

2013 - 2014
Court Reporting
Industry Outlook Report
EXECUTIVE SUMMARY

Presented by Ducker Worldwide



Created by Ducker Worldwide
Ducker.com



Sponsored by the National Court
Reporters Association
NCRA.org

Study Background

For generations, stenographic court reporters have been the silent witnesses responsible for creating an official record of the most important trials and moments of history. Trained to input a specialized shorthand into a stenotype machine, which can be instantly converted into English text thanks to advancements in technology, court reporters continue to be an integral component of the legal system. These professionals also serve a variety of fields outside courtrooms and depositions, providing speech-to-text solutions for broadcast, educational, business, medical, and community settings.

Before the development of this report, there was varying information about the current size of the court reporting industry, including how many people are court reporters and captioners, what future demand looks like, and in what areas there will be growth for those who make use of the stenographic method to convert speech to text. Thus, the National Court Reporters Association (NCRA), the largest national association representing court reporters, captioners, and legal videographers, commissioned an independently developed Industry Outlook Report.

Goal of Deliverable

NCRA has conceptualized the production of a comprehensive report that captures both the current “state of the profession” as well as a near-term outlook of supply and demand for stenographic court reporting services. The final result, presented in the following pages, is intended to provide data points grounded in research and facts that can be used by industry professionals, court reporting educational programs, and other stakeholders to support the NCRA membership and provide the foundation for marketing, advocacy, and many other business development initiatives.

NCRA began its development phase of this research in May 2013. Ducker Worldwide, a leading research firm with more than 50 years of experience, kicked off the project in October 2013, and fieldwork commenced over a period of four months. The resulting report was presented to NCRA in March 2014.

About Ducker Worldwide

Ducker Worldwide provides clients with the ability to achieve their performance goals and pursue growth opportunities through comprehensive market intelligence, critical thinking, and strategic market planning. A rare combination of in-depth research, thoughtful analysis, and strategic marketing activities has made Ducker Worldwide an indispensable strategic partner for its clients throughout the world.

The company prides itself on going deeper than simply offering clients access to data and farther than only creating organizational solutions based on experience. More than just research and consulting, Ducker Worldwide’s investigative approach and strategic processing yields a competitive advantage. Since 1961, Ducker Worldwide has enabled clients to navigate and prosper in a dynamic, global marketplace.

For more information about Ducker Worldwide, visit Ducker.com.

About the National Court Reporters Association

The National Court Reporters Association promotes excellence among those who capture and convert the spoken word to text and is committed to supporting every member in achieving the highest level of professional expertise. It’s membership includes stenographic court reporters, broadcast captioners, and CART (Communication Access Realtime Transition) captioners, students, teachers, legal videographers, scopists, and more.

NCRA is based in Vienna, Va., just outside of Washington, D.C., which is ideal for its active and effective government relations and advocacy initiatives. The association is the nation’s leading certification body for court reporters and offers several independently accredited certifications for stenographic court reporters, captioners, realtime-capable court reporters, legal videographers, and others.

For more information about NCRA, visit NCRA.org.

Study Objectives

The purpose of this study is to create an industry report for the National Court Reporters Association and its membership that captures both the current state of the profession as well as a near-term outlook of demand for stenographic court reporting services.

Develop market demand and segmentation

- Quantify current and projected demand
- Segment by region/state
- Determine how demand is measured
- Determine other factors that define market size
- Determine market segments for demand: courtroom, deposition services, broadcast and CART (Communication Access Realtime Translation) captioning
- Understand definitions for each
- Assumptions regarding specific segments
- Evaluate court reporter skill level required by segment from entry level up to realtime
- Identify any unmet needs or concerns regarding court reporters as indicated by industry participants

Develop and profile market supply

- Quantify current and projected supply
- Segment by the number of court reporters that are freelance, court-employed, or other employment (define)
- Estimate levels of new graduates, attrition projection-retirement, and migration
- Evaluate the skill levels of court reporters
- Determine whether supply of court reporters is matched up to the demand by location and by skill level

Develop forecast model via demand and supply analysis

- Determine market drivers and growth expectations
- Forecast levels of litigation
- Evaluate impact of the Americans with Disabilities Act (ADA) and other legislation
- Evaluate the insurance industry's influence on litigation expenses and the selection of court reporters
- Determine courtroom acceptance of digital audio/visual recording (DAR) technology and speech recognition methods
- Evaluate new market opportunities, especially for realtime in various venues, including medical settings, seminars, conferences, and churches

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Research Methodology

The methodology consists of 120 primary research interviews with industry constituents, and all study findings are based on the analysis of these direct inputs gathered from the field. Exhibit 1 details interviews conducted by respondent category:

EXHIBIT 1 - Interviews conducted

Respondent type	Percent of respondents
Court reporter certification boards	20%
Agencies	19%
State associations	18%
Schools	13%
Law firms	10%
Industry-related associations	9%
Courts	6%
Manufacturers	2%
Captioning firms	2%
Others	1%
TOTAL	100%

The use of secondary data is also necessary in order to triangulate and develop an accurate market assessment. This includes published figures and reports, such as census data, crime statistics, and relevant existing NCRA data. Ducker has successfully used this research methodology for more than 40 years. Exhibit 2 illustrates the multi-faceted approach used in quantifying and forecasting market activity.

EXHIBIT 2 - Synthesis of market inputs and data



Ducker Worldwide's multi-faceted approach is utilized to create a proprietary model using:

- Raw data,
- Industry insight, and
- Internal analysis techniques.

This method yields a current and forecasted view of market demand and supply for court reporters.

Summary Study Findings

Supply of court reporters is currently balanced with overall demand in the United States.

There are approximately 32,000 stenographic court reporters working as court reporters in the United States. That number is balanced with overall demand although there are some limited regional shortages and surpluses across the country.

However, demand for court reporters will exceed supply within five years.

Increased legal activity and new opportunities will drive demand despite the steady transition of some courts to digital recording. Decreased enrollment and graduation rates for court reporters, combined with significant retirement rates, will create by 2018 a critical shortfall projected to represent nearly 5,500 court reporting positions.

The opportunity for new stenographic court reporters is substantial over the next five years and beyond.

The established, coming shortage of stenographic court reporters presents a one-time, substantial opportunity for those seeking a lucrative career with a secure future. Already, court reporting schools are quickly able to connect their graduates with jobs, a trend that will strengthen as the shortage takes hold over the coming years.

When market forces are in play, such as in the deposition side of the business, stenographic court reporters remain the overwhelming choice of attorneys, judges, and others making a day-to-day judgment of the best method for capturing the spoken word and converting it to text. As such, when the aforementioned shortage begins to manifest itself, the opportunity for those entering the court reporting profession will present corresponding employment opportunity.

The market that most court reporters serve is changing. The courts and law firms are in a period of notable transition.

Continued cost pressures on both the courts and law firms are forcing them to change their business models. More than 45 states accept the practice of digital recording in the courtroom in

an attempt to demonstrate cost cutting.

The law firms are facing their own pressures, and billable hours have only increased slightly since 2008. Clients have demanded more accountability, and law firms have been slow to respond. However, as they do, they will begin to evaluate all the cost components, including stenographic services.

New technologies will continue to impact all aspects of court reporting.

New technologies have been developed to assist the court reporter in producing an accurate record with better equipment and better software. At the same time, competing technologies such as digital recording and even voice recognition are making headway. Increased emphasis on improving digital recording procedures and voice recognition software accuracy will occur when forecasted shortage of court reporters takes hold.

New opportunities will help increase demand.

Captioning, both on-site and remote, is a relatively small percentage of stenographic court reporting demand, yet captioners are bringing a heightened and updated view to the profession. There are currently fewer than 1,000 stenographic court reporters dedicated exclusively to captioning. The FCC adopted new rules in early 2014 to improve the quality of broadcast captioning after widespread frustration among the viewing public with the inconsistencies in captioning quality. In addition, continued pressure by advocacy groups will bring increased CART captioning demand to churches, medical facilities, and other arenas. Research reveals that the rate of growth for captioners, specifically CART captioners, will outpace the percentage-rate growth for court reporters through 2018. As such, this represents a growth area generally for court reporters and captioners.

The stenographic court reporting profession must act quickly to maximize opportunities and prove its long-term viability to the markets it serves.

Court reporting schools must highlight opportunities in the profession in an attempt to attract additional applicants to court reporting programs. Existing court reporters have an opportunity to demonstrate that they understand changes in the marketplace and embrace technologies to bring value-added offerings to their clients and end users.

Supply

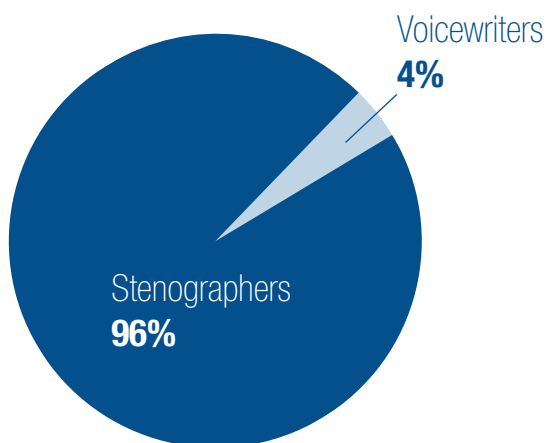
What is the 2013 supply situation?

Currently in the United States, there appears to be a balanced supply of court reporters meeting the demand and needs of courtrooms, judges, and litigators. The majority are stenographic court reporters as opposed to voicewriters who use a mask method to record the proceedings.

States that mandate certification for court reporting are better able to track the number of working court reporters. State certification boards track the number of certifications awarded each year as well as those who are employed as officials or freelancers.

Many state certification boards report a continued decline in the number of court reporter applicants year over year. In fact, some states have observed as high as an 85 percent decrease in applications of certified court reporters over the past five years. Although the certification pass rates have remained steady (the national average pass rate is 20 percent to 30 percent of applicants), the closure of court reporting educational programs and the resulting decline in applicants have greatly impacted the number of court reporter certifications granted each year. This dynamic will significantly impact supply moving forward. What appears to be a healthy supply today could be a very different picture in the near future.

EXHIBIT 3 - Court reporters vs. voicewriters



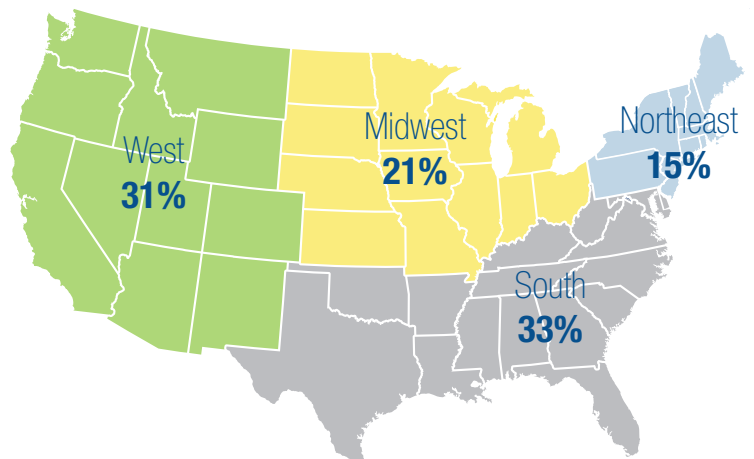
2013 estimated number of court reporters

Today, there are approximately 32,000 stenographic court reporters working in the United States. Four states represent nearly half of all court reporters: California, Texas, New York, and Illinois. Twenty-one percent of all court reporters work in California. Each of the four regions in the exhibit below includes one of the top four states.

Half of court reporters work in four states:

- California
- Texas
- New York
- Illinois

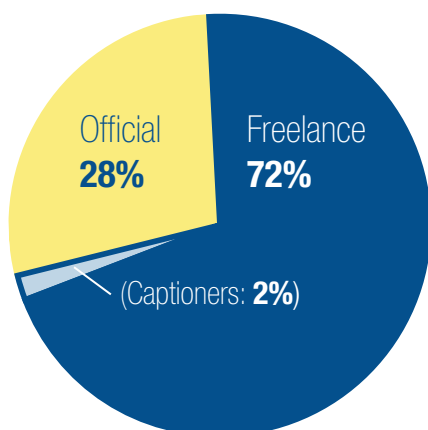
EXHIBIT 4 - 2013 estimated court reporters - by regional segmentation



Court reporter segmentation

There are generally two employment segments for a stenographic court reporter: freelance or official. Freelance reporters account for 72 percent of the market and include those who work as independent contractors and for court reporting agencies. Freelance reporters primarily take depositions and examinations under oath. Official reporters account for the remaining 28 percent of supply in the United States and are employed by the court systems. Currently, court reporters who work primarily as captioners account for fewer than 1,000 of the total court reporter market, or approximately 2 percent of the freelance market.

EXHIBIT 5 - 2013 estimated court reporter segmentation - freelance vs. official



On the official side of the market, stenographic court reporters are still prevalent in many courts throughout the United States. Some court systems have pursued digital recording as a means of making the record, particularly for routine legal proceedings such as traffic and family court. In some cases, courts opt for digital audio recording for the perceived cost savings and when there is difficulty securing stenographic court reporters. If supply is constrained in the future, courts increasingly will be forced to look to alternative methods of making the official record.

Prevalence of digital audio recording

Digital audio/visual recording methods are prevalent in pockets of courts throughout the United States. In fact, there are some states that are using the process almost exclusively and make little or no use of stenographic court reporters. In most cases, courts convert to digital recording to assist with budget constraints. When properly executed, which includes a trained courtroom monitor, digital recording is perceived by some to be an effective method for taking official records in court proceedings; however, there have been numerous examples in recent history of legal proceedings being negatively impacted by incomplete or missing recordings.

Penetration of digital recording

States with high levels of digital recording:

- Alaska
- Florida
- Kentucky
- Michigan
- Oregon
- Utah

States with low levels of digital recording:

- California
- New York
- Texas

More than 45 states use some form of digital recording, even if it is just for routine legal proceedings in settings like traffic and family court.

Education and enrollment rates

Court reporting schools across the United States have reported a continual decrease in enrollment over the last two decades. Many program administrators indicate there are several perception issues affecting enrollment rates:

- Not top-of-mind, relatively unknown
- Preference/push toward four-year degrees
- Competition for education dollars

Lack of awareness about stenographic court reporting has contributed to a decline in enrollment in court reporting schools across the nation. Court reporting school directors report that in order for enrollment rates to increase, awareness levels must be elevated among potential students and their key influencers, namely parents and school counselors.

In recent years, high school counselors generally favor traditional four-year colleges and universities over vocational or two-year programs, including court reporting. Furthermore, court reporting program directors indicate that competition for educational dollars is also directly impacting enrollment. Often, many majors/programs are competing for the same pool of financial resources, and collegiate administrators are inclined to distribute more funding to the concentrations that are likely to have higher placement rates and projected future earnings.

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Court reporting school enrollment and graduation

Approximately 2,500 students are currently enrolled in court reporting programs across the country. Depending on location and a variety of other factors, administrators anticipate incoming classes ranging in size from 17 students to 70 students (the average enrollment class size is 30 students).

Incoming classes have shrunk, and court reporting school remains a challenging program. Most programs have an educational element, during which students learn stenographic theory as well as legal procedures and best practices, but there is also a challenging skill to acquire in the finger strokes it takes to write on a steno machine.

Court reporting is a profession that requires frequent and continuous practice to maintain a level of competency demanded in the marketplace (often measured in accuracy and words per minute). Some students drop out before they reach the skill set required to become a freelance or official court reporter.

Court reporter certification provides immediate verification of competency

Roughly half of states within the U.S. require individuals to pass qualification exams before operating as stenographic court reporters. Even in those states where state certification is not required, the National Court Reporters Association offers the nationally recognized Registered Professional Reporter (RPR) exam.

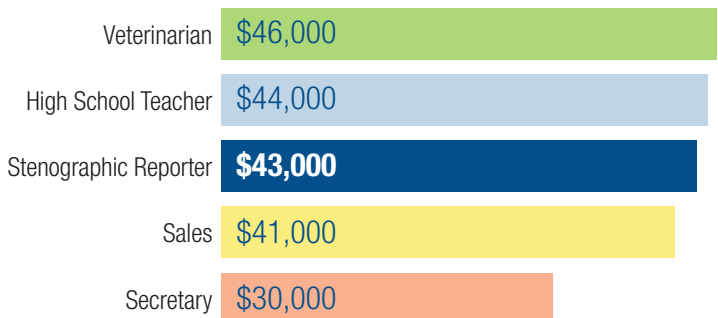
While achieving the standards of state and/or national certification is a formidable challenge, at both the state and national level candidates have multiple opportunities each year to sit for qualifying exams. Such qualification provides entry-level reporters with a clear, real-world understanding of the minimum requirements of the demands of the profession. Passing such qualification exams are a clear indicator to employers that court reporters are qualified to work.

Court reporter income

What a court reporter can earn depends largely on the segment in which he/she works and the area of the country in which he/she lives. Data from NCRA indicates that reporters holding the Registered Professional Reporter (RPR) certification earn, on average, 20 percent more annually than those who do not hold this designation.

Average salaries for court reporters are reported by a number of sources. Though the range can vary, data indicates a reporters's average salary is competitive with other professions requiring four-year degrees.

EXHIBIT 6 - 2013 average salary comparison



Source: Indeed.com

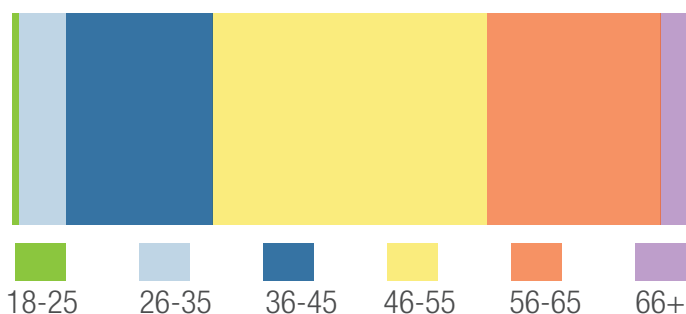
Furthermore, investigation reveals that average salaries for other professions have dropped since July 2012, but the stenographic court reporter earnings, on average, have increased in the same span of time.

Age demographics

According to the Bureau of Labor Statistics, the median age of a working individual for all occupations combined is 42 years old. However, the median age of an individual in the court reporting industry is 51 years old. Seventy percent of the court reporter population is 46 years or older.

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EXHIBIT 7 - 2013 estimated court reporter age distribution



About 70 percent of existing court reporters will retire in the next 20 years.

Future industry situation – 2018 supply

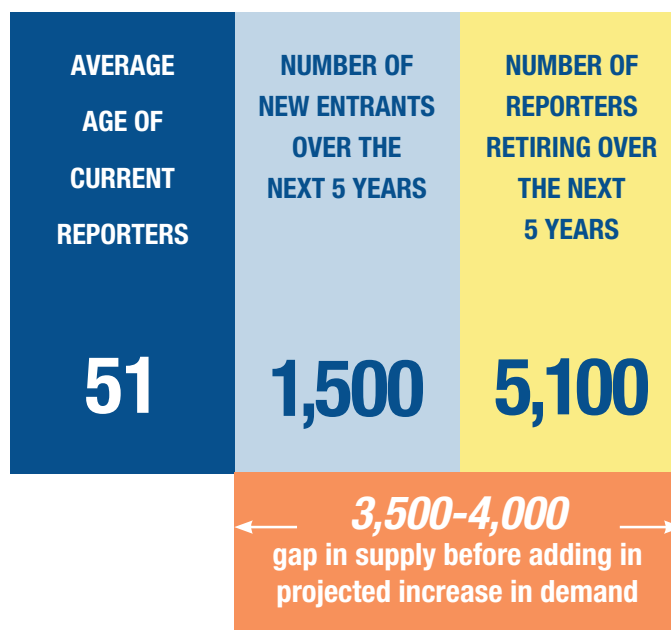
Court reporting professionals share a valid concern about the supply of court reporters over the next five years. Taking into account that court reporters tend to stay in the workforce longer than the average, Ducker still predicts that approximately 5,000 to 5,500 reporters will retire over the next five years.

Furthermore, with a declining number of new court reporters each year due to fewer potential court reporters entering and successfully graduating from court reporting programs, Ducker predicts over the next five years, there will be approximately 1,400 to 1,500 new reporters entering into the industry.

The difference between individuals entering the profession and those exiting results in a gap of 3,500 to 4,000 court reporters. Based on current trends, in 2018, the supply of reporters will drop to 27,700.

The number of new entrants to the profession does not keep pace with pending retirements. The projected supply gap is 3,500 to 4,000 court reporters.

EXHIBIT 8 - 2018 court reporter forecast



Supply in 2018 = 27,700
Demand in 2018 = 33,200
Difference = 5,500 opportunities

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Demand

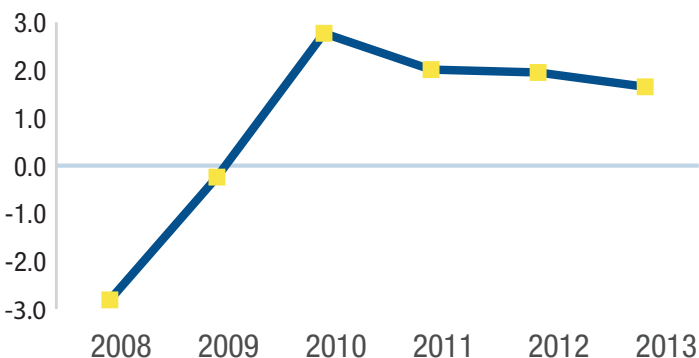
Demand influencers

Demand for stenographic court reporters is dependent on the amount of legal activity. Legal activity can be defined as all of the related factors driving depositions, examinations under oath, trials, appeals, tort trends, malpractice legislation, crime, general economic conditions, and anything else that would impact the need for a court reporter.

One major and measurable indicator of legal activity is gross domestic product (GDP). When the economy is down, there is more cost pressure on law firms and their clients, especially insurance companies. Cost pressure is extended to all aspects of a trial or settlement. Since insurance companies drive significant levels of demand for freelance court reporting services, the result is that when they have less money to spend in legal battles, it can mean fewer depositions and fewer transcripts ordered. Overall, GDP has increased over the past five years and is forecasted to continue to grow. Based on past trends and in-depth research of the industry, it's reasonable to expect GDP growth to positively impact the need for reporters.

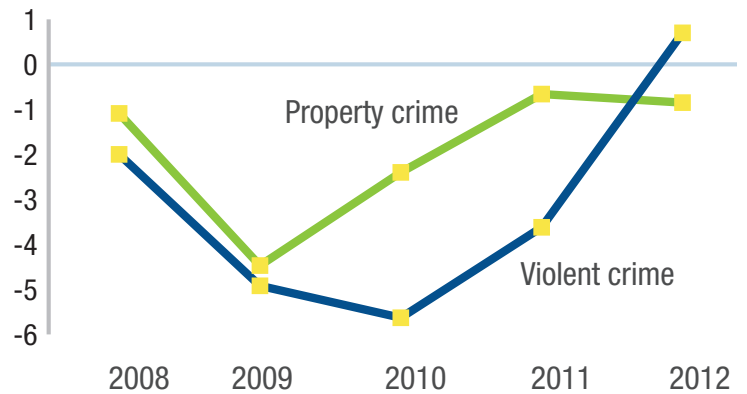
Insurance companies are a major factor impacting legal activity and demand for court reporters.

EXHIBIT 9 - U.S. real GDP growth rate



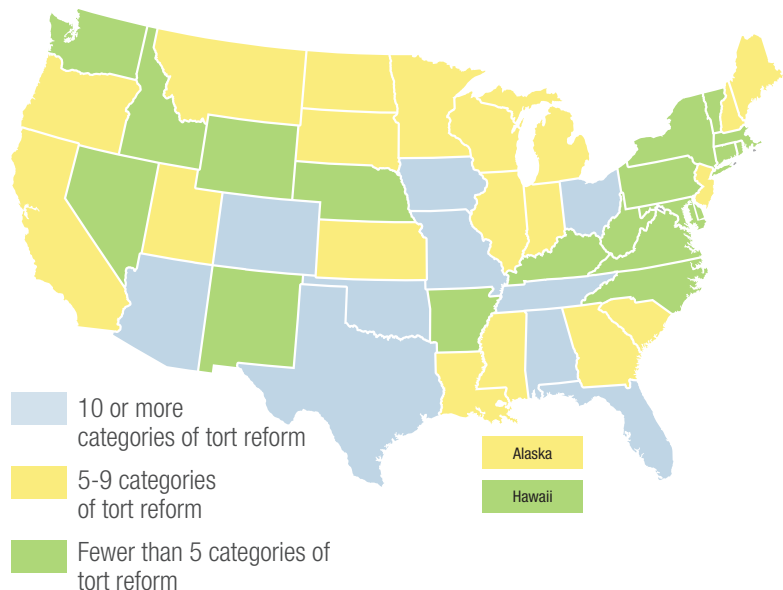
In addition to GDP, the level of crime, as measured by crime statistics, is another factor that influences demand, particularly in the courtroom. Criminal trials do not increase freelance stenographic reporter activity, but criminal trials do increase the demand for reporters who work within the courts.

EXHIBIT 10 - U.S. crime rate trend



Tort reform—the pursuit of proposals that would change rules in the justice system that would, among a myriad of other things, place limits on the ability to file claims and perhaps limit the resulting damages awarded—also has the ability to affect the demand for court reporters' services. Tort reform legislation causes a drop in demand when instituted. States that already have implemented tort reform are considered to have a culture of tort reform and therefore have a higher likelihood of passing more tort reform. Therefore, demand for reporters in those states is adjusted slightly downward.

EXHIBIT 11 - 2013 tort reform penetration by state



Finally, factors such as the level of penetration of digital recording and voicewriting in the court systems and freelance environments will ultimately have a negative impact on demand for court reporters in the future.

2013 estimated demand for court reporters

The 2013 demand for court reporters in the United States is 32,000. Court reporter demand is currently balanced with supply. Despite digital recording gaining a foothold in some court systems, there currently appears to be enough litigation and deposition work in the freelance market to support reporters who may have been displaced from the courtroom.

There are approximately 9,000 reporters in the role of official in the courts, representing roughly 28 percent of the total stenographic reporter population, though shifts to the freelance market will be evident in the future with the continued penetration of digital recording in the courts.

In 2013, demand and supply are balanced.

On a limited basis, some court systems have difficulty filling vacancies for reporters in the courtroom. Oftentimes this is a result of the court being located in a rural region and/or somewhere considered a less desirable place to live. Limited earning potential, especially in comparison to the freelance market, can also result in unmet demand in the official setting.

Official court reporter demand

In states where digital recording is prohibited, there are more official reporters. In these states, official reporters are required by law to take accurate and timely records of court proceedings. Accurate records are needed for appeals as well, and in states where digital recording is prohibited, officials are in higher demand. States currently limiting digital recording include California, Texas, and New York.

Some states have addressed budget constraints by allowing digital recording in the courts and eliminating the need for officials in certain types of cases. Others have pursued a hybrid official/freelancer approach to cut costs. For example, various courts in California have terminated contracts/positions of officials and then hired them back through the freelance market on an as-needed basis. This trend is likely to continue.

There are states that have entirely switched from using stenographic court reporters to digital recording. Alaska, for example, has always had difficulty attracting and retaining reporters due to its rural location, and incorporated the use of recording equipment some time ago. Kentucky and Utah are

other examples of states that have fully implemented digital recording in the courts.

Demand in the courts is driven by the types of cases, trials, and other official events in states that require an official reporter. Jury trials will require some type of recording, whether by a stenographic court reporter, voicewriter, or digital recording. Court matters like traffic violations and family law usually will not require a court reporter to be present, though digital recording may be present. States with higher crime rates will have more trials that require court reporters, and this will also likely influence the demand for that state.

Digital recording threatens demand for some official court reporters.

Freelance court reporter demand

Freelance reporters represent approximately 72 percent of court reporters. Freelance reporters typically are independent contractors associated with one or more court reporting agencies. Typically, agencies are owned by seasoned court reporters, many of whom continue to work in the field as court reporters while running the business.

The biggest demand for freelance court reporters is legal depositions. All indications suggest that litigation firms, the primary users of freelance reporters, perceive that an adequate supply of freelance reporters exists.

Further, litigation firms do not anticipate a pending decline in demand for court reporters. While the demand for legal services declined during the recent recession, activity has been steadily increasing since then.

There has been some movement in the marketplace toward a consistent use of realtime translation during depositions and the use of realtime reporters during trials, but overall, many attorneys seem content with using traditional reporters to handle depositions. The litigation industry, similar to others, tends to use procedures and processes that are more familiar and well established. This tendency also slows the rate of embracing and adopting new technologies.

Nearly three-quarters of freelance reporters' work is for cases involving insurance companies—i.e., medical malpractice, personal injury, or property damage. Insurance company

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activity therefore heavily influences the freelance court reporting industry. When economic activity declines, insurance companies elect to spend less on defending claims by settling cases out of court, thus decreasing the amount of activity for freelance court reporters.

Demand for freelance court reporters is increasing.

Detectable use of digital recording in depositions is quite limited at this point, but in some states, penetration has begun. In Florida, most courts have moved to digital recording and attorneys are frequently exposed to the technology. However, when digital recording is used in depositions in Florida, both parties must be in agreement to forgo a stenographic reporter.

The insurance industry creates about 75 percent of freelance court reporter demand.

CART captioning/broadcast captioning demand

Outside of the legal industry, the demand for stenographic court reporters in CART (Communication Access Realtime Translation) captioning and broadcast captioning provides additional opportunities for skilled reporters. The current pool of reporters who are able to perform CART captioning or broadcast captioning is relatively small, as it requires among the highest skills in stenography.

The ability to transcribe the spoken word very quickly has led to a wide range of opportunities in the fields of broadcast captioning and CART captioning. Both offer the opportunity to transcribe the spoken word in different settings, whether it's a sporting event, religious or civic service, news broadcast, or other form of entertainment. With more than 48 million Americans experiencing hearing loss in at least one ear, the need for broadcast and CART captioning has expanded greatly in recent years.

Current demand outside of broadcasting is limited primarily due to a low level of awareness for CART captioning beyond its current, well-established use. Furthermore, current supply is limited due to the skill set. Increased awareness and more reporters entering the CART captioning space will likely drive increased demand. Captioners have, however, provided real-time text to support the media in high-profile trials, corporate board meetings, and medical settings.

The Federal Communications Commission (FCC), which regulates interstate and international communications by radio, television, wire, satellite, and cable, adopted new rules in early 2014 to improve the quality of television captioning after widespread frustration among the viewing public with the inconsistencies in captioning quality. Demand for trained broadcast captioners could continue to grow in an environment of revising and improving captioning quality.

As the population continues to age and, with it, the incidence of hearing loss increases, demand for CART captioning in various public settings will likely continue to grow. In addition, continued pressure by the ADA and other groups will bring increased captioning demand to churches, medical facilities, and other arenas.

As the population ages, additional demand for captioning is likely to appear in community venues, medical settings, and in other arenas.

Future industry situation – Demand outpaces supply by 2018

Ducker forecasts that demand for court reporting services will outpace the supply of stenographic court reporters by approximately 5,500 overall by 2018. Without moves to address the supply issue of stenographic court reporters, the potential opportunity in the future could be seized by alternative technologies such as digital recording.

Exhibit 12 shows states with the biggest gaps in supply. This initial analysis of supply and demand does not consider the potential impact of yet to be identified cases of digital recording or voicewriting penetration. The gap in supply also can be considered the volume of positions or "opportunity" to fill for 2018.

Forecasted Potential Outcomes

A significant gap exists between forecasted supply and demand in 2018. The gap between supply in 2018 of 27,700 court reporters and demand in 2018 of 33,200 court reporters is 5,500 positions. It is vital for the gap in supply to be addressed in a timely manner.

The gap in supply and demand will require some type of reconciliation, and if the number of stenographic court re-

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porters entering the workforce each year is not accelerated, alternative methods will consume the gap. It generally takes less time for a person to train to be a courtroom monitor or a voicewriter than it does to complete a stenographic court reporting program. Thus, alternative options come to market more quickly and this dynamic exposes stenographic court reporting positions to the potential of being replaced by alternatives, even if the marketplace's strong preference is for stenographic court reporters.

EXHIBIT 12 - 2018 opportunity forecast

STATE	2018(F) supply	2018(F) demand	2018 opportunity
CALIFORNIA	6,110	8,430	2,320
TEXAS	2,270	2,680	410
ILLINOIS	1,730	1,990	260
NEW YORK	1,590	1,850	260
NORTH CAROLINA	750	940	190
MISSOURI	710	870	160
MICHIGAN	540	700	160
WASHINGTON	510	660	150
WISCONSIN	430	580	150
TENNESSEE	470	600	130
ARIZONA	380	500	120
NEVADA	260	380	120
MINNESOTA	440	550	110
GEORGIA	630	730	100
INDIANA	400	500	100

Inability to meet demand

Exhibit 12 demonstrates the magnitude of the gap in future supply and demand if there is no change in the supply of court reporters. This would likely cause a direct increase in demand for digital recording and other alternative technologies. Ducker models indicate that this inability to meet demand coupled with penetration of digital recording to “fill the gaps” would forfeit additional jobs.

Regional considerations for 2018

As detailed in the next section of state-by-state analysis, the states projected to have the highest demand in 2018 are, in order: California, Texas, Illinois, New York, Pennsylvania, North Carolina, Missouri, and New Jersey. All other states have no more than 2 percent of the total national demand.

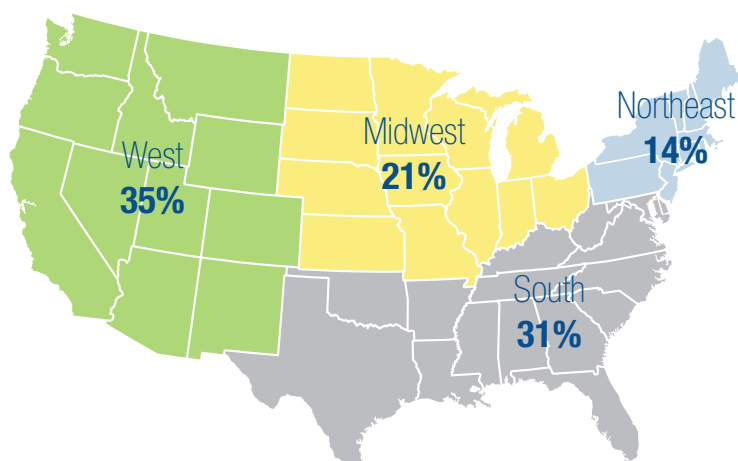
EXHIBIT 13 - States with highest demand 2018(F)



*No 'other' state has more than 2% of total national demand

The Ducker five-year outlook projects that supply and demand broken out by region of the country may result in some gaps by 2018. For example, the model predicts that 31 percent of stenographic court reporters will live in the western region of the United States in 2018, and yet this region will account for 35 percent of total demand. Similarly, 33 percent of reporters may reside in the South in 2018, but only 31 percent of the total market demand will be generated in this region. With this regional forecast, new and existing stenographic court reporters may seek work in regions or states with higher levels of unmet demand.

EXHIBIT 14 - Percent of court reporter demand – 2018(F) by region

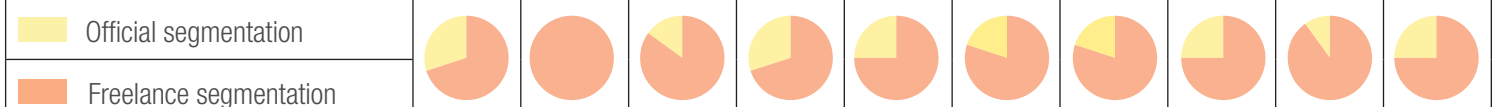


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STATE PROJECTIONS TERMINOLOGY

Certification required?	Certification requirement: YES or NO
Digital recording penetration	Evaluates current, relative penetration of digital recording: HIGH MEDIUM LOW
Voicewriting acceptance	Evaluates current, relative penetration of voicewriting: HIGH MEDIUM LOW
2013 supply of stenographers	Estimated number of stenographers in 2013
Official segmentation	Estimated number of stenographers working in the courts
Freelance segmentation	Estimated number of stenographers working in the freelance segment
2018(F) supply of stenographers	Forecasted number of stenographers in 2018: considers retirement, enrollment, and new entrants
2018(F) demand of stenographers	Forecasted demand of stenographers after estimated penetration of digital recording and voicewriting.
Stenographer forecasted opportunity	The gap between 2018(F) supply and 2018(F) demand prior to any disruptive technologies penetration. This could be viewed as potential employment opportunities for stenographers.

STATE ABBREVIATIONS	Connecticut	CT	Kansas	KS	Missouri	MO	North Dakota	ND	Texas	TX	
	Delaware	DE	Kentucky	KY	Montana	MT	Ohio	OH	Utah	UT	
	Florida	FL	Louisiana	LA	Nebraska	NE	Oklahoma	OK	Vermont	VT	
Alabama	AL	Georgia	GA	Maine	ME	Nevada	NV	Oregon	OR	Virginia	VA
Alaska	AK	Hawaii	HI	Maryland	MD	New Hampshire	NH	Pennsylvania	PA	Washington	WA
Arizona	AZ	Idaho	ID	Massachusetts	MA	New Jersey	NJ	Rhode Island	RI	West Virginia	WV
Arkansas	AR	Illinois	IL	Michigan	MI	New Mexico	NM	South Carolina	SC	Wisconsin	WI
California	CA	Indiana	IN	Minnesota	MN	New York	NY	South Dakota	SD	Wyoming	WY
Colorado	CO	Iowa	IA	Mississippi	MS	North Carolina	NC	Tennessee	TN		

STATE PROJECTIONS	AL	AK	AZ	AR	CA	CO	CT	DE	FL	GA
Certification required?	YES	NO	YES	YES	YES	YES	YES	NO	NO	YES
Digital recording penetration	MED	HIGH	MED	MED	LOW	MED	MED	MED	HIGH	MED
Voicewriting acceptance	MED	LOW	MED	MED	LOW	LOW	MED	LOW	MED	HIGH
2013 supply of stenographers	425	25	440	390	7,130	330	270	50	1,000	720
										
2018(F) supply of stenographers	380	25	380	350	6,110	300	240	60	915	630
2018(F) demand of stenographers	470	25	500	360	8,430	350	280	50	910	730
Stenographer forecasted opportunity	90	0	120	10	2,320	50	40	SURPLUS	SURPLUS	100

Note: All figures are estimated based on Ducker's extensive research and proprietary court reporting supply and demand model. Projections are based on a model using raw data, industry insight, and internal analysis techniques. This method yields a current and forecasted view of market demand and supply for the stenographic court reporting industry. Figures have been validated and confirmed whenever possible; additional information can be provided to researchers for future iterations of the report at anm@ducker.com.

EXECUTIVE SUMMARY

STATE PROJECTIONS	HI	ID	IL	IN	IA	KS	KY	LA	ME	MD
Certification required?	YES	YES	YES	NO	YES	YES	NO	YES	NO	NO
Digital recording penetration	MED	MED	MED	MED	MED	MED	HIGH	MED	MED	MED
Voicewriting acceptance	LOW	LOW	LOW	LOW	LOW	MED	MED	MED	LOW	MED
2013 supply of stenographers	90	100	2,070	450	380	340	390	860	80	450
Official segmentation										
Freelance segmentation										
2018(F) supply of stenographers	80	90	1,730	400	350	300	330	750	80	390
2018(F) demand of stenographers	80	100	1,990	500	400	360	320	700	80	440
Stenographer forecasted opportunity	< 5	10	260	100	50	60	SURPLUS	SURPLUS	< 5	50

STATE PROJECTIONS	MA	MI	MN	MS	MO	MT	NE	NV	NH	NJ
Certification required?	NO	YES	NO	YES	YES	NO	NO	YES	YES	YES
Digital recording penetration	MED	HIGH	MED	MED	MED	MED	MED	MED	MED	MED
Voicewriting acceptance	MED	HIGH	LOW	MED	MED	MED	LOW	MED	MED	LOW
2013 supply of stenographers	450	650	500	300	830	60	110	300	80	910
Official segmentation										
Freelance segmentation										
2018(F) supply of stenographers	370	540	440	260	710	60	110	260	80	800
2018(F) demand of stenographers	410	700	550	260	870	70	120	380	60	810
Stenographer forecasted opportunity	40	160	110	< 5	160	10	10	120	SURPLUS	10

Note: All figures are estimated based on Ducker's extensive research and proprietary court reporting supply and demand model. Projections are based on a model using raw data, industry insight, and internal analysis techniques. This method yields a current and forecasted view of market demand and supply for the stenographic court reporting industry. Figures have been validated and confirmed whenever possible; additional information can be provided to researchers for future iterations of the report at anm@ducker.com.

Court Reporting Industry Outlook Report

STATE PROJECTIONS	NM	NY	NC	ND	OH	OK	OR	PA	RI	SC
Certification required?	YES	NO	NO	NO	NO	YES	NO	NO	NO	YES
Digital recording penetration	MED	LOW	MED	MED	MED	MED	HIGH	MED	MED	MED
Vocewriting acceptance	LOW	LOW	MED	LOW	LOW	LOW	LOW	MED	LOW	HIGH
2013 supply of stenographers	190	1,770	870	50	830	350	360	1,050	70	350
Official segmentation										
Freelance segmentation										
2018(F) supply of stenographers	170	1,590	750	50	770	310	310	940	60	320
2018(F) demand of stenographers	190	1,850	940	70	780	390	400	980	65	330
Stenographer forecasted opportunity	20	260	190	20	10	80	90	40	< 5	10

STATE PROJECTIONS	SD	TN	TX	UT	VT	VA	WA	WV	WI	WY
Certification required?	NO	YES	YES	YES	NO	NO	YES	YES	NO	NO
Digital recording penetration	MED	MED	LOW	HIGH	MED	MED	MED	MED	MED	MED
Vocewriting acceptance	LOW	MED	LOW	LOW	LOW	MED	MED	MED	MED	LOW
2013 supply of stenographers	80	550	2,460	160	50	800	590	170	480	40
Official segmentation										
Freelance segmentation										
2018(F) supply of stenographers	70	470	2,270	140	50	680	510	150	430	50
2018(F) demand of stenographers	120	600	2,680	190	40	740	660	220	580	40
Stenographer forecasted opportunity	50	130	410	50	SURPLUS	60	150	70	150	SURPLUS

Note: All figures are estimated based on Ducker's extensive research and proprietary court reporting supply and demand model. Projections are based on a model using raw data, industry insight, and internal analysis techniques. This method yields a current and forecasted view of market demand and supply for the stenographic court reporting industry. Figures have been validated and confirmed whenever possible; additional information can be provided to researchers for future iterations of the report at anm@ducker.com.