

Periodic Review
Department of Economics
February 2012

The external review committee examined the self-study from the Department of Economics and held information-gathering sessions with faculty members, graduate students, undergraduate students, and staff on February 20-22. The schedule of meetings is attached. The review committee finds that the Department of Economics is well-run and generally in good shape. There is a positive rapport among the faculty members and a collegial atmosphere throughout the unit (faculty members, staff, graduate students, and undergraduate students). The undergraduate program is large and diverse (421 undergraduate majors in four different programs) and it could grow with the re-emergence of the Foreign Language and International Economics (FLIE) major. The graduate program is significant and running smoothly with about eight entering PhD students per year. In addition, Economics has a large service role for undergraduate and graduate students not only in the Gatton College, but also throughout the University of Kentucky. The Department embraces this service role in a very positive manner.

Faculty members have been actively publishing in recognized journals in the discipline. The research productivity and quality has increased since the last review. The number of publications in the Top 10 and Top 50 Economics journals has increased, as has the number of citations. Ten faculty members had their research cited more than 100 times during the 2004-2010 period.

Graduate Program

The committee met with a large number of graduate students, many who expressed a desire to pursue primarily teaching positions. Morale seemed to be high overall and students were generally appreciative of the opportunities afforded by being on a TA. Nevertheless, many TAs expressed anxiety over balancing research and teaching responsibilities while completing the degree within four years. The committee feels that the expectations for teaching assistants are too high (teaching two courses their second year; four courses their third and fourth year; and finishing their dissertation by the end of their fourth year). Other ways of staffing courses (e.g., large sections, distance learning) need to be considered.

The review committee agrees with the self-study that stipends for teaching assistants (TAs) are too low, thus making it difficult to recruit top applicants. This is clearly a College and University-wide issue but will need to be addressed at some point.

The review committee has the following recommendations for TAs:

- Increase stipends by at least \$5,000 per year
- Consider having more large lecture sections to reduce the number of TA course preparations needed to support the current undergraduate program

- Use more 5th year students as TAs. Typical Ph.D. programs require 5 or more years to completion, and extending funding to those 5th year students in good standing will allow another year of dissertation work as well as providing experienced teachers to take the burden off the junior TAs.
- Allow second year TAs to teach two sections during one semester and only grade for the second semester (reducing their workload in one semester to allow more time for individual research)
- Continue to use the summer of the first year for the first class preparation for TAs (rather than wait until the Fall for the first preparation)

Graduate students have their own seminar series (that doesn't involve faculty members), but their first opportunity to present their work before a departmental seminar is normally during their fourth year job search. This is too late in their program to become comfortable in a seminar setting. The review committee has the following recommendations for graduate student seminars and presentations:

- Have a workshop each semester that is credit-bearing, required for graduate students, and includes faculty members. The faculty organizers should be given teaching credit for the seminar series. All faculty members should be encouraged to attend and graduate students should be required to make presentations.
- Encourage graduate students to obtain other presentation experiences during their first three years.

Mathematical skills are vitally important for PhD students in Economics and other programs. The review committee recommends that:

- Math Camp continues to be available for all incoming graduate students in Economics and other related disciplines during the summer

Undergraduate Program

The undergraduate program is diverse because students enter the Department through four programs: Business, Arts and Sciences, Foreign Language and International Economics (FLIE), and Mathematical Economics. The Department has some very impressive students, especially through the Mathematical Economics program. The Department recently learned that the FLIE option might become more popular in the future, so the teaching demands for the undergraduate program are likely to increase. The review committee has the following recommendations for the undergraduate program:

- Consider using distance education (DE) technology for some courses. This decision must balance the efficacy of DE in the learning process versus its economic efficiency; but the Department should seriously consider its future role in the program.
- Require ECO 491, "Applied Econometrics," in the Mathematical Economics program.
- Use the undergraduate economics club to connect with students. Presentations at this club could provide general advising opportunities to inform students about

the importance of mathematics, internship and job opportunities, graduate education, etc.

- Provide more interactive courses (like ECO 499) for exceptional students

Research Centers

The Center for Business and Economics Research (CBER) provides applied economic analysis and public policy information to governments, businesses, and others throughout the state. It plays an important public service role. The research has also been adapted at times for publication in refereed journals. Based on Table 6.1 of the self-study, there has been a diminution in extramural funding for CBER. However, there has been a recent upturn in funding and the committee expects that the leadership will build on this trajectory. Its *Kentucky Annual Economic Report* is a valued document. The review committee has the following recommendations for CBER:

- Build more relationships with other units in the Gatton College and other Colleges to broaden CBER's work and increase its extramural funding.
- Mold more of the funded research into publishable work.

The Center for Poverty Research (UKCPR) was established in 2002 and was one of three federally designated Area Poverty Research Centers. It has lost its core funding through the Department of Health and Human Services, but it still has a large grant from the US Department of Agriculture. The UKCPR has involved many units on campus and other universities in their research programs; it could be a focal point for research that helps the Gatton College stand out. Yet UKCPR may not exist in a few years if it doesn't receive additional funding. The review committee has the following recommendations for UKCPR:

- Consider funding models that will allow UKCPR to play a coordinating role for poverty research at UK.

Other Issues

Salaries for faculty members in the Department are currently below other Ph.D.-granting Economics Departments. This is a perpetual problem at the associate and full professor levels (the 34% gap at the associate professor level is quite large). These are difficult budget times for the University, but unless salaries for associate and full professors increase, other departments will continue to raid UK's Economics Department for its most talented young faculty members.

The Department has done a good job managing its current resources (faculty members, staff members, and TAs). The self-study makes a strong case that more faculty lines are needed to support the Department's program. Offering six Ph.D. fields (the bare minimum for a department) every other year is a problem for PhD students, but necessary due to faculty resource limitations. Yet the bigger constraint might be with staff. The Department has less than two full-time equivalents (not counting CBER staff) to perform all the necessary tasks for running undergraduate and graduate programs, assisting faculty

members with secretarial support, and handling administrative duties. The review committee has the following recommendations for personnel resources:

- The Gatton College should do everything possible to increase salary levels for productive associate and full professors.
- The Department hire at least one additional staff member to assist in arranging workshops, graduate admissions, and faculty support
- The Department be allocated additional faculty lines. In coming years additional faculty lines will be needed to accommodate expected growth in undergraduate enrollments (especially with the return of the FLIE program), running a new, required workshop series (with graduate student, faculty, and outside speakers), adding a section of the undergraduate Econometrics course (ECO 491) to accommodate a new requirement for some, as well as to allow success in encouraging others to consider the course, and providing additional interactive courses such as ECO 499 for exceptional students.
- Involve non-research-active faculty members in other ways that use their talents; have them teach additional courses, let them help with administration, or use them to coordinate internships.
- Use the added teaching resources from non-research active faculty members to provide a course release for faculty members with particularly productive research programs.

Despite having a great environment for scholarship and learning, the Department needs to continue to stress community and mentoring. The Department has excellent senior faculty members who are highly productive and able to lead; yet there is a marked tendency for turnover at the assistant and early associate professor levels. In addition, the small number of female faculty members was noted as an area in need of improvement by both faculty and students in light of some departures earlier in the decade. The committee notes with approval that, just as we write this, the department has been able to hire a new female professor. The review committee encourages the senior faculty leaders to continue mentoring junior faculty members and graduate students and support their academic pursuits and intentionally work to create a supportive academic environment. This will serve the department well in the long-run.

Economics Review Schedule

Sunday (February 19)

- 5pm Meeting with Jim Ziliak (Poverty Center)
- 6pm Organizational Meeting
- 7pm Dinner

Monday (February 20)

- 8:15am College Administration
- 9:30am Glenn Blomquist, Chair
- 10am Chris Bollinger, Ken Troske (CBER)
- 10:30am Meeting with Department Staff
- 11am Meeting with Faculty Members

- 1pm Meeting with Undergraduate Students
- 2pm Meeting with Faculty Members
- 3pm Meeting with Graduate Students

Tuesday (February 21)

- 8:15am Report to Department of Economics
- 9:30am Report to College Administration

Final Report received March 23, 2012

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