of minority applicants, and the justification for underwriting criteria.

### WAGE AND HOUR

We have extensive experience with a wide variety of wage and hour claims: misclassification, missed meals and breaks, off-the-clock work, expense reporting, and outside sales exemptions. Welch Consulting maintains computing and electronic storage capacity that can accommodate time-clock, payroll and human resource data for companies of any size. If data are not available, we work with survey experts to design questionnaires,

administer surveys, and assess statistical findings drawn from responses.

### PAY PRACTICES

We analyze pay differences between protected and non-protected group members. Statistical studies of pay practices are often required in government agency audits as well as in civil litigation. We have experience in analyzing pay practices in a wide variety of industries, including high-tech engineering, retail trade, colleges and universities, and regulated industries. In analyzing pay equity, we have studied the development and implementation of classification systems, promotional increases in pay, and pay at hire. Where appropriate, we incorporate background and experience factors that may affect pay and initial assignments.

### ECONOMIC DAMAGES IN LABOR AND EMPLOYMENT LITIGATION

We calculate economic damages in employment disputes involving individual plaintiffs, multiple plaintiffs, and class actions.

**Wrongful Termination**- We estimate lost earnings and benefits for plaintiffs alleging wrongful termination. Where appropriate, we analyze the plaintiff's labor market opportunities and mitigation. These estimates may incorporate employment turnover, retirement incentives, and salary growth prospects.



## **PRACTICE AREAS, continued**

**Failure to Hire or Promote-** Economic damages in failure to hire cases may incorporate an analysis of the labor market opportunities available to claimants, typical unemployment spells, and the likely length of employment had the claimant been hired. For claims of denied promotion, we have performed statistical analysis describing likely career growth had the promotion been given, as well as the statistical prospects for future promotion for those denied promotion in the past.

**Wage and Hour Cases-** We provide damage calculations in cases where employees allege they were not paid for all of the hours they worked or were not paid overtime wages. In some instances, these hours may be estimated statistically using industry standard estimates of the typical time required for tasks, coupled with information on the tasks completed or the output of the firm.

### **ECONOMIC DAMAGES IN BUSINESS DISPUTES AND CONSUMER CLASS ACTION LITIGATION**

We calculate economic damages in disputes involving allegations of various types of unfair or fraudulent business practices: intellectual property claims, unfair competition, breach of contract, damage to reputation, and other sources of lost profits. Lost profit claims may involve the statistical analysis of large numbers of transactions for both defendant and plaintiff enterprises in order to establish the volume of lost sales.

**Business Interruption-** We compare profit levels and growth before and after specific interruptions. When appropriate we compare a company's growth to that of similar firms. Lost profits are capitalized using applicable discount rates or price earning ratios for comparable companies.

**Unfair Practices-** Using statistical techniques when appropriate, we attempt to identify sales losses from the affected party and sales gains by those allegedly competing unfairly. Sales losses and gains are measured net of applicable costs and then capitalized.

**Consumer Class Action-** We conduct economic and statistical analyses of consumer claims in disputes between businesses and customers. Examples include disputes between insurance companies and policy-holders over pricing and disputes between lenders and borrowers over truth-in-lending and the cost of credit. We also provided assistance in the disputes between tobacco companies and health-care providers over the medical expenses resulting from cigarette smoking.



## TYPES OF SERVICES

### Litigation Services

Support in litigation may range from informal assessments of theories and statistical patterns to preparation of reports and expert testimony. Advice by economists and statisticians can be a vital element in discovery, strategic planning, and settlement negotiations even if expert testimony is not required. Our services to clients in litigation include:

- Consultation to assess the role of economic or statistical testimony
- Preliminary assessment of liability or damage claims
- Critiques of opposing experts' reports
- Economic damage estimates for settlement or mediation
- Organization of complex data for use by counsel or other experts
- Questions for discovery, deposition, or trial
- Fully documented reports
- Testimony at trial, regulatory hearing, or deposition

### Services Outside Litigation

Statistical and economic analysis of business and human resources practices may help clients avoid costly lawsuits. Our years of experience in litigation work enable us to bring a valuable expert perspective to these evaluations. Our services outside litigation include:

- Audits of employment practices
- Monitoring of consent decrees
- Statistical studies for employers under investigation by regulatory agencies
- Availability and workforce statistics for affirmative action plans



## CAPABILITIES

Welch Consulting principals are leading authorities in empirical analysis of economic behavior. The work is supported by project teams of Ph.D. economists, programmers, and associate economists who are familiar with the process and requirements of litigation. Members of the firm have extensive experience with issues arising in litigation of employment claims, and in business disputes.

Welch Consulting is nationally recognized for expertise in analyzing and organizing data. The firm has nearly thirty years experience in analyzing computerized human resources databases. We also work with other business applications, such as complex customer databases. We routinely combine information from business applications, hardcopy files, and other sources.

When necessary, we build databases from information stored on hard copy, and we design surveys to collect information not otherwise available. In addition, our principals and staff routinely draw upon publicly available data from surveys conducted by government agencies as well as other professionally recognized sources. These data provide information on a range of topics including employment, population, housing, education, banking, insurance, public health, and recreational activities.

Over the years, our experts have testified in federal and state courts and before state regulatory agencies and have also made presentations to mediators in arbitration. As economists, our experts are qualified to testify about the business and labor market contexts

of disputes, going beyond the raw statistics. The ability to draw on the body of knowledge derived from a range of economic studies gives insights into litigation issues not available to professionals in other disciplines. This advantage has made our experts effective at understanding complex processes and explaining them in a manner that is clear to all types of audiences.

Service to our clients is facilitated by our efficient data processing system. Each staff member's high-capacity work station is networked to large servers. These servers each have up to 64 gigabytes of Random Access Memory, and we maintain over 60 terabytes of online storage. We maintain numerous input devices that can read data from tapes, disks, and cartridges in all widely-used formats. In assembling project teams we can draw on personnel and computing resources from multiple locations, enabling us to match staff expertise and data processing capacity to the specific demands of each project.

Welch Consulting assists a wide variety of clients nationwide, including major corporations and small businesses as well as law firms of all sizes. We tailor our resources to the specific demands of each case. Single-plaintiff cases are cost-effectively assigned to individual professionals while complex, multi-plaintiff cases are managed by experienced teams that may include a number of professional as well as academic consultants, programmers, and support staff.



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