Theme 3
Economic Value of Weather Forecasts

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Value

• Value exists when
  – obtaining something makes at least one person better off
  – being without something makes at least one person worse off

• Economics has measures of “better and worse off”
Major Points of Theme 3

• Clarify HI weather forecast dimensions to assist valuation studies.

• Develop models of user decision making in both hypothetical and real-world environments.

• Encourage the gathering of data relevant to, and in a form usable by, economic researchers.

• Clarify the nature of the information contained in HI weather forecasts, which may be user dependent.

• Coordinate the development of research studies to use field-experiment (real) data, survey data, and experimental/hypothetical data.

• Apply existing stated and revealed preference methods to weather forecast data, from all sources (field experiments, surveys and economic experiments).
Some Research Projects

• Short term projects:
  – developing economic models using existing data
  – estimating forecast dimension values using existing data and econometric methods

• Long term projects:
  – developing forecast user decision models
  – improving the collection of more relevant and useful economic data
  – integrating economic studies with field experiment projects