This assignment is worth 10 points. Everything is due next week.

You are going to use the template that I gave you in class to calculate total final demand economic impacts for your study area. You will also produce a table of a hypothetical economic impact using the multipliers that you have created in this exercise. All of the chosen county study area SAM summaries are in the spreadsheet on the web site. You will use all of the procedures that I demonstrated in class where I used the state of Iowa as an example. Your economy has several more sectors than the one I used in class, so you cannot just copy my template to your region (tricky, aren’t I).

You will forward your finished spreadsheet as an email attachment. You will also forward to me the following:

Part 1. Using secondary data sources such as the Bureau of Economic Analysis, the Bureau of Labor Statistics, County Business Patterns, or some other state or local government data source, compile a concise, one-page only description of your county’s economic structure, to include an evaluation of apparent strengths and weaknesses and key changes over time (say the last decade or so or, if you’d rather, since the onset of the Great Recession, around 2008). I want a sense that you know something about the economy you are studying.

Part 2. In no more than two pages (including any tables), I want you to summarize your area’s production from a direct point of view, i.e., how the industry values are traditionally reported, and then what you have learned about your regional economy by transforming the industries into their contributions for final demand. Answer these questions:

- How do industrial rankings change when comparing direct industrial measures with the final demand contribution measures?
- How do these two tables contribute to your understanding of what constitutes a basic and a nonbasic sector in your regional economy?

Note: when answering Part 2, it is best to use value added as the preferred indication of the size of different industries versus using total industrial output. As you remember, value added is the same thing as GDP (or in this case gross regional product).

Part 3. Using your table of total multipliers, i.e., the Leontief inverse, calculate for your county the economic impacts of a reduction in agricultural output of 10 percent, an increase in retail output of 10, and an increase in construction output of 10 percent. Produce one table of the impacts by industry, and the total impacts for output and for the elements of value added. Write a paragraph or two comparing and contrasting the impact results.

Assignment weighting: 50 percent on successfully compiling the IO model and compiling the final demand impacts and the total impacts in Part 3; 50 percent on the rest of what I requested.