

11.482, REGIONAL SOCIOECONOMIC ANALYSES AND MODELING

For the coming year, we will again have the Boston Redevelopment Authority (BRA) as our client.

The TA for the seminar, and I met with BRA staff last week, and they provided us with the following potential investment projects for which we will examine the socioeconomic impacts on Boston. As a class, we will select two, or possibly three, of the five topics outlined below, and students will work in groups on the project during the second half of the seminar.

For each of the five topics, students will be using REMI, the econometric, input-output computer model being the BRA has used for several years now. We will train you in the use of the computer program, but you must have taken 11.481, Analyzing and Accounting for Regional Economic Growth, or some class equivalent to it.

The potential projects are:

1. Concerted Housing Effort – This project involves analysis of the availability and affordability of housing in the Boston area. As well as the development of potential solutions to such problems.

2. North Allston / Harvard Masterplan – Examine the University's plan to relocate the Science Center to

North Allston. What cooperation and conflict exist between the neighborhood and the University?

What social and economic impacts might be expected based on various project designs?

3. Biotech and Medical Research Jobs – The Boston area is a potential magnet for biotech, pharmaceutical, and medical research jobs due to its strengths in academia and health care. How might growth in

these industries affect the Boston area economy, especially Suffolk and Middlesex counties?

4. Fostering Transit-Oriented Development: A Case study of the impact of MBTA's Silver Line on

Mattapan Square– The MBTA's Silver Line is Boston's first Bus Rapid Transit Service. This service will improve accessibility to Mattapan Square, thus affecting growth and development of the surrounding area. What sort of development may be expected, and what social and economic impact might such development have on the existing neighborhood.

5. Outsourcing of Jobs Overseas – Jobs in the Boston area, as well as nationwide, are being

outsourced overseas. Cheaper labor costs and highly educated labor markets, particularly in India where the English language is so widely used, is fueling the exodus of these jobs.

The result is a rise in unemployment rates among all sectors. What are the employment and output impacts of this exodus? Which occupations are affected most?

If you decide that the Outsourcing of Jobs Overseas is the one in which you want to work, you must start work on it earlier than for the other projects. We therefore suggest that you do the following during the next two weeks:

Read the article in *The Economist*, July 19, 2003, pages 47-49.

Learn about which industries in general are sending their work overseas. We know of telephone support,

financial services, medical record keeping, and computer engineering and information technology among others.

At the first class on September 9th, we will ask how many of you may want to do the fifth topic as your project. Those of you who think this may be your area of interest will then have two weeks to work together to design a two-page proposal on how you think you will proceed with the analysis. What is your basic hypothesis? What data will you need to test the hypothesis? What is the source of the data? Although the idea sounds interesting, timely, and challenging, this is a new idea, and we are not certain that it will lend itself to doing the relevant types of analyses. If after reading your proposal, the TA and I decide it makes sense to proceed with this topic, you may do so, but if for whatever reasons, we decide with you that it would be wise to proceed, you will need to select one of the other four topics.