Valuing Advice, Counsel and Companionship Services within Families: 

A Reconsideration of Frank Tinari’s “More Comprehensive Measure.”

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Abstract

In 1998, Frank Tinari published a paper in this journal entitled: “Household Services: Toward a More Comprehensive Measure.” Tinari’s paper was based on the 1980 decision of the New Jersey Supreme Court in Green v. Bittner and argued that the definition of household services employed by most forensic economists was too narrow. Specifically, Tinari argued that household services should also include “advice and counsel” and “companionship.” Traditionally, forensic economists have viewed household services as including a narrower definition that included doing the laundry, cooking meals, repairing appliances, cleaning homes, providing chauffeuring services, shopping for materials, but also typically including child care for minor children. A recent presentation by Stan V. Smith at the 2004 meetings of the American Trial Lawyers Association has taken Tinari’s proposed methodology for calculating damages in terms of a broader definition of household services to a level not envisioned by Tinari. This paper reviews the history of Tinari’s paper, questions Tinari’s interpretation of “companionship” in terms of the Green v. Bittner decision, and compares Tinari’s methodology with the methodology proposed by Smith.
I. Introduction

In 1998, Frank Tinari published a paper in this journal on “Household Services: Toward a More Comprehensive Measure.” Tinari’s paper argued that in addition to more traditional household services such as cooking, cleaning, doing the laundry, repairing appliances, cooking, gardening, automobile maintenance, house maintenance, shoveling snow and similar activities, family members also provide services to each other in the form of “guidance and counsel” and companionship.” Tinari’s paper provides an explanation for how Tinari calculates economic damages in wrongful death circumstances to include the services of “advice and counsel” and the services of “companionship.” Tinari relied heavily on the 1980 decision of the New Jersey Supreme Court in *Green v. Bittner*. *Green v. Bittner* essentially called for methods of the sort Tinari provided in his 1998 paper, though with what will be argued here is a misinterpretation of the meaning of the term “companionship.” Beginning several years ago, Stan V. Smith began employing an exaggerated version of Tinari’s methodology in reports he prepared on behalf of plaintiffs. In the summer of 2004, Smith presented this exaggerated version at the meetings of the American Trial Lawyers Association (ATLA) under the title, “Making Tangible the Intangible.”

This paper reconsiders Tinari’s 1998 paper. It argues that Tinari correctly met the mandate of *Green v. Bittner* with respect to “advice and counsel,” but misinterpreted that decision with respect to “companionship.” It also argues that Tinari’s paper was seriously flawed because it failed to take into account the “equimarginal principle” that an individual will allocate time such that on the margin each service use of time should have the same marginal value. It
argues that Smith has ignored important limitations that were clearly considered by Tinari in the valuation of advice and counsel. Finally, it argues that Smith made the same misinterpretation of “companionship” that Tinari made.

II. The History of Tinari’s 1998 Paper

While Tinari published his paper in 1998, his first presentation of his methodology for valuing “advice and counsel” and “companionship” was in the context of a workshop presented by the National Association of Forensic Economics at the 1995 meetings of the Western Economic Association in San Diego. A group of forensic economists were given a sample case and asked to develop projections for the loss of household services. Participating economists included Barry Ben-Zion, James D. Rodgers, Frank Tinari, Jack Ward, and this author, but at least one or two other participants were also involved. In spite of the fact that the panelists used a variety of different methods and data sources, all but one of the participants came up with similar results. The one exception was Frank Tinari, whose assessment included both advice and counsel and companionship of the sort he argued were authorized by the New Jersey Supreme Court in Green v. Bittner (1980). Tinari then wrote and presented an early draft of his 1998 paper at the 1996 meetings of the WEA in San Francisco.

Tinari’s paper was then presented a second time in a “Symposium on Lost Services” organized by this author at the 1998 meetings of the WEA in South Lake Tahoe. That symposium included Tinari, Pauline Boss, Penelope Caragonne, Thomas Ireland, William Jungbauer, and David Toppino as participants. Papers based on those presentations by Boss (1999), Caragonne (1999) and Jungbauer (1999) were ultimately published (and reprinted in the cases of Tinari’s paper) in Ireland and Depperschmidt (1999). Ireland also published a paper
making a similar argument for an expansion of the concept of household services in the *Journal of Legal Economics* in the fall of 1997 (Ireland, 1997). Ireland’s 1998 WEA paper was not subsequently published, but made the points contained later in this paper about the equimarginal principle that services provided by a given family member must have equal value on the margin. Tinari finally published his paper in the *Journal of Forensic Economics* in 1998.

Ireland’s 1997 paper differed from Tinari’s 1998 paper in two general ways. First, Ireland used an opportunity cost method to value all lost services, meaning that all services were valued at the after-tax earnings rate of the decedent family member, and costs for replacement estimated from the commercial marketplace. This meant that Ireland did not have separate calculations for lost physical household services, lost advice and counsel, and lost companionship. Ireland’s method involved a single projection for household services, broadly defined to include all services for other family members that had pecuniary value. This also meant that Ireland’s analysis did not generate the multitasking questions posed at the end of this paper. The decedent might be providing a number of services concurrently, but only one hourly value was attributed to the time being spent by the decedent in providing those multitasking services. Second, the foundation for time spent providing services for Ireland’s projections was provided by Boss or Caragonne as family and life care experts who had examined the family of the decedent in some detail before arriving at their opinions.

In or around 2002, Stan V. Smith began using calculations attributed to Tinari in his damage reports. Smith ultimately presented Smith’s new methodology for valuing “advice and counsel” and “companionship” at the 2004 meetings of the American Trial Lawyers Association in a presentation entitled, “Making Tangible the Intangible/Loss of Replacement,
Household/Family Services – Expanding the Traditional Measures.” Smith’s methods differed from Tinari’s methods in two important ways. First, Smith added 50 percent for agency provision to his calculations for both “loss of advice and counsel” and for “loss of accompaniment services.” By itself, this meant that any projection by Smith compared with Tinari for comparable amounts of time would result in Smith damages estimates that were 50 percent larger than Tinari damages estimates. Second, Smith used “hypothetical” values for amounts of time spent by a decedent in providing “advice and counsel” that were substantially larger (by approximately a factor of 7) than those assumed by Tinari.

III. Legal Background

Missouri has a fairly standard Wrongful Death Act that has language that is paralleled in many states. The damage section of that act is section 537.090 of Missouri Revised Statutes. It states that the trier of facts may award damages “for the pecuniary value of the services, consortium, companionship, comfort, instruction, guidance, counsel, training and support” the decedent might have provided to survivors permitted under Missouri law to bring an action for damages. “Support” has been interpreted to mean financial support, including the value of losses based on a decedent’s loss of job-related fringe benefits. Consortium, on the other hand, has generally been interpreted as the special values of a relationship that depend on love and affection between survivors and the decedent. “Services” have typically been interpreted as ordinary physical household services of the sort that forensic economists have traditionally treated as compensable damages. However, “companionship, comfort, instruction, guidance, counsel, (and) training” are also mentioned as elements having pecuniary value. That language would suggest the possibility that an economic expert might provide “pecuniary” valuation for
those elements, supporting the general Tinari (and Ireland) argument that household services may be too narrowly conceived. Since this same notion was advanced in the 1913 U.S. Supreme Court decision in *Michigan Central Railroad Company v. Vreeland*, this was not a bold new concept being advanced by economists.

The term “pecuniary” has meaning that varies between legal decisions, but the distinction between “pecuniary” and “non pecuniary” damages frequently has the same meaning as the distinction between “tangible” and “intangible” damages. Typically “tangible damages” are damages such as lost income, lost fringe benefits and costs of a life care plan that are readily understood as “economic” or financial in the sense that placing values on them involves ordinary functions of an economic expert. “Intangible damages” are typically thought of as “mind state” damages such as loss of consortium, loss of love and affection, pain and suffering, loss of enjoyment of life, and grief and bereavement.” Tangible damages are typically thought of loss of earning capacity, loss of job-related fringe benefits, costs of life care made necessary by an injury, and more obvious household services such as repairing appliances, cleaning, doing laundry, cooking meals, cutting the grass and other services for which there are obvious commercial market equivalents. “Advice and counsel” and “companionship” are elements that can be both pecuniary and non pecuniary but it is conceivable that both types of services might be offered by individuals hired in the commercial marketplace to replace the services previously provided by a deceased family member.

It creates confusion that damage statutes such as that from Missouri, cited earlier, refer to “pecuniary losses” suffered by reason of a death, including consortium, companionship, instruction, guidance, counsel, and training. “Consortium,” by its very nature, could not be other
than an intangible loss. However, since money is the only medium for recompense possible in
the tort system, jury awards are always “pecuniary” in the sense that a jury will make an award of
dollars to compensate injured parties for all harms that have been done to a plaintiff.

In 1913, the United States Supreme Court in *Michigan Central Railroad Company v. Vreeland*
got to great effort to define the term “pecuniary loss,” saying:

> A pecuniary loss or damage must be one which can be measured by some
> standard. It is a term employed judicially, ‘not only to express the character of the
> loss of the beneficial plaintiff which is the foundation of recovery, but also to
discriminate between a material loss which is susceptible of pecuniary valuation,
> and that inestimable loss of the society and companionship of the deceased
> relative, upon which, in the nature of things, it not possible to set a pecuniary
> valuation.’

Nevertheless, the word as judicially adopted is not so narrow as to exclude
damages for the loss of services of the husband, wife, or child, and, when the
beneficiary is a child, for the loss of the care, counsel, training and education
which it might, under the evidence, have reasonably received from the parent, and
which can only be supplied by the service of another for compensation. (Italics
added for emphasis.)

The focus of Ireland’s paper was on the 1913 *Vreeland* decision. Tinari’s focus was on
senior year in high school. The jury had found that Donna Bittner’s parents and brothers and
sisters had suffered no pecuniary loss and the New Jersey Supreme Court reversed that decision,
saying:

We hold that when parents sue for the wrongful death of their child, damages
should not be limited to the well-known elements of pecuniary loss such as the
loss of the child’s anticipated help with household chores, or the loss of
anticipated direct financial contributions by the child after he or she becomes a
wage earner. We hold that in addition, the jury should be allowed, under
appropriate circumstances, to award damages for the parents’ loss of their child’s
companionship as they grow older, when it may be most needed and valuable, as
well as the advice and guidance that often accompanies it. As noted later, these
other losses will be confined to their pecuniary value, excluding emotional loss.

The *Green v. Bittner* decision went on to emphasize the distinction between emotional loss based on the loss of a loved one and services of the sort that adult children might provide to aging parents:

What services, what activities, could a daughter or son reasonably have been expected to engage in but for their death and to what extent could any of them have monetary value? Just as the law recognizes that a child might continue performing services after age 18, and that monetary contributions may also be received by the parents thereafter when the child becomes productive, it should similarly recognize that the child may, as many do, provide valuable companionship and care as the parents get older. . .[0]ur courts have not hesitated to recognize the need of children for physical help and care. Parents facing age or deteriorating health have the same need, and it is usually their children who satisfy that need. Indeed the loss of companionship and advice which a parent suffers when a child is killed will sometimes be as great as the loss of counsel and guidance which a child suffers when a parent is the victim.

Companionship and advice in this context must be limited strictly to their pecuniary element. The command of the statute is too clear to allow compensation, directly or indirectly, for emotional loss. . .

Companionship, lost by death, to be compensable must be that which would have provided services substantially equivalent to those provided by “companions” often hired today by the aged or the infirm, or substantially equivalent to services provided by nurses or practical nurses. And its value must be confined to what the marketplace would pay a stranger with similar qualifications for performing such services. No pecuniary value may be attributed to the emotional pleasure that a parent gets when it is his or her child doing the caretaking rather than a stranger, although such pleasure will often be the primary value of the child’s service, indeed, in reality, it’s most beneficial aspect. The loss of added emotional satisfaction that would have been derived from the child’s companionship is fundamentally similar to the emotional suffering occasioned by the death. Both are emotional rather than “pecuniary injuries,” one expressed in terms of actual emotional loss, the other in terms of prospective emotional satisfaction.

The frustration of the New Jersey Supreme Court in *Green v. Bittner* was over the fact that the death of a child is one of the greatest losses parents could suffer. Yet, there are few truly
economic damages. Parents don’t raise children in modern times so that the children will provide financial support or to provide future household services. Thus, in a purely financial sense, the economic loss other than funeral expenses is negligible. The *Green v. Bittner* Court acknowledged that the trial court had followed New Jersey law as it existed at that time, but went on to argue that an award of $0 in economic damages constituted a miscarriage of justice. In an effort to alleviate that miscarriage of justice, the Court went into detail about services an adult child might provide and virtually called upon someone like Frank Tinari to develop the means for providing valuation of those adult services.

**IV. Tinari’s (and Smith’s) Calculation of Lost Advice and Counsel**

*Green v. Bittner* had discussed generally how advice and counsel on the one hand and companionship on the other should be considered by juries. Following that guidance, Tinari’s analysis suggested separate calculations for loss of ordinary household services, loss of advice and counsel, and loss of companionship. Each category had a separately calculated replacement value, though the values of ordinary household services and companionship services were similar to each other. Tinari emphasized the importance of providing a foundation for time amounts spent in each category. Tinari’s analysis of ordinary household services was not unique and will not be considered further in this paper (and was not considered at all in Smith’s paper). This section will deal with calculations for advice and counsel and the next section will deal with calculations for loss of companionship.

Tinari’s analysis of advice and counsel comes very close to what was being advocated in the *Green v. Bittner* decision. In his paper, Tinari projected 52 hours per year of advice and counsel and 1040 hours per year of companionship between spouses, 208 hours per year of
advice and counsel and 1040 hours per year of companionship by a mother for a dependent child, 
104 hours per year of advice and counsel and 520 hours of companionship by a father for a 
dependent child, 13 hours per year of advice and counsel and 52 hours per year of companionship 
by a parent for an emancipated child, and 26 hours per week of advice and counsel and 52 hours 
per year of companionship by a child for an elderly parent. Tinari provided corresponding total 
annual values for both damage categories of $10,106 for spouses, $12,667 for a mother of a 
dependent child, $6,375 for the father of a dependant child, $676 for a mother or father of an 
emancipated child, and $891 for the child of an elderly parent.

Smith (2004) made significant upward adjustments to both the amount of time spent in 
advice and counsel and in the replacement cost for advice and counsel compared with the 
amounts indicated in Tinari’s paper. As a result, Smith produced much larger estimates of loss 
for advice and counsel. Instead of Tinari’s one hour per week of advice and counsel for spouses in Tinari’s paper, Smith estimated 1 hour per day. Instead of Tinari’s four hours per week for a mother or a dependent child and two hours per week for a father of a dependant child, Smith estimated seven hours. Instead of 15 minutes per week for a mother or father of an emancipated child, Smith estimated 3.5 hours per week. Smith renamed companionship services as “accompaniment services” and estimated 21 hours per week for spouses. That was close to the 20 hours estimated by Tinari. Smith estimated 14 hours per week for the mother of a dependent child, which was lower than the 20 hours projected by Tinari. Smith used the same source for replacement wages, but added 50 percent for agency provision. As a result, Smith’s figures would be between 10 and 20 times greater than Tinari’s “advice and counsel” figures under similar circumstances. In addition, Smith’s time amounts are presented as “illustrations” rather
than as time amounts Smith concluded would be reasonable.

V. Tinari’s (and Smith’s) Calculation of Lost Companionship

There is an important difference between companionship as described in the *Green vs. Bittner* decision and companionship as described by Tinari and Smith. In *Green vs. Bittner*, the emphasis is on companionship of the sort that an adult child might provide to an aging parent in the event of illness, not on the companionship of the sort that might exist if a father and his son went fishing together. Judge Willentz wrote:

> Companionship, lost by death, to be compensable must be that which would have provided services substantially equivalent to those provided by “companions” often hired today by the aged and infirm, or substantially equivalent to services provided by nurses or practical nurses. And its value must be confined to what the marketplace would pay a stranger with similar qualifications for performing such services. No pecuniary value may be attributed to the emotional pleasure that a parent gets when it is his or her child doing the caretaking rather than a stranger, although such pleasure will often be the primary value of the child’s service, indeed, in reality, its most beneficial aspect. This loss of added emotional satisfaction that would have been derived from the child’s companionship is fundamentally similar to the emotional suffering occasioned by the death. Both are emotional rather than “pecuniary injuries,” one expressed in terms of actual emotional loss, the other in terms of prospective emotional satisfaction. In another sense, the loss of the prospective emotional satisfaction of the companionship of a child when one is older is but one example of the innumerable similar prospective losses occasioned by the child’s death—all of which, plus much more, is included in the emotional suffering caused by the death.

In a footnote to this passage, Judge Willentz described the functions of a hired companion:

> Hired companions today perform a variety of services, primarily, however, simply keeping the employer company and administering basic needs. They may prepare and serve meals, do grocery shopping, perform other errands, keep the home tidy, give medicines, make telephone calls, and generally make themselves useful—including making it possible for the employer to be outdoors. Care given by children to aging and infirm parents is often indistinguishable from those services. Children also often provide many of the services ordinarily rendered by practical nurses, such as bathing the bedridden, changing bandages, moving an immobilized parent, administering medication, spoon-feeding invalids, preparing special meals, keeping a sickroom tidy, even removing visitors if they tire the
invalid. Companionship, in this sense, however, will not include true nursing services unless the decedent had or was likely to have special training.

In comparison, Tinari and Smith define “companionship” in the more general sense of persons spending time together. Tinari and Smith indicate similar time amounts for this category. Clearly, an average husband does not provide 1040 hours per year of services to his wife as if she was an invalid, and vice versa. Presumably husbands and wives spend time together eating meals at home, going to dinners at restaurants, going to movies together, watching television together and so forth. One might guess that an average husband and wife would spend more than 20 hours per week in each other’s company engaging in various activities of mutual satisfaction. However, that is not the kind of companionship whose loss is envisioned as compensable in Green v. Bittner. Green v. Bittner is focused on the kinds of services that would be provided by an attendant providing attendant care in a life care plan. Depending on how the future unfolds, such attendant care from adult child might never be needed. Many persons die without ever becoming invalids in need of attendant care, even if they might need some amount of advice and counsel from their adult children when they become elderly.

In many instances, the death of child results in a loss of advice and counsel when parents become elderly. In some instances, it results in a loss of companionship of the attendant care variety when parents become invalids. The problem for a forensic economist is that these events are not certain to occur and the amounts and nature of these services that might be needed at some future date would depend on the specifics of future conditions for the parents that could not be reasonably anticipated in the present. Judge Willentz is effectively calling on forensic economists to speculate about such matters. This writer suspects that the degree of speculation
about possible future losses envisioned in *Green v. Bittner* would not be allowed in other states.

VI. The Equimarginal Principle in Valuing Non Market Services

Tinari’s (and Smith’s) methodology suffers from another major problem. Tinari projects different hourly values for ordinary household services, for advice and counsel, and for companionship. In his 1998 paper, Tinari finds wage equivalents of $16.55 per hour for advice services and $8.87 for companionship services. His paper discusses ordinary household services, but does not provide a specific wage rate for those services. One may suspect, however, that the hourly rate for ordinary household services would have be close to the $8.87 he uses to value companionship services. The obvious question is why a person who could produce $16.55 in value by providing advice and counsel would spend part of his time providing companionship services that are only worth half that value. Standard microeconomic reasoning would suggest that hours spent in providing companionship would be converted to hours spent providing advice until the marginal value of another minute of advice just equaled the marginal value of another minute of companionship or another minute of ordinary household services. This is the equimarginal principle in microeconomic analysis applied to time use outside the labor market. However, given the fixed prices assumed by Tinari, there is no mechanism to allow this adjustment to occur within Tinari’s model.¹

Since individuals presumably allocate nonmarket time according to the equimarginal principle, Tinari’s method necessarily results in an overstatement of the value of advice and counsel provided by a deceased family member. This is consistent with the reality that the average individual does not have the skills required in the advice professions indicated in *Green v. Bittner*, Tinari and Smith. Without training, the market value of one’s capacity to provide
advice is essentially zero. The argument that since the decedent knew other family members better than any stranger and therefore could provide better advice and counsel than a person with the decedent’s skill level effectively introduces consortium issues through the back door. The *Green v. Bittner* mandate is that only the value that could be provided by a stranger can be considered “pecuniary.” Thus, the greater familiarity argument fails the “pecuniary” test by its very nature.

If, in fact, survivors have purchased advice services because of the decedent’s death, those costs are costs attributable to the death and compensable in their own right. The same is true of companionship services and ordinary household services. If it is a reasonably certain that such services will be needed by survivors in the future, a forensic economist can project the present value of this flow of needed future services based on what they will cost the survivors. However, replacement cost becomes a meaningless measure unless replacement is anticipated. If the value is to be measured in terms of the value placed on such services before the death, but future replacement is unlikely to take place, the appropriate value to be attached must be based on the value of the time spent by the decedent providing such services. Thus, there cannot be a 2 to 1 value difference between two categories of services provided by the same provider.

**VII. Multitasking and the Possibility of Triple or Even Quadruple Counting**

Nonmarket services by a family member are subject to multitasking. A wife could be cooking the evening meal, doing the laundry, offering advice to her husband and providing general companionship to her husband and an adult child all at the same time. Multitasking, however, is required in many labor market employments and does not typically generate separate wage payments for each service provided. In the commercial labor market, workers are typically
paid on a per hour basis for the amount of time worked, independently from the different tasks they are performing during those periods of time. (Railroad worker earnings are a partial exception to this general rule.) Tinari’s method would suggest, for example, that Tinari has somehow separated time spent by a decedent providing advice and counsel to a spouse from other time spent providing companionship. It is difficult to see how an individual could provide advice and counsel without also providing companionship in the sense defined by both Tinari and Smith, or even in the sense defined in *Green v. Bittner*. Presumably, advice and counsel provided by a family member must be provided during periods when the family member is providing companionship. To that extent, unless subtraction is made from time spent in companionship for time spent providing advice and counsel, that time is being double counted in a projection of damages. If any of that time spent in companionship is also used to provide any physical household services, that time is also being double counted. If advice and counsel was being offered concurrently with time spent cooking and doing the laundry, that time would be triple counted as “accompaniment services,” “advice and counsel,” and “household services.”

Smith’s 2004 paper suggests that advice and counsel can be concurrently provided to more than one person (page 388), but places values on time spent with each individual separately. Whatever multitasking services a decedent might have performed within periods of time, it is unreasonable to suppose that the values of those concurrently produced services are additive. It would be triple counting the same time to include that time as time spent producing household services, time spent providing advice and counsel and as time spent providing what Smith calls “accompaniment services.” Smith typically also provides separate calculations for “loss of society” with a decedent, based on some fractional reduction in the abilities of survivors
to enjoy their own lives because of the death of the decedent (Smith, 1996). Since providing society must also entail time and probably both “advice and counsel” and “accompaniment services,” Smith’s calculations that include “loss of society” quadruple-count the same time, compared with the possibility of triple counting in Tinari’s method. If multi-tasking is involved, it may increase the compensation value of the time a decedent spent, but only one rate of compensation should be used for the time all of the services are being provided.

Endnote:

1. If it could be established that a particular service was needed in a discrete amount such as 10 hours, but not more or less, the equimarginal principle would not hold. The necessary ten hours under such circumstances might have a value greater or lower than the value to be attached to other hours of services. The discreteness of the 10 hour requirement for that service would prevent adjustment on the margin of the sort implied by the equimarginal principle. However, if such discreteness existed for a specific amount of the service, that discreteness could be established by testimony as a foundation for projecting a different time value for services in that discrete category. In the absence of such proof of discreteness, adjustment to equal value on the margin should be assumed.

References:


Ireland, Thomas R. 1997. “Compensable Nonmarket Services in Wrongful Death Litigation:


Case References:
