

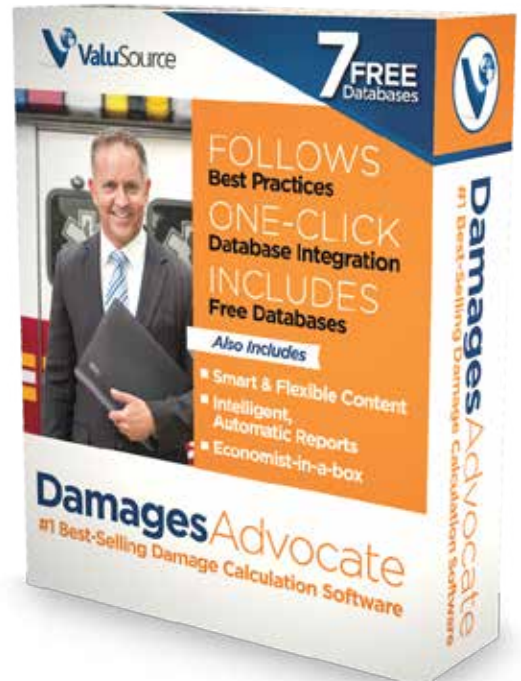
# DamagesAdvocate

#1 Best-Selling Damage Calculation Software

## EMPLOYMENT LAW SAMPLE REPORT



800.677.2009  
Fax: 801.486.0600  
[nacva1@nacva.com](mailto:nacva1@nacva.com)  
[nacva.valusource.com](http://nacva.valusource.com)



Whether a novice damages consultant, who may miss the critical points or not have many models built yet, or the expert who is spending too much time on reports, there is no longer a reason to perform this analysis manually.

# There are **six main REASONS** you should consider Damages Advocate...

**1**

## **GUIDES YOU THROUGH DAMAGES CALCULATIONS BEST PRACTICES**

Includes Smart Navigator that walks you through the best practices with sequential menus to ensure you do not miss critical analysis.

**2**

## **THE BEST ONE-CLICK DATABASE INTERGRATION**

Automatically populates your schedule and narrative from seven major damages database categories:

- ▶ Work Life Expectancy Data from Academic Studies
- ▶ Life Expectancy Data from CDC U.S. Life Tables
- ▶ Wage Data from BLS Occupational Employment Statistics
- ▶ Fringe Benefits Data from BLS Employer Costs for Employee Compensation
- ▶ Growth Rates from BLS Current Employment Statistics (used for pre-trial growth of earnings and household services)
- ▶ Household Services Data from Dollar Value of a Day and Regional Adjustment
- ▶ Data from BEA Local Area Personal Income (used to adjust Dollar Value of a Day Data).

**3**

## **MOST COMPREHENSIVE DAMAGE CALCULATION WORKFLOW**

Includes Comprehensive Workflow Decision Trees that cover the input, assumptions and databases for: retirement, life span, employment, dependents, household services, medical expenses, and other damages.

**4**

## **INCLUDES SEVEN DATABASES— FREE**

Databases cover: life expectancy, earnings by occupation, fringe benefits, pre-trial earnings growth, life expectancy of dependents, household services, and pre-trial growth of household services.

**5**

## **SMART AND FLEXIBLE CONTENT—LIKE AN ECONOMIST-IN-A-BOX**

Built-in intelligent schedules transform based on your assumptions and saves beginners from making critical mistakes, while allowing expert to finish much quicker.

Includes Smart Logic which looks at your assumptions and intelligently determines which fields and choices should be displayed. Plus, the output is delivered in Word and Excel, so it is easy to modify.

**6**

## **INTELLIGENT AND AUTOMATIC WRITTEN REPORTS**

The report writer creates the narrative, work schedules, and exports to Excel, Word, and PDF. It includes a standard 13-page damages report with all the necessary schedules to defend your damages position. Plus, any changes are hot-linked and ripple through your damages report automatically.

# DamagesAdvocate

#1 Best-Selling Damage Calculation Software

## Disclaimer

This sample is meant to show the full functionality of the software, not reflect an actual valuation. There are options and assumptions in this report that do not reflect valuation best practices in order for you to see the full scope of the analysis. Even though this software automates and standardizes the valuation process, it does not replace the expertise of the valuator.

Whenever you see text or numbers surrounded by chevrons, like «February 14, 2019», this represents a link to the analysis workbook. A link to the analysis file (working papers) can be a cell, range or chart. Realize that a small change in a single value can carry forward to many numbers in the report. For instance, changing a growth rate in an income method can change the conclusion of value and all the intermediate values in between. When you choose to update the links, all these values get updated to reflect the current numbers, tables and charts in working papers.

# DamagesAdvocate

#1 Best-Selling Damage Calculation Software

## Employment Law Economic Damages Report

Plaintiff: Bob Driver

Report Date: June 5, 2020

# DamagesAdvocate

#1 Best-Selling Damage Calculation Software

## Table of Contents

<b>Case Overview .....</b>	<b>1</b>
General Information .....	1
Plaintiff Information .....	1
Damages Summary .....	2
<b>Lost Income .....</b>	<b>3</b>
Projected Employment Without Damages .....	3
Actual and Projected Employment With Damages .....	3
Pre-Trial Lost Income .....	3
Post-Trial Lost Income .....	3
<b>Other Damages .....</b>	<b>5</b>
Summary of Other Damages .....	5
Pre-Trial Other Damages .....	5
Post-Trial Other Damages .....	5
<b>Data Citations .....</b>	<b>6</b>
<b>Understanding This Report .....</b>	<b>7</b>
Calculation of Economic Loss .....	7
Future Values Versus Present Values .....	7
Accounting for Inflation .....	8

# Case Overview

## General Information

Damages Date:	10/2/2019
Trial or Settlement Date:	9/15/2020
Interest Rate (Past Damages):	3.00%
Discount Rate (Future Damages):	3.00%
Periodic Compounding:	Annually
Present Value Interest Calculation:	Compound Interest

## Plaintiff Information

Gender:	Male
Race:	Non-Hispanic White
Birth Date:	1/1/1984
Age at Injury:	35.75
Projected Retirement Age*:	60.71
Projected Age at Death**:	78.20

\* Worklife expectancy calculated for all men active in the workforce with some college but no degree. Study used: The Markov Process Model of Labor Force Activity: Extended Tables of Central Tendency, Shape, Percentile Points, and Bootstrap Standard Errors, Gary R. Skoog, James E. Ciecka and Kurt V. Krueger, Journal of Forensic Economics, 22(2), 2011.

\*\* Life expectancy calculated for non-Hispanic white men. Study used: United States Life Tables, 2017 by Elizabeth Arias, Ph.D., and Jiaquan Xu, M.D., Division of Vital Statistics, National Vital Statistics Reports, Volume 68, Number 7, June 24 2019.

## Damages Summary

	Future Values		Present Values	
	Pre-Trial	Post-Trial	Pre-Trial	Post-Trial
Lost Income	\$36,487	\$865,592	\$36,740	\$595,268
Lost Fringe Benefits	\$4,753	\$114,395	\$4,786	\$78,693
Subtotal: Lost Earnings	\$41,241	\$979,988	\$41,526	\$673,962
Other Damages	\$9,700	\$0	\$9,904	\$0
Total Damages	\$50,941	\$979,988	\$51,430	\$673,962
<b>Grand Total Damages</b>	<b>\$1,030,928</b>		<b>\$725,392</b>	



# Lost Income

## Projected Employment Without Damages

ID	From	To	Occupation	Employer	Initial Salary	Benefits %	Pre-Trial Growth	Post-Trial Growth
A.1	10/02/19	09/16/44	Truck Driver		\$12,000	12.88%		1.50%

## #1 Best-Selling Damage Calculation Software Actual and Projected Employment With Damages

ID	From	To	Occupation	Employer	Initial Salary	Benefits %	Pre-Trial Growth	Post-Trial Growth
B.1	03/15/20	09/16/44	Clerk		\$21,400	12.38%		1.00%

## Pre-Trial Lost Income

Period	From	To	Income	Benefits	Total Uninjured	Income	Benefits	Total Injured	Loss	Present Value
1	10/02/19	12/31/19	\$12,000	\$1,546	\$13,546	\$0	\$0	\$0	\$13,546	\$13,831
2	01/01/20	09/14/20	\$35,246	\$4,540	\$39,786	\$10,758	\$1,332	\$12,090	\$27,695	\$27,695
<b>Total</b>	<b>10/02/19</b>	<b>09/14/20</b>	<b>\$47,246</b>	<b>\$6,085</b>	<b>\$53,331</b>	<b>\$10,758</b>	<b>\$1,332</b>	<b>\$12,090</b>	<b>\$41,241</b>	<b>\$41,526</b>

## Post-Trial Lost Income

Period	From	To	Income	Benefits	Total Uninjured	Income	Benefits	Total Injured	Loss	Present Value
1	09/15/20	12/31/20	\$14,754	\$1,900	\$16,654	\$6,315	\$782	\$7,097	\$9,558	\$9,475
2	01/01/21	12/31/21	\$50,750	\$6,537	\$57,287	\$21,614	\$2,676	\$24,290	\$32,997	\$31,758
3	01/01/22	12/31/22	\$51,511	\$6,635	\$58,146	\$21,830	\$2,703	\$24,533	\$33,613	\$31,409
4	01/01/23	12/31/23	\$52,284	\$6,734	\$59,018	\$22,048	\$2,730	\$24,778	\$34,240	\$31,062
5	01/01/24	12/31/24	\$53,068	\$6,835	\$59,903	\$22,269	\$2,757	\$25,026	\$34,878	\$30,719
6	01/01/25	12/31/25	\$53,864	\$6,938	\$60,802	\$22,492	\$2,784	\$25,276	\$35,526	\$30,379
7	01/01/26	12/31/26	\$54,672	\$7,042	\$61,714	\$22,717	\$2,812	\$25,529	\$36,185	\$30,041
8	01/01/27	12/31/27	\$55,492	\$7,147	\$62,640	\$22,944	\$2,840	\$25,784	\$36,856	\$29,707
9	01/01/28	12/31/28	\$56,325	\$7,255	\$63,579	\$23,173	\$2,869	\$26,042	\$37,537	\$29,375
10	01/01/29	12/31/29	\$57,169	\$7,363	\$64,533	\$23,405	\$2,898	\$26,302	\$38,231	\$29,046
11	01/01/30	12/31/30	\$58,027	\$7,474	\$65,501	\$23,639	\$2,926	\$26,565	\$38,936	\$28,720
12	01/01/31	12/31/31	\$58,897	\$7,586	\$66,483	\$23,875	\$2,956	\$26,831	\$39,652	\$28,397
13	01/01/32	12/31/32	\$59,781	\$7,700	\$67,481	\$24,114	\$2,985	\$27,099	\$40,381	\$28,077
14	01/01/33	12/31/33	\$60,678	\$7,815	\$68,493	\$24,355	\$3,015	\$27,370	\$41,123	\$27,759
15	01/01/34	12/31/34	\$61,588	\$7,933	\$69,520	\$24,599	\$3,045	\$27,644	\$41,876	\$27,445
16	01/01/35	12/31/35	\$62,512	\$8,051	\$70,563	\$24,845	\$3,076	\$27,921	\$42,643	\$27,133
17	01/01/36	12/31/36	\$63,449	\$8,172	\$71,622	\$25,093	\$3,107	\$28,200	\$43,422	\$26,824
18	01/01/37	12/31/37	\$64,401	\$8,295	\$72,696	\$25,344	\$3,138	\$28,482	\$44,214	\$26,518
19	01/01/38	12/31/38	\$65,367	\$8,419	\$73,786	\$25,598	\$3,169	\$28,767	\$45,020	\$26,215
20	01/01/39	12/31/39	\$66,348	\$8,546	\$74,893	\$25,854	\$3,201	\$29,054	\$45,839	\$25,914
21	01/01/40	12/31/40	\$67,343	\$8,674	\$76,016	\$26,112	\$3,233	\$29,345	\$46,672	\$25,617
22	01/01/41	12/31/41	\$68,353	\$8,804	\$77,157	\$26,373	\$3,265	\$29,638	\$47,519	\$25,322
23	01/01/42	12/31/42	\$69,378	\$8,936	\$78,314	\$26,637	\$3,298	\$29,935	\$48,380	\$25,030
24	01/01/43	12/31/43	\$70,419	\$9,070	\$79,489	\$26,903	\$3,331	\$30,234	\$49,255	\$24,740
25	01/01/44	12/31/44	\$50,556	\$6,512	\$57,068	\$19,247	\$2,383	\$21,630	\$35,438	\$17,282



Period	From	To	Income	Benefits	Total Uninjured	Income	Benefits	Total Injured	Loss	Present Value
26	01/01/45	12/31/45	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27	01/01/46	12/31/46	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28	01/01/47	12/31/47	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29	01/01/48	12/31/48	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30	01/01/49	12/31/49	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31	01/01/50	12/31/50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32	01/01/51	12/31/51	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	01/01/52	12/31/52	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34	01/01/53	12/31/53	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35	01/01/54	12/31/54	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36	01/01/55	12/31/55	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37	01/01/56	12/31/56	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38	01/01/57	12/31/57	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39	01/01/58	12/31/58	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40	01/01/59	12/31/59	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41	01/01/60	12/31/60	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
42	01/01/61	12/31/61	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
43	01/01/62	03/15/62	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>09/15/20</b>	<b>03/15/62</b>	<b>\$1,446,986</b>	<b>\$186,372</b>	<b>\$1,633,358</b>	<b>\$581,394</b>	<b>\$71,977</b>	<b>\$653,371</b>	<b>\$979,988</b>	<b>\$673,962</b>

# Other Damages

## Summary of Other Damages

Start	End	Type*	Description	Amount	Growth	Occurs
11/15/19	11/15/19	E	Car Repair	\$9,700.00		Once

\* E = Expense, R = Reimbursement

**Damages Advocate**  
#1 Best-Selling Damage Calculation Software

## Pre-Trial Other Damages

Period	From	To	Expenses	Present Value
1	10/02/19	12/31/19	\$9,700	\$9,904
2	01/01/20	09/14/20	\$0	\$0
<b>Total</b>	<b>10/02/19</b>	<b>09/14/20</b>	<b>\$9,700</b>	<b>\$9,904</b>

## Post-Trial Other Damages

There was no post-trial other damages data entered for the plaintiff.

# Data Citations

## Worklife Expectancy

Skoog, Gary, James Ciecka and Kurt Krueger. "The Markov Process Model of Labor Force Activity: Extended Tables of Central Tendency, Shape, Percentile Points, and Bootstrap Standard Errors." *Journal of Forensic Economics*, Vol. 22, Number 2, August 2011. Print.

## Life Expectancy

[https://www.cdc.gov/nchs/data/nvsr/nvsr68/nvsr68\\_07-508.pdf](https://www.cdc.gov/nchs/data/nvsr/nvsr68/nvsr68_07-508.pdf)

Arias, Elizabeth, and Jiaquan Xu. *National Vital Statistics Reports: United States Life Tables, 2017*. Centers for Disease Control and Prevention. Volume 68, Number 7, June 24 2019. Print.

## Earnings by Occupation

<http://www.bls.gov/oes/tables.htm>

U.S. Department of Labor. Bureau of Labor Statistics. *Occupational Employment Statistics, May 2019*. Web. 31 March 2020.  
<<http://www.bls.gov/oes/tables.htm>>

## Fringe Benefits

[https://www.bls.gov/news.release/archives/ecec\\_03192020.htm](https://www.bls.gov/news.release/archives/ecec_03192020.htm)

[https://www.bls.gov/news.release/archives/ecec\\_03192020.pdf](https://www.bls.gov/news.release/archives/ecec_03192020.pdf)

U.S. Department of Labor. Bureau of Labor Statistics. *Employer Costs For Employee Compensation - December 2019*. Web. 24 March 2020.  
<[https://www.bls.gov/news.release/archives/ecec\\_03192020.htm](https://www.bls.gov/news.release/archives/ecec_03192020.htm)>

## Pre-Trial Earnings Growth

<http://www.bls.gov/ces/>

U.S. Department of Labor. Bureau of Labor Statistics. *Current Employment Statistics - CES (National)*. Web. 21 January 2020. <<http://www.bls.gov/ces/>>

# Understanding This Report

## Calculation of Economic Loss

The Damages Summary on page 2 shows the calculated economic loss sustained by the plaintiff as a result of the damages. The total loss is calculated from the following losses:

- The income, both past and future, that the plaintiff would have earned had the damages not occurred;
- The fringe benefits that would have accompanied that income stream;
- Any other damages or expenses that have resulted from the damages, or can be predicted to occur in the future.

These losses are offset by:

- The plaintiff's income, both past and future, following the damages;
- The fringe benefits accompanying that income stream.

The Damages Summary applies these offsets to the corresponding losses and shows net loss amounts for income, fringe benefits, and household services. For example, the Lost Income line reports net losses to the plaintiff's income. In each column the amount shown is the income the plaintiff would have earned *without* the damages *minus* the income the plaintiff has earned or will earn *with* the damages.

The losses are divided into pre-trial and post-trial periods. Pre-trial amounts occur from the damages date (10/2/2019) to the trial or settlement date (9/15/2020). Post-trial amounts occur after the trial or settlement date. The pre-trial and post-trial totals are summed to calculate the Grand Total Damages.

## Future Values Versus Present Values

The Damages Summary (see page 2) is divided into future values and present values:

- *Future values* are the unadjusted actual damage amounts starting in the past and extending into the future.
- *Present values* are the time-adjusted values of the payment stream, taking into account (a) the interest obtained from investing payments occurring in the past; and (b) the interest required to achieve payments occurring in the future.

### Calculation of Present Values

Present values are calculated relative to the trial or settlement date (9/15/2020). The present value of a payment in the past is the amount that payment would have yielded on the trial or settlement date had it been invested on the date it would have been made. The present value of a payment in the future is the amount on the trial or settlement date invested with compound interest that would have yielded the payment at its future date.

## Accounting for Inflation

Future income and expenses are projected using the constant dollar method, meaning that dollars in the future are assumed to have the same average purchasing power as dollars today. While that is unlikely to be true, there are advantages to ignoring inflation, and it can be done without distorting the results of the damages calculations. First and foremost ignoring inflation eliminates the considerable challenge of predicting future inflation rates. And although inflation itself is difficult to predict, the pervasive role it plays in our economy makes inflation a component of all the time-related economic variables in the damages calculations: income growth, growth of medical and other costs, and discount and interest rates. This means that inflation can be ignored by entering those variables net of inflation, which simplifies the process of forecasting future cash flows.