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11.482J / 1.825J / ESD.193J Regional Socioeconomic Impact Analyses and Modeling  
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## Problem Set No. 2

**Due: Two days after SES # 11.**

### **REQUEST FOR PROPOSAL (RFP): Taking the first steps towards a project: socioeconomic-impact analysis of the Boston economy**

Prior to commissioning you to conduct the impact-assessment study of your project of choice, the Boston Redevelopment Authority (BRA) research staff must evaluate your understanding of the Boston economy. They want to be certain that you will accurately measure the potential socioeconomic impacts of different investments. In order to proceed with this year's initiative, the BRA asks you to explain to them: (1) What are important socioeconomic characteristics of the Boston economy today? (2) What do you expect will be the important socioeconomic characteristics in 2015? (3) What are the strengths and weaknesses of Boston's economy today? (4) Given what you know at present, what hypothesis do you initially have concerning the expected socioeconomic analysis of your selected project? Although they are primarily interested in the socioeconomic structure of Suffolk County, its staff must also understand how it relates to the four counties that surround Suffolk and, if possible, to the United States as a whole. What insight do you have to offer them?

#### **Task 1. Understanding the Boston Economy**

Select and review articles about the Boston economy and investigate the historical and forecasted trends based on the REMI baseline. Find an interesting story to tell about Suffolk county and the Boston region as a whole. Prepare a short report (this part should be about three pages double spaced, excluding tables and figures) on the trends and forecasts, with at least the following components:

1. Which have traditionally been the most competitive sectors?
2. How have they changed or are expected to change?
3. Will the Boston economy be growing during the next 5 years? Next 15 years? In which sectors?
4. Does this make sense? Why or why not?

*Although you are not required to write about the industries residing in New Market and how they are performing for your individual reports, you need to keep in mind how the Green Strategy Initiative for the New Market will affect the Boston Economy in your analysis later.*

#### **Task 2. Predicting the Future of the Boston Economy**

Obtain from the BRA or any other stakeholder, estimates of the total investment and/or employment changes related to your project. Hypothesize what the socioeconomic impacts of your project may be according to your analysis of the baseline behavior. Write one or two paragraphs about these potential impacts.

#### **Task 3. Determining Methodology and Data Issues**

Determine what you will need in terms of exogenous data in order to make a detailed estimate of the socioeconomic impacts for your selected project.

(a) Provide a list of the variables that you will be using to make the impact analysis and explain the selection rationale. If you need data-bases to assess the exogenous variable, give a short (0.5 paragraph) explanation of the data and where you can find it.

(b) Write one or two paragraphs about these data, variables, and any limitations or obstacles that you foresee in using REMI as the primary instrument for your analysis. If you find any limitations or obstacles, how would you compensate or overcome them?

(c) Explain which blocks of the REMI model may be useful for your analysis. Based on the inputs you will be using, list the REMI outputs that may be used in your final report.

**Output: Two parts: 1. Task #1 as an individual essay, 2. Task #s 2 and 3 as common group report**

Submit your answers to the Task #1 (three pages, double-spaced, tables and figures are separate) individually. Submit a common group report (again three pages, double-spaced, tables and figures separate) for the Task #s 2 and 3. Imagine that this would be a section of your proposal to the BRA.

**Note:** This document, in revised form, will become part of your final report to the BRA, as well.