plaintiff's incentive to sue - and hence litigation costs - without sacrificing the defendant's incentive to exercise care. The optimal award to the plaintiff may be less than or greater than the optimal payment by the defendant. The possibility of an out-of-court settlement does not qualitatively affect these results. If the settlement can be monitored, it may be desirable to decouple it as well. *The RAND Journal of Economics*, Vol. 22, No. 2 (Winter 1991), pp. 562-70. (Reprinted with permission of *The RAND Journal of Economics*).

SAFETY AND LOSS CONTROL

Perceived Risk and the Marginal Value of Safety, by Douglas Gegax (New Mexico State University), Shelby Gerking (University of Wyoming, Laramie) and William Schulze (University of Colorado, Boulder).

Two contributions are made toward understanding variation in marginal value of safety estimates from labor market studies. First, marginal safety values are obtained from direct measurement of workers' perceived job-related accidental death rates. Second, wage-risk relationships are explored for several categories of workers using the hedonic price method. Statistically significant relationships found for unionized, blue collar, and blue collar-unionized workers imply marginal safety values of 1.5, 1.18, 2.10 million dollars, respectively. Further results in this paper suggest that alternative methods are needed to measure marginal safety values for workers in other categories. *The Review of Economics and Statistics*, Vol. LXXIII, No. 4 (November 1991), pp. 589-96. (Reprinted with permission of the North-Holland Publishing Company).