

**AP EC 411/611  
CRD 411/611  
Regional Impact Analysis  
Spring 2009**

**ROOM:** E142 P&A

**TIME:** 11:00 - 12:15, Tuesday and Thursday

**INSTRUCTORS:** David Hughes (dhughe3@clermson.edu)  
Clemson Institute of Economic and Community Development  
Sandhill REC (656-5766 or 803-788-5700 x 29)

David L. Barkley (dbrkly@clermson.edu)  
238 Barre Hall  
656-5797

**OFFICE HOURS:** 1:30-2:30, Tuesday and Thursday or by appointment (Hughes)  
8:30-9:30, Tuesday and Thursday or by appointment (Barkley)

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### Course Objectives

By the end of the semester, the student should be knowledgeable in the following areas:

1. Economic theories regarding the organization and operation of regional economies.
2. Methodologies for assessing the economic and fiscal impacts associated with shocks to a regional economy (e.g., input-output analysis, fiscal impact analysis, quasi-experimental methods, computable general equilibrium models)
3. "Hands on" experience with techniques for impact analysis in a case study of how a local economy responds to an economic event.
4. Enhanced understanding and use of computer-based software.
5. Enhanced presentation skills.

Addressed General Education Competencies: reasoning skills, ethical judgment

### Readings

Readings for the course will consist of journal articles and chapters from books on regional economics and economic impact analysis. Required and optional readings are listed within each of the designated topic areas. The required readings are denoted by a star (\*). All readings are available to students on the web, on blackboard, or in the library.

### III. Exams and Grading

<b>A. Exam Weights</b>	Midterm . . . . .	30%
	Regional Model Project . . . . .	25%
	Final . . . . .	30%
	Homework-Class Discussion....	10%
	Project Presentation.....	5%
	TOTAL . . . . .	100%

#### B. Grading Score

90 – 100	A
80 – 89	B
70 – 79	C
60 – 69	D
59 and below	F

**Undergraduate Credit vs. Graduate Credit:** The exams will consist of 4 to 6 parts. Undergraduate students will answer all but one to two parts while graduate students must complete all parts of the exams. We will provide a set of candidate (i.e., possible) questions for both test based on the caveats as provided below.

**Discussion Grade:** The discussion grade will be based on student interest, participation, and attendance. Part of the overall class discussion grade will be a general class grade.

**Homework:** Due by 5:00 P.M. on the due date. Grade will drop by 5% for every day late (weekends count as a single day) to a minimum of 70%. Assignments will be accepted till the Friday (at 5:00 P.M.) of closed week (i.e., the last day of class). Students with on time assignments only, who received a grade of less than 70%, have the option of reworking their assignment once to raise their grade on the assignment up to 70%. **The policy also applies to the various versions of the Regional Model Project.**

**Tests:** Makeup tests will not be given except under extraordinary conditions (documented illness, religious holidays or other equally legitimate reasons). **Except in extraordinary circumstances, students must notify one of us before the test if they are unable to take the exam.**

**Regional Model Project:** This class will be divided into teams of 3-4 students primarily based on regional-topic areas of interest. Students will take the primary and secondary responsibility for certain parts of the report. A part of your grade may be based on grading submitted by your teammates.

The grading policy (i.e., the percentages) only apply to teams that “hit their mark” in terms of the various versions of the Report. Teams that are dysfunctional (i.e., don’t hit the marks) will have a part of their county report percentage moved to the final exam. They will then be required to take a written cumulative final exam (test questions will not be provided). This final will cover all class notes and all assigned reading materials.

**Data Gather:** Data gathering required in version #1 of the paper must be included in version #2. That is, except for minor changes, data required in the first cut report cannot be added to the final report<sup>h</sup>.

**Class Attendance, Behavior and Treatment:** Class attendance along with proper classroom behavior is expected. We reserve the right to hold pop quizzes (written or oral) as warranted with appropriate adjustments in grading policy. We also reserve the right to reorder grading percentages and not provide candidate test questions based on classroom attendance and behavior. Cheating will be prosecuted to the fullest extent of the law. All students will be treated as fairly as is possible.

## V. Course Outline (Readings available on the web or posted on blackboard or provided in the library.)

### A. Economic Base Models (Barkley Lead)

\*Edgar Hoover and Frank Giarratani. An Introduction to Regional Economics, Chapter 11, "How Regions Develop." <http://www.rr.i.wvu.edu/WebBook/Giarratani/chaptereleven.htm>

\*Bill Schaffer. "Regional Models of Income Determination: Simple Economic-Base Theory." Regional Research Institute, University of West Virginia, Chapter 2; pp.1-8.  
<http://www.rr.i.wvu.edu/WebBook/Schaffer/chap02.html>

### B. Input-Output Analysis (I-O) (Hughes Lead)

I-O and the description of a regional economy

\*Bill Schaffer. "Input-Output Tables and Regional Accounts." Regional Research Institute, University of West Virginia, Chapter 3; pp.14-21. Chapter 4: 22-32  
<http://www.rr.i.wvu.edu/WebBook/Schaffer/chap03.html>  
<http://www.rr.i.wvu.edu/WebBook/Schaffer/chap04.html>

How I-O Generates Economic Multipliers

\*Schaffer Ch. 5 pp.33-47 <http://www.rr.i.wvu.edu/WebBook/Schaffer/chap05.html>

How regional models are actual "made"

\*Schaffer. Chapter 9 (pp.74-79). <http://www.rr.i.wvu.edu/WebBook/Schaffer/chap09.html>

Interpreting Economic Multipliers and Impact Analysis

\*Hughes, David W. "Policy Uses of Economic Multiplier and Impact Analysis." *Choices*. 2<sup>nd</sup> Quarter:25-30, 2003. [www.choicesmagazine.org](http://www.choicesmagazine.org).

### C. Scenario Development and Use (Hughes Lead)

Readings to be provided

### D. Social Accounts Matrix and Computable General Equilibrium Models (Hughes Lead)

\*Holland, David and P. Wyeth. "SAM Multipliers: Their Decomposition, Interpretation, and Relationship to Input-Output Multipliers." *Research Bull. XB1027*, Coll. of Agr. and Home Econ. Research Ctr., Wash. St. U., Pullman. 1993.

Hughes, David and Martin Shields. "Revisiting Tourism Regional Economic Impact: Accounting for Secondary Household Employment." Review of Regional Studies. 2007 37(2): 186-206.  
[www.policy.rutgers.edu/cupr/rrs/vol37issue2.php](http://www.policy.rutgers.edu/cupr/rrs/vol37issue2.php)

A. Quasi-Experimental Approach to Impact Analysis. (Barkley Lead)

Harvey Goldstein and Catherine Renault. 2004. "Contribution of Universities to Regional Economic Development: A Quasi-Experimental Approach." Regional Studies 38 (7): 733-346.

Michael Hicks. 2007. "A Quasi-Experimental Test of Large Retail Store Impacts on Regional Labor Markets: The Case of Cabela's Retail Outlets." Journal of Regional Analysis and Policy 37(2): 116-122.

B. Labor Market and Distributive Impacts of Economic Development. (Barkley Lead)

\*Timothy Bartik, "Theoretical Analysis of the Distributional Effects of Local Job Growth," in *Who Benefits from State and Local Economic Development Policies*, Upjohn Institute, 1991, 63-79.

\*P.N. Courant. "How Would You Know a Good Economic Development Policy if you Tripped Over One? Hint: Don't Just Count Jobs," *National Tax Journal*, 1995, pp. 863-881.

David Barkley, Mark Henry and Mellie Warner. "The Community-Level Impacts of Economic Development: the Role of Labor Market Adjustments." *The Rural south: Preparing for the 21st Century*, Southern Rural Development Center, October 2002. <http://srdc.msstate.edu/publications/barkley.pdf>

Timothy Bartik "Evaluating the Impacts of local Economic Development Policies on Local Economic Outcomes." Upjohn Institute Staff Working Paper No. 03-89, November 2002.  
[www.upjohninst.org/publications/wp/03-89.pdf](http://www.upjohninst.org/publications/wp/03-89.pdf)

C. Cost-Benefit Analysis (Barkley Lead)

\*Thomas Garrett and John Leatherman. "Cost-Benefit Analysis" in *An Introduction to State and Local Public Finance*, 1999. Chapter 5. [www.rri.wvu.edu/WebBookBarrett/chapterfive.htm](http://www.rri.wvu.edu/WebBookBarrett/chapterfive.htm)

D. Social Impact Analysis (Hughes Lead)

\*Summers, "Small Towns Beware: Industry Can Be Costly." *Planning*.

\*Leistritz and Sell. "Socioeconomic Impacts of Agriculture Processing Plants"  
**Rural America, Vol. 16, Issue 1** <http://www.ers.usda.gov/publications/ruralamerica/ra161/ra161e.pdf>