Cosmic Markdown: EPA Says Life Is Worth Less

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Someplace else, people might tell you that human life is priceless. In Washington, the federal government has appraised it like a '96 Camaro with bad brakes.

Last week, it was revealed that an Environmental Protection Agency office had lowered its official estimate of life's value, from about $8.04 million to about $7.22 million. That decision has put a spotlight on the concept of the "Value of a Statistical Life," in which the Washington bureaucracy takes on a question usually left to preachers and poets.

This value is routinely calculated by several agencies, each putting its own dollar figure on the worth of life -- not any particular person's life, just that of a *generic* American. The figure is then used to judge whether potentially lifesaving policy measures are really worth the cost.

A human life, based on an economic analysis grounded in observations of everyday Americans, typically turns out to be worth $5 million to $8 million -- about as much as a mega-mansion or a middle infielder.

Now, for the first time, the EPA has used this little-known process to devalue life, something that environmentalists say could set a scary precedent, making it seem that lifesaving pollution reductions are not worth the cost.

"By reducing the value of human life, which is really a devious way of cooking the books, the perceived benefits of cleaning up the air seem less," said Frank O'Donnell of the District-based group Clean Air Watch. "That has the effect of weakening the case for pollution cleanup."

To grasp the mind-bending concept of a Blue Book value on life, government officials say it is important to remember that they are not thinking about anyone specifi c. That happens in lawsuits, when plaintiffs seek to be compensated for a life lost -- and there, it can involve personal factors such as the deceased's lost income.

Here, officials say, they are trying instead to come up with the value of a typical life, without any personal information attached.

They might know, for instance, that a new cut in air pollution will save 50 lives a year -- though they don't know who those people might be. Still they want to decide whether saving them is worth the cost, officials say, and it helps to assign a dollar value to each life saved.

An example of this kind of analysis was used by the federal Consumer Product Safety Commission this year:

A proposal to make mattresses less flammable was expected to cost the industry $343 million to implement. But, a spokeswoman said, the move was also expected to save 270 people. The commission calculated that each life was worth $5 million, which meant a benefit of about $1.3 billion.

That was greater than the expense, she said, so the move made sense.

"It is, sometimes, a weird idea" to weigh lives against other costs, acknowledged Jack Wells, chief economist for the U.S. Department of Transportation. "But, if you think about it, people behave that way all the time. . . . We could eliminate a lot of the [highway] fatalities by imposing a 10-mile-per-hour speed limit." But, he said, society implicitly tolerates greater highway deaths in return for the economic benefits of faster travel.

But how do you put a dollar value on a life, even in a generic sense?

It wouldn't work for researchers to survey Americans at gunpoint and ask how much they would pay not to die. Instead, an unlikely academic field has grown up to extrapolate life's value from the everyday decisions of average Americans.

Researchers try to figure out how much money it takes for people to accept slightly bigger risks, such as a more dangerous job. They also look at how much people will pay to make their daily risks smaller -- such as buying a bike helmet or a safer car.

"How much are you willing to pay for a small reduction . . . in the probability that you will die?" asked Joe Aldy, a fellow at the D.C.-based think tank Resources for the Future.

The rest is more or less multiplication: If someone will accept a 1-in-10,000 chance of death for $500, then the value of life must be 10,000 times $500, or $5 million.

But it is one thing to calculate the numbers and another to explain them to the public. The EPA has been fighting that battle since last week, when the Associated Press revealed that the agency's air office had reduced its Value of a Statistical Life.

Al McGartland, the director of the agency's National Center for Environmental Economics, said the air office had revised the old figure in 2004 after new academic research showed it was skewed too high.

"It's based on better methods," McGartland said of the air office's assessment. He said the new number would increase over time, in part because of inflation.

The EPA's value for life remains one of the highest. Earlier this year, the Department of Transportation raised its value -- but even after the increase, it stood at $5.8 million, more than a million dollars less than the EPA's.

Still, environmental activists said the decision made it more likely that the EPA's regulations would allow greater air pollution, because deaths triggered by the pollution would seem to count

for less. Experts say serious air pollution can make heart and lung conditions worse, sometimes resulting in death.

One of the researchers whom the EPA cited said he was puzzled at the agency's calculations on the value of a human life.

"Nobody's ever lowered it," said W. Kip Viscusi of Vanderbilt University. EPA came closest: In 2003, it tried to count senior citizens' lives as worth less than those of other adults. After a loud outcry from seniors, the agency backed off.

Viscusi said most researchers believe the value should generally be going up, as Americans have become wealthier and more willing to spend money to avoid risks.

"I personally wasn't in favor of lowering the value of life, let's put it that way," he said.

Lowering the value of life. In some bureaucratic corners of Washington, it is the kind of phrase that nobody blinks at anymore.

But it still can sound odd to those accustomed to thinking of life's worth in other ways.

Daniel Zemel, rabbi at Temple Micah on Wisconsin Avenue NW, said Wednesday that the idea of a dollar value on life brings to mind the teaching that "you put one human life on the scale, and you put the rest of the world on the scale, the scale is balanced equally."

Zemel said h e could understand officials' logic for making decisions this way. But he said he would counsel anybody whose job involved "Statistical Lives" to think about what they really represent.

"Numbers on a piece of paper are, at the end of the day, somewhere out there," Zemel said, "real people whose lives are being impacted."

Staff researcher Meg Smith contributed to this report.