

ORIGINAL

2014 OCT 15 PM 3:13

IN THE COURT OF CLAIMS OF OHIO

MATTHEW RIES, Admr., et al.,

:

Plaintiffs

:

v.

:

Case No. 2010-10335

THE OHIO STATE UNIVERSITY
MEDICAL CENTER,

:

Judge Patrick M. McGrath

Defendant

:

DEFENDANT'S SUPPLEMENTAL EXPERT DISCLOSURE

Now comes defendant who hereby provides the attached report of Bruce L. Jaffee, Ph.D., economist, Indiana University, who was previously identified in Defendant's Expert Disclosure, filed August 22, 2014.

Respectfully submitted,

MIKE DEWINE
Ohio Attorney General

Daniel R. Forsythe

DANIEL R. FORSYTHE (0081391)

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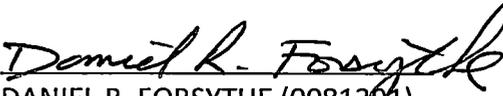
COUNSEL FOR DEFENDANT

ON COMPUTER

CERTIFICATE OF SERVICE

I hereby certify that a copy of Supplemental Expert Witness Disclosure was sent by email, this 15TH day of October , 2014 to:

David I. Shroyer [dshroyer@csajustice.com; cbotkin@csajustice.com; kvandorn@csajustice.com]
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KELLEY SCHOOL OF BUSINESS

INDIANA UNIVERSITY

Department of Business Economics and Public Policy

October 7, 2014

Mr. Daniel R. Forsythe
Senior Assistant Attorney General
Court of Claims Defense Section
Office of Ohio Attorney General Mike DeWine
150 East Gay St., Floor 18
Columbus, OH 43215

RECEIVED
OCT 14 2014
COURT OF CLAIMS DEFENSE SECTION

RE: Michael McNew

Dear Mr. Forsythe,

I have reviewed the information that you provided me in this matter, which included tax returns and W-2 statements, employment and benefit information from Sterling Commerce, Social Security benefit information, and the June 30, 2014, report of Vocational Economics, Inc. The purpose of my review, coupled with research and analysis, was to compute the net economic loss that was incurred as a result of Mr. McNew's death in 2009. As shown in the enclosed report, depending on alternative future worklife assumptions, I estimate the loss to be \$3,282,953 or \$574,333.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Bruce L. Jaffee
Professor and Director
Institute for International Business

BLJ:rg

enclosure

Summary Economic Loss Report

Michael J. McNew

Prepared by:

Bruce L. Jaffee
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October 7, 2014

Economic Loss Analysis

Michael J. McNew

Introduction:

The purpose of this report is to estimate the net economic loss of earnings, household services, and fringe benefits incurred as a result of Mr. McNew's death in 2009. Standard economic analysis was used to compute the present value of this loss.

Background Information:

<i>Date of Birth:</i>	February 27, 1971
<i>Date of Death:</i>	September 19, 2009
<i>Education:</i>	Law degree (J.D.)
<i>Marital and Family Status:</i>	Married (Cyrelle McNew). Three dependent sons (Jason, Bradford, and Mitchell).
<i>Occupation:</i>	Corporate attorney for Sterling Commerce, at that time a unit of AT&T
<i>Earnings History:</i>	See Table 1.

Assumptions:

(1) Had he not died in 2009, two alternative assumptions are made regarding Mr. McNew's life expectancy. In the first alternative, Mr. McNew's annual probability of death and life expectancy is assumed to have followed the average pattern of non-Hispanic white males in the United States (as reported in United States Life Tables, 2009, National Vital Statistics Reports, Vol. 62, No. 7, January 6, 2014). At the time of his death, Mr. McNew's normal life expectancy was 39.8 years. (See Attachment #2.)

In the second alternative it is assumed that at the time of his death in 2009 Mr. McNew had a life expectancy of five years due to his acute leukemia.

(2) Had he not died in 2009, Mr. McNew is assumed to have worked as a corporate attorney, or in a similarly paid position, until the end of his expected worklife. In the first scenario, consistent with the assumption of an average life expectancy, his estimated statistical worklife was 23.1 years at the date of his death. (See Millimet, Nieswiadomy, and Slottje, "Detailed Estimation of Worklife Expectancy for the Measurement of Human Capital: Accounting for Marriage and Children," Journal of Economic Surveys, (2010), Vol. 24, No. 2, Table 22, Attachment #3.)

In the case of a five year life expectancy at the time of his death, Mr. McNew is assumed to also have a five year worklife.¹

(3) Mr. McNew's base year (2010) earnings are assumed to be \$151,081, based on his actual weighted average earnings from 2005-09 (see Table 1) plus 2.69% to reflect the estimated average wage increase in the U.S. between 2009 and 2010. (See Attachment #4.) Expected wage increases for 2011-13 are also taken from that source.

(4) Had he not died in 2009, Mr. McNew is assumed to receive annual pay increases of 4.0% per year starting in 2014, consistent with the long-run intermediate cost estimate of future growth in wages calculated by the U.S. Social Security Administration in its latest annual report. (See Attachment #4.)

(5) Lost employer-provided non-cash fringe benefits as a result of Mr. McNew's death are assumed to be 17.4% of lost earnings, based on the national average employer cost of a 2014 family health insurance plan (\$12,011) (see Attachment #5) expressed as a percentage (7.1%) of expected 2014 earnings (\$169,645)², an estimated 6% employer contribution to Mr. McNew's 401(k) plan or the equivalent and 4.3% for employer contributions to Social Security based on Mr. McNew's estimated earnings of \$169,645 in 2014, a wage base of \$117,000, and a contribution rate of 6.2% up to the wage base. (See Attachment #6.)

(6) Had he not died in 2009, it is assumed that Mr. McNew would have contributed 2.78 hours per day of services to his household during his worklife. Based on data in Attachment #7, for all employed men, this lost contribution consists of household activities (1.21 hours per day), purchasing goods and services (.62), and caring for and helping household members (.95). This contribution is assumed to have been lost for 350 days per year and is initially valued at \$12.00 per hour with subsequent increases as described in Assumptions (3) and (4).

(7) Assuming Mr. McNew, on average, would have lived during his worklife in a household of four people had he not died in 2009, a 19.1% offset of his family's total consumption expenses is used to account for his personal consumption expenses. (See Elizabeth M. King and James P. Smith, Computing Economic Loss in Cases of Wrongful Death, Rand: 1988, p. 71. The figure used in this analysis is an average of the reported figures for ages 35-54 (17.7%) and 55-64 (20.5%). Attachment #8.) In 2008, the last full year before Mr. McNew's death, his tax return shows total income of \$172,038. In that year Mr. and Mrs. McNew paid \$25,058 in federal income taxes, had \$6,301 in state and county taxes withheld, and paid \$11,609 in Social Security and Medicare taxes. As a result, their after tax income in 2008 was \$129,070. Assuming 5% of this after tax income was saved and then applying 19.1% to this figure implies that \$23,420 was

¹ The assumption that worklife and life expectancy are equal ignores the possibility that Mr. McNew might not be able to work continuously in the five year period due to illness, treatment, and unemployment.

² This loss would be reduced to the extent that Mrs. McNew has health insurance benefits for her and her family through her employer.

Mr. McNew's individual personal consumption that year, which was 17.9% of his 2008 earnings. This percentage is applied to Mr. McNew's lost earnings, fringe benefits, and household services.

(8) Starting in November 2009, each of Mr. McNew's three children received Social Security survivor benefits of \$1,335 per month. This amount is subject to cost-of-living adjustments and will continue until each of the three sons reach age 18. Historic COLAs are listed in Attachment #9. COLAs for 2015 to 2024, when Mitchell McNew will turn 18, are assumed to be equal to the annual CPI changes estimated in Attachment #4. The detailed calculation of the present value of these benefits are in Table 2.

(9) The annual interest rate for discounting future losses to the present will average 4.3%, the current rate on a portfolio of high quality corporate securities equally weighted between AAA and Baa Corporate bonds. (See Attachment #10 for an example of these rates.)

SUMMARY 1

Michael J. McNew

Net Economic Loss
(All future dollar figures are in \$2014)

Alternative 1: Through estimated statistical worklife expectancy

Loss of Earnings

<u>Year</u>	<u>Amount</u>	
2009	\$37,055 ³	
2010	151,081	
2011	155,855	
2012	160,047	
2013	163,120	
2014-2031.8	<u>3,108,982</u>	\$3,776,140
Loss of fringe benefits		657,048
Loss of household services		335,699
Offset for personal consumption expenses⁴		(853,631)
Offset for Social Security survivor benefits		<u>(632,303)</u>
TOTAL		\$3,282,953

³ From the date of the accident.

⁴ On earnings, household services, and fringe benefits.

SUMMARY 2
Michael J. McNew

Net Economic Loss
(All future dollar figures are in \$2014)

Alternative 1: Through a worklife expectancy of five years

Loss of Earnings

<u>Year</u>	<u>Amount</u>	
2009	\$37,055 ⁵	
2010	151,081	
2011	155,855	
2012	160,047	
2013	163,120	
2014	<u>118,752</u>	
		\$785,914
Loss of fringe benefits		136,749
Loss of household services		69,868
Offset for personal consumption expenses⁶		(177,663)
Offset for Social Security survivor benefits⁷		<u>(240,534)</u>
TOTAL		\$574,333

⁵ From the date of the accident.

⁶ On earnings, household services, and fringe benefits.

⁷ From November 2009 through September 2014.

TABLE 1

Michael J. McNew

Earnings History

<u>Year</u>	<u>Amount</u>	<u>(\$2009)⁸</u>
2005	\$126,078	\$138,497
2006	177,653	189,053
2007	165,156	170,887
2008	130,721	130,256
2009	131,312 ⁹	131,312
Weighted¹⁰ average		\$147,123¹¹

⁸ Adjusted by using the Consumer Price Index (CPI-U). See Attachment #1.

⁹ Annualized. Actual earnings in 2009 were \$94,257.

¹⁰ Using the 5 year sum of the years' digits method.

¹¹ Note that a letter dated September 25, 2009, from Sterling Commerce to Mrs. McNew states, "Based on an annual salary rate of \$111,000, your total life insurance benefit is \$167,000."

TABLE 2

Michael J. McNew

Social Security Survivor Benefits

<u>Year</u>	<u>Monthly Amt.</u>	<u>COLA</u>	<u>Months</u>	<u>Jason</u>	<u>Bradford</u>	<u>Mitchell</u>	<u>Discount</u>	<u>Total</u>
2009	1335	1	2	2670	2670	2670	1	\$ 8,010.00
2010	1335	1	12	16020	16020	16020	1	\$ 48,060.00
2011	1335	1	12	16020	16020	16020	1	\$ 48,060.00
2012	1383.06	1.036	12	16596.72	16596.72	16596.72	1	\$ 49,790.16
2013	1406.57202	1.017	12	16878.86	16878.86424	16878.86	1	\$ 50,636.59
2014	1427.6706	1.015	12	17132.05	17132.0472	17132.05	1	\$ 51,396.14
2015	1455.510177	1.0195	12	17466.12	17466.12212	17466.12	0.958773	\$ 50,238.13
2016	1487.240299	1.0218	12	17846.88	17846.88359	17846.88	0.919245	\$ 49,216.99
2017	1522.636618	1.0238	12	18271.64	18271.63942	18271.64	0.881347	\$ 48,310.98
2018	1561.920643	1.0258	12	18743.05	18743.04771	18743.05	0.845012	\$ 47,514.29
2019	1603.936308	1.0269	12	19247.24	19247.2357	19247.24	0.810174	\$ 46,780.85
2020	1647.242588	1.027	12	19766.91	19766.91106	19766.91	0.776773	\$ 46,063.21
2021	1691.718138	1.027	12	11842.03	20300.61766	20300.62	0.744749	\$ 39,057.06
2022	1737.394528	1.027	12		17373.94528	20848.73	0.714045	\$ 27,292.71
2023	1784.30418	1.027	12			21411.65	0.684607	\$ 14,658.56
2024	1832.480393	1.027	12			10994.88	0.656382	\$ 7,216.85

\$ 632,302.51

discount: 0.958773

Attachment #1

Databases, Tables & Calculators by Subject

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Data extracted on: September 12, 2014 (2:58:54 PM)

Consumer Price Index - All Urban Consumers

Series Id: CUUR0000SA0
 Not Seasonally Adjusted
 Area: U.S. city average
 Item: All items
 Base Period: 1982-84=100

Download: .xlsx

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3	188.9	187.6	190.2
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3	193.2	197.4
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6	200.6	202.6
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.490	208.936	210.177	210.036	207.342	205.709	208.976
2008	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	215.303	214.429	216.177
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	214.537	213.139	215.935
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	218.056	217.535	218.576
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	224.939	223.598	226.280
2012	226.665	227.663	229.392	230.085	229.815	229.478	229.104	230.379	231.407	231.317	230.221	229.601	229.594	228.850	230.338
2013	230.280	232.166	232.773	232.531	232.945	233.504	233.596	233.877	234.149	233.546	233.069	233.049	232.957	232.366	233.548
2014	233.916	234.781	236.293	237.072	237.900	238.343	238.250							236.384	

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Attachment #2

National Vital Statistics Reports



Volume 62, Number 7

January 6, 2014

United States Life Tables, 2009

by Elizabeth Arias, Ph.D., Division of Vital Statistics

Abstract

Objectives—This report presents complete period life tables for the United States by race, Hispanic origin, and sex based on age-specific death rates in 2009.

Methods—Data used to prepare the 2009 life tables are 2009 final mortality statistics; July 1, 2009, population estimates based on the 2000 decennial census; and 2009 Medicare data for persons aged 66–99. The methodology used to estimate the 2009 life tables is the same as that used for data year 2008, which was revised from that used for data years 2000–2007. The methodology used to estimate the life tables for the Hispanic population remains unchanged from that developed for the publication of life tables by Hispanic origin for data year 2006.

Results—In 2009, the overall expectation of life at birth was 78.5 years. Between 2008 and 2009, life expectancy at birth increased for all groups considered. Life expectancy increased for both males (from 75.6 to 76.0) and females (80.6 to 80.9) and for the white population (78.5 to 78.8), the black population (74.0 to 74.5), the Hispanic population (81.0 to 81.2), the non-Hispanic white population (78.4 to 78.7), and the non-Hispanic black population (73.7 to 74.2).

Keywords: life expectancy • survival • death rates • race

Introduction

There are two types of U.S. life tables: the cohort (or generation) life table and the period (or current) life table. The cohort life table presents the mortality experience of a particular birth cohort—all persons born in the year 1900, for example—from the moment of birth through consecutive ages in successive calendar years. Based on age-specific death rates observed through consecutive calendar years, the cohort life table reflects the mortality experience of an actual cohort from birth until no lives remain in the group. To prepare just a single complete cohort life table requires data over many years. It is usually not feasible to construct cohort life tables entirely on the basis of observed data for real cohorts due to data unavailability or incompleteness (1). For example, a life table representation of the

mortality experience of a cohort of persons born in 1970 would require the use of data projection techniques to estimate deaths into the future (2,3).

Unlike the cohort life table, the period life table does not represent the mortality experience of an actual birth cohort. Rather, the period life table presents what would happen to a hypothetical cohort if it experienced throughout its entire life the mortality conditions of a particular period in time. For example, a period life table for 2009 assumes a hypothetical cohort that is subject throughout its lifetime to the age-specific death rates prevailing for the actual population in 2009. The period life table may thus be characterized as rendering a “snapshot” of current mortality experience and showing the long-range implications of a set of age-specific death rates that prevailed in a given year. In this report, the term “life table” refers only to the period life table and not to the cohort life table.

Life tables can be classified in two ways according to the length of the age interval in which data are presented. A complete life table contains data for every single year of age. An abridged life table typically contains data by 5- or 10-year age intervals. A complete life table, of course, can easily be aggregated into 5- or 10-year age groups (refer to Technical Notes at the end of this report for instructions). Other than the decennial life tables, U.S. life tables based on data prior to 1997 are abridged life tables constructed by reference to a standard table (4). This report presents complete period life tables by race, Hispanic origin, race for the non-Hispanic population, and sex.

Data and Methods

The data used to prepare the U.S. life tables for 2009 are final numbers of deaths for the year 2009, postcensal population estimates for the year 2009, and age-specific death and population counts for Medicare beneficiaries aged 66–99 for the year 2009 from the Centers for Medicare & Medicaid Services. Data from the Medicare program are used to supplement vital statistics and census data for ages 66 and over. (See Technical Notes for a detailed description of the data sets used.)



U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Disease Control and Prevention
National Center for Health Statistics
National Vital Statistics System



Table 14. Life table for non-Hispanic white males: United States, 2009

Spreadsheet version available from: ftp://ftp.cdc.gov/pub/Health_Statistics/NCHS/Publications/NVSR/62_07Table14.xls.

Age (years)	Probability of dying between ages x and $x + 1$	Number surviving to age x	Number dying between ages x and $x + 1$	Person-years lived between ages x and $x + 1$	Total number of person-years lived above age x	Expectation of life at age x
	q_x	l_x	d_x	L_x	T_x	e_x
0-1	0.005824	100,000	582	99,495	7,628,853	76.3
1-2	0.000365	99,418	41	99,397	7,529,358	75.7
2-3	0.000265	99,377	26	99,363	7,429,961	74.8
3-4	0.000224	99,350	22	99,339	7,330,598	73.8
4-5	0.000173	99,328	17	99,319	7,231,258	72.8
5-6	0.000152	99,311	15	99,303	7,131,939	71.8
6-7	0.000136	99,296	14	99,289	7,032,636	70.8
7-8	0.000122	99,282	12	99,276	6,933,347	69.8
8-9	0.000104	99,270	10	99,265	6,834,070	68.8
9-10	0.000084	99,260	8	99,256	6,734,806	67.9
10-11	0.000070	99,251	7	99,248	6,635,550	66.9
11-12	0.000076	99,245	8	99,241	6,536,302	65.9
12-13	0.000118	99,237	12	99,231	6,437,061	64.9
13-14	0.000202	99,225	20	99,215	6,337,830	63.9
14-15	0.000314	99,205	31	99,190	6,238,615	62.9
15-16	0.000429	99,174	43	99,153	6,139,425	61.9
16-17	0.000538	99,132	53	99,105	6,040,272	60.9
17-18	0.000651	99,078	65	99,046	5,941,167	60.0
18-19	0.000770	99,014	76	98,976	5,842,121	59.0
19-20	0.000890	98,937	88	98,893	5,743,146	58.0
20-21	0.001017	98,849	101	98,799	5,644,252	57.1
21-22	0.001135	98,749	112	98,693	5,545,453	56.2
22-23	0.001219	98,637	120	98,577	5,446,760	55.2
23-24	0.001256	98,517	124	98,455	5,348,184	54.3
24-25	0.001258	98,393	124	98,331	5,249,729	53.4
25-26	0.001250	98,269	123	98,208	5,151,398	52.4
26-27	0.001250	98,146	123	98,085	5,053,190	51.5
27-28	0.001255	98,023	123	97,962	4,955,106	50.6
28-29	0.001274	97,900	125	97,838	4,857,144	49.6
29-30	0.001306	97,776	128	97,712	4,759,306	48.7
30-31	0.001347	97,648	132	97,582	4,661,594	47.7
31-32	0.001393	97,516	136	97,449	4,564,011	46.8
32-33	0.001447	97,381	141	97,310	4,466,563	45.9
33-34	0.001491	97,240	145	97,167	4,369,253	44.9
34-35	0.001542	97,095	150	97,020	4,272,085	44.0
35-36	0.001607	96,945	156	96,867	4,175,065	43.1
36-37	0.001689	96,789	164	96,708	4,078,198	42.1
37-38	0.001784	96,626	172	96,540	3,981,491	41.2
38-39	0.001894	96,453	183	96,362	3,884,951	40.3
39-40	0.002026	96,271	195	96,173	3,788,589	39.4
40-41	0.002173	96,076	209	95,971	3,692,416	38.4
41-42	0.002346	95,867	225	95,754	3,596,445	37.5
42-43	0.002562	95,642	245	95,519	3,500,690	36.6
43-44	0.002820	95,397	269	95,262	3,405,171	35.7
44-45	0.003104	95,128	295	94,980	3,309,908	34.8
45-46	0.003385	94,833	321	94,672	3,214,928	33.9
46-47	0.003669	94,512	347	94,338	3,120,256	33.0
47-48	0.003989	94,165	376	93,977	3,025,918	32.1
48-49	0.004361	93,789	409	93,585	2,931,941	31.3
49-50	0.004781	93,380	446	93,157	2,838,356	30.4
50-51	0.005237	92,934	487	92,690	2,745,199	29.5
51-52	0.005701	92,447	527	92,184	2,652,508	28.7
52-53	0.006166	91,920	567	91,637	2,560,325	27.9
53-54	0.006621	91,353	605	91,051	2,468,688	27.0
54-55	0.007081	90,748	643	90,427	2,377,637	26.2
55-56	0.007573	90,106	682	89,765	2,287,210	25.4
56-57	0.008118	89,424	726	89,061	2,197,445	24.6
57-58	0.008709	88,698	772	88,311	2,108,385	23.8
58-59	0.009347	87,925	822	87,514	2,020,073	23.0
59-60	0.010029	87,103	874	86,666	1,932,559	22.2
60-61	0.010754	86,230	927	85,766	1,845,893	21.4
61-62	0.011534	85,302	984	84,810	1,760,127	20.6

See footnote at end of table.

Table 14. Life table for non-Hispanic white males: United States, 2009—Con.Spreadsheet version available from: ftp://ftp.cdc.gov/pub/Health_Statistics/NCHS/Publications/NVSR/62_07/14.xls.

Age (years)	Probability of dying between ages x and $x + 1$	Number surviving to age x	Number dying between ages x and $x + 1$	Person-years lived between ages x and $x + 1$	Total number of person-years lived above age x	Expectation of life at age x
	q_x	l_x	d_x	L_x	T_x	e_x
62-63	0.012396	84,319	1,045	83,796	1,675,316	19.9
63-64	0.013380	83,273	1,114	82,716	1,591,520	19.1
64-65	0.014516	82,159	1,193	81,563	1,508,804	18.4
65-66	0.015853	80,966	1,284	80,325	1,427,241	17.6
66-67	0.017352	79,683	1,383	78,991	1,346,917	16.9
67-68	0.018936	78,300	1,483	77,559	1,267,925	16.2
68-69	0.020541	76,817	1,578	76,029	1,190,366	15.5
69-70	0.022174	75,240	1,668	74,405	1,114,338	14.8
70-71	0.024008	73,571	1,766	72,688	1,039,932	14.1
71-72	0.026106	71,805	1,875	70,868	967,244	13.5
72-73	0.028483	69,930	1,992	68,934	896,377	12.8
73-74	0.031290	67,939	2,126	66,876	827,442	12.2
74-75	0.034352	65,813	2,261	64,682	760,567	11.6
75-76	0.037497	63,552	2,383	62,360	695,884	10.9
76-77	0.040988	61,169	2,507	59,915	633,524	10.4
77-78	0.045162	58,662	2,649	57,337	573,609	9.8
78-79	0.049908	56,012	2,795	54,615	516,271	9.2
79-80	0.054996	53,217	2,927	51,754	461,657	8.7
80-81	0.060733	50,290	3,054	48,763	409,903	8.2
81-82	0.066914	47,236	3,161	45,656	361,140	7.6
82-83	0.073865	44,075	3,256	42,447	315,484	7.2
83-84	0.081625	40,820	3,332	39,154	273,037	6.7
84-85	0.090396	37,488	3,389	35,793	233,883	6.2
85-86	0.101406	34,099	3,458	32,370	198,090	5.8
86-87	0.112743	30,641	3,455	28,914	165,720	5.4
87-88	0.125066	27,187	3,400	25,486	136,806	5.0
88-89	0.138399	23,786	3,292	22,140	111,320	4.7
89-90	0.152753	20,494	3,131	18,929	89,179	4.4
90-91	0.168122	17,364	2,919	15,904	70,250	4.0
91-92	0.184482	14,445	2,665	13,112	54,346	3.8
92-93	0.201790	11,780	2,377	10,591	41,234	3.5
93-94	0.219980	9,403	2,068	8,369	30,642	3.3
94-95	0.238968	7,334	1,753	6,458	22,274	3.0
95-96	0.258646	5,582	1,444	4,860	15,816	2.8
96-97	0.278887	4,138	1,154	3,561	10,956	2.6
97-98	0.299549	2,984	894	2,537	7,395	2.5
98-99	0.320478	2,090	670	1,755	4,858	2.3
99-100	0.341508	1,420	485	1,178	3,103	2.2
100 and over	1.000000	935	935	1,925	1,925	2.1

SOURCE: CDC/NCHS, National Vital Statistics System.

Attachment #3

DETAILED ESTIMATION OF WORKLIFE EXPECTANCY FOR THE MEASUREMENT OF HUMAN CAPITAL: ACCOUNTING FOR MARRIAGE AND CHILDREN

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Abstract. Measuring an individual's human capital at a point in time as the present actuarial value of expected net lifetime earnings has a lengthy history. Calculating such measures requires accurate estimates of worklife expectancy. Here, worklife estimates for men and women in the USA categorized by educational attainment, race, marital status, parental status and current labour force status are presented. Race has a much larger impact on the worklife expectancy of men than women. Education is associated with larger worklife differentials for women. The association between marriage and worklife expectancy is significant, but of opposite sign, for men and women: married women (men) have a lower (higher) worklife expectancy than single women (men). Parenthood is associated with a reduction in the worklife expectancy of women; the association is smaller and varies from positive for some education/marital status groups to negative for others for men.

Keywords. Children; Human capital; Markov processes; Marriage; Worklife expectancy

1. Introduction

Dating back at least until the work of Farr (1853), one measure of an individual's human capital is the present actuarial value of his or her expected net lifetime earnings. Dublin and Lotka (1930) extended the work of Farr (1853) by allowing for the possibility of non-employment, and Jorgenson and Fraumeni (1989, 1992) incorporate an individual's gender, age and education into the analysis. Le *et al.* (2003, 2006) and Oxley *et al.* (2008) provide an extensive review and apply the Jorgenson and Fraumeni approach to the measurement of human capital in

Table 22. Worklife Expectancy: Married, White Males with Children by Education

Age	Less than High School			High School			College		
	Employed	Unemployed	Inactive	Employed	Unemployed	Inactive	Employed	Unemployed	Inactive
16	32.494	31.268	30.306						
17	31.815	30.544	29.558	40.522	39.599	38.276			
18	31.123	29.827	28.858	39.649	38.723	37.407			
19	30.415	29.170	28.121	38.774	37.845	36.514			
20	29.712	28.450	27.379	37.898	36.984	35.638			
21	29.009	27.695	26.595	37.019	36.112	34.779	39.549	38.615	38.820
22	28.293	27.039	25.814	36.139	35.233	33.894	38.621	37.730	37.870
23	27.586	26.246	25.048	35.255	34.344	33.054	37.691	36.831	36.977
24	26.859	25.529	24.269	34.370	33.446	32.200	36.759	35.922	36.070
25	26.123	24.738	23.520	33.482	32.544	31.328	35.824	35.021	35.151
26	25.389	23.925	22.701	32.592	31.647	30.442	34.891	34.172	34.220
27	24.657	23.131	21.839	31.698	30.742	29.479	33.954	33.264	33.303
28	23.939	22.286	20.964	30.802	29.843	28.515	33.015	32.347	32.366
29	23.208	21.492	20.079	29.906	28.912	27.527	32.076	31.415	31.387
30	22.480	20.626	19.242	29.012	27.982	26.528	31.137	30.460	30.427
31	21.757	19.716	18.335	28.119	27.065	25.513	30.197	29.512	29.459
32	21.028	18.953	17.360	27.226	26.177	24.492	29.258	28.568	28.427
33	20.317	18.123	16.479	26.336	25.265	23.458	28.320	27.626	27.372
34	19.614	17.305	15.551	25.448	24.367	22.449	27.384	26.665	26.281
35	18.889	16.574	14.765	24.561	23.476	21.449	26.447	25.706	25.206
36	18.173	15.805	13.928	23.678	22.571	20.486	25.514	24.755	24.133
37	17.472	15.026	13.105	22.797	21.677	19.539	24.583	23.804	23.048
38	16.791	14.280	12.262	21.918	20.788	18.579	23.654	22.876	21.952
39	16.132	13.626	11.427	21.040	19.903	17.591	22.728	21.945	20.814
40	15.478	13.030	10.696	20.165	19.004	16.622	21.806	20.995	19.648
41	14.841	12.273	10.002	19.296	18.093	15.605	20.889	20.033	18.446
42	14.210	11.653	9.240	18.436	17.196	14.598	19.981	19.074	17.220
43	13.595	11.029	8.492	17.587	16.311	13.620	19.082	18.141	15.978
44	13.000	10.461	7.749	16.749	15.421	12.612	18.195	17.204	14.669
45	12.413	9.728	7.087	15.924	14.541	11.692	17.320	16.276	13.397
46	11.814	9.145	6.459	15.113	13.663	10.788	16.462	15.360	12.152
47	11.217	8.504	5.854	14.318	12.843	9.906	15.620	14.458	10.959
48	10.609	8.035	5.253	13.540	12.024	9.059	14.796	13.591	9.842
49	10.022	7.474	4.658	12.780	11.215	8.262	13.992	12.770	8.798
50	9.437	7.054	4.083	12.035	10.351	7.548	13.206	12.011	7.848

Age	Less than High School			High School			College		
	Employed	Unemployed	Inactive	Employed	Unemployed	Inactive	Employed	Unemployed	Inactive
51	8.863	6.427	3.547	11.302	9.591	6.877	12.435	11.232	6.961
52	8.302	5.921	3.064	10.583	8.751	6.230	11.684	10.408	6.143
53	7.745	5.422	2.614	9.883	8.007	5.588	10.953	9.661	5.369
54	7.195	5.111	2.211	9.198	7.283	4.952	10.245	8.847	4.639
55	6.674	4.656	1.893	8.533	6.568	4.327	9.556	8.123	4.009
56	6.164	4.132	1.609	7.879	5.822	3.766	8.888	7.418	3.459
57	5.642	3.639	1.388	7.246	5.100	3.222	8.238	6.670	2.995
58	5.187	3.185	1.168	6.645	4.387	2.719	7.607	6.019	2.576
59	4.771	2.897	0.984	6.077	3.836	2.255	6.997	5.327	2.193
60	4.402	2.614	0.841	5.538	3.235	1.838	6.412	4.706	1.847
61	4.077	2.246	0.718	5.043	2.761	1.470	5.845	4.122	1.537
62	3.752	1.863	0.598	4.563	2.301	1.176	5.297	3.618	1.258
63	3.436	1.595	0.487	4.113	1.931	0.925	4.768	3.042	1.009
64	3.141	1.382	0.382	3.676	1.688	0.715	4.258	2.487	0.791
65	2.833	1.346	0.299	3.267	1.363	0.529	3.755	1.978	0.599
66	2.576	1.091	0.219	2.864	1.116	0.382	3.253	1.641	0.432
67	2.267	0.916	0.150	2.456	0.904	0.259	2.748	1.252	0.289
68	1.881	0.625	0.092	1.991	0.648	0.152	2.189	0.881	0.171
69	1.381	0.377	0.043	1.439	0.393	0.072	1.552	0.500	0.080
70	0.714	0.152	0.013	0.746	0.146	0.019	0.804	0.169	0.022

Attachment #4

**THE 2014 ANNUAL REPORT OF THE BOARD OF
TRUSTEES OF THE FEDERAL OLD-AGE AND SURVIVORS
INSURANCE AND FEDERAL DISABILITY INSURANCE
TRUST FUNDS**

COMMUNICATION

FROM

**THE BOARD OF TRUSTEES, FEDERAL OLD-AGE AND
SURVIVORS INSURANCE AND FEDERAL DISABILITY
INSURANCE TRUST FUNDS**

TRANSMITTING

**THE 2014 ANNUAL REPORT OF THE BOARD OF TRUSTEES OF THE
FEDERAL OLD-AGE AND SURVIVORS INSURANCE AND FEDERAL
DISABILITY INSURANCE TRUST FUNDS**



Economic Assumptions and Methods

Table V.B1.—Principal Economic Assumptions

Calendar year	Annual percentage change ^a in—						
	Productivity (Total U.S. economy)	Earnings as a percent of compensation	Average hours worked	GDP price index	Average annual wage in covered employment	Consumer Price Index	Real- wage differ- ential ^b
Historical data:							
5-year periods:							
1960 to 1965 ...	3.27	-0.18	0.16	1.36	3.22	1.24	1.98
1965 to 1970 ...	2.06	-0.31	-0.68	4.03	5.84	4.23	1.61
1970 to 1975 ...	2.07	-0.50	-0.87	6.60	6.62	6.76	-0.18
1975 to 1980 ...	0.95	-0.32	-0.17	7.19	8.87	8.91	-0.06
1980 to 1985 ...	1.74	-0.33	0.02	5.21	6.53	5.22	1.29
1985 to 1990 ...	1.37	-0.19	-0.08	3.11	4.75	3.83	0.92
1990 to 1995 ...	1.26	-0.11	0.41	2.44	3.57	3.03	0.54
1995 to 2000 ...	2.34	0.28	0.14	1.67	5.31	2.43	2.88
2000 to 2005 ...	2.64	-0.41	-0.82	2.35	2.69	2.49	0.21
2005 to 2010 ...	1.61	-0.09	-0.48	1.93	2.55	2.30	0.26
Economic cycles:^c							
1966 to 1973 ...	2.27	-0.29	-0.71	4.60	6.10	4.61	1.48
1973 to 1979 ...	1.10	-0.43	-0.56	7.52	8.55	8.54	0.01
1979 to 1989 ...	1.39	-0.28	0.00	4.68	5.80	5.31	0.45
1989 to 2000 ...	1.79	0.05	0.15	2.20	4.52	2.96	1.57
2000 to 2007 ...	2.15	-0.23	-0.64	2.50	3.23	2.65	0.60
2007 to 2013 ...	1.36	0.01	-0.15	1.51	1.89	2.08	-0.19
Single years:							
2003	3.31	-0.66	-1.49	2.00	2.51	2.22	0.30
2004	2.66	-0.27	0.02	2.74	4.67	2.61	2.06
2005	1.84	-0.22	-0.23	3.21	3.70	3.52	0.18
2006	0.84	0.49	-0.04	3.07	4.72	3.19	1.53
2007	1.06	-0.05	-0.38	2.66	4.50	2.88	1.62
2008	0.77	-0.06	-0.62	1.92	2.47	4.09	-1.62
2009	2.88	-0.66	-1.89	0.80	-1.52	-0.67	-0.85
2010	2.52	-0.17	0.57	1.22	2.69	2.07	0.62
2011	0.28	0.34	0.99	1.96	3.16	3.56	-0.39
2012	1.04	0.31	-0.07	1.75	2.69	2.10	0.59
2013 ^d	0.73	0.30	0.11	1.39	1.92	1.43	0.49
Intermediate:							
2014	1.57	-0.14	0.17	1.44	3.78	1.61	2.18
2015	1.92	-0.17	0.08	1.55	4.92	1.95	2.97
2016	1.87	0.09	0.08	1.78	5.01	2.18	2.84
2017	1.82	0.15	0.07	1.98	4.95	2.38	2.57
2018	1.61	0.06	0.05	2.18	4.70	2.58	2.12
2019	1.58	-0.18	0.02	2.29	4.28	2.69	1.58
2020	1.55	-0.19	^e	2.30	4.12	2.70	1.42
2021	1.63	-0.17	-0.03	2.30	4.11	2.70	1.41
2022	1.66	-0.13	-0.05	2.30	4.02	2.70	1.32
2023	1.68	-0.12	-0.05	2.30	3.85	2.70	1.15
2020 to 2025 ...	1.67	-0.13	-0.05	2.30	3.92	2.70	1.22
2025 to 2088 ...	1.68	-0.11	-0.05	2.30	3.83	2.70	1.13

Assumptions and Methods

Table V.B1.—Principal Economic Assumptions (Cont.)

Calendar year	Annual percentage change ^a in—						
	Productivity (Total U.S. economy)	Earnings as a percent of compensation	Average hours worked	GDP price index	Average annual wage in covered employment	Consumer Price Index	Real- wage differ- ential ^b
Low-cost:							
2014.....	1.88	-0.14	0.31	1.71	4.79	1.79	3.00
2015.....	2.21	-0.15	0.24	2.52	6.70	2.82	3.88
2016.....	2.12	0.12	0.22	3.05	7.01	3.35	3.66
2017.....	1.92	0.18	0.17	3.09	6.43	3.39	3.04
2018.....	1.64	0.11	0.09	3.08	5.58	3.38	2.20
2019.....	1.92	-0.12	0.07	3.10	5.34	3.40	1.94
2020.....	2.00	-0.12	0.06	3.10	5.38	3.40	1.98
2021.....	1.93	-0.10	0.05	3.10	5.31	3.40	1.91
2022.....	1.98	-0.06	0.05	3.10	5.38	3.40	1.98
2023.....	1.98	-0.03	0.05	3.10	5.20	3.40	1.80
2020 to 2025 ...	1.96	-0.04	0.05	3.10	5.23	3.40	1.83
2025 to 2088 ...	1.98	-0.02	0.05	3.10	5.16	3.40	1.76
High-cost:							
2014.....	1.00	-0.14	-0.05	1.23	2.29	1.48	0.81
2015.....	1.63	-0.18	-0.13	0.96	3.16	1.46	1.71
2016.....	1.75	0.07	-0.06	0.98	3.58	1.48	2.10
2017.....	1.69	0.11	-0.03	1.18	3.75	1.68	2.07
2018.....	1.43	0.02	-0.03	1.38	3.55	1.88	1.68
2019.....	1.39	-0.23	-0.04	1.49	3.24	1.99	1.25
2020.....	1.38	-0.25	-0.05	1.50	3.22	2.00	1.22
2021.....	1.30	-0.24	-0.06	1.50	3.10	2.00	1.10
2022.....	1.24	-0.22	-0.08	1.50	2.96	2.00	0.96
2023.....	1.31	-0.21	-0.11	1.50	2.70	2.00	0.70
2020 to 2025 ...	1.32	-0.21	-0.11	1.50	2.75	2.00	0.75
2025 to 2088 ...	1.38	-0.19	-0.15	1.50	2.52	2.00	0.52

^a For rows with a single year listed, the value is the annual percentage change from the prior year. For rows with a range of years listed, the value is the compound average annual percentage change.

^b For rows with a single year listed, the value is the annual percentage change in the average annual wage in covered employment less the annual percentage change in the Consumer Price Index. For rows with a range of years listed, the value is the average of annual values of the differential. Values are rounded after all computations.

^c Economic cycles are shown from peak to peak, except for the last cycle, which is not yet complete.

^d Historical data are not available for the full year. Estimated values vary slightly by alternative and are shown for the intermediate assumptions.

^e Greater than -0.005 and less than 0.005 percent.

5. Labor Force and Unemployment Projections

The Office of the Chief Actuary at the Social Security Administration projects the civilian labor force by age, sex, marital status, and presence of children. Projections of the labor force participation rates for each group reflect disability prevalence, educational attainment, the average level of Social Security retirement benefits, the state of the economy, and the change in life expectancy. The projections also include a “cohort effect,” which reflects a shift upward in female participation rates across cohorts born through 1948.

The annual rate of growth in the size of the labor force decreased from an average of about 2.4 percent during the 1966-73 economic cycle and

Attachment #5

2014 Employer Health Benefits Survey

Sep 10, 2014

GSK K ?PV MC [L B L EQ

Employer-sponsored insurance covers about 149 million nonelderly people.¹ (<http://kff.org/health-costs/report/2014-employer-health-benefits-survey/view/footnotes/#footnote-122804-1>) To provide current information about employer-sponsored health benefits, the Kaiser Family Foundation (Kaiser) and the Health Research & Educational Trust (HRET) conduct an annual survey of private and nonfederal public employers with three or more workers. This is the sixteenth Kaiser/HRET survey and reflects employer-sponsored health benefits in 2014.

The key findings from the survey, conducted from January through May 2014, include a modest increase in the average premiums for family coverage (3%). Single coverage premiums are 2% higher than in 2013, but the difference is not statistically significant. Covered workers generally face similar premium contributions and cost-sharing requirements in 2014 as they did in 2013. The percentage of firms (55%) which offer health benefits to at least some of their employees and the percentage of workers covered at those firms (62%) are statistically unchanged from 2013. The percentage of covered workers enrolled in grandfathered health plans – those plans exempt from many provisions of the Affordable Care Act (ACA) – declined to 26% of covered workers from 36% in 2013. Perhaps in response to new provisions of the ACA, the average length of the waiting period decreased for those with a waiting period and the percentage with an out-of-pocket limit increased. Although employers continue to offer coverage to spouses, dependents and domestic partners, some employers are instituting incentives to influence workers' enrollment decisions, including nine percent of employers who attach restrictions for spouses' eligibility if they are offered coverage at another source, or nine percent of firms who provide additional compensation if employees do not enroll in health benefits.

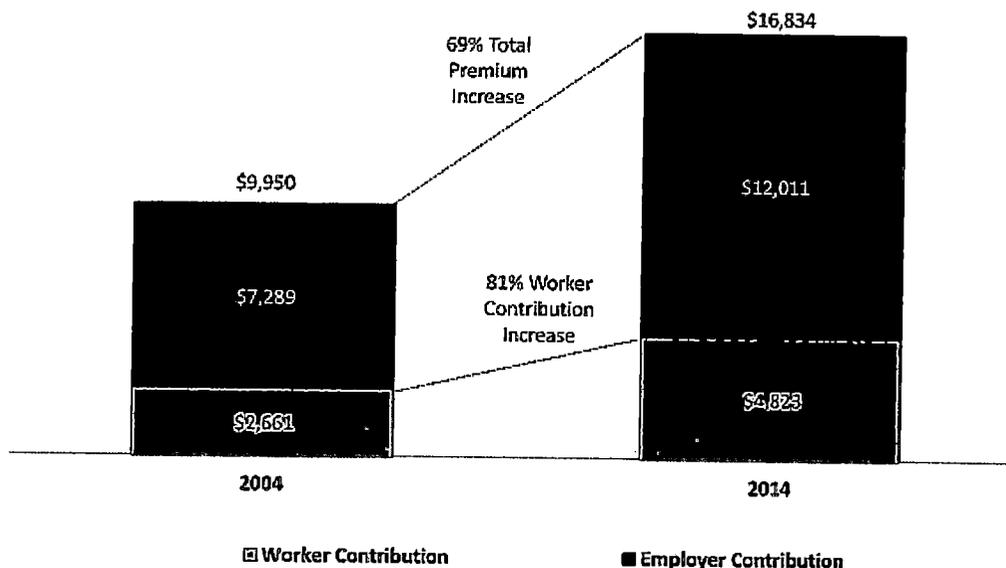
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In 2014, the average annual premiums for employer-sponsored health insurance are \$6,025 for single coverage and \$16,834 for family coverage. The average family premium rose 3% over the 2013 average premium. Single coverage premiums rose 2% in 2014 but are not statistically different than the 2013 premium amounts. During the same period, workers' wages increased 2.3% and inflation increased 2%.² (<http://kff.org/health-costs/report/2014-employer-health-benefits->

[survey/view/footnotes/#footnote-122804-2](#)) Over the last ten years, the average premium for family coverage has increased 69% (Exhibit A). Premiums have increased less quickly over the last five years (2009 to 2014), than the preceding five year period (2004 to 2009) (26% vs. 34%).

Exhibit A:

Average Annual Health Insurance Premiums and Worker Contributions for Family Coverage, 2004-2014



SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2004-2014.

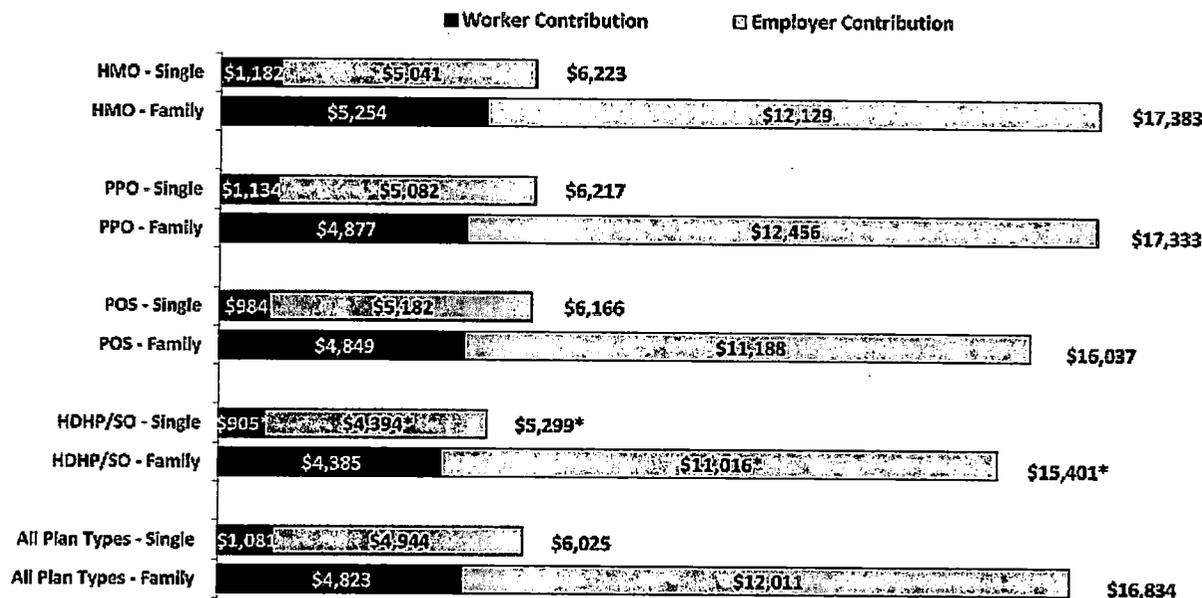


Exhibit A

Average premiums for high-deductible health plans with a savings option (HDHP/SOs) are lower than the overall average for all plan types for both single and family coverage (Exhibit B), at \$5,299 and \$15,401, respectively. There are important differences in premiums by firm size: the average premium for family coverage is lower for covered workers in small firms (3-199 workers) than for workers in larger firms (\$15,849 vs. \$17,265).

Exhibit B:

Average Annual Firm and Worker Premium Contributions and Total Premiums for Covered Workers for Single and Family Coverage, by Plan Type, 2014



* Estimate is statistically different from All Plans estimate by coverage type (p<.05).

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.



Exhibit B

Premiums vary significantly around the averages for single and family coverage, resulting from differences in benefits, cost sharing, covered populations, and geographical location. Twenty percent of covered workers are in plans with an annual total premium for family coverage of at least \$20,201 (120% of the average family premium), and 20% of covered workers are in plans where the family premium is less than \$13,467 (80% of the average family premium). The distribution is similar around the average single premium (Exhibit C).

Attachment #6

Contribution And Benefit Base

Automatic Determinations
 Cost-of-Living Adjustment
 Tax data

Social Security's Old-Age, Survivors, and Disability Insurance (OASDI) program limits the amount of earnings subject to taxation for a given year. The same annual limit also applies when those earnings are used in a benefit computation. This limit changes each year with changes in the national average wage index. We call this annual limit the contribution and benefit base. For earnings in 2014, this base is \$117,000.

Wage-indexed amounts

The OASDI tax rate for wages paid in 2014 is set by statute at 6.2 percent for employees and employers, each. Thus, an individual with wages equal to or larger than \$117,000 would contribute \$7,254.00 to the OASDI program in 2014, and his or her employer would contribute the same amount. The OASDI tax rate for self-employment income in 2014 is 12.4 percent.

For Medicare's Hospital Insurance (HI) program, the taxable maximum was the same as that for the OASDI program for 1966-1990. Separate HI taxable maximums of \$125,000, \$130,200, and \$135,000 were applicable in 1991-93, respectively. After 1993, there has been no limitation on HI-taxable earnings. Tax rates under the HI program are 1.45 percent for employees and employers, each, and 2.90 percent for self-employed persons.

Contribution and benefit bases, 1937-2014

Year	Amount	Year	Amount	Year	Amount
1937-50	\$3,000	1986	\$42,000	2006	\$94,200
1951-54	3,600	1987	43,800	2007	97,500
1955-58	4,200	1988	45,000	2008	102,000
1959-65	4,800	1989	48,000	2009	106,800
1966-67	6,600	1990	51,300	2010	106,800

1968-71	7,800	1991	53,400	2011	106,800
1972	9,000	1992	55,500	2012	110,100
1973	10,800	1993	57,600	2013	113,700
1974	13,200	1994	60,600	2014	117,000
1975	14,100	1995	61,200		
1976	15,300	1996	62,700		
1977	16,500	1997	65,400		
1978	17,700	1998	68,400		
1979	22,900	1999	72,600		
1980	25,900	2000	76,200		
1981	29,700	2001	80,400		
1982	32,400	2002	84,900		
1983	35,700	2003	87,000		
1984	37,800	2004	87,900		
1985	39,600	2005	90,000		

Note: Amounts for 1937-74 and for 1979-81 were set by statute; all other amounts were determined under automatic adjustment provisions of the Social Security Act.

Attachment #7

For release 10:00 a.m. (EDT) Wednesday, June 18, 2014

USDL-14-1137

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AMERICAN TIME USE SURVEY — 2013 RESULTS

On an average day in 2013, employed adults living in households with no children under age 18 engaged in leisure activities for 4.5 hours, about an hour more than employed adults living with a child under age 6, the U.S. Bureau of Labor Statistics reported today. Nearly everyone age 15 and over (95 percent) engaged in some sort of leisure activity, such as watching TV, socializing, or exercising.

These and other results from the American Time Use Survey (ATUS) were released today. These data include the average amount of time per day in 2013 that individuals worked, did household activities, and engaged in leisure and sports activities. Additionally, measures of the average time per day spent providing childcare—both as a primary (or main) activity and while doing other things—for the combined years 2009-13 are provided. For a further description of ATUS data and methodology, see the Technical Note.

Working (by Employed Persons) in 2013

- Employed persons worked an average of 7.6 hours on the days they worked. More hours were worked, on average, on weekdays than on weekend days—7.9 hours compared with 5.5 hours. (See table 4.)
- On the days they worked, employed men worked 53 minutes more than employed women. This difference partly reflects women's greater likelihood of working part time. However, even among full-time workers (those usually working 35 hours or more per week), men worked longer than women—8.3 hours compared with 7.7 hours. (See table 4.)
- Many more people worked on weekdays than on weekend days: 83 percent of employed persons worked on an average weekday, compared with 34 percent on an average weekend day. (See table 4.)
- On the days they worked, 83 percent of employed persons did some or all of their work at their workplace and 23 percent did some or all of their work at home. They spent more time working at the workplace than at home—7.9 hours compared with 3.0 hours. (See table 6.)
- Multiple jobholders were more likely to work on an average day than were single jobholders—77 percent compared with 67 percent. (For a definition of average day, see the Technical Note.) Multiple jobholders also were more likely to work at home than were single jobholders—31 percent compared with 22 percent. (See table 6.)

Economic News Release

Table 8. Time spent in primary activities (1) for the civilian population 18 years and over by employment status, presence and age of youngest household child, and sex, 2013 annual averages

Table 8. Time spent in primary activities (1) for the civilian population 18 years and over by employment status, presence and age of youngest household child, and sex, 2013 annual averages

Activity	Average hours per day spent in primary activities											
	Household child under 18											
	Total			Youngest household child under 6			Youngest household child 6 to 17			No household children under 18		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Total												
Total, all activities (2).....	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Personal care activities.....	9.36	9.04	9.64	9.31	8.81	9.73	9.40	9.22	9.56	9.57	9.34	9.79
Sleeping.....	8.60	8.40	8.78	8.60	8.19	8.93	8.61	8.56	8.65	8.75	8.69	8.81
Eating and drinking.....	1.16	1.21	1.12	1.15	1.18	1.13	1.17	1.23	1.11	1.28	1.30	1.25
Household activities.....	1.85	1.26	2.36	1.81	1.19	2.32	1.88	1.31	2.39	1.84	1.45	2.23
Housework.....	.68	.27	1.04	.68	.25	1.03	.68	.28	1.04	.55	.25	.84
Food preparation and cleanup.....	.70	.39	.97	.74	.43	1.00	.67	.36	.95	.54	.32	.75
Lawn and garden care.....	.12	.18	.07	.10	.15	.05	.13	.19	.08	.23	.31	.16
Household management.....	.10	.08	.11	.10	.07	.12	.10	.09	.11	.15	.12	.19
Purchasing goods and services.....	.73	.62	.83	.71	.63	.78	.75	.61	.88	.78	.65	.90
Consumer goods purchases.....	.37	.28	.46	.38	.31	.45	.37	.25	.47	.38	.29	.46
Professional and personal care services.....	.06	.06	.07	.06	.06	.05	.07	.05	.09	.09	.07	.12
Caring for and helping household members.....	1.42	.99	1.79	2.06	1.45	2.57	.91	.64	1.15	.07	.05	.09
Caring for and helping household children.....	1.19	.82	1.50	1.84	1.29	2.28	.68	.46	.87	---	---	---
Caring for and helping nonhousehold members.....	.12	.11	.13	.07	.09	.06	.16	.13	.18	.24	.20	.27
Caring for and helping nonhousehold adults.....	.05	.05	.04	.02	.03	.02	.06	.06	.06	.08	.08	.07
Working and work-related activities.....	4.20	5.48	3.11	4.19	5.97	2.71	4.22	5.11	3.43	3.32	3.86	2.78
Working.....	3.82	4.99	2.81	3.82	5.46	2.47	3.82	4.64	3.09	3.00	3.48	2.53
Educational activities.....	.25	.20	.29	.15	.05	.24	.33	.32	.34	.25	.30	.19
Attending class.....	.11	.10	.12	.07	.0	.12	.14	.17	.11	.08	.12	.05
Homework and research.....	.12	.08	.15	.07	.04	.09	.16	.11	.20	.14	.16	.13
Organizational, civic, and religious activities.....	.31	.28	.33	.27	.31	.23	.34	.27	.41	.33	.29	.37
Religious and spiritual activities.....	.13	.13	.13	.14	.16	.11	.13	.11	.15	.15	.12	.19
Volunteering (organizational and civic activities).....	.13	.11	.15	.10	.11	.09	.16	.12	.20	.14	.14	.15
Leisure and sports.....	4.17	4.49	3.91	3.87	4.04	3.74	4.41	4.83	4.04	5.85	6.16	5.56
Socializing and communicating.....	.71	.68	.73	.70	.65	.75	.72	.71	.72	.72	.63	.80
Watching television.....	2.17	2.35	2.01	2.06	2.16	1.97	2.25	2.50	2.03	3.17	3.39	2.97
Participating in sports, exercise, and recreation.....	.25	.32	.19	.23	.30	.18	.26	.33	.19	.29	.39	.19
Telephone calls, mail, and e-mail.....	.11	.07	.14	.08	.07	.09	.13	.08	.17	.17	.11	.23
Other activities, not elsewhere classified.....	.31	.24	.36	.31	.21	.39	.30	.26	.34	.31	.28	.34
Employed												
Total, all activities (2).....	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Personal care activities.....	9.10	8.88	9.36	8.99	8.71	9.36	9.19	9.02	9.36	9.27	9.06	9.50
Sleeping.....	8.33	8.24	8.42	8.26	8.10	8.47	8.38	8.36	8.40	8.46	8.41	8.52
Eating and drinking.....	1.17	1.23	1.11	1.16	1.19	1.12	1.18	1.27	1.10	1.28	1.31	1.24
Household activities.....	1.56	1.21	1.96	1.45	1.15	1.84	1.65	1.26	2.05	1.47	1.19	1.79
Housework.....	.50	.23	.80	.45	.23	.74	.53	.23	.83	.43	.21	.67
Food preparation and cleanup.....	.59	.38	.84	.59	.40	.84	.59	.35	.84	.42	.27	.58
Lawn and garden care.....	.11	.16	.06	.09	.14	.03	.13	.18	.08	.17	.23	.09
Household management.....	.09	.08	.11	.10	.08	.12	.09	.08	.11	.12	.10	.14
Purchasing goods and services.....	.72	.62	.83	.71	.63	.81	.73	.61	.85	.72	.61	.86
Consumer goods purchases.....	.37	.29	.47	.37	.31	.46	.37	.27	.48	.36	.28	.46
Professional and personal care services.....	.05	.04	.06	.05	.06	.05	.05	.03	.06	.07	.06	.08
Caring for and helping household members.....	1.19	.95	1.46	1.71	1.38	2.14	.81	.59	1.02	.05	.04	.07
Caring for and helping household children.....	.98	.80	1.19	1.51	1.23	1.87	.59	.43	.75	---	---	---
Caring for and helping nonhousehold members.....	.09	.08	.10	.06	.07	.05	.10	.08	.12	.21	.23	.20
Caring for and helping nonhousehold adults.....	.03	.03	.03	.03	.03	.02	.04	.03	.05	.07	.09	.05
Working and work-related activities.....	5.64	6.43	4.76	5.82	6.66	4.73	5.51	6.24	4.78	5.73	6.16	5.24
Working.....	5.19	5.91	4.38	5.35	6.11	4.37	5.07	5.75	4.38	5.25	5.63	4.82
Educational activities.....	.14	.08	.20	.07	.03	.14	.18	.12	.24	.15	.16	.14
Attending class.....	.05	.04	.07	.04	.0	(4)	.06	(4)	.07	.03	.03	.03
Homework and research.....	.07	.04	.11	.03	.0	.05	.11	.06	.15	.11	.12	.10
Organizational, civic, and religious activities.....	.28	.27	.30	.26	.31	.19	.30	.23	.36	.23	.19	.27
Religious and spiritual activities.....	.12	.13	.11	.13	.16	.09	.12	.11	.13	.11	.10	.13
Volunteering (organizational and civic activities).....	.12	.10	.14	.10	.11	.08	.14	.09	.18	.09	.07	.10
Leisure and sports.....	3.73	3.97	3.46	3.44	3.61	3.21	3.95	4.27	3.63	4.53	4.77	4.25
Socializing and communicating.....	.67	.65	.68	.66	.63	.69	.68	.68	.67	.69	.61	.78

Watching television.....	1.85	2.03	1.64	1.71	1.86	1.51	1.95	2.17	1.73	2.30	2.48	2.10
Participating in sports, exercise, and recreation	.25	.30	.19	.24	.30	.17	.25	.30	.20	.29	.37	.19
Telephone calls, mail, and e-mail.....	.09	.06	.14	.08	.06	.10	.11	.05	.16	.12	.08	.16
Other activities, not elsewhere classified.....	.28	.23	.33	.26	.20	.33	.30	.26	.33	.24	.21	.28
Not employed												
Total, all activities (2).....	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Personal care activities.....	10.07	9.88	10.14	10.09	9.55	10.21	10.04	10.04	10.05	9.97	9.79	10.10
Sleeping.....	9.36	9.25	9.40	9.41	8.85	9.53	9.32	9.43	9.25	9.13	9.14	9.13
Eating and drinking.....	1.13	1.10	1.13	1.14	1.12	1.14	1.12	1.10	1.13	1.28	1.30	1.27
Household activities.....	2.64	1.53	3.07	2.69	1.51	2.95	2.60	1.54	3.21	2.34	1.86	2.72
Housework.....	1.18	.45	1.46	1.23	.40	1.41	1.14	.48	1.52	.71	.32	1.03
Food preparation and cleanup.....	1.00	.45	1.21	1.09	.60	1.20	.92	.37	1.23	.70	.41	.93
Lawn and garden care.....	.13	.25	.08	.12	(4)	.09	.14	.23	.08	.32	.43	.23
Household management.....	.11	.08	.11	.10	(4)	.11	.11	.10	.12	.20	.15	.24
Purchasing goods and services.....	.78	.61	.84	.73	.65	.75	.82	.60	.95	.85	.72	.95
Consumer goods purchases.....	.38	.24	.44	.41	(4)	.43	.36	.20	.45	.39	.32	.45
Professional and personal care services.....	.10	.13	.09	.06	(4)	.05	.14	.14	.14	.13	.09	.16
Caring for and helping household members.....	2.04	1.19	2.37	2.92	1.98	3.13	1.22	.83	1.45	.09	.07	.11
Caring for and helping household children.....	1.75	.94	2.06	2.63	1.78	2.82	.93	.56	1.15	---	---	---
Caring for and helping nonhousehold members.....	.21	.29	.19	.09	.21	.07	.33	(4)	(4)	.26	.17	.34
Caring for and helping nonhousehold adults.....	.08	.13	.06	.02	(4)	.02	.13	.18	.11	.08	.06	.10
Working and work-related activities (3).....	.27	.53	.17	.24	(4)	.13	.29	.43	.21	.11	.17	.07
Working (3).....	(4)	(4)	(4)	(4)	(4)	(4)	(4)	~0	(4)	.02	~0	~0
Educational activities.....	.57	(4)	.46	.34	(4)	.36	.78	(4)	.58	.38	.54	.25
Attending class.....	.27	(4)	.20	.15	(4)	.18	.37	(4)	.21	.15	(4)	.07
Homework and research.....	.24	.32	.21	.15	(4)	.13	.32	(4)	.31	.19	.23	.16
Organizational, civic, and religious activities.....	.38	.37	.39	.28	.27	.29	.48	.41	.51	.47	.44	.50
Religious and spiritual activities.....	.17	.15	.17	.15	.18	.15	.18	.14	.20	.21	.15	.25
Volunteering (organizational and civic activities)	.17	.18	.17	.10	(4)	.10	.24	.22	.26	.22	.25	.19
Leisure and sports.....	5.39	7.20	4.70	4.94	7.28	4.42	5.81	7.16	5.03	7.61	8.39	6.99
Socializing and communicating.....	.83	.83	.83	.82	.84	.81	.84	.83	.84	.76	.68	.82
Watching television.....	3.04	4.05	2.65	2.91	4.41	2.58	3.17	3.89	2.75	4.33	4.84	3.93
Participating in sports, exercise, and recreation	.25	.45	.18	.21	(4)	.19	.29	.49	.18	.29	.42	.19
Telephone calls, mail, and e-mail.....	.14	.16	.13	.10	.13	.09	.18	.18	.18	.23	.15	.30
Other activities, not elsewhere classified.....	.38	.28	.42	.43	(4)	.46	.33	.28	.36	.40	.39	.41

1 A primary activity refers to an individual's main activity. Other activities done simultaneously are not included.
 2 All major activity categories include related travel time. See Technical Note for activity category definitions.
 3 Estimates include a small amount of work time done by persons who do not meet the American Time Use Survey definition for employed.
 4 Estimate is suppressed because it does not meet the American Time Use Survey publication standards.
 ~0 Estimate is approximately zero.
 --- Not applicable.

Table of Contents

Last Modified Date: June 18, 2014

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Attachment #8

12/11

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R-3549-ICJ

Computing Economic Loss in Cases of Wrongful Death

Elizabeth M. King, James P. Smith

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tionate rate. Unfortunately, despite the substantial literature on the subject, research has reached no consensus about the single best methodology for creating these equivalence scales.

In this study, we have not advanced a new methodology for this purpose. After reviewing the literature, we were unable to select a methodology that we felt was clearly superior to the others. Because of this, we simply averaged three of the more prominent methodologies: the one of Leitch and Orchansky, U.S. Bureau of Labor Statistics, and Lazear and Shiller.¹

Table 7.1 presents the resulting equivalence scales that we used in this study. These scales are stratified by the age of the household head and the size of the family. All values are normalized against a one-person family with a head of household less than 35 years old. The scales reveal two major patterns. First, the scales decline when the age of household head reaches age 55. Second, they expand as family size increases, but at a less than proportionate rate. For example, a four-person family headed by a 35- to 54-year-old individual "needs" 102.8 percent more income than a one-person family of that age (102.8). Similarly, a five-person family in that age bracket does not require five times as many resources as a one-person family; it requires only 2.42 as much.

The rate of increase is not proportionate to family size because some consumption is shared among family members. To illustrate, if all members of a four-person family consumed equally, each would consume 25 percent. However, we estimate that the unique consumption of each person is only 17.7 percent. The difference between the equal share of 25 percent and our 17.7 percent estimate results from the

substantial shared consumption that takes place among family members. To establish the consumption requirements of the rest of the family, we should subtract only the consumption that is unique to the decedent.

As a proportion of total family consumption, joint consumption is relatively more important the smaller the original family size. This result should not be surprising since many of the shared goods in the household are required even if there is only one person present. If one family member dies, the rest of the family still needs a house and a refrigerator.

Table 7.2 illustrates how these equivalence scales can be transformed to deduce what fraction of total family consumption is unique to each individual (in this case, the decedent). Here, we reproduce the equivalence scales for families headed by 35- to 54-year-old individuals and the decedent's share of family consumption.

Assume that a family of three spent \$17,150 on consumption. Using the scales in Table 7.2, that family is as well-off as a family of two with a total consumption of \$13,420. To put the comparison in a more revealing way, the other two members of the family of three must have been consuming at the \$13,420 level to be as well-off in terms of their consumption between a family of two and a family of three. As a result, the unique consumption of a decedent is \$3,730 (the difference between family size 3 and 2 consumption), which is about 22 percent of the original total family consumption.

Table 7.1

HOUSEHOLD EQUIVALENCE SCALES

Size of Family	Age of Household Head			
	Under 35	35-54	55-64	65 and Over
One Person	100.0	102.8	91.4	80.0
Two Persons	106.9	134.2	134.2	118.3
Three Persons	131.2	171.5	182.1	163.0
Four Persons	155.6	208.2	229.2	191.4
Five Persons	198.5	249.1	261.8	226.5
Six Persons	232.1	288.6	299.1	258.8

Table 7.2

ILLUSTRATION OF
EQUIVALENCE SCALES
(Head Aged 35-54)

Family Size	Equivalence Scale	Decedent's Share of Family Consumption
1	102.8	
2	134.2	23.4
3	171.5	21.7
4	208.2	17.7
5	249.1	16.4
6	288.7	13.7

¹ discuss the characteristics and limitations of these methodologies in the "Note on Equivalence Methodologies" at the end of this section.

Attachment #9

Social Security

Official Social Security Website

Cost-Of-Living Adjustment

History of Automatic Cost-Of-Living Adjustments

Automatic benefit increases, also known as cost-of-living adjustments or COLAs, have been in effect since 1975.

The 1975-82 COLAs were effective with Social Security benefits payable for June (received by beneficiaries in July) in each of those years. After 1982, COLAs have been effective with benefits payable for December (received by beneficiaries in January).

COLAs received in 1975-2013 are shown below.

Automatic Cost-Of-Living Adjustments

July 1975 -- 8.0%	January 1996 -- 2.6%
July 1976 -- 6.4%	January 1997 -- 2.9%
July 1977 -- 5.9%	January 1998 -- 2.1%
July 1978 -- 6.5%	January 1999 -- 1.3%
July 1979 -- 9.9%	January 2000 -- 2.5% ⁽¹⁾
July 1980 -- 14.3%	January 2001 -- 3.5%
July 1981 -- 11.2%	January 2002 -- 2.6%
July 1982 -- 7.4%	January 2003 -- 1.4%
January 1984 -- 3.5%	January 2004 -- 2.1%
January 1985 -- 3.5%	January 2005 -- 2.7%
January 1986 -- 3.1%	January 2006 -- 4.1%
January 1987 -- 1.3%	January 2007 -- 3.3%
January 1988 -- 4.2%	January 2008 -- 2.3%
January 1989 -- 4.0%	January 2009 -- 5.8%
January 1990 -- 4.7%	January 2010 -- 0.0%
January 1991 -- 5.4%	January 2011 -- 0.0%
January 1992 -- 3.7%	January 2012 -- 3.6%
January 1993 -- 3.0%	January 2013 -- 1.7%
January 1994 -- 2.6%	January 2014 -- 1.5%
January 1995 -- 2.8%	

Attachment #10

FEDERAL RESERVE statistical release



H.15 (519) SELECTED INTEREST RATES

Yields in percent per annum

For use at 2:30 p.m. Eastern Time
September 8, 2014

Instruments	2014					2014	
	Sep 1*	Sep 2	Sep 3	Sep 4	Sep 5	Sep 5	Week Ending
Federal funds (effective) ^{1, 2, 3}	0.09	0.09	0.09	0.09	0.09	0.08	0.09
Commercial Paper ^{4, 5, 6}							
Nonfinancial							
1-month	0.07	0.07	0.10	0.10	0.06	0.08	0.07
2-month	0.08	0.09	0.09	0.09	n.a.	0.09	0.09
3-month	0.09	0.12	0.10	0.10	0.09	0.10	0.11
Financial							
1-month	0.07	0.08	0.10	n.a.	0.08	0.08	0.08
2-month	0.11	0.09	0.12	0.11	0.11	0.11	0.12
3-month	0.13	0.11	0.14	0.13	0.13	0.13	0.13
Eurodollar deposits (London) ⁷							
1-month	0.17	0.17	0.17	0.17	0.17	0.17	0.17
3-month	0.24	0.24	0.24	0.24	0.24	0.24	0.24
6-month	0.36	0.36	0.36	0.36	0.36	0.36	0.36
Bank prime loan ^{2, 3, 8}							
Discount window primary credit ⁹	3.25	3.25	3.25	3.25	3.25	3.25	3.25
U.S. government securities							
Treasury bills (secondary market) ^{3, 4}							
4-week	0.02	0.02	0.02	0.02	0.02	0.02	0.02
3-month	0.03	0.03	0.03	0.03	0.03	0.03	0.03
6-month	0.05	0.05	0.05	0.05	0.05	0.05	0.05
1-year	0.09	0.10	0.09	0.09	0.09	0.09	0.10
Treasury constant maturities							
Nominal ¹⁰							
1-month	0.02	0.02	0.02	0.02	0.02	0.02	0.02
3-month	0.03	0.03	0.03	0.03	0.03	0.03	0.03
6-month	0.05	0.05	0.05	0.05	0.05	0.05	0.05
1-year	0.09	0.11	0.10	0.10	0.10	0.10	0.11
2-year	0.52	0.52	0.54	0.52	0.53	0.53	0.51
3-year	0.99	0.99	1.01	0.99	1.00	0.97	0.97
5-year	1.69	1.69	1.71	1.69	1.70	1.66	1.63
7-year	2.11	2.11	2.14	2.14	2.13	2.06	2.08
10-year	2.42	2.41	2.45	2.44	2.44	2.37	2.42
20-year	2.91	2.90	2.95	2.97	2.93	2.85	2.94
30-year	3.17	3.15	3.21	3.23	3.19	3.11	3.20
Inflation indexed ¹¹							
5-year	-0.07	-0.08	-0.05	-0.08	-0.07	-0.13	-0.21
7-year	0.20	0.18	0.21	0.24	0.21	0.18	0.15
10-year	0.27	0.24	0.28	0.31	0.28	0.23	0.22
20-year	0.61	0.59	0.64	0.72	0.64	0.60	0.64
30-year	0.90	0.89	0.94	0.97	0.93	0.85	0.90
Inflation-indexed long-term average ¹²	0.65	0.64	0.69	0.72	0.68	0.60	0.63
Interest rate swaps ¹³							
1-year	0.34	0.34	0.35	0.34	0.34	0.34	0.32
2-year	0.74	0.74	0.75	0.72	0.74	0.72	0.68
3-year	1.19	1.18	1.20	1.16	1.18	1.16	1.12
4-year	1.55	1.55	1.57	1.53	1.55	1.49	1.49
5-year	1.82	1.82	1.84	1.80	1.82	1.79	1.77
7-year	2.19	2.20	2.22	2.19	2.20	2.16	2.18
10-year	2.56	2.56	2.57	2.55	2.56	2.51	2.56
30-year	3.14	3.15	3.17	3.17	3.16	3.10	3.18
Corporate bonds							
Moody's seasoned							
Aaa ¹⁴	4.00	3.98	4.03	4.10	4.03	3.98	4.08
Baa	4.67	4.65	4.70	4.75	4.69	4.61	4.69
State & local bonds ¹⁵							
Conventional mortgages ¹⁶							

See overleaf for footnotes.
* Markets closed.
n.a. Not available.

Footnotes

1. The daily effective federal funds rate is a weighted average of rates on brokered trades.
2. Weekly figures are averages of 7 calendar days ending on Wednesday of the current week; monthly figures include each calendar day in the month.
3. Annualized using a 360-day year or bank interest.
4. On a discount basis.
5. Interest rates interpolated from data on certain commercial paper trades settled by The Depository Trust Company. The trades represent sales of commercial paper by dealers or direct issuers to investors (that is, the offer side). The 1-, 2-, and 3-month rates are equivalent to the 30-, 60-, and 90-day dates reported on the Board's Commercial Paper Web page (www.federalreserve.gov/releases/cp/).
6. Financial paper that is insured by the FDIC's Temporary Liquidity Guarantee Program is not excluded from relevant indexes, nor is any financial or nonfinancial commercial paper that may be directly or indirectly affected by one or more of the Federal Reserve's liquidity facilities. Thus the rates published after September 19, 2008, likely reflect the direct or indirect effects of the new temporary programs and, accordingly, likely are not comparable for some purposes to rates published prior to that period.
7. Source: Bloomberg and CTRB ICAP Fixed Income & Money Market Products.
8. Rate posted by a majority of top 25 (by assets in domestic offices) insured U.S.-chartered commercial banks. Prime is one of several base rates used by banks to price short-term business loans.
9. The rate charged for discounts made and advances extended under the Federal Reserve's primary credit discount window program, which became effective January 9, 2003. This rate replaces that for adjustment credit, which was discontinued after January 8, 2003. For further information, see www.federalreserve.gov/boarddocs/press/bcreg/2002/200210312/default.htm. The rate reported is that for the Federal Reserve Bank of New York. Historical series for the rate on adjustment credit as well as the rate on primary credit are available at www.federalreserve.gov/releases/h15/data.htm.
10. Yields on actively traded non-inflation-indexed issues adjusted to constant maturities. The 30-year Treasury constant maturity series was discontinued on February 18, 2002, and reintroduced on February 9, 2006. From February 18, 2002, to February 9, 2006, the U.S. Treasury published a factor for adjusting the daily nominal 20-year constant maturity in order to estimate a 30-year nominal rate. The historical adjustment factor can be found at www.treasury.gov/resource-center/data-chart-center/interest-rates/. Source: U.S. Treasury.
11. Yields on Treasury inflation protected securities (TIPS) adjusted to constant maturities. Source: U.S. Treasury. Additional information on both nominal and inflation-indexed yields may be found at www.treasury.gov/resource-center/data-chart-center/interest-rates/.
12. Based on the unweighted average bid yields for all TIPS with remaining terms to maturity of more than 10 years.
13. International Swaps and Derivatives Association (ISDA®) mid-market par swap rates. Rates are for a Fixed Rate Payer in return for receiving three month LIBOR, and are based on rates collected at 11:00 a.m. Eastern time by Thomson Reuters and published on Thomson Reuters Page ISDAFIX®1. ISDAFIX is a registered service mark of ISDA®. Source: Thomson Reuters.
14. Moody's Aaa rates through December 6, 2001, are averages of Aaa utility and Aaa industrial bond rates. As of December 7, 2001, these rates are averages of Aaa industrial bonds only. Data obtained from Bloomberg Finance L.P.
15. Bond Buyer Index, general obligation, 20 years to maturity, mixed quality; Thursday quotations. Data obtained from Bloomberg Finance L.P.
16. Contract interest rates on commitments for 30-year fixed-rate first mortgages. Source: Primary Mortgage Market Survey® data provided by Freddie Mac.

Note: Weekly and monthly figures on this release, as well as annual figures available on the Board's historical H.15 web site (see below), are averages of business days unless otherwise noted.

Current and historical H.15 data are available on the Federal Reserve Board's web site (www.federalreserve.gov/). For information about individual copies or subscriptions, contact Publications Services at the Federal Reserve Board (phone 202-452-3244, fax 202-728-5886).

Description of the Treasury Nominal and Inflation-Indexed Constant Maturity Series

Yields on Treasury nominal securities at "constant maturity" are interpolated by the U.S. Treasury from the daily yield curve for non-inflation-indexed Treasury securities. This curve, which relates the yield on a security to its time to maturity, is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market. These market yields are calculated from composites of quotations obtained by the Federal Reserve Bank of New York. The constant maturity yield values are read from the yield curve at fixed maturities, currently 1, 3, and 6 months and 1, 2, 3, 5, 7, 10, 20, and 30 years. This method provides a yield for a 10-year maturity, for example, even if no outstanding security has exactly 10 years remaining to maturity. Similarly, yields on inflation-indexed securities at "constant maturity" are interpolated from the daily yield curve for Treasury inflation protected securities in the over-the-counter market. The inflation-indexed constant maturity yields are read from this yield curve at fixed maturities, currently 5, 7, 10, 20, and 30 years.