

Urban and Regional Economic Development, 90-743

Spring 2024

Version 1.0, January 16, 2024

Time:	Tuesdays and Thursdays 5:00-6:20PM	Instructor
Location:	HBH 1004	Christopher Briem
Office Hours (zoom):	Thursdays 3-4pm or by appt	E-mail use: cbriem@gmail.com
Office Hours (in person):	TBD	Office/voicemail: 412.624.3791
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Note the date/version of this syllabus. Check in Canvas that this is the most current version of the syllabus.

Course Description

The course will introduce students to the theory and practice of economic development in the United States. An introduction to basic analytic techniques used by both researchers and economic development practitioners will be coupled with a broad overview of the research literature in the fields of urban and regional economics. Emphasis will be placed on the public sector's role in promoting economic development and public policy at the federal, state, and local levels that are focused on improving economic conditions for people, places, and regions. Optional readings will focus on Pittsburgh's economic development and regional economic change since WWII.

Upon successful completion of this course, you should be able to:

- Explain economic theories explaining the location of economic activities and the growth or decline of regional economies at the state, metropolitan and local levels. To include, but not limited to industry cluster theory, the role of human capital, place-based vs person-based economic development approaches.
- Critique the theories and methods of regional economic development in their application to a region.
- Understand key data sources and their limitations for use in local and regional analysis. Examine regional and local economies using critical analytical methods like shift share, location quotients, and comparative analysis.

To achieve these objectives the course has three main vectors. 1) Readings and lectures through the course will provide students with a broad overview of urban and regional economic development research and practice; 2) Quantitative exercises to both reinforce assigned readings and develop basic skills in regional analysis, and 3) A series of guest lectures with senior-level practitioners who will provide insight into real-world economic development at the local and regional level.

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Text and readings

There is no one assigned textbook or book that you will need to purchase for this course and material will be drawn from a range of academic journals, training material, and various mass media articles. Students will be expected to participate in discussion of assigned readings and will be assigned to present and lead discussion of two assigned readings over the course of the semester.

The readings listed in the syllabus for each class are what students are expected to have read prior to each class and will normally be the topic of lecture/discussion that day. Links to most readings are embedded in the syllabus schedule below, but otherwise will also be available within Canvas.

The syllabus itemizes required and optional readings and material. Any material explicitly labeled 'optional', is material that will not be needed in either the midterm or final exams. Optional material includes readings that are related to course material, and may be of interest to individual students, but will not be tested in any way. Much of the optional material is specific to the economic development history of Pittsburgh and current local events.

Books that will be referenced include:

1. Hoover, Edgar M. and Giarratani, Frank, "An Introduction to Regional Economics" (2020). Web Book of Regional Science. <https://researchrepository.wvu.edu/rri-web-book/4>
2. Tim Bartik, Who Benefits from State and Local Economic Development Policies? (Upjohn Institute, 1991).
3. Mallach, Alan, Smaller Cities in a Shrinking World: Learning to Thrive Without Growth (Island Press, 2023)

Office Hours and contact information.

Refer to the top of the syllabus for my contact information. Please **use cbriem@gmail.com for e-mail communication**. If you do ever send me a note by any means and do not hear back from me within 48 hours, please resend.

Through the week there will be two options available for office hours. I'll have a collective open period on zoom where I will be available to all who participate. I will set up a standing Zoom call anyone can participate in and bring up any issues you wish. One note, if you plan to participate in office hours during this period and will not be there at the beginning of the time period, please let me know ahead of time.

For those who want to talk individually, we can set up individual times to talk on the phone or via zoom and I have Friday's blocked off for those calls. As changing circumstances permit, I will make these office hours available in person.

Course Evaluation

Grades will be assigned based on performance in a combination of in-class exams, assigned applied projects, and overall class participation. Testable material for exams will be based on assigned readings per the specific course schedule itemized below. More information on the applied projects

Exams	40%	An in-class midterm and an in-class final will be evenly weighted (20% of final grade each) and will cover students' knowledge of assigned readings, lectures, and other assigned material. Questions will involve primarily short-answer and practice questions will be available before each exam.
Applied Projects	40%	Four individual projects will be assigned over the course of the semester. Each assignment will focus on using real-world data in the application of quantitative methods of applied regional and urban economics.
Course Participation and Paper Presentation	20%	Evaluated based on course attendance, participation in discussion of assigned readings and interaction with guest speakers. In addition, each student will be assigned to present the major themes in 1 (or 2 depending on class size and timing) of the assigned readings during class periods.

Overview of Applied Projects

Specific instructions will be provided when assigned. The four applied projects are data-based quantitative exercises. Instructions and guidance for each will assume you will use Microsoft Excel, or similar spreadsheet program to complete and this will be the only software tool that will be needed. Most exercises can be completed with other statistical programming tools which will be perfectly acceptable. When assigned, please consult with me if you intend to use something other than a spreadsheet to complete the assignment. Assignments will be distributed and should be submitted in Canvas per the syllabus schedule.

Topic	Overview	Dates
Location Quotient	Using data from the Bureau of Economic Analysis (BEA), identify the industries with the largest employment-based Location Quotients (LQs) for each of the 40 largest metropolitan statistical areas (MSAs) in the United States and how these have changed over the most recent two decades.	Assigned: January 23 Due: February 6
Shift-Share	Identify the 30 largest Micropolitan Statistical Areas in the United States and determine which have experienced the largest competitive gains in an industry sector employment over the most recent decade.	Assigned: February 8 Due: February 23

Employment and Commuting	Examine the shift in employment between center city and suburban locations using data from Longitudinal Employer-Household Dynamics data.	Assigned: March 13 Due: April 4
Occupational Employment and Technology Clusters	Using techniques previously assigned (LQ/Shift-share), identify the MSAs which have experienced the largest absolute gains in an assigned occupational category and compare to how that ranking contrasts with a shift-share analysis ranking the competitive growth of the same occupation sector.	Assigned: April 4 Due: April 26

Note on grading and late assignments. Check in Canvas for any adjustments to the due dates for each assignment. Each assignment will be due at 11:59pm per the due date. Assignments submitted within two days of the due date will still be graded but receive a single letter grade penalty.

Course Schedule

Note that this schedule should be considered a living document and when planning you should check that you are referencing the latest version of this document. Specific dates and topics will be adjusted based on schedules of guest lectures and other circumstances.

Module 1: Overview and key tools for economic development analysis

The first part of this course will cover both the history of economic development in the United States and basic analytic techniques that can be applied in the practice of economic development and related research.

January 16	What is Economic Development? Overview of course, syllabus review, introductions. <u>Readings:</u> 1. Ned Hill (2023), What Is Economic Development? And What Is the Job of an Economic Development Professional? Economic Development Quarterly, Volume 37, Issue 1, February 2023, Pages 34-48. 2. Norton Francis (2016), What Do State Economic Development Agencies Do? Urban Institute, Economic Development Strategies, Information Brief 6, July 2016, pages 1-7 3. Oh, and read the (entire) syllabus! Also, complete class survey in Canvas before Thursday's class
January 18	History of regional competition and regional economic policy <u>Readings:</u> 1. Russell Roberts, "Hamilton's Great Experiment – The Society for Establishing Useful Manufactures," <i>Financial History</i> 20, Issue 64 (1998) – 3 pages 2. Connie Lester, Economic Development in the 1930s: Balance Agriculture with Industry, <i>Mississippi HistoryNow</i> (online- short). 3. John F. Kennedy, New England and the South, <i>The Atlantic</i>, January 1954 4. Brett Theodos, Leiha Edmonds, Daniel Teles, Christina Stacy, Benjamin Docter, Christopher Davis, and Jonathan Schwabish, History and Programmatic Overview of the Economic Development Administration, Urban Institute, pages 1-14 5. Hoover and Giarratani , Chapter 12: Regional Objectives and Policies, pp. 242-277 (not including appendix)
January 23	Geography for Economic Development <u>Readings:</u> 1. Gregory K. Ingram, Defining Metropolitan and Megapolitan Areas, Lincoln Institute of Land Policy (December 2014), pp. 1-10 2. John Fraker, Census Tract Boundaries and Place-Based Development Programs, in <i>Cityscape</i> Vol. 24, No. 1 (2022), pp. 217-228

	<u>Slides:</u> 1. Census Bureau, Understanding Statistical Geography, 2021 Web Page: 1. Census Bureau, History of Metropolitan Areas. <u>Optional Reading:</u> 1. Pennsylvania Economy League – Western Division, Pittsburgh: A Regional City with a Local Tax Base, 1982. Executive Summary. <u>Really really optional:</u> Video: Zip Code with the Swinging Six Assignment 1 introduced and assigned.
January 25	Basic Metrics and Measurement for Economic Development <u>Web Pages:</u> 1. Powerpoint: Calculating Location Quotients, LMI Training Institute, September 12, 2012 2. Downtown and Business District Market Analysis toolbox, University of Wisconsin Extension 3. Penn State Extension, Understanding Economic Change in Your Community. 4. Alan Mallach, Neighborhoods by Numbers: An Introduction to Finding 5. and Using Small Area Data. Center for Community Progress. (2017) <u>Optional/Reference:</u> 1. Maryann Feldman, Innovative Data Sources For Regional Economic Analysis
January 30	Demographics of regional economic change <u>Readings:</u> 1. Alan Mallach , Demography as Destiny, Chapter 2 of Smaller Cities in a Shrinking Word: Learning to Thrive Without Growth (2023), pp. 29-41 2. Alexia Fernández Campbell, The City that Tried to Stop Growing, <i>Atlantic Magazine</i>, July 7, 2016 3. Arthur Nelson, Reshaping Metropolitan America, Island Press (2013), pp. 16-30 4. Kim Parker, Juliana Horowitz, Anna Brown, Richard Fry, D’Vera Cohn and Ruth Igielnik, What Unites and Divides Urban, Suburban Communities, Pew Research Center, 2018, pp. 4-29 (pages per the full report PDF) <u>Optional Reading:</u> 1. Peter Morrison, A Demographic Overview of Metropolitan Pittsburgh, RAND Corporation (2003) 2. Alan Ehrenhalt, Shrinking Towns and the Riddle of Resurgence, <i>Governing Magazine</i>, May 17, 2023; This is a book review of Mallach(2023)
February 1	No Class today

	Video: Smaller Cities In A Shrinking World: Finding A Sustainable Future with Alan Mallach, Online at https://www.youtube.com/watch?v=pOU1aE20Lxo
February 6	More Analytic Techniques <u>Readings:</u> 1. Methods of Regional Analysis: Shift Share, a primer prepared by Jerry Paytas who used to teach this course. 2. Anil Rupasingha and J. Michael Patrick, Tools for Understanding Economic Change in Communities: Economic Base Analysis and Shift-Share Analysis, New Mexico State University 3. Center for Regional Economic Competitiveness, Redefining Economic Development Performance Indicators for a Field in Transition 2017 Assignment #1 Due at 1159pm, February 7, 2023

Module 2: Finance and public incentives

This section will introduce students to basic theories of regional change and economic growth theory from agglomeration theory to industry cluster theory. Also covered will be the role of public incentives in attracting regional investment.

February 8	Economic Development Finance <u>Readings:</u> 1. Francis Norton, State Financing Incentives for Economic Development, Urban Institute Economic Development Strategies, Information Brief 4 February 2016 2. Rachel Weber, What makes a good economic development deal, chapter 10 of Retooling for Growth: Building a 21st Century Economy in America's Older Industrial Areas, Brookings, 2008. Assignment 2 assigned
February 13	Incentives and their discontents <u>Readings:</u> 1. Tim Bartik, Making Sense of Incentives: Taming Business Incentives to Promote Prosperity, Upjohn Institute, (October 2019). 2. Andrew Schwartz "The Realities of Economic Development Subsidies," (November 1, 2019) 3. David Zipper, How Opportunity Zones Launched a 'Gold Rush' for Wealthy Investors, Bloomberg, November 11, 2021 <u>Optional Reading:</u> 1. Beaver, William. "Volkswagen's American Assembly Plant: Fahrvergnugen Was Not Enough." <i>Business Horizons</i>, December 1992. Optional video: Only the rich can play: The story of Opportunity Zones , Brookings, October 2021

February 15	Site selection then and now <u>Readings:</u> 1. Andrew Shapiro, The Role of the Site Selector, <i>South Carolina Journal of International Law and Business</i> (2011) 2. Fantus and the Rise of the Economic War Among the States, chapter 3 of The Great American Jobs Scam, by Greg LeRoy (2005) 3. Amazon HQ2 Request for Proposals (2018) <u>Optional Reading:</u> 1. Jack Markowitz, "How Chrysler Came to New Stanton I: Firm Eyes Western Pennsylvania for Major Growth?" <i>Pittsburgh Post-Gazette</i>, November 4, 1968, 43.
February 20	Fiscal Capacity and Financing Economic Development <u>Readings:</u> 1. Alan Mallach and Eric Scorsone, Long-Term Stress and Systemic Failure: Taking Seriously the Fiscal Crisis of American's Older Cities, Center for Community Progress(2011) 2. Kim Phillips-Fein , The Legacy of the 1970s Fiscal Crisis, <i>The Nation</i>, April 16, 2013
February 22	Regional Growth Theory and Economic Impact Analysis <u>Readings:</u> 1. Glen Weisbrod and Burton Weisbrod, "Measuring Economic Impacts of Projects fand Programs," <i>Economic Development Research Group</i> (April 1997) 2. Bartik, Tim and Nathan Sotherland, "Local Job Multipliers in the United States: Variation with Local Characteristics and with High-Tech Shocks", <i>W.E. Upjohn Institute</i> (2019), pp 1-22, pp. 48-69
	Assignment #2 Due at 1159pm February 23
February 27	Infrastructure and Economic Development <u>Readings:</u> 1. Congressional Research Service, The Role of Public Works Infrastructure in Economic Recovery, September 2011. Pp. 1-18 2. Robert Puentes, Why Infrastructure Matters: Rotten Roads, Bum Economy, January 20, 2015
February 29	Midterm Exam (in-class)
	Spring Break, March 4 to March 8, No Class

Module 3: People and Places

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This section will focus on the role of geography in economic development to include debates over the efficacy of place-based vs person-based economic development policies, land use, housing economics, the impact of transportation and the economics of opportunity.

March 12	Guest Lecture: An Lewis, Executive Director of the Steel Rivers COG (confirmed) Review web site for the Steel Rivers COG: https://steelriverscog.org/ <u>Readings:</u> Advisory Commission on Intergovernmental Relations (ACIR), Metropolitan Councils of Governments, 1966
March 14	Government Fragmentation and Economic Development <u>Readings:</u> 1. Christopher Goodman, Political Fragmentation & Economic Growth in U.S. Metropolitan Areas, <i>Journal of Urban Affairs</i>, Volume 43, 2021 - Issue 9 (2021) 2. David Miler and Jen Nelles, Order out of Chaos: The Case for a New Conceptualization of the Cross-Boundary Instruments of American Regionalism. <i>Journal of Urban Affairs</i> <u>Optional Reading:</u> Charles Tiebout, A Pure Theory of Local Expenditures, <i>Journal of Political Economy</i>, Vol. 64, No. 5 (Oct., 1956), pp. 416-424 Assignment 3 assigned
March 19	From Agglomeration Economies to Clusters <u>Readings:</u> 1. Michael Porter, Clusters and the New Economics of Competition, <i>Harvard Business Review</i>, (November-December 1998) 2. Ryan Donahue, Joseph Parilla and Brad McDearman, Rethinking Cluster Initiatives, Brookings, July 2018. Pages, 1-44. 3. https://www.ibrc.indiana.edu/ibr/2015/spring/article2.html <u>Optional Reading:</u> 1. Michael E. Porter, et. al, Clusters of Innovation Initiative: Pittsburgh, 1998
March 21	Housing and neighborhood development <u>Readings:</u> 1. Catherine Glossop, Housing and economic development: Moving forward together, Centre for Cities (2008). Pp. 1-31. 2. Miriam Axel-Lute, Talking About Revitalization When All Anyone Wants to Talk About Is Gentrification, <i>Shelterforce</i> (October 24, 2019) 3. Alan K. Sever, Building-Tax Abatements: An Approximation to Land Value Taxation. <i>The American Journal of Economics and Sociology</i>, Vol. 51, No. 2 (Apr., 1992), pp. 237-245

	4. Urban Affairs Forum, Upzoning Chicago: Impacts of a Zoning Reform on Property Values and Housing Construction, March 2019 Video: 1. The City (part 1), American Institute of Planners (1939). Online via the Prelinger Archives. Optional Reading: 2. Kyle Westphal, The City, Library of Congress, 1939
March 26	Guest Lecture. TBD 1. Review website for Action Housing: https://actionhousing.org/
March 28	Left Behind Places Readings: 1. Clara Hendrickson, Mark Muro, and William A. Galston, Countering the Geography of Discontent, Strategies for Left Behind Places, Brookings (November 2018) <i>Pages 1-27, 32.</i> 2. John Tomaney and Andy Pike, Leveling Up, Political Science Quarterly, Vol. 91, No. 1, January–March 2020
April 4	Technology-Based Economic Development (TBED) 1. Walt Plosilla, State Science- and Technology-Based Economic Development Policy: History, Trends and Developments, and Future Directions, <i>Economic Development Quarterly</i>, 2004. Pages 113-125 (13 pages) 2. Bradshaw and Blakely “What are ‘Third-wave State economic development efforts.” <i>Economic Development Quarterly</i> 13, No 3. (August 1999), pp. 229-243 (15 pages) 3. Maryann Feldman and Nichola Lowe, Evidence-Based Economic Development Policy, <i>Innovations</i> (2017), pages 34-47 (14 pages) Optional Readings: 1. Edward Litchfield, “Research: The Key to Pittsburgh’s Economic Growth” (Speech, May 4, 1962). Vijai Singh and Christopher Briem, “The role of universities in the evolution of technology-based economic development policies in the United States?” Chapter 9 of Routledge Handbook of Politics and Technology, Ulrich Hilpert Editor (Routledge, 2015)
	Assignment #3 due 1159pm April4

Module 4: Technology Based Economic Development (TBED)

This section introduces the technology based economic development in the United States, public policy for incubating entrepreneurial activity and the evolving role of talent in regional economic competition.

	2.
April 4	Guest: Audrey Russo, Pittsburgh Technology Council (confirmed) Review web site: https://www.pghtech.org/

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	Assignment #4 introduced and assigned
April 11	No class – Spring Fair
April 16	Do people follow jobs or do jobs follow people? <u>Readings:</u> 1. D. B. Grigg, E. G. Ravenstein and the “ laws of migration,” <i>Journal of Historical Geography</i>, 3, 1 (1977) 41-54 2. Tim Bartik, <u>Who Benefits from state and local economic development</u>, Upjohn Institute, chapter 2 3. Alan Mallach , “Cities Are People: Building a Sustainable Social and Economic Environment”, Chapter 9 of <u>Smaller Cities in a Shrinking World: Learning to Thrive Without Growth</u> (2023), pp. 141-162 Audio: <u>Moretti on Jobs, Cities, and Innovation</u>, EconTalk (June 25, 2012)
April 18	Creative Class and beyond/COVID impacts <u>Readings:</u> 1. Richard Florida, Competing in the Age of Talent: Environment, Amenities, and the New Economy, January 2000, pp: 4-16. 2. Edward Glaeser, Review of Richard Florida’s The Rise of the Creative Class (5 pages) 3. Bartik, Tim, The Aftermath of the Pandemic Recession: The Role of Economic Development Policy (10 slides, July 2020) <u>Podcast:</u> 1. Pittsburgh Quarterly Podcast, August 12, 2020, Richard Florida’s Three Game Changers for the Post-COVID World (25 minutes)
April 23	Guest Lecture: Tom Murphy, Mayor of Pittsburgh 1994-2006 (confirmed) <u>Readings:</u> 1. Pittsburgh Executive Summary, George Mason University
April 25	LAST CLASS. Conclusions, review and what it all means? 1. Sean Safford, Why the Garden Club Couldn’t Save Youngstown: Civic Infrastructure and Mobilization in Economic Crises, MIT (2004), pp. 3-28 2. Alice Rivlin: My final thoughts on how to heal divisions in America, October 10, 2019 3. Equitably Developing America's Smaller Legacy Cities. Lincoln Institute, 2021, pages: pp 3-26, 56-59
	Assignment #4 due 1159pm April 26
May 2-6	Final Exam Scheduled during this period per university schedule.

