

**Florida Atlantic University  
Economics Department  
Program Review  
March 21, 2014**

**Review Team:**

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## **OVERVIEW**

The team of Dr. Hamid Beladi, Dr. Sally Wallace, and Dr. Russell Ivy reviewed FAU's Department of Economics on March 20-21, 2014. Dr. Charles Register, chair of the Department, provided the reviewers with a self-study and Ms. Eileen Schneider provided a detailed itinerary and exemplary logistical support. Additionally the review team met with:

- Many members of the Department faculty in two separate meetings (tenure track and instructors),
- Michele Hawkins, Associate Provost
- Jeffrey Anderson, Associate Vice President for Research
- Daniel Gropper, Dean of the College of Business
- Paul Hart, Associate Dean of the College of Business
- Susan Fulks, Assistant Dean of the Graduate College
- Ed Pratt, Dean of Undergraduate Studies
- Charles Register, Professor and Chair of Economics
- Graduate and undergraduate students in economics.

Given the many administrative transitions that FAU is experiencing (new university President within last 30 days, new Dean of the College of Business and many administrative personnel in interim positions), we do not have sufficient context to tie the review to strategic initiatives of the University, College, or Department. This makes it somewhat difficult to provide suggestions for "moving to the next level." The review focuses on the strengths and challenges of the Department and its ability to attain its stated mission. We see a critical need for the Department to come together around a discussion of what it means to "move to the next level," to define its particular strengths which will allow it to identify a niche for expanding hiring, discussing the potential for expanding the MA program and developing a Ph.D. program or at least a track in an existing doctoral program in the college, the important role of instructors in the Department, the governance of the Department, and the morale of the entire faculty. These issues are discussed below and the review team provides some suggestions in the final sections of the report.

More formally, the review team was asked to deliver the following:

1. A response to the questions at the end of the self-study that the Department requests be addressed.
2. A brief assessment of the areas addressed in the self-study that it is believed are the most salient for purposes of improvement
3. A list of recommendations, in the form of action plans, that should be considered to take the program to the next level of standing. NOTE: Recommendations will be embedded into the answers to the questions as well as the assessment section.

### **General Comments and Observations**

The mission of the economics program is to provide students with the

“intellectual, analytical, quantitative and communication skills necessary to function successfully in a dynamic, increasingly inter-related global economy. Students will be given the training required to both understand and apply economic theory to real world situations and be required to effectively communicate such analysis to all stakeholders. With this background, students will be well-trained to enter graduate or law school and/or to develop a career path in general business, finance, and marketing or in any level of government or non-profit institution. In addition, we recognize that we will not be able to fulfill this mission unless we as a faculty maintain currency and fluency in our discipline. As such, a significant part of the department’s mission is to advance the understanding of economic analysis through high-level research that focuses both on theoretical and empirical questions. Finally, as a regional school within the State University System (SUS), we both recognize and encourage the contributions our program can make to South Florida’s economic and social development.”

In discussions with the Chair of the Department of Economics we were told that the mission statement did not previously exist and it was crafted by the Chair for this review. According to the Chair, components of the self-study were drafted by individual members of the Department (for which they had expertise) and the entire draft was circulated for review and comment among the faculty. It was unclear to the review team who compiled the questions at the end of the self-study as faculty seemed to be unaware of these questions during the faculty interview session.

The observations from the self-study and our interviews with various constituent groups demonstrate that this is a unit with strengths in research and teaching. Largely as a result of the change in GPA requirements at the College level, the number of majors in the Department has grown dramatically, without an increase in tenure-track faculty. The use of lecture-capture video is a smart way to leverage resources (which is a necessity at most state universities). The Center of Economics Education provides numerous opportunities for community outreach and externally funded research and technical assistance. Students

are overwhelmingly positive regarding the faculty and courses and both graduate and undergraduate students offered some specific suggestions for enhancing the curriculum. Students expressed a wish to remain connected to FAU upon graduation.

The large number of majors does not yet translate into large number of graduates in economics. The lower GPA for economics has in part created a situation where the economics major is the fall-back degree, or holding degree in the College of Business, and students can sit in economics until they raise their GPA sufficiently to move to another department. This may be part of the reason that faculty (and students) acknowledge a polarization of student abilities within a given class. Both faculty and students noted that some students are lagging very far behind in their ability to deal with upper division courses. We would like to note that this is not a unique criticism and both external reviewers acknowledge hearing some of the same in their departments and among colleagues at large.

The economics faculty was mixed in their reaction to raising the GPA with some faculty suggesting it should be raised but the majority said it should be retained at 2.0. Holding to a 2.0 seemed to be in reaction to concern over what might happen to the size of the faculty if they lost majors as well as some history in the College of potentially combining economics with finance.

Some of the faculty has been successful in terms of research output. Based on McPherson (Southern Economic Journal, July, 2012), the Department's rank (based largely on refereed journal publications) increased from 212<sup>th</sup> (1993-2001) to 133 (2002-2009). This is a large increase for which the Department deserves praise. Five of the current tenure track faculty continues to publish at a rate of approximately one article per year. Externally funded research has been generated through the Center for Economic Education with no other externally funded grants or research evident.

The MA program is one of the highlights of the Department. It is well run, attracts a substantial number of high quality applicants, and graduates students and places them appropriately in industry and government positions as well as doctoral programs.

The Department offers a number of sections for a variety of undergraduate courses. It appears that there is a lack of oversight regarding the consistency of the teaching across those sections. This was discussed by the faculty as well as by the undergraduate students, with members of both groups identifying this as a serious concern. It is quite typical for departments to appoint a faculty member as director of undergraduate studies or appoint one or more faculty members as course coordinators to oversee consistency among sections (as well as development of learning outcome assessments and the like). FAU's Department of Economics does not have a faculty member designated for this duty, nor does the department have regular standing curriculum committees. The faculty and Chair agreed that the Department does not meet to discuss results of the learning outcome assessments for its majors and therefore the loop regarding evaluation of curriculum and learning is "not closed."

We also found a low level of morale among many of the tenure track faculty, lack of governance over issues including vision for the Department, curriculum, faculty mentoring, and non-tenure track hiring. The Department has not hired a tenure track member for several years. At the University level there appears to be little infrastructure to support faculty who are trying to engage in externally funded research. Due to state and University budget difficulties, most of the research productive faculty saw increases in their teaching loads from 2-2 to 3-2, which is high by industry standards. Increasingly, new faculty are hired with a reduced 2-1 load for one to two years and in some institutions, a pre-tenure reduction is given with a successful third year review. FAU Department of Economics faculty is teaching at loads that are not consistent with a research-teaching mission. Generating external funding is also difficult given a lack of research infrastructure and support from the College and University (as we understand the current structure).

The level of community engagement of the Department is limited. There is great potential for expanding this reach through the Center for Economic Education. The growing demand for economics at the K-12 level suggests a great need for work of the Center in the region. In addition, the Department has much to offer in the way of economic analysis of the region given its strengths in econometrics and international economics.

The curriculum of the Department of Economics is reasonable and incorporates the standard set of courses in micro and macro theory and methods. Students (graduate and undergraduate) could benefit by additional econometrics courses, possibly a history of thought course, and a course in behavioral economics (arguably a necessary course in modern programs today). The Department does not have a strong tradition of working with the university honors initiatives like the QEP or the Honors in the Major program and linking more closely with these initiatives may allow a the Department to teach one section of a course at a higher level and another at a more basic level.

## **RECOMMENDATIONS**

### **Response to Self-Study Questions**

In its self-study, the Department asked for general recommendations for program improvement and responses to specific questions. This section addresses those questions and provides general recommendations. Some of these recommendations require additional support from the University and College while others do not necessarily require substantial increases in resources.

Specific questions and responses:

- 1. Would the department be better off increasing the G.P.A requirement to the College minimum of 2.5 in our undergraduate degrees given that our enormous growth*

*has not resulted in additional tenure-earning positions which threatens our continued progress in the research area?*

The pros of such a move are that it puts economics more in line with the other disciplines in the College and potentially increases the quality of undergraduate students in upper division economics courses. The cons are that it could reduce the demand for economics courses and undermine the department's potential growth. The faculty in general did not support an increase and the review team does not see an overwhelming positive reason for doing so, in fact, this lower GPA allows more students to enter the College of Business and gives them time to change majors or learn to love economics. The recommendation would be that current GPA requirement be maintained, and that lower course levels be taught primarily by adjuncts/instructors and remote learning and upper level courses by taught by tenure track faculty and the better instructors as the number of students staying in economics declines in number. "Math Camp" courses would be helpful for those wanting to stay in economics but without the proper foundation.

2. *Has the department struck a good balance between its instructional and research goals?*

Largely through its junior hires, the Department seems to have tried to increase its research productivity. However, the list of journals and the teaching load policy seem punitive toward faculty (especially those hired in the earlier years). The teaching load is marginally conducive to research but if faculty get "off track" it seems very difficult for them to get back on track. In other words, the current system has no mechanism for re-engaging faculty in research. This policy may have undermined the research productivity of some faculty and has clearly contributed to the morale problem in the Department. The overall balance should be a matter of discussion within the Department but there was no evidence that this discussion was being had among the faculty of the Department, or that it was encouraged by the Chair. Such a discussion would also include the role of non-tenure track faculty. The recommendation would be to assess tenure track faculty workload after all entry level courses have been offloaded, as described above, and determine the right number of faculty needed to teach and still have time to do research – using industry-standard workloads for academia. Granted, budgets are another issue -but the recommendation for staffing would be fact-based and transparent.

3. *Would the department (and students) be better served if we moved all of our ECO 2013, ECO 2023, and ECO 4223 to LCVS or should we maintain a traditional option for students who desire it?*

The economies of scale offered by the LCVS are important. The future of larger state institutions of higher education will likely call for continued leveraging of resources. The LCVS need to match teaching talent with technology. It appears that FAU's economics department has chosen quality instructors to lead this effort and to teach the LCVS. Based on student input (and input from students and faculty outside FAU), when it is possible offer both LCVS and traditional sections, it is the recommendation that both should be offered.

4. *At what point, if any, should the department pursue offering the Ph.D.?*

The department is not currently in a position to offer a Ph.D. due to the lack of tenure track faculty resources. However, the Department might consider a business economics track or concentration within an existing doctoral program in the College to offer a Ph.D. utilizing many of the current resources with the addition of two or three tenure track lines at some point in the future. It would be important for the Department to identify a niche, which might be in international business. The review team recommends the Department consider honing its international trade and finance areas and work with Arts and Letters to develop business language offerings (where students learn to read contracts, financial documents, etc). Also, the addition of a behavioral economist who might work with marketing, finance, psychology, and other fields could be a benefit.

5. *Given our open access status in the undergraduate programs a rather large share of our majors are likely in economics because they lack the 2.5 G.P.A. for admission to other majors in the College of Business, should we recast some of our course offerings to appeal more directly to these business-oriented students?*

The recommendation would be to make some of the described changes before trying to add this additional pressure to the department since there is a lack of resources. The Department could discuss and identify a niche for undergraduate and graduate education. One suggestion is to investigate international business. Undergrads/grads might invest in business language courses (with partnership from Modern Languages) as well as international business with a behavior “bent”. This could entail development of more specific international business economics courses or taking advantage of courses already on the books. The niche might be through language as well as the macro/international focus of the Department. If resources became available then it makes sense to think about business-specific (non-economics major) courses such as a global economics course or other.

### **Brief Assessment from Self-Study of Areas Most Salient for Improvement**

1. Strategic Direction – The Department Mission Statement needed to be created for purposes of the external review process, suggesting that no discussions in this area have occurred in the recent past. Interviews with faculty showed that there was a need for strong, yet transparent leadership and vision development. It is recommended that the faculty work together to create a plan to focus on some key areas and create a hiring plan to support that direction. Every hire is key as the department evolves and whether it is international trade or some other segment, agreement on strategic focus is critical. The Department should also establish

standing-committees and a set a basic by-laws for the Department (what should be voted on, who should vote, etc.), and seriously consider including the instructor (non-tenure track) faculty as voting members of the Department.

2. Faculty Resource Shortage – If the Department is asked to continue its research goals under the new university administration, then the department should model its teaching loads against existing faculty and lecturers as described above – offloading lower-level courses to adjuncts and remote learning. Using standard norms for teaching loads at strong research institutions, it is relatively easy to determine if additional faculty members are required. See Item #2 above in Response to Self-Study Questions.
3. Establish a position of director of undergraduate curriculum to oversee teaching at the introductory levels. Develop strategies to increase retention among undergraduates as a faculty. This might include investment in the College’s advisement system and taking on undergrads as teaching assistants. Develop standing committees for curriculum decisions and assessment. The faculty should engage in discussions on “closing the loop” with the assessment data they have obtained.
4. The review team agrees with the self-study assessment that the hiring of a professor with a depth of research experience and journal knowledge would be beneficial.
5. The review team applauds the Center for Economic Education, and considers this to be an area of untapped potential for the Department. It has largely been a one-man show with little support or encouragement from the Department and College administration. The Center for Economic Education is a natural for community outreach and grantsmanship. The Department and College might investigate the potential for this Center to establish itself more fully into K-12 economics education development. This Center along with the expertise in LCV teaching might provide a “product” to market to the high schools in the area. There are various research grants available for economic education nationwide. LCV might be extended to community colleges or smaller schools in terms of offering introductory micro-macro economics courses. All institutions are looking for ways to cut costs and given FAU’s expertise in this area, perhaps they could develop partnerships to offer these courses. The revenue associated with the FAU Center for Economic Education was not provided. If the number of students in the undergrad program is at the maximum, the department will need to decide how best to drive more revenue. The Center may be a source of such funding. Additionally, some of the research-inactive faculty may be re-engaged through grant and research activities associated with the Center.

6. There is a need for formal monitoring and mentoring processes for instructors and adjuncts and junior faculty to improve the quality of teaching, ability to engage in research, and ensure the consistency of student experiences.

## **CONCLUSION**

The Department of Economics is doing a good job teaching and has potential for raising its research and outreach activity. The strong recommendation of the review committee is that the College help the Department develop a vision for itself and that this be done in an inclusive and transparent manner that might include the instructors as well as the tenure track faculty. If the Department is to continue its research productivity, it needs to reconsider its rather punitive workload process and may want to consider a “reset” button. The Department could also be bolstered by the addition of two to three tenure track faculty in behavioral economics and macro/international economics. Strong leadership that unites instead of divides the Department will be required to develop and implement strategic focus, raise the morale of faculty and set up the next phase for the department which could include participation in a PhD program.