

The Algorithmic Transformation of Law

A Strategic Advisory for Forensic Economics Practice

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Economics
John Ward

The claim

*“90% of lawyers reported productivity gains; a controlled trial cut review time
~30% — no loss of quality.”*

The margin moves: **production** → **judgment**.

Where the margin moves

- **Bargaining:** insurers anchor first
- **Cost & volume:** more tort, more complexity
- **Empirics:** purpose-built beats general chat
- **Profession:** new valuation & aggregation work

...and what it means day to day →

Day-to-day FE practice

- **Intake:** earlier, tighter ranges
- **Record review:** chase highlighting / citations
- **Modeling:** boilerplate, not causation
- **Presentation:** the floor rises; the edge fades
- **Pricing:** value, not hours

Defending the work

- **Hallucination:** verify every citation
- **Reproducibility:** transcripts · pinned versions · log
- **Disclosure:** proactive, in the methodology
- **Verification:** nothing unverified enters a report

The margin moves to judgment

Three things to do this month:

1. Pilot a **highlighting tool**: one engagement
2. Draft your **AI-use disclosure paragraph**
3. Scope **one new service line**

Sources

- Cooter, Marks & Mnookin, “Bargaining in the Shadow of the Law,” *J. Legal Stud.* 11 (1982).
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- Abramowicz (2024); Arbel (2025); Thompson, *Kyklos* (2024/25) — cost disease, legal thermostats, tort evolution.
- Nielsen et al. (2024), highlighting RCT; Chien & Kim (2025), legal-aid field study.
- Fagan (2025), firm reorganization; Wilf-Townsend (2026), aggregation and probabilistic/aggregate wrongs.
- Dahl et al., legal hallucination rates (via Arbel); *Mata v. Avianca*, 678 F. Supp. 3d 443 (S.D.N.Y. 2023); Anthropic Citations / RAG documentation.