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Bug bounty policies, integral to cybersecurity strategies, incentivize ethical hackers to uncover vulnerabilities in company infrastructures. Grounded in cost/benefit principles, these policies address the scarcity of cybersecurity professionals and offer access to top-tier talent, particularly beneficial for smaller companies. Empirical insights suggest bug bounties provide value across industries, with ethical hackers demonstrating price insensitivity driven by non-monetary factors. Industry-specific variations are noted, influencing vulnerability reports based on factors like program age and scope. Despite methodological challenges, such as omitted variable bias, the study's findings contribute to understanding bug bounty economics. Overall, bug bounty policies offer a proactive and cost-effective approach to cybersecurity, leveraging external expertise to mitigate evolving threats and safeguard digital assets.