

**1. Imagine that you live in a city that currently does not require bicycle riders to wear helmets. Furthermore, imagine that you enjoy riding your bicycle without wearing a helmet.**

- a) From your perspective, what are the major costs and benefits of a proposed city ordinance that would require all bicycle riders to wear helmets?**
- b) What are the categories of costs and benefits from society's perspective?**

**1.a.** The most significant categories of costs to you as an individual are probably: the purchase price of a helmet, the reduced pleasure of riding your bicycle while wearing a helmet, diminished appearance when you take the helmet off (bad hair), and the inconvenience of keeping the helmet available. The most significant categories of benefits are probably: reduced risk of serious head injury (morbidity) and reduced risk of death (mortality).

**1.b.** There are a number of categories of costs and benefits that do not affect you (directly or are insignificant), but which are important in aggregate. These are:

- program enforcement (a cost)
- reduced health care costs (a benefit), (although this may not be as high as one might expect if bicyclists ride more aggressively because they feel safer; this is called off-setting behaviour)
- increased pollution, due to cyclists switching to cars (a cost)

A social cost-benefit analysis would take account of these costs and benefits in addition to your costs.