

**U6016: Cost-benefit analysis**  
School of International and Public Affairs, Columbia University  
SPRING 1999  
**Lecture outline**

VIII. ESTIMATION OF NON-MARKET BENEFITS

**A. Non-market benefits: introduction and overview**

1. Non-market benefits: examples
2. Market analogy
3. Contingent valuation

**B. Categories of non-market benefits**

1. Estimating the value of lives saved/injuries reduced
  - a. Compensating differentials
  - b. Defensive expenditures
2. Estimating the value of environmental amenities
  - a. Capitalization
  - b. Travel cost
3. Estimating the benefits of reduced environmental risks
  - a. Capitalization
  - b. Defensive expenditures
4. Estimating the value of time saved
  - a. Time-use studies
  - b. Mode of transport

**C. Market analogies: hedonic and other regression methods**

1. Hedonic property value regressions
2. Hedonic wage regressions
3. Travel cost regressions
4. Defensive expenditure regressions
5. Choice of transport regressions

**D. Contingent valuation method**

1. Use value and existence value
2. Survey design, framing effects and response biases