

Florida Atlantic University

College of Business

Department of Economics

Program Review

March 10-11, 2021

Review Team

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The review team conducted a series of interviews as noted below on March 9-11. We received excellent support from the Dean's Office and the Office of the Provost. All of the interviews were well attended and insightful. We also received the Department's Self-Study in ample time to read the thorough report. Our Program Review report reflects the information that was shared with us. The intention of the review is to be helpful to the Department of Economics as they move forward. While the pandemic has impacted a lot (including seminars and face time among faculty and students), our review attempts to look past the current period. Finally, we acknowledge that errors in interpretation or information are our own.

Florida Atlantic University's Department of Economics is one of several academic units within the College of Business. The Department serves undergraduate students with two undergraduate degrees (B.S. and B.B.A.), an MS in economics, and participates in the Executive PHD program. The Department also serves the University at large through a variety of service courses including micro and macroeconomics. The Department is comprised of thirteen tenured faculty, two tenure-track faculty, two full time instructors, and a number of adjunct faculty and teaching assistants. Departmental faculty also direct two research centers (Business and Economic Polling Initiative and the Center for Economic Education). The faculty size is about average for economics programs in the U.S.

An economics department within a business school is often vying for the attention of students since many students enter a business school with a somewhat clear idea of a career—accounting, finance, marketing, etc. Economics on the other hand is a combination of technical skills and math as well as more nuanced problem solving and writing skills which may be overlooked by students seeking a specific “career in business.” Economics programs within business schools can thrive by honing an identity (applied micro, environmental, financial and forecasting economics, etc.), using experiential learning, and marketing to students—including presenting evidence of career possibilities. At FAU, enrollment levels among majors in all degrees has declined over the past several years resulting in difficulty in offering courses and developing an active peer network and alumni base.

Strengths

- The Department faculty at large are publishing in a variety of academic outlets. Research areas include micro, macro, theory, and econometrics. There is a mix of applied and theoretical research. Recent hires suggest the Department may be developing a comparative advantage in econometrics and potentially in analytics and big data.
- Faculty members are active in research and publishing regularly in mid-level mainstream economics journals and occasionally high-level field journals, as well as in interdisciplinary and policy journals.
- The junior faculty feel supported by the Department and express a clear idea of expectations for tenure and promotion.
- Students, both undergraduate and graduate, are happy with their academic training and feel supported by the faculty. Students appreciate in person meetings with the faculty to consult on coursework and career choices.
- The MS has a history of placing students well in local companies.
- The Business and Economics Polling Initiative is a unique asset that contributes to undergraduate research and brings external recognition.
- The Department is fortunate to have such a strong group of Instructors and Adjuncts; they are unusually active in curriculum development.
- The Center for Economic Education is contributing to local economic literacy by interacting with the K-12 teachers, other academic programs such as Environmental Sciences, and administrators.

Challenges

- The Department has suffered a dramatic decline in the number of its majors, from 760 in academic year 2014-2015 to 105 in 2019-2020. There is a compelling argument that this was the result of the Department's position within the College of Business: Students could declare the Economics B.S. major as freshman, while other COB B.B.A. majors required 60 credits before a major could be declared. This situation has changed, such that Economics is no longer the "holding tank" for the College's pre-business B.B.A. majors. Although the Department seems remarkably insouciant about the loss in majors, it is a worrisome development, for two reasons. First, as enrollments in upper-division classes shrink it becomes increasingly difficult for them to reach enrollment targets; it also makes it harder to offer the upper-division electives that are the life blood of a major. Second, the Department has enjoyed five new hires since the last review. The decline in enrollments might lead to questions about the utilization of faculty.
- In a business school, economics departments have a difficult time identifying value added to students (especially undergraduate students). The Department needs to engage in marketing and advertise its majors; it should also consider offering a smaller set of upper-division electives in specific areas of focus.

- Despite the erosion of majors, the Department is lobbying to create an undergraduate Honors program. This would require the creation of duplicate Honors sections of upper division required and elective classes. We question the feasibility of this strategy at this point in time. The new program might instead gain traction when offered as directed independent studies/research/honors thesis courses and/or is linked to the two centers' missions.
- The MS Program has also seen a decline in enrollment, from 46 in 2014-2015 to 36 in 2019-2020. This seems to be the result of increased competition from other local schools. The MS core is geared toward preparation for a PhD in Economics more than toward being an applied, stand-alone MA program. In our opinion, the focus should be shifted away from PhD preparation towards providing training in skills demanded in the local job market. This would entail revising the curriculum to emphasize expertise in analytics, forecasting, and big data, in addition to finance; another possibility would be to provide in-depth training on south and central economies, for which there may be a regional demand. As it is, the MS lacks an identifiable area of focus.
- On the one hand, we are impressed by Dr. Chiang's efforts to address the challenges to the MS program. On the other hand, we are also struck by the lack of urgency in the Department's response to the challenges to its undergraduate major; there seems to have been no coordinated effort to address meaningful solutions/strategies for the undergrad program. If there is an Undergraduate Committee, it needs to find ways to advertise the major and to address problems of curriculum and scheduling.
- The only complaint of undergraduate students (small sample) is that there is a paucity of electives and a great deal of uncertainty about when they will be offered. The former problem will be difficult to resolve as long as enrollments are low; however, it can be mitigated by offering a restricted set of in-demand classes. The latter can be resolved by publicizing, and adhering to, the regular cycle of classes. This will require a greater degree of coordination with, and support from, the schedulers in the Dean's Office than currently seems to exist.
- Interdisciplinary research is important to the College and University, but it is not incentivized. Most economics faculty have not engaged in research with other departments. While the Department has gained some faculty lines that can potentially connect with the pillars/platforms of the University Strategic Plan, these hires do not seem well connected with scholars outside of economics. The Department has broadened its journal ranking to include non-economic, business journals in the ABS list. To provide an incentive to do interdisciplinary research with disciplines outside of the College, we suggest that the Department should consider developing a mechanism to count publications in their journals.
- Similarly, the College and University value the acquisition of external grants but provide little incentive to do so. Furthermore, Economics as a discipline has historically not relied upon external funding. Nonetheless, we encourage the Department faculty to seek external funding where it can, perhaps by exploiting its growing strength in econometrics, analytics, and big data.
- Executive Education programs are popular nationwide and have become lucrative for the College of Business. However, the Economics Department is conspicuously inactive in these programs. Are there marketable executive education modules that play to your strengths, like certificates in entrepreneurship or big data analytics?

- The Department does not currently have a PhD program; nor does it have a Concentration in the PhD in Business while it does support the Executive PhD program. We strongly support requiring PhD students in Finance (and even in Accounting) to take the regular first year courses in microeconomic theory and econometrics; this is standard in major Finance PhD programs. However, we are dubious about creating a PhD Concentration in Economics. This would be resource-intensive and the market for PhDs from even major programs is weak.

Opportunities and recommendations

- A stand-alone, career oriented MS program (on-line and in-person) could create a valuable, identifiable asset to the Department. A review of the competition in terms of areas of focus could help to identify FAU's comparative advantage.
- The growing econometrics and analytic strengths of the Department could be leveraged at all levels to address the growing need of analytics-minded graduates. The University's pillars and platforms strategic initiatives could provide cross-campus opportunities for collaboration, interdisciplinary teaching and research in this space and we encourage the College to incentivize the Department of Economics via course releases, summer research support, and support for expanding this list of journals counted for tenure and promotion.
- The Department should consider developing a (small) Chair Advisory Committee, comprised of 3-5 faculty at different levels, meeting regularly to discuss curriculum, hiring plans, and strategic direction of the Department. Such a committee could help the Department develop agency regarding course offerings and other discussions with the College of Business as well as providing a long-term vision for the Department.
- The Honors program in Economics is a laudable initiative but with the decrease in undergraduate enrollment relative to what was reported in the previous review, the opportunity cost could be quite high. A two-semester capstone for undergraduates may be a reasonable alternative (potentially with a thesis option which could receive some form of distinction).
- We suggest a simple expedient to attract majors: Towards the end of the semester in every introductory class, have the teacher send a personal letter (by email) to every student making a grade of B or higher. In it, congratulate the student for his or her accomplishment and aptitude for economics, and invite them to become an Economics major. Create a template for the letter and distribute to all the relevant teachers. Students are flattered and appreciate the personal attention. This works!
- The 4+1 accelerated master's program is a great way of raising enrollment in the MS. Try sending letters like the one mentioned above to junior majors, inviting them to consider the 4+1. Be careful to approach them early, as juniors, so that they can start taking graduate classes in their last year.
- There were some mixed messages from faculty and students regarding departmental seminars and an economics club. This suggests that if there are regular events, they may need more promotion to help establish more of a life to the Department.

Reactions to specific questions raised by the Chair of the Department of Economics

- Question 1 relates to the changing electives to required courses (as done in Accounting). This is an interesting idea but may reduce the number of majors further. An alternative would be to require one more course (suggestion—something in applied analytics) and evaluate the course catalogue with an eye to removing classes that have not been offered in 2-3 years and/or are “dated” subjects. We realize that a department cannot be effective by chasing the most recent fad and that is not what we are suggesting. However, the current list of cancelled courses offers a way to hone the catalogue and new faculty bring expertise that could be reflected in revised courses. We do not recommend offering a “full slate of courses” as directed readings (question 1b).
- The students expressed a need to meet with faculty in their offices. Research synergies can be created by physical presence. A regular, robust seminar series in person can help bring faculty to their offices, physical office hours might be required, research brown bags (especially with faculty throughout campus) could help with on-campus culture, and finally, student presentations could increase faculty presence on campus. The College and University may also have residency requirements that support an on-campus culture. The reviewers see merit in faculty spending time physically present on campus post-pandemic.
- Question 3 refers to leveraging econometrics at the undergraduate and graduate levels. Depending on faculty expertise, there are various ways to engage in this growing area. Broadly defined, analytics includes data visualization, machine learning and other AI techniques, and analysis of big data. A topics course on analytics from within economics could expose the students to several of these topics using data from the Survey Center or a data set developed with faculty in finance, marketing, etc. Practical, “real world” applications would seem to be the best in with students. The Department might consider collaborating on the development of a “hub and spokes” model of business analytics (MS level) where there are one or two required courses in data management and techniques (hub) and a set of spokes which are very applied courses in problem solving using various analytic techniques.
- Question 4, please see recommendation for capstone (above).
- We did not discuss the Stavros Center question (#5) with Department faculty. A review of the Stavros website suggests that it could be a very good place for collaboration with the Center for Economic Education.
- We did not discuss the South Florida Business and Economics Initiative with faculty or administrators. We were unable to locate specific information about the initiative until after our interviews. Based on the materials we received, there seem to be some synergies between the Department and the Initiative. In particular, if the Department chose to hone its expertise on analytics and forecasting, the Department (faculty and students) and the Initiative could have a productive relationship.

- Faculty and staff diversity is a critical issue across the country. We cannot recommend a specific set of best practices because the issue is systemic, long-standing, and complex. We can share the experiences of our own universities:
 - GSU has several initiatives, studies and activities aimed at increasing the diversity and equity across campus. The Provost established a committee for the Next Generation of Faculty and a Task Force for Racial Equity. Each group developed a background report and a series of recommendations that are in progress. Details on the background reports, committees, recommendations, and progress can be found here: <https://dei.gsu.edu/>
 - The University of Memphis also has established such a task force; our Dean in the College of Business is an important member of it. When we hire, the Department contacts the Committee on the Status of Women (CSWEP) to request a list of women PhD candidates on the market, with whom we share our job listing in JOE. We have also shared our job listings with graduates of the AEA’s Summer Programs for minorities. (Two of our young faculty members were graduates of the program and are big supporters of it.)
- The pandemic acclimated more students and faculty to on-line learning, the result of which is likely to be increased demand for choice of modality. A review of student success in online learning will be helpful to understanding some of the consequences of that modality and should be used to inform future scheduling. Student preferences may be understood by watching fill rates of different modalities and also by surveys—perhaps done by BEPI. On-line teaching is not easy to do well, so the efficiencies of the modality may be limited and rankings will follow student success and satisfaction. However, the Department has strength in lecture-capture video and may be ahead of the discipline in terms of this quality technology enhanced modality.

Meetings:

Program Administration: Dr. Steven Caudill and Dr. Paul Hart
 Provost’s Office: Dr. Russ Ivy
 Undergraduate Studies: Dr. Ed Pratt
 Graduate College: Dr. Bob Stackman
 Division of Research: Dr. Karin Scarpinato
 Undergraduate students
 Economics Instructors and Adjunct Faculty
 Dean Dan Gropper
 Graduate Students
 Full Professors
 Assistant and Associate Professors
 MS Program Director: Dr. Eric Chiang
 College of Business Dean’s Office