**Howard Steven Friedman. *Ultimate Price: The Value We Place on Life.*** Oakland: University of California Press. 2020. 221 pp. $24.95 paper.

Writing a book that addresses an important question in broad perspective poses a substantial challenge to keep the reader interested in the unfamiliar and satisfied with the familiar. Howard Steven Friedman meets the challenge well in *Ultimate Price: The Value We Place on Life*. His chapters explore how public and private institutions as well as individuals value life, whether explicitly or implicitly. The chapters discuss 9/11 compensation, criminal and civil law, environmental regulation, business decisions, life insurance, medical care, and fertility. Although one might not agree fully with either the characterizations or the ostensible ethical implications in all the chapters—and I will return to one area where I disagree strongly—I found the chapters to be generally well informed, thoughtful, and balanced. I think many social science researchers will find this book a worthwhile read for broadening their perspective on the many ways in which society values lives. It will also be a provocative reading in public affairs courses.

The chapter on 9/11 compensation nicely sets out the theme of the book, which, borrowing from the back cover, might be stated as "all lives are precious . . . but not priceless." It introduces four characters, hypothetical people who lost loved ones in the terrorist attacks on the World Trade Center, and it explains the financial compensation each would have received from the September 11 Victim Compensation Fund. Because the expectation of future earnings for the deceased played a role in the determination of compensation, as it does in US tort law, the four characters would have received very different amounts of compensation. Friedman argues that if compensation is to be given, it would be fairer to distribute equal amounts to all the victims, setting the stage for subsequent discussion of how that amount could be determined. The reappearance of the four characters at several points in subsequent chapters helps tie the diverse explorations of the value of life together.

The chapter on the courts appropriately challenges the implicit value of life applied in criminal cases and the explicit method used in civil cases. Apropos to the Black Lives Matter movement, it reviews research showing how the race and gender of the victim and the accused affect the functioning of the criminal justice system, both in terms of police response and the punishment of the convicted. Whereas one can think of these disparities as

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being a failure in the implementation of justice, the explicit valuation of wrongful death in civil cases is conceptually and ethically questionable, because it determines awards largely in terms of future earnings, producing the same sort of disparities that the bring the fairness of the 9/11 compensation into question.

Several chapters address how businesses value lives. Not surprisingly, the cost-benefit analyses, or what would more commonly be referred to as fiscal analyses, conducted by corporations estimate values of life in terms of the questionable future liabilities imposed by regulatory penalty and civil law. The chapter on the valuation of life in our health care system offers criticisms that will be familiar to the readers of this journal. Among private actors, life insurers receive the most positive treatment.

The chapter on the regulation of risks focuses attention on the value of statistical life (VSL) and its role in the cost-benefit analyses conducted by federal administrative agencies in regulatory impact analyses of major rules—primarily those that would involve annual costs, benefits, or transfers of more than $100 million. Economists have used both revealed and stated preference methods to estimate how people make trade-offs between money and small changes in mortality risk. These trade-offs reveal a willingness to pay for reductions in mortality risk that can be used to estimate an implied average VSL for a population of interest. Environmental, transportation, and other policies that make small changes in the mortality risks faced by individuals can nonetheless lead to large changes in the number of premature deaths for the population. The VSL provides a "shadow price" for monetizing the changes in premature deaths.

The treatment of the VSL in *Ultimate Price* is more skeptical than warranted in my view. As is the case with all empirical methods, questions can be raised about internal and external validity. However, the large number of studies estimating the VSL for the United States have been more consistent than the book implies. I recommend Viscusi (2018) for a more sophisticated assessment of the estimation and use of the VSL that is accessible to noneconomists.

My first disappointment with the book was its caricature of stated preference methods. Competent contingent valuation surveys do not ask people in shopping malls to state how much they would be willing to pay to avoid a mortality risk, as suggested on pages 19–21. Good practice now generally employs dichotomous choice elicitations in which the respondent accepts or rejects a randomly assigned payment for the change in risk. Surveys are designed to enable an assessment of whether the respondents are making economic choices. For example, split samples give respondents different levels of risk changes to determine whether they are willing to pay more for the more favorable change. The contingent valuation craft has evolved well beyond Friedman's description.

*Ultimate Price* disappoints me most in its treatment of cost-benefit analysis. Friedman expresses a misunderstanding that underlies many ethicists' critiques of cost-benefit analysis: that it is commonly used as a decision rule. Cost-benefit analysis assesses one social value: allocative efficiency. It is therefore an appropriate decision rule only when allocative efficiency is the only goal. Nonetheless, allocative efficiency is usually one of the relevant goals, and cost-benefit analysis provides consistent protocols for assessing it for inclusion in multigoal analyses. Representative governments almost never employ cost-benefit analysis as a decision rule. The voices of concentrated and organized interests and fiscal analyses tend to be most influential. Cost-benefit analysis gives some voice to allocative efficiency, which often takes account of the diffuse interests that lack a political voice.

Introducing distributional values into cost-benefit analysis risks clouding rather clarifying policy trade-offs. Readers of this journal may have already encountered one such adaptation that Friedman advocates: not discounting mortality benefits that accrue in the future. One might very well argue that from a broad societal perspective, we should value a life saved 10 years from now the same as one saved this year. However, doing so by selectively exempting mortality reduction benefits from discounting is not consistent with assessing allocative efficiency based on willingness to pay. I think most of us would prefer to have a reduction in mortality this year rather than 10 years from now. Is it not more informative to assess the allocative efficiency and the total number of lives saved for policies separately rather than meshing them together?

Aside from my concerns about the treatment of cost-benefit analysis, I note that some readers may be uneasy about Friedman's interpretation of the distribution of reproductive rights as indicating the relative value society places on different people. Nonetheless, I commend Friedman for considering the contentious issue of abortion.

In conclusion, despite its imperfections, I think most readers of this journal will find *Ultimate Price* provocative and broadening.

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