

**ACADEMIC PROGRAM REVIEW COMMITTEE REPORT
OF THE
ECONOMICS GRADUATE PROGRAM**

COMMITTEE PROCESS

This Academic Program Review Committee (APRC) Report is based on the following source material:

1. Department of Economics Self Study Report to APRC; December 2007
2. External Reviewer's Report on Economics Graduate Program; April 2008
3. The APRC Interview with Department Chair, Sudip Chattopadhyay and Dean Joel Kassiola; November, 2008
4. Guidelines for the Sixth Cycle of Academic Program Review.
5. The APRC customary evaluative procedures.

These sources were employed to construct an integrated view of the Economics Graduate Program's present strengths, aspirations, and possibilities for future development.

REPORT

INTRODUCTION

The Economics Department at SF State has two degree programs: a BA and an MA in Economics. The department has been offering a MA alongside a BA since the 1950s. The BA provides solid training in economics that meets the diverse needs of students at SF State in terms of providing theory for students bound for graduate school, training for students pursuing careers immediately upon graduation, and giving students an academic focus to pursue a liberal arts degree. The MA in Economics is designed to prepare students for an analytical career in the private and public sectors.

The MA in Economics emphasizes applied economics. The program on average graduates 8 students per year. Upon completion of the MA degree, students are typically employed in the private or public sector in some analytic function. Graduates generally find private sector jobs in the financial and insurance industry. Graduates employed in the public sector find jobs with state and local governments in regulatory agencies, planning departments, and labor departments. Approximately 10% go on

to pursue a Ph.D. in Economics. Finally, a very small number of graduates work as instructors in the community college system or lecturers in the CSU.

Curriculum

To address declining enrollments in the late 1990s, the Department of Economics initiated significant revisions to the MA program in the Fall 2003 semester. These changes seem to have been effective in stabilizing average annual enrollment at approximately 25 to 30 graduate students per annum over the last five years. The revisions moved the program toward an applied knowledge approach with less emphasis on the theoretical. The APRC supports this developmental direction and urges that even more changes be made to further align and identify the graduate degree in Economics as an applied degree.

The APRC also supports the suggestions made by the department representatives during the APRC Interview that there be increased emphasis on quantitative skills. This position is predicated on the belief that economics, in practice as a profession, will be valued in near and foreseeable future for its quantitative facilities, drawing from mathematical statistics and algorithms.

There is some risk that a highly specialized degree focused on quantitative skills would tend to serve a narrow market niche. Such a perception of the Program could result in less interest in and demand for it over time. Therefore, the APRC recommends a comprehensive survey of employers in the area to see what skill sets and competencies they would prefer to see in MA graduates whom they would most likely hire.

There are current discussions between the Economics Department and the College of Business about the collaborative development of a graduate specialization in Financial Economics. The two programs bring complementary assets that can create a truly distinctive specialization for the University. Moreover, the attention to this topic is a timely one, given the need to reassess the financial structures and institutions that have led to the current global financial meltdown. The committee strongly recommends that both programs continue these discussions with the end in view of offering a joint specialization – perhaps supported by cross-listed courses -- that will not only be distinctive and differentiated, but also addresses resource limitations faced by both programs.

Suggestions from the external consultants include developing the Financial Economics emphasis as a part of the MA degree. They also suggested the possibility of emphasizing synergies between environmental and health economics, or those between public and labor

economics. An added benefit of these focused areas might be the increased potential to generate opportunities to obtain external funding from sponsors such as the National Institutes of Health or private foundations.

APRC notes the department's concern for the incremental drop in the enrollment of accepted graduate students over the past several years. Perhaps one solution worth exploring is to clearly and positively distinguish the SF State program from others in the area. The APRC suggests that this is one important way in which the Department can strengthen the program's sustainability. Based on data presented in the Self-Study (Table B, page 12), institutions that should bear comparisons with and distinctions from SF State Economics are the University of San Francisco, CSU-East Bay, and San Jose State. The scope of those programs appears to be broader and more aligned with discussions in APRC about including public policy coursework as electives. UC Santa Cruz, CSU Long Beach, and San Diego State, based on their published curricula and as self-described, offer more electives and perhaps more rigorous quantitative courses than SFSU.

The Department has expressed concern with entering students' proficiency in quantitative skills and also the need for further emphasis on research methods. The APRC concurs with the Department's concern and supports the external consultants' suggestion to require two semesters of calculus as a prerequisite for the program. At the same time, the department needs to consider the impact this requirement might have on graduate student enrollments and to develop a plan for conditional acceptance of students who do not initially meet this requirement.

The Department appears to be committed to phasing out paired courses. Both the APRC and the external consultants strongly agree with this change. All parties involved in the program review agree that these courses dilute the quality of the program and effectively prohibit some of the best undergraduates from entering the MA program, having taken too many of the electives. We encourage the Department to phase out paired courses with all deliberate speed while increasing the number of graduate seminars.

The Department has suggested that they would like to develop graduate internships at profit and non-profit organizations. The APRC believes that this change would be of great benefit to the students and an asset to the marketability of the program. Although the external consultants suggest that this move would have high start-up costs, other programs have implemented internships utilizing alumni contacts and existing campus resources (such as CIC) without significant cost.

The APRC agrees with the External Reviewers' suggestion that offering large class sections at the undergraduate level can be used to generate release time and related resources to support the graduate program. We agree as well with the External Reviewers' caveat that space and time resource allocations are serious issues presented by large sections. SF State's Coursestream technology (supported by Academic Technology) or other instructional technologies may offer useful alternatives to large class sections meeting in a single space and scheduled time.

Finally, with regard to assessment, in consultation with the college assessment coordinator, the Department needs to finalize its rubric for evaluating the culminating experience and draw data within a year.

Faculty

The APRC agrees with the External Reviewers in their laudatory assessment of Economics Department faculty as exhibiting "concern and commitment to their primary teaching mission." The Department's increasing focus on research is consistent with the CSU system-wide movement toward expanding scholarship over the past two decades. A new generation of department faculty is already helping shape a curriculum that is itself undergoing simultaneous change.

In its Self-Study, the Department suggests hiring two new faculty members in the areas of public economics and international markets and finance. The external consultants suggest, and APRC agrees, that the Department should first decide on the curricular foci of the program and then strengthen expertise in those areas. The Department should also explore collaborations with other programs in order to achieve efficiencies and maintain quality in the program. Departmental synergies will ultimately attract higher quality faculty.

Market-related salary issues that have resulted in the loss of junior and mid-career faculty to high-paying positions in government and corporate environments present a serious and likely continuing problem to the Department. The fact that outside elements have sought out and hired away some of the Department's prospective next generation is indicative of the success of the Department in attracting very high quality scholars. In the current and foreseeable future circumstance of general economic malaise and budget reductions at all levels of education, even external research funding has become an unreliable source of financing to mitigate faculty salary disparities. The APRC recommends that the Department redefine its "best scholars criteria" to include consideration of factors likely to attract and retain faculty with established professional, community and personal interests in the Bay Area. This strategy would enhance program institutional memory and the continuing development of Department leaders.

The Department has, as noted by the External Reviewers, already engaged in projects with both Public Research Institute and the Institute for Community and Civic Engagement on campus. The APRC suggests that the Department look also to the development of direct and on-going independent partnerships with government agencies or corporate projects that link faculty and student research and learning with the regular functions of state and business.

Students

Students in the program exhibit a high level of satisfaction regarding the financial economics emphasis. Changing the Graduate Program admissions cycle to a Fall-only pattern, as suggested in the Self-Study, seems a positive move from the perspective of both serving students' curricular needs and efficiency of administrative and faculty committee time and effort. The APRC is supportive of the Department's recent efforts to modify program entry requirements (e.g. addition of a second calculus course requirement) and to increase the applied and practical focus of the program core. The APRC also commends the Department on its mandatory advising policy at the undergraduate level and strongly suggests a similar policy be enacted for the graduate program.

Consistent with the recommendation by both the External Reviewers and the APRC that the Department develop more coursework focused on econometrics, data handling and oral presentation skills, we further recommend that an assessment rubric and process be developed by Department faculty, with clear assessment guidelines, and that they be discussed with students upon their entry into the program and used as an advising tool throughout their studies.

With regard to the post-core course development, the APRC believes that it might also be desirable for students to be able to repeat the course, or at least the second portion of it, for credit when taught by a different instructor. The APRC strongly supports the continuing development of internships with both non-profit and industry employers as stated in the Self-Study and encourages the Department to look to "green" technology development in the private sector that will be receiving substantial federal funding in the near future for possible intern placements.

Resources

The Department states in its self-study that it would like to increase the laboratory space controlled by the Department. While this is clearly a necessity, it will be difficult given the current resource constraints with regard to both space and budget. The APRC does encourage the Department to look to the possibility of shared access to other computer facilities as several departments have done, even across college

boundaries, as a temporary solution and to develop a plan for future expansion as soon as the funding outlook takes a turn for the positive. We do concur with the external consultants in advising the Department to explore a student fee to purchase additional software for partial alleviation of costs of materials.

Conclusion

The APRC commends the Department for undertaking changes in curriculum and urges that even more changes be made to further align and identify the graduate degree in Economics as an applied degree with an increased emphasis on quantitative skills.

The Committee strongly recommends that the Department continue discussions with the College of Business on the development of a joint specialization in Financial Economics that will distinguish the Program from other Bay Area programs but also address resource limitations. To enhance Program institutional memory and the continuing development of Program leaders, the Department needs an effective strategy to attract and retain faculty with established professional, community and personal interests in the Bay Area.

The assessment rubric for evaluating the culminating experience should be completed and data drawn within a year. Further, assessment guidelines and rubrics for other important program outcomes, such as data handling and oral presentation skills, should be developed by Department faculty, and should be discussed with students upon program entry and during advising throughout their studies.

The APRC joins the External reviewers in commending the Economics Department for improving the overall quality of the graduate program and maintaining core strengths during a period of constrained resources. Given the opportunity to act on the recommendations made in this report, APRC believes that the Program will be poised for continued success.