April 12th, 2:35 PM - 3:35 PM

Negligent Economics: An Analysis of the Calculus of Negligence

Matthew T. Sheehan
Illinois Wesleyan University

Michael Seeborg, Faculty Advisor
Illinois Wesleyan University

Follow this and additional works at: https://digitalcommons.iwu.edu/jwprc

https://digitalcommons.iwu.edu/jwprc/2008/posters2/23

This is protected by copyright and/or related rights. It has been brought to you by Digital Commons @ IWU with permission from the rights-holder(s). You are free to use this material in any way that is permitted by the copyright and related rights legislation that applies to your use. For other uses you need to obtain permission from the rights-holder(s) directly, unless additional rights are indicated by a Creative Commons license in the record and/or on the work itself. This material has been accepted for inclusion by faculty at Illinois Wesleyan University. For more information, please contact digitalcommons@iwu.edu.
©Copyright is owned by the author of this document.
Improving the United States’ legal liability system will maintain the safety and justice of our country. To advance legal methods, court decisions should be analyzed economically in an attempt to minimize costs and yield the optimal social outcome. This study determines whether the utilization of the calculus of negligence, a common law based on economic analysis, produces just and cost minimizing rulings. These cost minimizing rulings will lead to the aforementioned optimal equilibrium. Six United States court cases, judged on a matter of negligent liability, were selected for this study and analyzed with the criteria presented in the Hand Rule. These criteria establish whether the chosen cases employed the calculus of negligence and to what extent they minimized costs. The analysis found that rulings made under the Hand Rule generated the most fair verdicts and deterred costly future decisions. These results suggest that future common law should be rooted in economic analysis.