data and description

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outline

misc

basic research design [repetition? making sure basics covered]

analytical methods for regional development (Blakely and Leigh, 2009, ch1, 6)

LQ

NECESSARY readings

◇https:

//data.bls.gov/cew/doc/info/location_quotients.htm
· [if need more reading, some descriptive examples for
Indiana: http://www.incontext.indiana.edu/2006/march/1.asp]

◇http:

//data.bls.gov/location_quotient/ControllerServlet–try

to calculate LQ yourself

BLAKELY, E. AND N. LEIGH (2009): Planning local economic development: Theory and practice, Sage Publications, Beverly Hills CA.

FLORIDA, R. (2008): Who's your city?, Basic Books, New York NY.

MACKIE, J. (1980): The cement of the universe, Clarendon Press Oxford.

introductions again!

◇half of class missing last week

listserv

◇ best way to communicate outside of classroom, use it a lot

◇ if you didnt get welcome message, pls email me and i'll add you, very important you're on it

◇ also do email me if you cant send messages to the listserv!

make sure sakai's dropbox works

◇lets open it up and make sure it went through on my end

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presentation: be thorough, but simple; tell a story

◇ quote data source in detail; give url

◇ define variables; maybe table with definitions in the appendix

◇ describe sample in detail: time, location, sampling, etc…

◇ what is your contribution? how come everybody else got it wrong or missed it?

◇ there has to be some contribution in your paper! data? method? idea?

◇ avoid results padding: do not present tables, graphs if they do not tell a story or if you do not discuss them or if they do not help with argument

presenting results

◇ eg `https://sites.google.com/site/adamokuliczkozaryn/pubs/livability-nov19_aok.pdf?attredirects=0&d=1`

◇ avoid ugly tables

◇ graphs/tables need to have captions that are self-explanatory

◇ graphs/tables need to be referenced in text

◇ show 2 or 3 decimal points, no scientific notation, no vertical lines in tables

◇ do not say "increase by one unit"; what is the unit?

◇ all vars must be defined clearly (say key vars in text, others in appendix)

◇ annotate/label patterns in graphs

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a research design is a class itself

$\diamond$ a quick, useful and applied reference is
  http://www.socialresearchmethods.net/kb/design.php

$\diamond$ a more in-depth treatment is Lawrence B. Mohr, Impact
  Analysis for Program Evaluation

spurious correlation

◇ say, global warming...

· we have it–we can measure temperature

· but the cause: we may think it is CO_2, but actually it is Sun activity

· or the other way round

◇ another way to say it: correlation is not causation

◇ need theory and mechanism, so called "causal path"

◇ https://www.tylervigen.com/spurious-correlations

the gold standard: the experimental design

◇ only with experimental design you can confidently argue causality

◇ and it is because randomization takes care of the known and unknown predictors of the outcome (draw a picture of 2 groups of people)

◇ most of the time we cannot have an experimental design because it is unethical and politically impossible
eg we cannot randomly assign kids to bad school or to smoking

◇ http://www.socialresearchmethods.net/kb/desexper.php

threats to internal validity

◇ history, maturation, regression to the mean

· something else happened that caused Y

· things develop over time in a certain way

◇ selection bias, self selection

· does smoking causes cancer ?

· maybe less healthy people select to smoke ?

you still can have a valid inference

◇ but you need to do more work...

◇ essentially you want to exclude alternative explanations

◇ so you act like a devil's advocate

◇ and try to abolish your story / find an alternative explanation

◇ if you cannot find any, then your story is right...until disproved

INUS condition (Mackie, 1980)

◇ a useful way of thinking about causality

  Insufficient but Non-redundant part of Unnecessary but Sufficient Condition

◇ many, if not most causes are INUS conditions

◇ eg a cigarette as a cause of forrest fire

· it's Insufficient, because by itself it is not enough, eg you also need oxygen, dry leaves, etc

· it is contributing to fire, hence Non-redundant

◇ and along with other stuff (oxygen, dry leaves etc) it constitutes Unnecessary but Sufficient Condition

· it's not necessary for fire, it can be lightening, etc

· but it's sufficient – it's enough to start the fire

two basic designs

◇ you can look over time (PRE, POST) (draw a graph)
  eg you can trace unemployment over time in Camden

· and, say, you can find that it increased during Reagan
  administration...

· but you cannot argue causality right away !

· there may be lots of alternative explanations, eg shift
  away from manufacturing during the same time, etc etc

◇ and you can look across space

· eg you can compare Philadelphia to Camden

comparing Camden, NJ and Plano, TX

◇ a quick way is to use QuickFacts

◇ https://www.census.gov/quickfacts/

◇ https://www.census.gov/quickfacts/fact/table/
  planocitytexas,camdencitynewjersey,TX,NJ/PST045217

◇ what's interesting here?

◇ Camden: about 7x more Blacks and 8x fewer Asians

◇ homeownership rate: 20% lower in Camden

◇ Plano: only 7% of population in poverty; Camden: 36%

· TX v NJ: almost 2x people in poverty: 17% vs 9%

full census data

◇ census is a good source of data, even at neighborhood level!

◇ for city/neighb lev probably want 5-yr ACS

◇ https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx [find census tract]

◇ https://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t

◇ say topics-people-poverty

◇ for 2 census tracts in Philly: 137 and 138 (Brewerytown)

◇ always show map of an area! eg

https://www.policymap.com/maps

levels of analysis

◇ you are probably familiar with term Unit of Analysis (U/A)

◇ in regional development a peculiar thing is that there are many levels

◇ there are states, counties, metropolitan areas, cities, etc

◇ and you often get different and even opposite conclusions depending on what level you are looking at

different levels, different effects

◇ variables at different levels may have opposite effects

◇ eg if i increase your salary, you'll be happier

◇ but if i increase salary of everybody in your county you'll be less happy

◇ would you like to live in a world where:

· you make $100k and the average is $150k, or:

· you make $75k and everybody and the average is $50k

· (people chose the second scenario)

◇ "a rich guy is a one who makes $100 more than his wife's sister's husband"

contextual effects

⋄ a closely related concept: contextual effects

⋄ whatever you study it takes place somewhere and place matters!

⋄ so it is not only characteristics of the U/A that predict your outcome

⋄ but also the context (characteristics of larger units in which U/A is nested)

⋄ student is nested within a classroom, a classroom within school, a school within a district, etc etc

⋄ a firm is nested within a city/metropolitan area/town, which is nested within a state, which is nested within a country

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data and development

◇ development planning begins with understanding of the local economy

◇ if you cannot measure it, express it in numbers, your knowledge is of 'meager kind' (Lord Kelvin)

◇ and you also want to keep on measuring to see what is going on:

· is the situation improving?

· any interesting trends ?

· how are we doing compared to other similar localities?

some performance measures

◇ population, employment, income (Census Quick Facts)

◇ earnings, wages, labor force participation
   (http://www.bls.gov/bls/blswage.htm)

◇ firm births, deaths, and relocations
   (http://www.bls.gov/web/empsit/cesbdhst.htm)

◇ property values and tax revenues
   (https://www.zillow.com/research/data/, census, https://taxfoundation.org)

◇ analyze over time; and across space:

· compare to state, metro area, nearby cities

· variation among demographic subgroups and sub-areas

· link indicators to key goals & track over time

labor force characteristics

◇ this is key ! jobs are key !

◇ especially in those difficult times

◇ key in attracting new employers

◇ you want to have people in occupations that have good prospects

◇ a great resource is BLS occupation outlook: http://www.bls.gov/ooh/

labor force characteristics

◇ low labor force participation for a specific demographic group may suggest lack of opportunity, discouraged workers, discrimination, etc

◇ median commute time is interesting indicator

· if high it suggests a mismatch between housing and job markets

· and it produces congestion, pollution and unhappiness (people are most unhappy when commuting)

businesses, job supply

⋄ you also want to look at job suppliers–businesses

⋄ interesting thing is that many businesses cannot find
  people to fill open jobs

⋄ and there is unemployment and underemployment of
  course, so there is s mismatch

⋄ http://www.forbes.com/sites/jacquelynsmith/2012/05/29/
  the-10-hardest-jobs-to-fill-in-america-2/

⋄ http://www.nytimes.com/2012/06/28/business/smallbusiness/

  even-with-high-unemployment-some-small-businesses-struggle-to-fill-positions.

  html?pagewanted=all

BEA

◇ a terrific website!

◇ under regional data you will states and metros

◇ and even some smaller areas like counties!

◇ http://www.bea.gov/iTable/iTable.cfm?reqid=
70&step=1&isuri=1&acrdn=5#reqid=70&step=1&
isuri=1

wages

⋄ http://www.bls.gov/bls/blswage.htm

⋄ by census division

  http://www.bls.gov/ncs/ocs/compub.htm#Division

⋄ by state http://www.bls.gov/oes/current/oessrcst.htm

⋄ metro http://www.bls.gov/ncs/ocs/compub.htm

  http://www.bls.gov/oes/current/oessrcma.htm

living wage, poverty

◇ Families working in low-wage jobs make insufficient income to live locally given the local cost of living.

◇ Recently, in a number of high-cost communities, community organizers and citizens have successfully argued that the prevailing wage offered by the public sector and key businesses should reflect a wage rate required to meet minimum standards of living.

◇ living wage calculator by county

http://livingwage.mit.edu/

property values

◇ an indicator of place desirability

· low in Camden–nobody wants to live here

· high in Manhattan–everybody wants to live there

◇ also reflect job opportunities:

· can afford Manhattan housing if have a Manhattan job

· can afford Camden housing if have a Camden job

property values

◇ http://www.zillow.com/local-info/ interactive

◇ https://www.zillow.com/research/data/ download

◇ http://www.city-data.com/

◇ a useful calculator

  https://money.cnn.com/tools/homepricedata/

tax revenues

◇ a measure of local economy health

◇ state and local taxes https://www.census.gov/programs-surveys/qtax.html

ecology: land, agriculture, etc

⋄everything takes place in some ecology

⋄and ecology matters

⋄https://www.ers.usda.gov/data-products/

basic analysis: understanding

⋄ look by industry/sector over time and across space

⋄ understand local economy's strengths and weaknesses
and think about what may be driving them

⋄ a useful concept is that of outcome line `http:`
`//books.google.com/books?id=GBxhOT8btfYC&`
`lpg=PA16&pg=PA15#v=onepage&q&f=false`
see general one, and then example

think of the larger context

◇ where are we in the business cycle

◇ what are the global trends ?

 · they do affect the local economies

 · outsourcing manufacturing jobs to China

◇ local economy is not simply a fraction of the national
economy, though
for instance if the there is drought in Latin America,
Iowa will benefit more than Nevada (it produces more
food)

◇ new police lowered crime? crime declining everywhere!

standardize

◇ if you go over time, you need to deflate dollar amounts

◇ real/cpi adj v nominal/current
  `http://www.bls.gov/data/inflation_calculator.htm/`
  `http://www.duke.edu/~rnau/411infla.htm`

◇ if you go across, divide by population: otherwise you cannot compare, say Philadelphia to Camden

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basics to understand (Blakely and Leigh, 2009, p164)

◇ which local parts of the economy are most valued by
   locals

 · how locals compare themselves to others

 · (can do a survey, interview, focus group)

◇ what's the local <u>economic base</u> (LQ)

 · what accounts for most jobs and wealth

 · and what's growing/declining most rapidly

◇ multiplier effects: how growth/decline in one part affects
   other parts

 · eg organize LPGA tournament, superbowl etc, and bars,
   airbnb, trains etc will boom

◇ which firms are a part of interdependent cluster

economic base

◇ exporting industries are important:
  they bring the money to the locality

◇ imports are important to look at, too, there may be an
  opportunity for substitution

◇ it's businesses that generate wealth that should be
  targeted for attraction and nurtured

◇ we used to focus on industries, but now focus on people,
  eg creative class (Florida, 2008) – an occupation-centered
  economic base

LQ (Loc Quotient) (specialization index)

◇ $LQ = \frac{\frac{e_i}{e}}{\frac{E_i}{E}}$; e_i local emp in ind i; e tot loc empl; E_i natl emp in ind i; E natl tot empl

◇ https: //data.bls.gov/cew/doc/info/location_quotients.htm

· [if need more reading, some descriptive examples for Indiana: http://www.incontext.indiana.edu/2006/march/1.asp][enlarge table, also perc change is useful] try to calculate LQ yourself https://data.bls.gov/cew/apps/data_views/data_views.htm#tab=Tables eg 2018 Annual Avg Private:

· 101 Goods-producing, Autauga County AL

· v 10 Total, all industries, All Counties $(2{,}251/8{,}407)/(21{,}810{,}990/124{,}551{,}838)=1.52$

BLS LQ

◇ another example: eds&meds Camden county v NJ

◇ note: also useful to over time: eg employment this year v 10 years back

interconnectedness

◇ most things are produced from things that somebody else produces

◇ and hence my performance affects that of my suppliers and people whom i supply

◇ a similar idea is that of clusters

clusters are..

◇ geo concentrated

◇ have competitive advantage because they are
concentrated

◇ share supplier and buyer (marketing) advantages

◇ are supported by advantageous infrastructure in a region
eg universities, venture capital

paper

◇ again, a useful trick is to combine different types of data to come up with a contribution

◇ talk to your classmates!

· eg food deserts and crime

· eg weather and migration, etc, etc

◇ your paper does not have to be quantitative

· but a good idea to approach your topic from different angles, eg quant and qual

next week

$\diamond$ we will always end the class by having a quick look at the next class