

URP 290 Assignment 1 – Economic Base Analysis

Objective: Apply techniques for determining regional basic economy.
Due: In class by 16 March 2009
Weight: 15 percent

Nearly all of the know-how needed for this assignment is contained in the readings on base economic analysis and the classroom work. In addition, there are handouts that should help you get through this.

1. Access the spreadsheet entitled “Linncounty2007.xls” from my web site. Right click on the target and save the file to your computer. You will go to the “assignment” worksheet and begin filling in the data needed to answer the questions below.
2. You will compute location quotients using a variety of approaches: The blank boxes will all need to be filled in.
3. You can use the “LQ Examples” sheet for guidance, but I’ve erased all of the formulas so it will mostly only help you for format and structure.
4. You will also need to go to www.bea.gov and access their local **State and Local Personal Income** and then their **Local Area Annual Estimates** link (go to the interactive tables for *local area personal income*) to get the needed population and income data for Linn County. Use the CA05N table **for the year 2006** to get population, total personal income, and transfer payments for Linn County, Iowa.
5. Once you calculate all of the missing data, then you need to answer the following questions:

Task 1. What are the total basic jobs and the basic multipliers using the following bases of determination?

-- LQ: Jobs Basis	Basic jobs: _____	Multiplier: _____
-- LQ: Population Basis	Basic jobs: _____	Multiplier: _____
-- LQ: Industry Earnings Basis	Basic jobs: _____	Multiplier: _____
-- LQ: TPI Basis	Basic jobs: _____	Multiplier: _____
-- LQ: Non Transfers Basis	Basic jobs: _____	Multiplier: _____

Task 2. As you look at all of these possible base economy multipliers, in just a paragraph, explain why you would choose one type over another. Or to put the question differently, does the type of multiplier matter, and if so why?

Please hand in this sheet, the Task 2 paragraph, and attach the spreadsheet so that I can see how you did this.

Question/Task 3. Scenario: A company that makes navigation equipment plans to lay off workers in April. In all 1,750 jobs will be lost (sector 334). Use the export (basic) jobs determined from the non-transfer payment income method for the Hamilton County economy and calculate the following:

- The regional total jobs economic impact _____
- The new regional basic jobs total _____
- The new regional basic jobs multiplier _____

Make sure that you show me your work for these three items like in the example that I handed out in class. Just staple it to this sheet.

Question/Task 4. Evaluation. You are a Cedar Rapids city planner. You have done the impact calculations above and you need to convey them to your city council. In no fewer than two pages of writing in memo form summarize:

1. What you are measuring including the pertinent terms that you are using
2. How you measured what you measured
3. The anticipated total job economic impacts of a loss of 1,750 navigation and other electrical equipment production jobs in the local economy (a simple table might be in order)
4. The strengths and weaknesses of your analytic approach

Make sure that the strengths and weaknesses portion is well thought out and summarizes your knowledge of this dimension of economic analysis and regional planning. You want to convey to the city council your confidence in your analysis. You also want to convey the limits to this kind of analysis.