Dog Economics

Archaeologists, anthropologists, and evolutionary biologists study the origins of our relationship with dogs and how it has evolved over time. Sociologists and legal scholars study the roles of dogs in the modern family. Veterinarian researchers address the relationship in the context of professional practice, yet economists have produced scant scholarship on the relationship between humans and dogs. *Dog Economics* applies economic concepts to relationships between people and dogs to inform our understanding of their domestication. It interprets their contemporary role as both property and family members and explores factors that affect the demand for dogs as well as market failures in the American puppy market. Offering economic perspectives on our varied relationships with dogs, this book assesses mortality risks and addresses end-of-life issues that commonly arise. It develops a framework for classifying canine occupations, considers the impact of pet insurance on euthanasia, and assesses the social value of guide dogs.

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Dog Economics

Perspectives on Our Canine Relationships

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To all the dogs who enrich our lives and to all the humans who do their best for them.

Clockwise from top left: Ming, Taz, Luis and Tilly
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Preface

We like dogs. One of your authors grew up in a family with a dog but then went dogless until the COVID pandemic. Your other author has had many dogs in his family over the years, usually a couple of permanent residents as well as many fostered dogs, both in preparation for training as guide or assistance dogs and as rescues from unfortunate circumstances. We rarely pass up an opportunity to pet (or spoil) someone else’s dog.

For nearly forty years, we have collaborated on public policy scholarship and continue to do so. Most of this work involves applying economic concepts to help inform policy analysis or to address emerging issues in organizational design. We invariably find economic concepts to be useful in helping to frame public policy issues and in predicting the consequences of alternative policies. These concepts are almost always valuable in getting started though rarely sufficient for completing public policy analyses. We aspire to bring this same approach to dogonomics: that is, to showing how economic perspectives help us better understand the place of dogs in contemporary American society. Of course, economics does not provide anything like the full story. Consequently, although we set ourselves the task of applying economic concepts throughout the book, we try to take full advantage of the research done by numerous other disciplines and perspectives on all aspects of interactions between our species.

The story of the origin of this book begins with an aside from an economist at the Food and Drug Administration who was responsible for organizing a cost–benefit analysis to support new rules that sought to make pet food safer. He mentioned to one of us that although estimates
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of the value of a (human) statistical life are widely available to monetize changes in human mortality risk, no comparable value was then available for dogs. One of your authors eventually organized a team of former students to estimate the value of statistical life for pet dogs using a type of survey experiment developed by environmental economists called contingent valuation. Not only was the project very enjoyable for the team, but, at least by academic standards, the resulting publication attracted considerable public attention. Chad Zimmerman also thought the economics of dogs might attract an audience. He suggested that we write a book about it. As we had not previously thought of writing such a book, this is that rare case for which the assertion that “this book would not have been written without you” is literally true. Thank you, Chad.

Our aim was to write this book to be accessible to noneconomists, so we sought to explain economic concepts as clearly as possible. We use only a small number of straightforward diagrams to convey concepts, and we present empirical results without dragging readers through complicated statistical analyses. Anyone who has taken an introductory course in economics should find all the material immediately accessible. The glossary of key terms should enable those readers without prior exposure to economics also to navigate through with only occasional detours. Thus, readers who are fond of dogs should find this book accessible, as well as interesting.

We also see some potential use of this book for instructional purposes. About half of U.S. households now have dogs. If economists are like the general population, probably an heroic assumption, then perhaps half of the instructors of introductory and intermediate economics courses own dogs. They and many of their students would find this to be a fun supplementary text—dogs are more interesting than widgets! We also hope that economists with dogs might decide that it would be both useful and fun to contribute to the field of dogonomics.

Our application of economics to understanding the human–dog relationship draws on research from biologists, psychologists, legal scholars, philosophers, historians, and veterinary medicine researchers from around the world, but especially in the United States, United Kingdom, Australia, and Canada. We hope that scholars who work in these areas will find our references helpful for putting their own work in broader context. We think that this book would be especially interesting and useful for veterinary students and others whose research involves dogs.

A number of people have contributed to this project in various ways. Carol Silva, Hank Jenkins-Smith, Deven Carlson, Simon Haeder, and
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Joseph Ripberger collaborated on the research project to estimate the value of statistical dog life that served as what turned out to be the initial step toward this book. Levi Bankston helped us identify relevant surveys. We also thank W. Kip Viscusi, Glenn Blomquist, Mariel Barnes, Stéphane Lavertu, Melanie Manion, Jerry Mitchell, and Ulrike Radermacher for their comments and encouragement. Robert Dreesen was encouraging and suggested a valuable expansion. Sable Gravesandy, Claire Sissen and Swati Kumari helped move the project smoothly to publication. As always, we bear responsibility for any errors and all interpretations in this book.