

Should Hikers Pay for Their Own Rescue?

If a hiker gets lost in the wilderness, should she bear the costs of her own rescue? The [recent ordeal](#) of a woman lost in a Maui forest for seventeen days brings this issue once again to public attention. State-funded rescue operations were called off after three days of effort because of the expense, but fortunately, this hiker had friends and family who continued the search, ponying up their own funds and leading, fortunately, to a happy ending. However, not all efforts turn out well. The danger that individuals often put themselves in comes at a public cost.

Who should pay?

Hazardous Hikers

Living in the shadow of the Cascade Mountains in Washington State, I see this public policy question arise frequently, particularly in early summer when enthusiastic but unprepared hikers hit the trail only to discover that their orienteering skills may not be up to par. Add rapidly changing weather conditions, steep cliffs, and bears to the mix and you have a recipe for life-threatening emergencies requiring substantial resources directed towards search and rescue. Such efforts often involve the expensive use of helicopter airlifts and large search parties that often put first responders in serious danger.

Public outrage at these “stupid and unprepared” hikers invariably comes with demands that the victims pay for the cost of their rescue. Such was the case with an [incident](#) last year in New Hampshire, where an exhausted hiker decided to abandon the trail and shuffle off to a luxury hotel without telling any of his family. Fearing the worst, police and game

wardens from the Fish & Wildlife Department were dispatched on an overnight rescue operation.

When the wayward outdoorsman was discovered safe in his hotel bed, local officials weighed the option of charging him for the manhours and other resources employed. Usually, such emergency services are provided “free” to victims as part of the overall “public good” of safety. In reality, the costs fall upon taxpayers, who are often irritated at having to bail out individuals who don’t take common sense precautions.

The Moral Hazard of Helping Hikers

From a basic economic standpoint, it makes sense to charge a victim for their own rescue as it helps to mitigate the moral hazard problem. Moral hazard arises when another person covers the costs of someone’s bad behavior, thereby providing little incentive for a person to take precautions that would mitigate any harmful consequences.

This is a common problem within the insurance industry. Drivers with comprehensive insurance have less incentive to drive safely or lock their car knowing that their policy will cover their loss if the vehicle is damaged or stolen. Insurance agencies try to mitigate this problem through the use of deductibles that internalize part of the costs of driver’s own behavior and make them act more responsibly. Good driver discounts on premiums also help to incentivize policyholders to be more careful.

As with autos, moral hazard affects outdoor pedestrians. Hikers who understand that local authorities will race to their rescue, and that they will not bear the cost for such emergency assistance, have a greater incentive to wander off the trail in search of a new adventure or take an ill-advised shortcut along a steep cliff. This riskier behavior is further enhanced with cell phone and GPS technology that allow instant contact with first responders. “Why not try to traverse that

narrow ledge, because if we fall we can get help soon so long as our cell coverage is good?!" (Alas, in the Cascades, cellular signal strength can drop to nothing in a matter of a few feet due to canyon walls and tall trees.)

If, on the other hand, hikers understand they will pay the full cost of such a rescue, and that it would be expensive, more care will be taken to avoid hazards thereby lowering the probability that a rescue would be needed in the first place. A well-placed sign at the trailhead warning of the costs of rescue would motivate folks to stay on the trail and avoid steep ledges.

Internalizing the Costs of Moral Hazard

But is it really wise to solve the moral hazard problem of search and rescue by making victims responsible for the costs of their own deleterious behavior? Consider this. If a pair of hikers accidentally wanders off the trail and recognizes their mistake immediately, the rescue is more likely to be easy and come at a low cost (including less danger to first responders).

On the other hand, if the hikers are worried about paying the full price of their rescue, they may decide to forge ahead to see if they can rectify the problem themselves. This raises the risk of wandering farther afield and making the search and rescue more difficult, dangerous, and costly. This also is true with the hiker that plunges into a ravine.

Fearing the high cost of rescue, the fallen hiker's buddy may try to rappel down to give assistance and end up in danger, particularly if he is not skilled in emergency rescue. Now the situation involves rescuing two people rather than just one; a more perilous and costly scenario.

To that end, it makes sense to incentive individuals in danger to call for assistance sooner rather than later by keeping the

cost of rescue low at the outset. Yes, the moral hazard problem of “cost-free” rescue still exists, and hikers may be nudged to take greater risks, but without a “low cost” incentive to call early the dangers and expense of assistance may grow exponentially large.

It may well be better to suffer the consequences of small moral hazard problems than to create an incentive structure that leads to more costly dangers. This may even be true for victims suffering from miniscule problems such as blisters or sunburn. It is annoying to send assistance to even the most minor of problems, and this does consume resources that could be devoted elsewhere, but not doing so runs an additional risk of prompting even worse problems to arise.

The Lesson

The lesson here is that not all moral hazard problems can be solved easily by internalizing the costs on the actors who are behaving recklessly. As Thomas Sowell advised us, it is important to think through a policy to stage two or three, understanding how actors will respond to various costs and benefits imposed upon them.

In the case of search and rescue, the stage two behavior – hikers trying save themselves and digging themselves into a deeper hole – may be much worse than trying to solve the problem in stage one by making them pay for the full costs of their own rescue. Of course, there may be other solutions such as making hikers pay only a portion of the costs based upon the time frame needed for rescue or the dangers accrued, but simply demanding that all victims pay all costs every time may not be the optimal policy.

There may also be another non-pecuniary solution to this problem that revolves around fomenting a set of values and norms that promote personal responsibility. Having a hiking plan, sharing that plan with others, traveling with buddies,

and being trained in first aid and outdoor survival skills are all good ideas for folks who want to enjoy the great outdoors. As the Boy Scouts always remind us, “be prepared.”

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