The first step in doing your regional economic analysis project is defining your topic and study area. In this assignment the two-person teams will compose a memorandum to propose a study of a regional economic development issue or problem. The focus of the study is understanding regional economic structure and estimating regional economic impacts but you may include other consequences/impacts.

**Identify and justify your topic/issue/problem.** In general, your choices for a regional economic development issue for analysis revolve around:

- the relative impact of some sector of the Kentucky economy (e.g., agriculture, higher education, tourism, horticulture, forestry, etc.)
- a significant change in business activity (e.g., location of a new business; expansion of an existing business; closure of an existing business);
- the impact of some change in government activity directly affecting Kentucky counties (e.g., new prison, impact of new farm program payments on KY agriculture, etc.);
- a significant natural resource-based activity (e.g., impact of a state park, USDA Conservation Reserve Program, new wildlife refuge, etc.).
- a significant environmental issue (e.g., impact of an environmental remediation, state or federal water regulations, impact of farmland preservation, etc.).

In your memo you must be specific about your topic/issue/problem. You must develop a justification based on some information about the relative importance of this topic to people in Kentucky (e.g., the state population or some subgroup) in the next 2-5 years. Why should we care? Who is it affected and how? Convince your reader that this study is important.

**Define an appropriate region for analysis.** In the second part of your memo, carefully outline the “region” you will analyze. You have basically three choices: the whole state as a “region,” a group of counties, or a single county. In selecting a particular county or group of counties, you must outline a logical rationale for your “study region”. Do some preliminary research on the economic base and demographic parameters for your region and indicate what kinds of data will be necessary to conduct some economic analysis (e.g., population, public/private employment, racial composition, income, poverty levels, workforce, commuting patterns). Identify where you’ll go to get detailed data and other information.

**Compose and submit a memorandum.** Your memo should be directed to “Director, Legislative Research Commission”. It should be on the letterhead of your simulated consulting firm and should be no longer than two pages, single-spaced. You are encouraged to submit a “draft” version of your memo before the actual due date to permit some feedback on your proposed issue and region.

This research assignment is worth 50 points to each member of the two-person team and is due on March 4.