

Assignment 2 CRP 523 2009 – 5 points

Part 1. Location Quotient and Export Jobs Analysis

You will go to my web-site to obtain the file that you will use for this section. Right click on the target, save it to your computer, and then open the spreadsheet up with excel. There are two spreadsheets in this workbook. The first is for the location quotient.

The other spreadsheet is for the next section on shift share.

You will calculate location quotients for Jasper County, Iowa.

- You will compile two sets of location quotients, one based on total jobs and one based on total populations (get your 2006 population data for the county and the nation from the State Data Center (<http://www.iowadatatcenter.org/>)).
- You will compile two sets of export jobs calculations, one based on the jobs location quotient and one based on the population based location quotient. (Remember, you only calculate export jobs if the LQ is greater than 1.0).

Then you will answer the questions at the bottom of the sheet.

Print out the spreadsheet with the answers at the bottom and hand them in.

Next you are going to apply the two multipliers.

Here is the scenario:

Horrors! Maytag is going to close its factory. Who knew? What is going to be the economic impact in jobs to the community? The announced total cuts at Maytag are 1,694 jobs.

Answer these questions and show your work using first the Jobs basis for the LQ and then the Population basis for the LQ. **Do the work in the spreadsheet or make your own and hand in your answers.**

These questions need to be answered for each basis for calculating the impacts

1. Basic and nonbasic Maytag jobs
2. Total job impacts for Jasper County
3. After Maytag closes:
 - a. How many basic jobs are there
 - b. How many nonbasic jobs are there
 - c. What are the new base (or basic) multipliers

Part 2. Shift Share Analysis

These are the things that you are going to do.

1. On the second spreadsheet is the beginnings for a shift share analysis – I have put in the national 2001 and 2005 numbers. You are to select an Iowa county to analyze. I don't care what county you select, that is up to you, but I recommend that you select a county that does not have any suppressed data. If you do select a county with suppressed data, then you will have to create an "all other employment" category for your county, and then you will have to re-compile the U.S. numbers so that they have the same categories as your county.

2. You will go to the U.S. BEA web site to get your county data. These are the steps

- Go here <http://www.bea.gov/>
- Next go to State and Local Area Personal Income
- Next go to Interactive tables: local area personal incomes under Local Area annual estimates
- Next go to CA25 Local area employment by industry (select CA25N as the basis)
- Then pick your county and the years 2001 and 2005 (do control-click to select more than one year) and download it as a spreadsheet
- Important. You have to align the categories to be exactly the same as the U.S. example before you can begin.

3. You will calculate all of the pertinent data to do your shift-share analysis for your county. **Print out the completed spreadsheet and hand it in.**

4. Now you have to explain what you did. In no more than one paragraph, explain what shift share analysis tells you, what the components mean, and what your findings were for your county.

Part 1. You will hand in your spreadsheet and your calculations plus the findings for the economic impact analysis.

Part 2. You will hand in your spreadsheet and your write-up of the results.