£8 million: the price of human life today
The end of war

• It sounds unthinkable and heartless, but our world is shaped by mathematical models that calculate how much it is worth keeping each of us alive.

• Some things in life are priceless. We can’t quantify the joy of time spent with friends, the beauty of a sunset or the wonder of a starry sky.

• And we can’t put a price on human life.

• Or so we thought.....
For centuries, religions and philosophers have insisted that life is sacred and without monetary value.

But it turns out, economists have done the maths and decided on a number.

And we’re each worth £8 million.

This is according to the world’s leading authority on cost-benefit analysis, the economist W. Kip Viscusi, adviser to the US government and author of the book *Pricing Lives*. 
The end of war

The problem starts with governments calculating the costs and benefits of policies that may save lives. They must decide how to spend a limited budget. For example, whether to ban smoking in public spaces or invest in treatment for patients with lung disease. Most of this is easy enough to quantify: the cost of regulation, medicine and medical care. But policymakers find it much harder to put a value on human life.
Where did all this start?....

- In 1968, Thomas Schelling, an American economist came up with a solution.

- We cannot put a value on life, but we can find out how much money people will pay to reduce their own risk of death.

- The maths turns out to be very simple. For example, how much more would you pay for a car that is slightly safer?

- If 10,000 people buy this car for an extra £800 each and save one of them from a fatal accident, the value of that saved life is 10,000 times 800 – or £8 million.
...and it gives governments and other organisations a means of putting a monetary value on a preventable death.

It may seem cold and hard-hearted, but the Value of a Statistical Life has one huge advantage over other ways of valuing life: it is the same for everyone.

It ensures that the government treats everyone equally, regardless of how much you earn, your age, or your mental and physical health.
So, can we really measure the value of a life in money?

- No, we can’t.
- Putting a pound sign on human life only devalues it, treating humans like objects to be bought and sold.
- A person will always be worth far more than a risk-assessment or a pay-slip.
- These mathematical equations encourage us to reduce the value of humans, rather than improving society to treat everyone as though they were priceless.
So, can we really measure the value of a life in money?

• Yes, we can.
• In theory, life is priceless.
• In reality, governments must make difficult decisions that save and cost lives.
• Mathematical models allow us to make fair decisions based on risk and probability. Without maths, governments would make subjective choices, favouring one group over another.
• By giving a price to life, we ensure that all life is valued.