

LITIGATION ECONOMICS DIGEST

A Publication of the National Association of Forensic Economics

Volume II

Summer 1997

Number 2

Managing Editors

Robert R. Trout
Deloitte & Touche LLP.

Carroll B. Foster
University of California, San Diego

Production Editor

Melissa Vitale

Associate Editors

Robert C. Baesemann
Economic Criteria, Inc.

John A. McMullen
Cambridge Meridian Group

Jeffrey C. Bodington
Bodington & Company

G. Michael Phillips
Findlay, Phillips and Associates

Karl A. Egge
Macalester College, St. Paul

Michael J. Piette
Analytical Economics

David T. Fractor
Findlay, Phillips and Associates

James L. Plummer
QED Research, Inc.

Patrick A. Gaughan
Fairleigh Dickinson University

Anthony H. Riccardi
AHR Associates

Thomas R. Ireland
University of Missouri, St. Louis

William W. Wade
Foster Associates, Inc.

Gary A. Kovacic
Sullivan, Workman & Dee

NOTES

The *Litigation Economics Digest (LED)* specializes in presenting applied articles in the discipline of forensic economics, and useful consulting information to the forensic practitioner.

The LED is published bi-annually at a subscription price \$50 a year for NAFE members, and \$60 for non-members. Subscriptions should be sent to the National Association of Forensic Economics, P.O. Box 30067, Kansas City, Missouri 64112.

We are now soliciting articles in forensic economics for publication in future issues. The next issue will be Fall 1997. The *Digest* contains articles in the following arenas: Applied Forensic Economics, Law and Economics, Data Sources, Computer Programs, and Ethics in Economics. Those interested should forward two copies of their article, along with any other pertinent information, and a reviewer fee of \$25 (payable to LED), to the Editorial Office as the address shown below.

Litigation Economics Digest
7311 Borla Place
Carlsbad, CA 92009

(760) 944-9721 FAX: (760) 944-4551 email: litdigest@aol.com

No responsibility for the views expressed by the authors in this journal is assumed by the editors, the publishers, or the National Association of Forensic Economics.

While the *LED* does not accept advertisements of consulting services, we will accept advertisements concerning computer software, books and consulting support services. Advertising rates are available upon request.

The National Association of Forensic Economics expresses its thanks to the University of Missouri-Kansas City, for technical support in producing the *Litigation Economics Digest*.

TABLE OF CONTENTS

Volume II

Summer 1997

Number 2

Feature Articles

	Page
Thomas R. Ireland Forensic Implications of Inflation-Adjusted Bonds	92
Christopher C. Pflaum, Steven S. Duncan and Eric C. Frye Historical Averages and the "Real Rate" of Interest	104
Tyler J. Bowles and W. Cris Lewis Tax Returns as the Basis of Lost Profit Appraisals: Possible Adjustments	112
Mark D. Cohen and Thomas Yankowski Methodologies to Improve Economic and Vocational Analysis in Personal Injury Litigation	126

Short Articles

James Ciecka and Thomas Donley The Calculation of Lost Pension Benefits for Railroad Workers	136
Semoon Chang Pricing Behavior of Video Rental Stores	152
David T. Fractor, Daniel L. McConaughy and G. Michael Phillips The Impact of Earnings Loss on Future Social Security Benefits: Much Ado About Nothing?	158

Legal Corner

Jules A. Townsend Date of Injury or Date of Trial: A Comment on Work Life Expectancy Calculations	168
--	------------

Errata

In our last issue (Vol. II, No. I, Fall 1996) a line of text of Clifford B. Hawley's article, "Where Have All the Black Pharmacists Gone? Litigation, Affirmative Action and Government Statistics" was inadvertently deleted during production.

The missing line is between the last line of text on page 9 and the first line of text on page 10. The missing line should read:

". . . years before the survey change (questions 3 and 4 above). The outcomes are as expected. The "

Litigation Economics Digest regrets the error.