

TEEB - Travel Cost Exercise
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Name: _____ Travel Cost Worksheet

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Creating a Travel Cost Demand Function

0

Based on http://www.ecosystemvaluation.org/travel_costs.htm

Change this to 1 to propagate values

INSTRUCTIONS

Fill in table 1 to calculate the visits per 1000 people from each zone

Fill in table 2 to calculate the total travel costs

Summarize the travel costs/trip and visits/1000 in Table 3

We can run a regression on table 3 to find the 'a' and 'b' from

$$\text{visits/1000} = a + b \cdot \text{travel cost}$$

I give you the results for this equation

Complete table 4 by plugging in the new travel cost into the regression equation to calculate the number of visits/1000

Summarize the travel cost and total visits in table 5

Plot the results

Zone	Total Visits/Year	Zone Population	Visits/1000
0	500	2500	0
1	800	5000	0
Total Visits	0		

Table 1: Visitor Information

Travel cost (\$/mile) \$1.00
Wage (\$/hr) 15 Wage (\$/min) 0.25

Zone	Round Trip Travel Distance	Round Trip Travel Time	Distance times Cost/Mile (\$1.00)	Travel Time times Cost/Minute (\$0.25)	Total Travel Cost/Trip
0	5	10	\$0.00	0	0
1	10	20	0	0	0

Table 2: Travel Cost Calculation

Zone	Visits/1000	Total Travel Cost/Trip
0	0	0
1	0	0

Table 3: Data for Regression

Regression Requation

Visits/1000 = constant + coef*Total Travel Cost per Trip

(NOTE: We ignore demographic variables and other factors)

Visits/1000 = 0.00 + Total Travel Cost per Trip * 0.00

Visits/1000 = 0.00 + Total Travel Cost per Trip * 0.00

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	1
R Square	1
Adjusted R Sq	65535
Standard Erro	0
Observations	2

ANOVA

	df	SS	MS	F
Regression	1	800	800	#NUM!
Residual	0	0	65535	
Total	1	800		

	Coefficient	Standard Error	t Stat	P-value
Intercept	240	0	65535	#NUM!
X Variable 1	-5.3333	0	65535	#NUM!

The equation you need
Visits/1000 = 240.00 +Total Travel Cost per Trip* -5.33

Added Travel Cost \$10

Zone	Travel Cost plus \$10	Visits/1000	Population	Total Visits
0	0	0.00	2500	0.00
1	0	0.00	5000	0.00
			Total Visits	0.00

Table 4A: \$10 Added Travel Cost

Added Travel Cost \$20

Zone	Travel Cost plus \$20	Visits/1000	Population	Total Visits
0	0	0.00	2500	0.00
1	0	0.00	5000	0.00
			Total Visits	0.00

Table 4B: \$20 Added Travel Cost

Added Travel Cost \$30

Zone	Travel Cost plus \$30	Visits/1000	Population	Total Visits
0	0	0.00	2500	0.00
1	0	0.00	5000	0.00
			Total Visits	0.00

Table 4C: \$30 Added Travel Cost

Added Travel Cost \$40

Zone	Travel Cost plus \$40	Visits/1000	Population	Total Visits
0	0	0.00	2500	0.00
1	0	0.00	5000	0.00
			Total Visits	0.00

Table 4D: \$40 Added Travel Cost

Added Travel Cost	Total Visits
0	0.00
10	0.00
20	0.00
30	0.00
40	0.00

Table 5: Added Travel Costs vs Visits

