The final step that we take is that these losses take place in the future, so that if we are going to compensate somebody today, how much would we have to give them today to compensate them for future loss, so let's say, for example, the loss is $10,000. Ten years from now we would have to give somebody less than $10,000 today, since the amount that we give them and if they invested that, the principal plus interest 10 years from now would be equal to $10,000.

So what we have to do is to take the future values that we estimate and put them in present values and we talk about discounting those to present value, so we come up with a discounted present value figure for the losses.

So the steps, again, are to determine the base income, project those into the future, deduct from those personal expenditures, and then finally, to discount those to present value.

That is how we go about estimating the earnings losses in this particular case.

In other cases there are also other economic