

September, 2018

## Planning for Economic Development (URBG 740) Fall Semester 2018

Wednesdays, 7:35-9:25 pm, West Building Room 1639

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Urban economic development practice in the U.S. is the result of a decades-long evolution, with local and state governments and hybrid and nonprofit entities (redevelopment authorities, industry associations, community development financial institutions etc.) growing increasingly sophisticated in their approaches to making local places “sticky” -- i.e. capable of attracting and retaining capital investment, jobs, and residents. Yet the field is a constant source of empirical and political controversy. Frequently debated questions include: “*Why is so much economic development practice centered on real estate?*” “*Are direct public subsidies to firms a wise investment, and how should they be structured?*”; “*How can government foster innovation and job growth in the private sector?*”; “*What strategies produce the greatest benefit for low-income people?*” and even something as basic as “*What is development and how do we know when it has occurred?*” You will confront and discuss these questions in URBG 740, while also acquiring some practical skills that economic development analysts and practitioners find useful in their jobs. The semester is divided into three modules:

- *Big-picture issues in economic development theory and practice* (August 29-October 3) -- the practice and purpose of local economic development planning; competing definitions of development; theories and evidence about how regions and industries grow and decline; property-led vs. job-centered economic development.
  - *Quantitative analysis to inform economic development planning* (October 10-October 31) - economic base and shift share analysis; understanding regional economic multipliers; using multiplier analysis and input-output technology to project the economic impact of projects, investments and disinvestment.
  - *Implementing effective local economic development policies and strategies* (November 7-December 19) - subsidies the “right” way; innovation ecosystems; workforce development; arts and culture-based policies; organizing around wage and development fairness; support for alternative forms of enterprise).
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### Learning objectives

- 1) Students will become familiar with theories of local and regional economic growth and development and gain an understanding of how these theories inform on-the-ground interventions
- 2) Students will learn and practice common techniques of regional economic development analysis and forecasting
- 3) Students will learn about cutting-edge economic development policy strategies, with a focus on strategies aimed at valuing under-valued assets and reducing poverty.

**Expectations and grading:** The requirements of URBG740 are: 1. an **industry sector summary** (~1200 words) due on October 10th. This is worth 15% of the final grade. 2. a **regional economic impact analysis assignment** (based on an exercise with the economic forecasting software IMPLAN) due Friday, November 2<sup>nd</sup>. This is worth 25% of the final grade. 3. an in-class **quiz on quantitative analysis methods** administered in the first hour of class on Wednesday, November 7<sup>th</sup>, worth 25%; 4. a **final project** due Friday December 21, worth 35% of the grade. For the final project, students will have the choice of either expanding on the industry sector summary assignment or completing a more complex exercise with the IMPLAN model. Details on these options will be distributed a few weeks into the course.

**Required and Recommended Readings.** Each week there are required and recommended readings. Required readings are typically shorter and more likely to be drawn from “grey literature” or the news media. They are typical of material you would consume in a professional role as an economic development planner. Recommended readings explore theoretical questions more deeply or present evidence drawn from authors’ empirical investigations. *If you are not able to get to the recommended material, reading the introduction and conclusion sections of those articles will enable you to get more out of the class sessions.* There are a few exceptional weeks (such as Week 3) when the required reading is quite academic. All readings (+ links to a couple of podcasts) are accessible from the course Blackboard site.

Students should **come to all class meetings ready to actively engage in discussion**. I place serious value on both preparation and participation. High engagement in and contributions to class will bump you up a half a grade at the end of the semester; poor attendance (i.e. missing more than one course session) or disengagement will exert the opposite effect.

**IMPLAN software:** Students will be granted online access to the IMPLAN economic impact model at no charge. In the first class session there will be an opportunity to let me know what e-mail you would like to have linked to your account, and IMPLAN will send you an e-mail at that address with the opportunity

### Course structure and outline

<p><b>I. <i>Big-picture issues in economic development theory and practice</i></b></p>	<p><b>1. AUGUST 29</b> Introduction – Defining economic development and the planner’s role; economic development institutions</p>
	<p><b>2. SEPTEMBER 12</b> Property-centered vs. job-centered economic development Theories of regional economic growth and development</p>
	<p><b>3. SEPTEMBER 26</b> How regions develop: Industries, firms, infrastructure, agglomeration and the multiplier effect</p>
	<p><b>4. OCTOBER 3</b> Growth vs. development; the persistence of poverty in a wealthy world</p>

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<p><b>II. <i>Quantitative analysis to inform economic development planning</i></b></p>	<p><b>5. OCTOBER 10</b> <b>Assignment 1 due in class</b> Location quotients, shift share analysis and the principles behind the multiplier effect</p>
	<p><b>6. OCTOBER 17</b> Review of LQ and shift share exercise; Introduction to IMPLAN (Meet in computer lab)</p>
	<p><b>7. OCTOBER 24</b> In-class work on Assignment 2 (Meet in computer lab)</p>
	<p><b>8. OCTOBER 31</b> Using IMPLAN to investigate the economic impact of a site-specific project The politics of economic impact analysis</p> <p><b>Assignment 2 due Friday, November 2, 5 p.m.</b></p>
<p><b>III. <i>Implementing effective local economic development policies and strategies</i></b></p>	<p><b>9. NOVEMBER 7</b></p> <p><b>In-class quiz on quantitative analysis techniques</b></p> <p>Arts and culture as a local development asset</p>
	<p><b>10. NOVEMBER 14</b></p> <p>Fiscal policy for equitable economic development GUEST: James Parrott, Center for New York City Affairs, New School</p>
	<p><b>11. NOVEMBER 28</b> Workforce development and human capital GUEST: Lisa Futterman, Workforce Development Institute</p>
	<p><b>12. DECEMBER 5</b> Understanding government's role in the promotion of innovation</p>
	<p><b>13. DECEMBER 12</b> Building co-operatives and homegrown businesses GUEST (invited): Evan Casper-Futterman, Bronx Cooperative Development Inc.</p>
	<p><b>14. DECEMBER 19</b> Analyzing and organizing for better economic outcomes <b>Final project due Friday, December 21, 5 p.m.</b></p>

**UNIVERSITY POLICIES:** Hunter College regards acts of academic dishonesty (e.g., plagiarism, cheating on examinations, obtaining unfair advantage, and falsification of records and official documents) as serious offenses against the values of intellectual honesty. The college is committed to enforcing the CUNY Policy on Academic Integrity and will pursue cases of academic dishonesty according to the Hunter College Academic Integrity Procedures. I may conduct internet searches or use plagiarism detection services such as Turnitin.com to assess your work.

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## **DETAILED SCHEDULE AND READINGS**

### **1. AUGUST 29 - Defining economic development and the planner's role; the economic development infrastructure of places**

*Recommended:*

Timothy J. Bartik. 2003. *Local Economic Development Policies*. Upjohn Institute Working Paper No. 03-91. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research

MaryAnn Feldman & Nichola Lowe. 2017. Evidence-based Economic Development Policy. *Innovations: Technology, Governance, Globalization*, 11(3-4), 34-49.

Lina M. Kahn. 2017. Amazon's Anti-Trust Paradox. *Yale Law Journal*.

*Required:*

Dave Gershgorn, Alison Griswold, Mike Murphy, Michael J Coren & Sarah Kessler. What is Amazon, really?: A guide to understanding the e-commerce giant (Quartz.com, August 20, 2017)

Alana Semuels. What Amazon does to poor cities. (*The Atlantic*, February 1, 2018)

### **2. SEPTEMBER 12 - Property-centered vs. job-centered economic development Theories of regional economic growth and development (preview of September 26 class material)**

*Recommended:*

Laura Wolf-Powers. 2005. Up-zoning New York City's mixed use neighborhoods: Property-led economic development and the anatomy of a planning dilemma. *Journal of Planning, Education and Research* 24(4): 379-393.

*Required:*

Robin Grearson. 3<sup>rd</sup> Ward: Community, Collapse and Cost. (Cultural Weekly, November 5, 2014)

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*Connect to Compete: How the University City-Center City Innovation District can help Philadelphia excel globally and serve locally* (Brookings Institution, May 2017)

Mary Reynolds Babcock Foundation. 2009. *When Any Job Isn't Enough: Jobs-Centered Development in the American South*. (focus on pp. 23-49)

**3. SEPTEMBER 26 - How regions develop economically: Industries, infrastructure, firms, agglomeration, and the multiplier effect**

*Required:*

Arthur O'Sullivan, *Urban Economics* (selections); Jane Jacobs, *The Economy of Cities* (selections)

Domenic Vitiello. 2013. *Engineering Philadelphia: The Sellers Family and the Industrial Metropolis* – Ch. 1, Making Metropolitan Development

Mark Drayse. 2008. Globalization and Change in the U.S. Furniture Industry. *Growth and Change* 39(2): 252-282

**4. OCTOBER 3- Growth vs. development; the persistence of poverty in a wealthy world**

*Recommended:*

Amartya Sen, *Development as Freedom* (New York, Anchor Books, 1999), Ch 2, The Ends and the Means of Development and Ch 4, Poverty as Capability Deprivation

Giorgos Kallis, Christian Kerschner, & Joan Martinez-Alier 2012. The economics of degrowth. *Ecological Economics* 84: pp. 172-180

Giorgos Kallis, Erik Gómez-Baggethun, Christos Zografos 2013. To value or not to value? That is not the question *Ecological Economics* 94: pp. 97-105.

*Required:* Podcast: Ezra Klein interview with Bryan Stevenson, May 24, 2017

<https://player.fm/series/the-ezra-klein-show/bryan-stevenson-on-why-the-opposite-of-poverty-isnt-wealth-but-justice>  
*Stevenson's concise statement about poverty (which is most relevant for this course) comes at the beginning of this podcast; you can stop listening around minute 7:21. I recommend the entire podcast.*

**5. OCTOBER 10 – Location quotients, shift share analysis and the principles behind the multiplier effect**

*Required:* E.J. Blakely & N. Green Leigh. 2010. *Planning Local Economic Development: Theory and Practice*, 4<sup>th</sup> Ed. (Sage Publications). Ch. 6: Introduction to analytical methods for local economic development planning

**\*\*\*Assignment 1 due in class\*\*\***

**6. OCTOBER 17 - Review of LQ and shift share exercise; Introduction to IMPLAN (Meet in computer lab)**

*Recommended:* Marc Doussard. 2014. "Reevaluating the Pursuit of Defense Investment." *Economic Development Quarterly* 28 (4): 339-350.

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**7. OCTOBER 24 - In-class work on IMPLAN assignment (Meet in computer lab)**

**8. OCTOBER 31 – Using IMPLAN to investigate the economic impact of a site-specific project; The politics of economic impact analysis**

*Required:*

E-Consult Corporation. 2006. *Potential Economic Impact of the Only Casino Entertainment Facility Proposed Fronting the South Delaware River in the City of Philadelphia*. Submitted to Philadelphia Entertainment and Development Partners, L.P. March 2006.

Frederic Murphy. 2007. *Economic Impact of the Foxwoods Casino*. Temple University.

**\*\*\*\* Assignment 2 due Friday, November 2, 5 p.m.\*\*\*\***

**9. NOVEMBER 7 - Arts and culture as a local development asset**

QUIZ in first hour of class

*Recommended:*

Ann Markusen & Anne Gadwa, *Creative Placemaking*. 2010. (White Paper for the Mayors' Institute on City Design)

Andrew Zitcer, Julie Hawkins and Neville Vakharia 2017. The Arts as Fundamental – And Fragile – in Community Life. *Metropolitica* 2/22/17 <http://www.metropolitiques.eu/The-Arts-as-Fundamental-and.html>

**10. NOVEMBER 7 – Fiscal policy for equitable economic development – the politics and economics of location and development incentives**

*Recommended:*

Timothy J. Bartik. 2004. *Incentive Solutions*. Upjohn Institute working paper 04-99.

Timothy J. Bartik. 2017. *New Evidence on State Fiscal Multipliers: Implications for State Policies*. Upjohn Institute working paper 17-275

*Required:*

John Oliver “Last Week Tonight” episode on economic development incentives  
<http://digg.com/video/john-oliver-economic-development-tax-breaks>

December 2012 New York Times series on economic development incentives  
<http://www.nytimes.com/interactive/2012/12/01/us/government-incentives.html>

Greg LeRoy, Will Amazon's HQ2 Auction be a Community Benefits Game-Changer, or a Monument to High-Tech Arrogance? <https://siteselection.com/trustbelt/will-amazons-hq2-auction-be-a-community-benefits-game-changer-or-a-monument-to-high-tech-arrogance.cfm>

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### 11. NOVEMBER 28 - Workforce development and human capital

#### *Recommended:*

Demetra Smith Nightingale and Lauren Eyster. Results and Returns from Public Investments in Employment and Training. In *Investing in America's Workforce: Improving Outcomes for Workers and Employers*. (Federal Reserve Bank of Atlanta, forthcoming).

Fran Stewart, More STEM Degrees: Economic Best Bets for Regions? Ch. 1 in *The STEM Dilemma: Skills that Matter to Regions*. (Upjohn Institute for Employment Research, 2017).

#### *Required:*

Angela Hanks and David Madland, *Better Training and Better Jobs: A New Partnership for Sectoral Training* (Center for American Progress, February 2018)

<https://www.americanprogress.org/issues/economy/reports/2018/02/22/447115/better-training-better-jobs/>

Rising to the Challenge: Brooklyn Workforce Innovations Annual Report <https://bwiny.org/about/annual-reports/>

### 12. DECEMBER 5 – Understanding government's role in the promotion of innovation and entrepreneurship; the future of manufacturing

#### *Recommended:*

Fred Block. 2008. Swimming Against the Current: the Rise of a Hidden Developmental State in the United States *Politics and Society* 36.

Nichola J. Lowe and MaryAnn Feldman. 2018. Breaking the Waves: Innovating at the Intersections of Economic Development. *Economic Development Quarterly*.

Nichola J. Lowe and Laura Wolf-Powers. 2017. Who Works in a Working Region? Inclusive Innovation in the New Manufacturing Economy. *Regional Studies*. 52(6): 828-839.

#### *Required:*

Mark Muro. 2010. Amazon's Kindle E-Reader as a Symbol of American Decline. Brookings Up Front Blog March 25 <http://www.newrepublic.com/blog/the-avenue/amazon%E2%80%99s-kindle-symbol-american-decline>

Adam Davidson. 2012. "Making It in America" *Atlantic Monthly* January/February <http://www.theatlantic.com/magazine/archive/2012/01/making-it-in-america/308844>

### 13. DECEMBER 12 - Building homegrown businesses and co-operatives

#### *Recommended:*

Ann Markusen and Greg Schrock. 2009. Consumption-Driven Urban Development. *Urban Geography* 30(4): 344-367.

#### *Required:*

Evan Casper-Futterman and James DeFilippis. 2016. *On Economic Democracy in Community Development*. Presentation at Association of American Geographers Annual Meeting, San Francisco, CA. April

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Etsy. (2014). *A Call to Action: Five Proposals to Support the Emerging Maker Economy*. Retrieved from [https://extfiles.etsy.com/Press/reports/Etsy\\_ACalltoActionReport\\_2014.pdf](https://extfiles.etsy.com/Press/reports/Etsy_ACalltoActionReport_2014.pdf)

#### 14. DECEMBER 19 – Analyzing and Organizing for Better Economic Outcomes

##### *Recommended:*

Marc Doussard. 2015. Equity Planning Outside City Hall: Rescaling Advocacy to Confront the Sources of Urban Problems. *Journal of Planning Education and Research* 35(3): 296-306.

##### *Required:*

Food Labor Research Center, International Human Rights Law Clinic and Restaurant Opportunity Centers United. 2015. *Working Below the Line: How the Subminimum Wage for Tipped Workers Violates International Human Rights Standards*.

Irene Tung and Katy Milani. 2018. *Curbing Stock Buybacks: A Crucial Step to Raising Worker Pay and Reducing Inequality*. (National Employment Law Project Report). <https://www.nelp.org/publication/curbing-stock-buybacks-crucial-step-raising-worker-pay-reducing-inequality/>

Rebecca Smith. 2018. *'Marketplace Platforms' and 'Employers' under state law – why we should reject corporate solutions and support worker-led innovation*. (National Employment Law Project Policy Brief) <https://www.nelp.org/publication/marketplace-platforms-employers-state-law-reject-corporate-solutions-support-worker-led-innovation/>