Valuing broader welfare across regions: Evidence from the Netherlands

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Economic debates on societal progress increasingly move beyond GDP toward broader welfare frameworks that incorporate economic, social, and environmental dimensions of well-being. While these frameworks provide rich descriptive insights, much less is known about how households value different welfare dimensions and whether these valuations vary across space. This paper investigates which welfare dimensions people value most and how these preferences differ regionally, using detailed spatial data for the Netherlands. We combine a comprehensive set of welfare indicators, covering income, employment, health, accessibility, safety, and environmental quality, with newly developed indicators capturing climate-related exposure such as floods, land subsidence, and heat stress. These environmental dimensions are often underrepresented in existing welfare-beyond-GDP frameworks. Our empirical analysis exploits spatial variation in land values to infer households' implicit willingness to pay for different welfare dimensions. In line with spatial equilibrium theory, land values capitalize local amenities and disamenities, reflecting aggregated residential preferences. First, we map the spatial distribution of broader welfare indicators across regions, revealing substantial regional heterogeneity. Environmental and climate exposure indicators display particularly strong spatial variation. Second, we estimate hedonic regressions of land values on welfare indicators to identify which dimensions are most strongly capitalized into prices. Our results show that economic dimensions are valued most strongly on average. By linking broader welfare indicators to revealed preferences in housing markets, this paper contributes to the measurement of regional welfare and offers new insights into the spatial trade-offs underlying residential location preferences. The findings have direct implications for regional policy and climate adaptation, as welfare-beyond-GDP frameworks increasingly inform spatial decision-making. Yet without evidence on which dimensions households actually value, such policies risk misallocating resources across regions with fundamentally different welfare trade-offs.