

11.482J, 1.285J, ESD.193J
Regional Socioeconomic Impact Analysis and Modeling
October 13, 2004
Problem Set No. 2
Professor Karen R. Polenske
Rajendra Kumar

Due: November 4, 2004 (Thursday)
4.00 pm in box outside
Prof. Polenske's office

REQUEST FOR PROPOSAL (RFP): Taking the first steps towards a project: socioeconomic-impact analysis of the Boston economy

Prior to commissioning you to conduct the impact-assessment study of your project of choice, the Boston Redevelopment Authority (BRA) research staff must evaluate your understanding of the Boston economy. They want to be certain that you will accurately measure the potential socioeconomic impacts of different investments. In order to proceed with this year's four initiatives, the BRA asks you to explain to them: (1) Where is the Boston economy today? (2) Where do you expect it to be in 2015? (3) What are its strengths and weaknesses? (4) Given what you know at present, what hypothesis do you initially have concerning the expected socioeconomic analysis of your selected project? Although they are primarily interested in the economic structure of Suffolk County, its staff must also understand how it relates to the four counties that surround Suffolk and, if possible, to the United States as a whole. (NOTE: Only for those doing the outsourcing project, your answer should also discuss the world at large, especially places to which jobs today seem to be outsourced.) What insight do you have to offer them?

Task 1. Understanding the Boston Economy

Select and review articles about the Boston economy and investigate the historical and forecasted trends based on the REMI baseline. Find an interesting story to tell about Suffolk county and the Boston region as a whole. Prepare a short report (this part should be about three pages, excluding tables and figures) on the trends and forecasts, with at least the following components:

1. Which have traditionally been the most competitive sectors?
2. How have they changed or are expected to change?
3. Will the Boston economy be growing during the next 5 years? Next 15 years? In which sectors?
4. Does this make sense? Why or why not?

Task 2. Predicting the Future of the Boston Economy

Obtain from the BRA or any other stakeholder, estimates of the total investment and/or employment changes related to your project. Hypothesize what the social and economic impacts of your project may be according to your analysis of the baseline behavior. Write one or two paragraphs about these potential impacts.

Task 3. Determining Methodology and Data Issues

Determine what you will need in terms of exogenous data in order to make a detailed estimate of the social and economic impacts for your selected project.

(a) Provide a list of the variables that you will be using and explain the selection rationale.

(b) Write one or two paragraphs about these data, variables, and any limitations or obstacles that you foresee in using REMI as the primary instrument for your analysis. If you find any limitations or obstacles, how would you compensate or overcome them?

Output: Two parts: 1. Task #1 as an individual essay, 2. Task #s 2 and 3 as a common group report

Submit your answers to the task #1 (three pages, double-spaced, tables and figures are separate) individually. Submit a common group report (again three pages, double-spaced, tables and figures are separate) for the task #s 2 and 3. Imagine that this would be a section of your proposal to the BRA.

Note: This document, in revised form, will become part of your final report to the BRA, as well.