

**CRP 523: Economic Analysis and the Financing and
Evaluation of Public Projects and Programs**

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My web site :

<http://www.econ.iastate.edu/prosci/swenson/swensonpage.htm>

Course Description

This course will help planning graduate planning students

- understand traditional urban economic structures and their spatial characteristics,
- learn and measure the processes of regional economic change,
- discern among policy mechanisms for inducing economic activity and facilitating community settlement, and
- evaluate public spending choices.

The course will have three very distinct sections:

The first – understanding the urban (and rural) economy and its content – explores the development and the structure of urban systems, large and small, and the practical and theoretical foundations for their growth and their decline. You will learn basic techniques for assessing the industrial and commercial performance of regions, to include trade area analysis, the use of location quotients, shift-share analysis, and the analytic foundations of economic base theory and practice. This section will also include an introduction to input-output industrial accounting basics as they apply to understanding regional economic structures and planning for economic change.

Section two of this course will be an introduction to the elements of local government structure and finance, the roles of government in supporting habitation and economic growth through planning and capital investment strategies, along with public project investment strategies and techniques designed to boost economic growth.

Section three of this course will concentrate on evaluation tools for assessing government program performance. Among these will be an introduction to the elements of fiscal impact analysis, the theories and the methods of benefit-cost assessment, as well as other important mechanisms for determining the effectiveness of public spending and program or project evaluation.

Readings:

Required: Shaffer, Ron et al. Community Economics: Linking Theory and Practice. 2nd ed. Blackwell. 2004.

Required: Longworth, Richard. Caught in the Middle: America's Heartland in the Age of Globalism. Bloomsbury. 2008.

We will also use segments of the Web Book of Regional Science to supplement our readings <http://www.rri.wvu.edu/regscbooks.htm>

Other required readings will be distributed in class or made available on the course web-site.

Other Course Information

Attendance and Class Participation: This is important! Five percent of your grade will be determined by your attendance at class, overall class participation, that you stay awake or are at least seemingly alert during class, and that your mobile telephone does not ring during class. I expect students to question me, question other students during class discussion, and to otherwise be fully engaged during class. As this is a small class, I will surely notice absences.

Data and Assignments: I will make all data pertinent to assignments and all assignments available on the class web site. You will be responsible for downloading the assignments and storing them on your own personal storage media. You are also responsible for maintaining backups of all of your work: “the computer ate my homework” or “I forgot to save it” is not an acceptable excuse under any circumstance.

Late work: I am highly intolerant of late work. A 10 percent reduction will be assessed for each class period lapsed up to a maximum loss of 30 points. Students can turn in late assignments or papers up until the last class period of the session (realizing that late assignments will still be docked 30 points). Lateness due to personal/close family illness, family emergency, or for other compelling and convincing reasons will, however, be excused.

Students will notice that homework and two short project papers constitute 45 percent of their grade and that tests and my subjective evaluation of your attendance and participation account for 45 percent. The last 10 points are from a whole-class project that will compile a basic regional economic analysis and report for a neighboring community in support of the CRP senior studio project.

Evaluation:

Tests: Midterm and final	40 points
Two short project papers	20 points
All homework	25 points
<i>One whole-class project</i>	<i>10 points (to be determined)</i>
Classroom participation, attendance, etc.	5 points
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	100 points

Academic Dishonesty: Academic honesty or the issue of plagiarism is fundamental to the activities and principles of a university. All members of the academic community must be confident that each person’s work has been responsibly and honorably acquired, developed, and presented. Any effort to gain an advantage not given to all students is dishonest whether or not the effort is successful. The academic community regards academic dishonesty as an extremely serious matter, with serious consequences that range from probation to expulsion. If you have doubts about plagiarism, paraphrasing, quoting, or collaboration, consult me prior to submitting your work.

ADA: If you need accommodations because of a disability, if you have emergency medical information to share with me, or any other special needs please inform me immediately. Please see me privately after class, or at my office.

General Course Outline

Understanding and Measuring the Urban Economy

1. Basics of the urban or regional economy.
 - History and evolution
 - Determinants of structure and function
 - Spatial dynamics
 - Location theories
 - Central place
 - Distortions

2. Regional economic analysis
 - Structure of an urban or regional economy
 - Sizes and thresholds
 - Area trade analyses – Pull factors
 - Location quotients and export employment
 - Shift-share analysis and interpretation
 - The elements of economic base theory
 - (Assignments: trade analysis, location quotients, shift-share, simple economic base applications – 10 points).**

3. Regional industry and labor structures
 - Inter-industrial transactions
 - Input-output analysis and interpretation
 - Elements of economic impact analysis – a base theory approach
 - Labor markets, labor force participation and mobility
 - Place of work/place of residence: commuting
 - (Assignment: economic impact using multipliers)**

4. The modern economy: What's hot, what's not, what's emerging
(Paper: 10 points)
 - Elements of economic change
 - Rural and urban differences
 - Industrial shifts
 - Occupational trends
 - Issues for workers and for regions.

[Midterm – 20 points]

Local Governments, Finance, and Community Development Investment

5. Primer on local governments
 - Governmental hierarchies
 - Distributional and functional differences
 - Powers and limits
 - Tiebout

6. Elements of Public Finance.
 - Sources and characteristics of public funding mechanisms for local governments
 - Intergovernmental resources
 - Own-source resources
 - Capital financing basics
 - Interest, inflation, and discount rates
 - Bonding, pay-as-you-go, capital improvement funding

(Assignments:)

7. Stimulating the economy
 - Traditional roles of governments and local institutions
 - Emerging trends and rationales
 - Strategies for inducing growth
 - State and local roles
 - Tax-based incentives
 - Fairness and effectiveness

(Small paper – evaluation of perspectives)

Public Project Evaluation Basics

8. Evaluating public projects
 - The concepts of welfare economics
 - Market failures and the roles of government
 - Ability and authority of government to influence market decisions
 - Introduction to benefit cost analysis
 - Applied benefit cost assessment
 - Cost-effectiveness analysis
 - Issues associated with evaluating public spending on the economy
 - Fiscal impacts

(Assignments: benefit costs assessment, cost-effectiveness assessment examples – 10 points)

[Final exam – 20 points]