

An assessment of excessive tort costs in the Savannah MSA and Georgia and potential economic benefits of reform

A flawed civil justice system which generates exorbitant levels of damages or numbers of awards and which is unpredictable in its outcomes may result in negative impacts through the misallocation of society's scarce economic and human resources. Tort reform can lead to substantial economic benefits, and states which have implemented reforms have seen improved judicial efficiency and measurable advancement in economic performance.

All major industry groups are negatively affected, with the retail trade, business services, health services, and other services industries typically experiencing the greatest losses.

Losses due to Excessive Tort Litigation in the **State of Georgia**

Direct Costs	-\$10.1 billion each year
Gross Product	-\$15.6 billion each year
State Gov Revenue	-\$810.3 million each year
Local Gov Revenue	-\$674.1 million each year
Job Loss	-134,898 jobs
"Tort Tax"	-\$1,415 per person

Source: US Multi-Regional Impact Assessment System, The Perryman Group

Excessive tort litigation in the **Savannah MSA** results in:

-\$137.1 million in direct costs annually

-\$212.2 million in gross product annually

-\$134.3 million in personal income annually

-1,834 jobs

Excess costs result in a **"tort tax"** of -\$518 per person

Notes:

The economic effects of excessive tort costs take into consideration dynamic multiplier effects. The "tort tax" is defined as the per capita loss of gross product in the area. The Perryman Group quantified the 2023 aggregate excess costs associated with the current system, allocated this amount across states, and examined the resulting downstream effects. Costs were allocated to the **Savannah** Metropolitan Statistical Area (**Bryan, Chatham,** and **Effingham** counties) based on relative legal costs in the area and economic and demographic patterns. Tort reform can reduce or eliminate these costs. Thus, these results may also be viewed as a measure of the benefits of reasonable reform measures.



The Perryman Group is a focused team of analysts who know how to address any economic information task and present findings effectively. Our in-house professionals bring expertise in economics, finance, statistics, mathematics, real estate, valuation, systems analysis, engineering, technical communications, and marketing. Dr. Ray Perryman, President and CEO, has 40 years of experience in developing systems, analyzing complex problems, and communicating effectively.

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