

Request to Establish a Doctoral Program in Business Administration with a Major in Finance at the University of North Carolina at Charlotte

Introduction

Following a recommendation from the Graduate Council and from the Senior Vice President for Academic Affairs, the Committee on Educational Planning, Policies, and Programs approved the request from the University of North Carolina at Charlotte to plan a doctoral program in Business Administration with a major in Finance in January 2005. The University of North Carolina at Charlotte now seeks approval to establish a doctoral program in Business Administration with a major in Finance (CIP: 52.0201) effective August 2006.

Program Description

The foremost mission of the Ph.D. in Business Administration will be to provide a research-oriented program in business that is designed to prepare graduates for teaching and research careers in academia. The program will include core courses covering all business specialties, combined with an in-depth study in both theoretical and empirical aspects of the major and minor field. Students will also be provided with training in pedagogy. Students will be expected to demonstrate mastery of the existing body of knowledge in their major and minor field and be able to develop new knowledge through original independent research. With the educational background provided by the program, graduates will be qualified for tenure-track assistant professor positions at both national and international research and teaching universities and other educational institutions.

The proposed Ph.D. in Business Administration may eventually encompass majors in other business fields. However, this proposal is focused on the proposed initial major within the Ph.D. in Business Administration; namely, a major in Finance and Financial Management Services (referred to as Finance hereafter). The program in Finance will include an in-depth study of both theoretical and empirical/statistical aspects of the fields of finance, mathematical finance, and financial economics.

The demand for Ph.D.s in Business Administration with Finance emphases has increased dramatically in the past three decades. In addition to increased academic and government demand, the business community, particularly the corporate, banking, insurance, real estate, and financial services sectors, has greatly increased its need for highly trained Ph.D.s in Business Administration with emphasis in Finance who are able to provide leadership in financial research, research in public policy, risk management, portfolio management, and investment strategies. Therefore, an additional goal of the Ph.D. program in Business Administration with a Major in Finance will be to prepare graduates for careers in the private sector. The curriculum of the program will be designed to provide the strong analytical training necessary to provide graduates with the option to choose career paths in either academia or private and government sectors.

Program Review

The review process is designed to surface strengths and weaknesses in proposed new degree programs. Proposals to establish new doctoral programs are reviewed internally and externally. The concerns from the two review processes were summarized in a letter to the Chancellor prior to the presentation to the Graduate Council. That summary follows:

Both reviewers agree that there is a strong pool of students for a Finance doctoral program but they each caution that it is very competitive to attract the best students, with one seeing a niche market and the other seeing a more open market for UNCC. Reviewer 2 places the stipend level needed at \$18,000 to \$20,000 plus tuition.

Reviewer 1 has some recommendations for enhancing the program: having an early qualifying exam, adding a research component early in the program, adding another advanced seminar particularly focused on corporate finance and investments/asset pricing, and more coverage of statistics.

Reviewer 2 calls attention to the importance of teaching and research experience for those expecting to go into academic employment. Reviewer 2 also believes at least three faculty members should be added to the program and that the Wharton Database System should be purchased for the school.

Graduate Council

The Graduate Council had, as a basis for its consideration, the proposal to plan the program, copies of the outside reviews of the program, the summary letter to the Chancellor, and a presentation to the Council by representatives of the program.

Response

Representatives of the program remarked that the reviewers had been very helpful and that they either had met or would meet all the recommendations. They have a diagnostic exam early in the process, they will have separate courses on corporate finance and investments/asset pricing, and there will be a strong emphasis on statistics, with the third course in the sequence being financial econometrics. Two of the needed faculty positions have been filled and the third will be filled by the start of the next academic year. Students planning an academic career will have an opportunity to develop their teaching skills, and the program is purchasing the Wharton Research Database System.

The need for more faculty for finance programs is well documented and there will be plenty of opportunities in Charlotte and elsewhere for graduates.

Need for the Program

The Business School sees a strong need to serve the Charlotte regions by producing business doctorates highly trained in finance. Charlotte's role as a leading financial center makes this an especially good fit.

Resources

This will be a relatively small program initially and the primary source of funding will be internal reallocation and enrollment expansion funds. By 2008-09 the campus will have a total reallocation to this program of \$704,202 and the enrollment funding matrix is estimated to generate state requirements of \$172,000, a portion of which will come from tuition which depends on the in state/out of state mix.

Recommendation by the Graduate Council

After consideration of the issues raised by reviewers and Council members, the Graduate Council voted, without dissent, to recommend approval for the University of North Carolina at Charlotte to establish a doctoral program in Business Administration with a Major in Finance.

Recommendation

The General Administration recommends that the Board of Governors approve the request from the University of North Carolina at Charlotte to establish a doctoral program in Business Administration with a Major in Finance.

Approved to be Recommended for Establishment to the Committee on Educational Planning, Policies, and Programs



Acting Senior Vice President for AA Alan Mabe

January 4, 2006