

Draft - Using Individual Characteristics and Attitudinal Data to Identify and Characterize Groups that Vary Significantly in their Preferences for Monument Preservation: A Latent-Class Model

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Abstract

A latent-class model of preference groups for monument preservation is developed and estimated using only the answers to attitudinal questions. Economists do not typically use this type of data in estimation. The intent is to identify and characterize heterogeneity in the preferences for monument preservation in terms of a small number of preference groups. Group membership is latent/unobserved. The application is to preferences for preserving the approximately 100 marble monuments in Washington, D.C.; they are being degraded by acid deposition. The results suggest a small number of distinct classes with varying preferences and willingness to pay for preservation. The probability that an individual belongs to each class is estimated as function of observable characteristics of the individual.

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