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11.482J / 1.825J / ESD.193J Regional Socioeconomic Impact Analyses and Modeling  
Fall 2008

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11.482 Regional Socioeconomic Models and Analysis  
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### **GENERAL COMMENTS**

You need to indicate what the essay is about and to have a concluding paragraph. The figures for the most part are difficult to understand in terms of what point you are making

Some specific information about New Market would be useful, as well as a map to show the scope of your analyses, including the location of New Market. Which sectors in Suffolk County does New Market cover and which are not included. As an example, there are no universities per se in the New Market area, but training is needed for the jobs that are there. Also, financial institutions are in a different part of Suffolk County, but changes in certain financial factors will deeply affect New Market. What is the employment profile of Suffolk County and New Market versus the rest of Massachusetts and the rest of the United States?

Give some background and details on the Green Initiative in Boston and what aspects of that initiative will affect New Market and why you chose the variables you did.

Provide some indication on what you could do to overcome the problem that REMI has not been able yet to account for the current dramatic turndown. What sectors will be specifically affected by the current situation?

The figures need to be improved. Try to use only a few of the sectors, but indicate which ones are missing. Try not to use yellow or light blue. Those colors do not show up well on paper or in the ppt. Be specific in the table/figure title as to the geographic area/years/other specifics.

For the table/figure source, always give the version of REMI that you are using, if that is the source. Provide specific sources. For values in dollars, indicate whether the numbers are in constant or current dollars.

1. You can do a simulation to check how much saving is needed to make a substantial impact on the economy. For instance, how much production cost needs to be reduced to have a substantial impact.
2. You need to identify whether the effects are direct or indirect. For instance, the increased value of a firm's capital stock may not be direct (because the increase in value is due to lower costs of production). Reduced consumer spending on food seems to be an indirect effect from the changes proposed.
3. For the loans, you may wish to put at the capital costs of firms. By changing the interest rates, you are assuming that the loans can be accessed by other business types.
4. What kind of catalytic effects do you expect? (effects beyond the direct/indirect effects)
5. What are the "performance" indicators?( Employment/wage/sector share?)
6. Increasing government expenditures may increase tax rates (to balance the budget).
7. How much does the government need to spend?
8. Do you input the data under firm sales or industry sales? The former includes crowding out effects within the region, and the latter does not.
9. Should you choose sales or demand? The choice depends on whether the incremental output is produced exclusively in the region or outside the region. If all new output will be generated by that region's industry, increase Industry Sales or Firm Sales. But if the output will be provided by a combination of internal and external producers, based on the Trade Shares accessible through the Options menu, increase Exogenous Final Demand. Using demand variables is preferable when you do not know the source of the increased output.
10. Consider some alternative scenarios, such as relocating the industries outside of New Market or Suffolk County.