

**Can one place a value on a human life?
(and, if yes, is it wrong to do so?)**

Yes, it is possible.

No, it is not wrong to do so.

→ Almost everyone does it almost every day.

Suppose you choose to buy a compact car instead of an SUV (that costs \$7,000 more) knowing that the probability of surviving an accident in an SUV is twice the probability of surviving an accident in a compact car.

You chose to save \$7,000 in exchange for a small (but measurable) increase in the probability of dying.

By the math, you just valued your life at around \$975,000.

Whenever you choose:

- **to live farther away from a fire station,**
- **to eat sushi**
- **to walk across the street**
- **to smoke a single cigarette**
- **to drink a beer**
- **etc...**

...you are increasing the probability of dying in exchange for gaining something.

By comparing the value of the thing you gain to the increase in the probability of death, economists can infer the value that you place on your life.

Who cares?

We must first get over the prejudice that it is somehow wrong to attempt to measure the value of life if we are to make smart choices about protecting life.

Example

Installing and requiring children to use seatbelts on school buses will reduce the number of child travel deaths. But, it will cost (on average) \$2.5 million for every child's life we save.

→ Should we install seatbelts on school buses?

The naïve response is: "Yes! You can't put a value on a child's life."

The correct response is: "What do we give up by spending money on seatbelts?"

<u>Spend \$2.5 million on:</u>	<u># Lives Saved Annually</u>
Seatbelts on school buses	1
Airbags in cars	3
Heart transplants	13
Malaria prevention	975
Midwife training in third world	310,000
HIV tests for sex workers	715,000

If our concern is saving lives, then economics tells us that we should not spend money for seatbelts on school buses because every life we save will be offset by 715,000 lives we might otherwise have saved by spending the money elsewhere.