

APPENDIX L

University of North Carolina at Greensboro Request to Establish a Doctoral Program in Economics

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 on May 11, 2001 the request from the University of North Carolina at Greensboro to plan a doctoral program in Economics. The University of North Carolina at Greensboro now seeks approval to establish a doctoral program in Economics (CIP: 52.0601) effective August 2003.

Program Description

The PhD in economics at UNC Greensboro (UNCG) is designed to train economists for careers in business, financial and non-academic research organizations, in agencies of federal, state and local governments, and in academic departments with a strong focus on public policy. The program aims to develop the theoretical, quantitative and statistical skills that are required to perform and interpret economic analyses of a wide range of policy-oriented issues. The program's focus on applied microeconomics and its highly structured curriculum offer an innovative alternative to more traditional doctoral programs that are broader in scope and more flexible in structure.

The PhD program will provide applied economists with the specific set of skills required to conduct high-quality research in a variety of non-academic settings in the fields of labor, health, public, and financial economics. This strategy of focusing on a small set of highly marketable fields allows the development of a nearly lock-step curriculum in advanced economic theory and econometrics to prepare students to meet the knowledge-based expectations of organizations. The highly structured curriculum makes efficient use of the university's resources while introducing three innovations:

1. A unique foundation in applied research methods. Students in the proposed program will take five required courses (13 semester hours) designed to provide them with advanced, but general, applied research skills. Students will learn how to read, assess, interpret and critique applied microeconomic research; how to manage, warehouse, and manipulate very large, complex databases; and how to build large datasets, perform econometric analysis on them, and interpret and report their findings.

2. A consistent applied orientation throughout the lock-step curriculum. A frequent complaint among students in doctoral economics programs is that the first year core focuses exclusively on highly mathematical theory that is never integrated into field courses. Our curriculum brings expertise in theory and application together, in part by requiring an applications-oriented course in each semester and by including an application lab with each economics course.

3. A four-year program. Each third-year student will be required to collect, compile, and use a large, complex data set to conduct an independent research project as a precursor to the dissertation. Third-year students will be also be required to do a critical and integrative literature review. These activities are the sole focus of the third year and are designed to facilitate the transition from coursework to independent dissertation research in the student's fourth and final year.

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:

The first reviewer does confirm that you have identified a niche market for the proposed doctoral program and offers an overall positive assessment of the proposal but finds a few flaws in the proposal. He expresses a concern about the course load of the faculty and the burden that will fall on the faculty to initiate this program.

The reviewer seems skeptical that you can hold to the time frame proposed for students completing the program and at one point sees the standard practice proposed as only a best-case scenario. I think his concern should lead to a careful review of this timetable to make sure it is feasible. I do think it is an innovative way of scheduling a program and seems to fit with the national imitative of rethinking doctoral study. It may be impossible for an existing department to move to such a schedule, but the advantage you have is starting with this timetable as the expectation for faculty and students.

There are several suggestions at the end of the report and a concern that "integrals" be accounted for in the mathematics requirements.

The reviewer does comment that this is a program of modest size and "close to the minimum workable scale." The internal reviewers raised questions about resources to support the program and whether under the current budget restraints there would be the flexibility to make the reallocations. These may be related, since the proposal is for a program judged to be at the minimum feasible size, and if resource limitations force cutback they could have a significantly negative impact on the program. The proposal also seems to suggest there will be a reallocation from an increase in undergraduate student credit hours to benefit this program. That should be clarified.

The second reviewer seems to have started out somewhat skeptical whether a new doctoral program in this area could be justified but ended up thinking that it was focused on an area in which there was need for a new or different kind of program. This reviewer does point out that the current faculty is not a complete match with the proposed program and that the research effort will need to be assessed by higher

standards if the program is introduced. On the other hand, the reviewer recognizes great strength among the faculty. He clearly identifies the four new positions, and some replacements along the way as crucial to the success of the program.

Graduate Council

The Graduate Council had, as a basis for its consideration, UNCG's proposal to establish the program in economics, 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. Among the issues to surface during the Council's discussion of the program were the following: The issue of where the reallocation of resources would come from, how they would have tuition remissions for the program, and a question about the amount of transfer credit.

Response

The representatives of the program have made it clear that they do not expect every student to complete the program in four years; rather they have designed a program in which a student making reasonable progress could complete doctoral studies in four years. Some students may take five years but they point out this would still be an improvement over the timeframe for most economics doctoral programs. Their approach represents careful analysis and a fresh approach to reducing the length of the doctoral program.

The representatives of the program have agreed that the first math course needs to include more coverage of integral calculus. The concern about transfer credit does not seem to be a major issue since doctoral programs typically allow more transfer credit than master's program. Since passing the preliminary examination, which shows a mastery of the subject, is the core requirement for moving to the dissertation stage, prior inadequate preparation will be revealed. They also made clear that rather than detracting from undergraduate education this program would add to it since the four new faculty would also teach undergraduate courses.

The remaining concerns have to do with resources for the program, which are addressed in the Resources section below.

Need for the Program

This program seeks to find a niche not being fully served by other Economics departments by training graduates for applied research. More than forty percent of economists find employment outside academic settings, yet according to a study in the *Journal of Economic Perspectives* economics doctoral programs have not appeared that are specifically designed for individuals planning careers outside of academic, research-oriented economics departments. Even though employment prospects remain good for doctoral graduates, there has been relative modest growth in the number doctorates being produced in economics (838 to 1008 between 1977 and 1996). A commenter in the journal attributes it to the length of many programs and to the mismatch between training and the skills needed for non-academic employment. The UNCG program is designed to

alleviate both of those problems. UNCG has provide evidence from business and government that the kind of training they propose will well serve employers in those sectors, and they have a successful track record of placing master's trained graduates. Both reviewers agreed that there is a student population seeking to be served by this kind of program.

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 to establish this doctoral program in economics.

Resources

Facilities and library holdings appear to be adequate to support the implementation of the program. Four new faculty will be needed as well as support for graduate students. The Provost has committed to funding slightly over \$500,000 through reallocation of university funds, using slightly over \$400,000 in enrollment growth funds for this program, and providing another \$191,000 from foundation and other sources. The reviewers consider this an accurate statement of financial need for the program, and they agree that the four new faculty positions are necessary for the success of the program.

Recommendations

While the outside reviewers raised a number of concerns and made a number of suggestions they concluded: (Reviewer 1) "Having tried to answer many questions about a very detailed proposal, I want to come back to the big question: Is this worth doing? It is. The program is clearly ambitious and imaginative; the program it envisions makes a great deal of sense. In general the resources requested seem in line with the real needs. The one part of the proposal that is surely under-discussed is the sweat-equity of the exiting faculty that will be required to launch it. But I read this as an indication of the genuine enthusiasm that the Department brings to the task, and so another indication that it is likely to succeed." (Reviewer 2) "Prior to reading your proposal, I would have argued that there are not enough good students to go around as it is, and that a new program might be unwise. I no longer feel that way—indeed, the program as envisioned might have no undesirable spillovers at all. The students being targeted are being poorly served in the vast majority of existing departments. I think the strong applied public policy emphasis, with core tool development, is viable....There is little in the way of weaknesses that I can find in the program...I recommend the program enthusiastically."

It is recommended that the Board of Governors approve the request from the University of North Carolina at Greensboro to establish a doctoral program in Economics effective August 2003.