On April 17, 2002, former senators George McGovern and Alan Simpson argued in The Wall Street Journal that fear of lawsuits inhibits teachers, doctors, and other professionals from using "the human ingenuity and judgment needed to get any job done properly." By way of example, they observed, doctors squander "$50 billion a year" on defensive medicine solely to avoid malpractice lawsuits. McGovern and Simpson also contended that jury verdicts, being both unpredictable and often too large, undermine respect for law and our civil justice system. To restore order, they announced the formation of Common Good, "a new bipartisan coalition" that will "advocate a basic overhaul of our legal system."

The articles in this Symposium cast doubt on many of McGovern and Simpson’s assertions. They also force one to consider the ironic possibility that the most important cause of suspicion about the American civil justice system may not be the system itself but the frequency with which its detractors say that something is seriously wrong with it. As Ted Turner recently wrote, "If something’s not in the media, it’s not in the public mind." McGovern, Simpson, and others of their ilk may generate the fears and doubts they purport to lament by inundating the public with attacks on, and unsubstantiated claims about, the civil justice system. Why do doctors...
overestimate the risk of malpractice lawsuits by 300%? Why did members of the clergy buy insurance for counseling malpractice “before any plaintiff’s lawyer creatively drafted a complaint seeking damages for such injuries”? The tendency of opinion-makers to exaggerate dangers is a plausible explanation.

Are McGovern and Simpson’s factual claims true? Consider first their assertion that Americans are too quick to sue. In the context of medical malpractice, which McGovern and Simpson specifically invoke, they are wrong. It is well known that “only a tiny fraction of patients injured due to negligence file a claim,” as Michelle Mello and Troyen A. Brennan, professors at the Harvard School of Public Health, reiterate in their contribution to this Symposium. Nor is over-claiming a serious problem in tort contexts more generally. As even tort reform groups concede, “most victims of wrongful conduct do not sue.” It is a myth that Americans are exceptionally litigious. Herbert Kritzer reports that several countries, including prosperous ones like Germany, have more lawsuits per capita than the U.S.

McGovern and Simpson offer no empirical evidence showing that Americans are too quick to sue. Nor do they provide such support for most of their other factual assertions. The notable exception is their contention that liability-induced defensive medicine unnecessarily adds “$50 billion a year” to health care costs. They base this claim on “reputable studies,” but they do not provide citations. The omission is glaring. According to Mello and Brennan, most studies of defensive medicine have been inconclusive. A skeptic would reasonably want to know why the studies McGovern and Simpson rely on found a dramatic effect when other studies did not.

8. Mello & Brennan, supra note 6, at 1608.
11. McGovern & Simpson, supra note 1:
   A new poll suggests that doctors, instead of focusing on the best medical judgment, worry more about protecting themselves from potential lawsuits. Legal fear drives them to prescribe medicines and order tests, even invasive procedures, that they feel are unnecessary. Reputable studies estimate that this “defensive medicine” squanders $50 billion a year, enough to provide medical care to millions of uninsured Americans.
12. See Mello & Brennan, supra note 6, at 1610.
13. On inquiring further, we learned that the $50 billion figure comes from an article by Daniel Kessler and Mark McClellan, Do Doctors Practice Defensive Medicine?, 111 Q.J. Econ. 353 (1996). E-mail from Common Good Research Staff to Charles Silver (Apr. 30, 2002) (on file with the authors). On reading the article, however, we learned that the number is not a finding but is
Introduction

There is empirical support for McGovern and Simpson's claim that Americans hold the civil justice system in low regard. For example, in 2001 an American Bar Association (ABA) survey asked respondents about their "confidence" in various professionals. Lawyers ranked just ahead of the bottom-dwelling news media and well behind the top-ranked medical profession. In 2002, the Columbia Law School released the results of a nationwide opinion poll showing that only thirty-one percent of the public views lawyers as "especially honest" or "somewhat honest." More respondents—thirty-nine percent—rated lawyers "especially dishonest" or "somewhat dishonest." Public opinion often matches up poorly with the facts, however. Consider the common complaint, reflected in both the ABA and Columbia Law School surveys, that lawyers are more dishonest and greedier than other professionals. Sociologist Susan P. Shapiro, a Senior Research Fellow at the American Bar Foundation, recently studied six professions: law, medicine, psychotherapy, accounting, journalism, and the academy. She found that law far outpaces the other five in "devoting resources to ferreting out and evaluating conflicts [of interest]" and in "being aware of potential conflicts on a day-to-day basis." While other fiduciaries "are strangling on their tangled loyalties, law firms may turn out to be the last fiduciary bastion where confidences are honored and uncompromising loyalty [to the client] fiercely defended. Shapiro also found that lawyers preserve their integrity by sacrificing income. The largest law firms she studied turned away "anywhere from a instead a result one might reach by generalizing from the hospital treatment of elderly cardiac care patients to health care as a whole:

Based on simulations using our effect estimates, we conclude that if reforms directly limiting malpractice liability had been applied throughout the United States during the 1984-1990 period, expenditures on cardiac disease would have been around $450 million per year lower for each of the first two years after adoption and close to $600 million per year lower for each of years three through five after adoption, compared with nonadoption of direct reforms.

If our results are generalizable to medical expenditures outside the hospital, to other illnesses, and to younger patients, then direct reforms could lead to expenditure reductions of well over $50 billion per year without serious adverse consequences for health outcomes.

Id. at 387-88 (emphasis added). Kessler and McClellan explicitly stated that further research would be necessary to determine whether their existing extrapolations were in fact generalizable in the way they suggested. Id. at 388 ("We hope to address the generalizability of our results more extensively in future research.").

17. Id.
third to more than half of all cases" for conflict-related reasons, while the same concerns led "somewhat smaller firms [to] decline hundreds of thousands to a few million dollars in fees each year."\textsuperscript{18} In addition to foregoing revenue by passing up lucrative representations, law firms of all sizes devoted substantial resources to identifying and controlling interest conflicts.\textsuperscript{19} Their reasons for doing so included "ethical scruples, reputational concerns, and the risk that conflicts could lead to malpractice charges or disciplinary proceedings."\textsuperscript{20}

Apparently, lawyers are more concerned about ethics and professional integrity, more willing to spend money and forgo income to ensure loyalty, and more capable of effective self-regulation than many other professionals. Given these findings, one must ask why the public's view of lawyers is so negative and why popular misperceptions have not been corrected.

Many forces contribute to the persistence of false opinions. Some are political or economic in nature. Many interest groups gain by bashing lawyers, by exaggerating litigation risks and costs, and by making it harder for persons with injuries to receive compensation. Organizations willing to mount pro-lawyer or pro-civil-justice campaigns have failed to counterbalance these groups.

Other forces, such as the media, may have no inherent ideological bias or economic interest but do operate under constraints that prevent them from learning the truth. Deadlines, unfamiliarity with legal and factual issues, and the cost of acquiring information make it difficult for reporters consistently to distinguish true claims about lawyers and the civil justice system from claims that are false or unfounded.

For understandable reasons, the media also covers exceptional events far more heavily than commonplace events. Airplanes that crash are newsworthy. Airplanes that land safely are not. Yet, the latter outnumber the former by far. Judging solely from media reports, one would overestimate the odds of dying in a plane crash considerably.

Media reports also convey distorted pictures of lawyers and civil justice processes. Trial lawyers get more attention—both good and bad—than lawyers who handle transactions, even though the latter are far more numerous. Large jury awards receive more coverage than small awards and defense verdicts, even though the latter are far more common.\textsuperscript{21} Empirical studies of civil justice outcomes show that for most lawyers and claimants,

\begin{itemize}
  \item \textsuperscript{18} Id. at 10.
  \item \textsuperscript{19} Id. at 8–9, 11.
  \item \textsuperscript{20} Id. at 8.
\end{itemize}
litigation is not a path to riches. Press reports of million-dollar jury verdicts give a markedly different impression. Because the public is repeatedly exposed to unrepresentative examples of legal activities, it too readily accepts negative claims about lawyers and civil justice processes that are untrue. For example, Tom and Ray Magliozzi, the hosts of National Public Radio's popular Car Talk show, told listeners about the "Stella Awards" for frivolous lawsuits, so named in honor of Stella Leibeck, the grandmother who sued McDonald's after spilling hot coffee in her lap. They read three stories from a larger Stella Awards list that is posted on their website. In the first, a mother who tripped and fell in a furniture store allegedly was awarded $780,000, even though she tripped over her own son. In the second, a woman allegedly collected $12,000 from a nightclub after falling from a window. The rub is that she was climbing through the window to avoid paying a cover charge. In the third, a man who suffered a hand injury while stealing his neighbor's hubcaps allegedly won $74,000. The injury occurred when the neighbor started up the car and, not knowing that the theft was in progress, ran over the man's hand. Neither the radio broadcast nor the posting on the Car Talk website expressed any doubt that the Stella Award stories are true.3

Yet, the Stella Award cases appear to be hoaxes. The website TruthOrFiction.com states that it "has checked court records and news archives for the cities mentioned [in the Stella Awards list], and has not found any documentation for any of these stories."24 Using two Westlaw databases, we investigated the story of the mother who tripped over her own child, which was said to have occurred in Austin, Texas, our hometown, and also found nothing.25 Apparently, the Magliozzis, who often make fun of lawyers with no apparent motive beyond entertaining their audience, were duped. Unfortunately, they also misled thousands of listeners by offering the stories as veridical accounts of actual lawsuits.26

With less benign motives, politicians and interest groups intentionally play on the public's credulity. Marc Galanter, whose contribution to this Symposium discusses efforts to develop antipathy for lawyers and litigation,
has identified many myths that political partisans have spread. Frank Cross, whose article surveys the literature on law and economic growth, has persuasively refuted the frequently heard claim that the large population of American lawyers is a drag on the economy. Stephen Daniels and Joanne Martin, who studied Texas trial lawyers, and Herbert Kritzer, who studied Wisconsin lawyers, have shown that contingent fee work is risky and not especially lucrative, even though contingent fee lawyers are often portrayed as being fabulously rich.

Even so, myths persist and interest groups use them to advantage. Jay Westbrook provides an example in his contribution to this Symposium. When seeking to reform the bankruptcy laws, the consumer credit industry asserted that many insolvent debtors could make substantial repayments if required to do so. The industry offered an empirical study in support of this claim. In fact, the study’s methodology was suspect and Westbrook’s own examination of consumer bankruptcies yielded a very different result. After he and others debunked the study, the industry had less ammunition to use when pressuring Congress to enact legislation.

It is especially important to demand solid evidence when anti-law opinions are expressed because public respect for law and support for law enforcement are critical to a nation’s economic well-being. As economists such as Nobel Laureate Douglass North have shown, prosperity depends partly on the existence of legal and governmental institutions that protect private property and individual freedoms, enforce contracts, combat crime, and afford easy access to courts. In the securities area, countries with better law enforcement and stronger legal rights for investors have deeper capital markets, more initial public offerings per capita, better banks, enhanced ability to withstand economic downturns, more accurate securities prices, greater liquidity, and lower equity costs. The contributions to this Symposium by Stephen Choi and Frank Cross canvass the empirical studies in which these findings were made.

Unfortunately, Americans are becoming more tolerant of unlawful behavior and less supportive of law enforcement. One result, not
Introduction

surprisingly, is more unlawful behavior. Consider tax evasion. In 1981, the estimated tax gap was $76 billion. It rose to $128 billion in 1992 and to $195 billion in 1998. The 1998 figure is nearly twice the revenue shortfall the federal government expects to experience in 2002. Even more ominous than the absolute number is the increasing rate of growth. From 1981 to 1992, the annual growth rate was six percent. From 1992 to 1998, it was nine percent.

While the tax gap was widening, tax enforcement was disappearing. Between 1992 and 2000, the number of tax returns increased thirteen percent but the staff of the Internal Revenue Service (IRS) contracted by seventeen percent. The audit rate plummeted from 1.68% in 1996 to 0.49% in 2000. Criminal prosecutions also waned. In 1999, the IRS allowed 668,000 known tax evaders to avoid paying a total of $2.5 billion—an average of about $3750 each—because it had too few resources to pursue them. Although the IRS has identified nearly 1 million chronic non-filers, it sent only 219 of them to jail in 2001.

The combination of increasing evasion and declining enforcement may have disastrous consequences. Scholars believe that tax evasion is contagious. When most people pay taxes voluntarily, a social norm of compliance emerges and a strong stigma attaches to tax evasion. The stigma encourages compliance, reducing the need for expensive law enforcement. But if significant non-compliance somehow takes root and begins to grow, the stigma weakens, evasion becomes more common, and the compliance norm is undermined. A "noncompliance epidemic" can erupt, quickly producing a situation in which very many people pay taxes only when forced.


39. Id.


In America, the stigma is weakening. The number of non-filers has steadily increased and is officially predicted to exceed 8.6 million by 2004.\textsuperscript{43} An unofficial source put the number far higher, at 10 million in 2000,\textsuperscript{44} and also estimated that "one of every three people, and perhaps as many as one of every two, engages in tax fraud."\textsuperscript{45} In 2001, a New York Times survey found that seventy-six percent of taxpayers regarded any cheating at all as unacceptable, down from eighty-seven percent in 1999.\textsuperscript{46} Eleven percent of respondents said it was all right to cheat "a little here and there." Five percent said people could cheat "as much as possible."\textsuperscript{47}

Attitudes matter, and in the U.S., anti-law attitudes are taking hold. These sentiments are spreading for many reasons, but a likely cause is the frequency with which powerful interests and prominent politicians tell citizens that law and lawyers are bad. The flood of rhetoric against juries, judges, claimants, attorneys, regulators, contingent fees, tort judgments, frivolous cases, medical malpractice lawsuits, class actions, bankruptcy laws, RICO, asbestos lawsuits, and other targets overwhelms the message that compliance with law and working legal institutions are empirical predicates for political stability and economic prosperity.

If more people knew the facts, the public might have greater respect for law and lawyers and for the important work lawyers do every day. This hope led us to create the Center on Lawyers, Civil Justice, and the Media at the University of Texas School of Law. A major goal of the Center is to get the facts about the civil justice system and lawyers before the public and to keep them there. Until now, no institute has assumed the task of gathering, digesting, and disseminating the results of empirical studies of lawyers and civil justice processes. These studies provide the most accurate picture of the legal system in operation, but laypersons rarely learn about them.

Citizens get information from media outlets, and the reporters who staff these operations consult empirical studies infrequently. There are many reasons for this. Empirical studies often appear in journals that reporters cannot easily obtain. Many studies employ sophisticated statistical or economic methodologies that exceed reporters' technical expertise. When faced with an imminent deadline, reporters are unlikely to seek out and critically read even a few of the empirical studies on a given topic. Myths about law and lawyers thrive in this environment. When few news stories about legal issues contain data, anecdotes dominate public discussion by default.

\textsuperscript{43} INTERNAL REVENUE SERVICE, NATIONAL OPERATIONS' ANNUAL REPORT: FISCAL YEAR 1999, at 49.
\textsuperscript{44} Drell, supra note 36.
\textsuperscript{45} Id.
\textsuperscript{46} As Audits Decline, Fewer Taxpayers Balk at a Bit of Cheating, N.Y. TIMES, Jan. 19, 2002, at A11.
\textsuperscript{47} Id.
Interest groups use studies more often, but for obvious reasons they do so selectively. For example, neither the column by McGovern and Simpson nor the Common Good website mentioned that many studies of defensive medicine have yielded inconclusive results. They offered the $50 billion number as an undisputed fact, even though it is an extrapolation, not a finding, and even though researchers using different methodologies reached different conclusions.

The Center will endeavor to elevate public discussions of lawyers and civil justice issues by providing the results of empirical studies in formats reporters and competing interest groups can readily use. The news will not always be good. Asbestos lawsuits pose real problems for the courts, as Deborah Hensler shows in her article in this issue. Environmental regulations and consumer protections entail real costs, even though, as Tom McGarity persuasively explains, we know far less about the costs and benefits of regulation than we should. But there is nothing inherently anti-law or anti-enforcement about findings that the civil justice system is less than perfect. Even when studies reveal areas in need of reform, it is important to emphasize that the object of reform is to make the American civil justice system a more efficient and effective means of enforcing legal obligations and protecting legal rights. One can be pro-law and pro-lawyer while also being pro-reform.

Empirical studies have great potential to make debates about lawyers and civil justice better informed and therefore less heated. Thus, all lawyers should welcome the Center’s efforts to gather and disseminate the facts. Of course, when one tackles subjects as controversial as discovery abuse, frivolous litigation, or class action settlements, one is likely to find lawyers on both sides of the debate. On any given issue at any given time, the Center’s emphasis on facts may lend support to some lawyers while rankling others. Although the Center cannot venture into the public debate without seeming to take sides at times, the hope is that its commitment to academic standards of rigor, honesty, and objectivity will instill long-term confidence and enduring respect from both sides of the aisle.

This Symposium and the conference that preceded it are the Center’s first major projects. The breadth of coverage is impressive. We have already mentioned the articles on medical malpractice liability, financial markets, economic development, civil justice costs, asbestos litigation, Texas trial lawyers, contingent fees, bankruptcy, and the costs of regulation. Other main contributions include Richard Abel’s survey of judges’ efforts to cabin tort

liability,

50 and Ted Eisenberg's study of the impact of demographic characteristics on jury awards. 51 To ensure quality and objectivity, each article is accompanied by a comment from a leading academic in the relevant field.

Neither the Center, nor the conference, nor this Symposium issue could have progressed from concept to reality without the help of generous sponsors. We received major gifts from the Roscoe Pound Institute; the Texas Bar Foundation; the Texas Medical Liability Trust; the Law Offices of Fred Misko, Jr.; Bendinger, Crockett, Peterson & Casey, P.C.; the Will E. Orgain Endowment; and the University of Texas School of Law. Law firms throughout Texas also made important financial contributions. 52 Co-sponsorship of the conference by the Texas Center for Legal Ethics and Professionalism was invaluable. These organizations and individuals supported our efforts without regard to the views the participants in this Symposium would express. Obviously, the views belong to the authors, not the sponsors, and should be attributed only to them.

We also are grateful to Chris Johns, Matt Frederick, Stephanie Dreyer, and the many other editors of the Texas Law Review who helped organize and raise funds for the conference, and who moved this Symposium issue forward with incredible speed. In view of the number of authors and the frequency with which they used non-traditional sources, the task of readying this issue for publication was unusually daunting. Yet, the editors set a short production schedule and stuck to it. The time between the conference and publication was a scant four months.

Finally, the Law School's professional staff was indispensable. Sylvia Sexton, the Center's Administrative Assistant, handled transportation, lodging, expenses, e-mails, and a host of other details associated with the conference. Allegra Young and Laura Castro dealt with publicity and media relations. Hollis Levy took care of catering. We cannot thank them enough.

50. Richard L. Abel, Judges Write the Darndest Things: Judicial Mystification of Limitations on Tort Liability, 80 Texas L. Rev. 1547 (2002).
52. These firms were: Baker Botts; Baron & Budd; Carrington, Coleman, Sloman & Blumenthal; Carrin Patman; Fulbright & Jaworski; Gardere, Wynne & Sewell; Graves, Dougherty, Hearon & Moody; Haynes & Boone; Jenkins & Gilchrist; Kelly, Hart & Hallman; Susman Godfrey; Vinson & Elkins; and Weil, Gotshal & Manges.