

Submission date: 2/10/2020

Program/s in this review: Economics BBA

Specialized accrediting agency (if applicable): AACSB

Campuses where the program is delivered: Anchorage main campus (with lower division courses offered by KPC, Kodiak, Mat-Su, Prince William Sound College, and the Eagle River campus).

Members of the program review committee:

- Lance Howe, Assoc. Prof. & Committee Chair, UAA
- Alex James, Associate Professor, UAA
- Paul Johnson, Professor, UAA
- James Murphy, Professor, UAA

1. Centrality of Program Mission and Supporting Role (700 words or less)

The Economics Department supports UAA's mission of discovery and dissemination of knowledge through teaching, research, and community engagement.

Economics faculty excel in teaching. Faculty have co-published academic research with students, conducted student workshops, facilitated peer tutoring, and created student research opportunities. SCHRS per FTE are among the highest at UAA, Instructional Costs lower than UAA averages, and Instructional Revenue higher than the UAA average. Econ students have been accepted into some of the best graduate programs in the world.

Economics faculty also excel in research. Economics faculty are ranked in the top 10% of institutions worldwide for research in Experimental Economics and in the top 25% of all Economics programs in international business schools. Economics faculty have also raised millions of dollars in external funding through research grants, contracts, and Foundation gifts over the last several years.

Economics faculty engage with the community. We provide service to CBPP, UAA, and to the State of Alaska. ISER Economics faculty provided critical service during the fiscal crisis by preparing special reports, testifying to legislative committees, and speaking to Anchorage community and business groups.

1A. Economics is relevant

The BBA in Economics is a desired major among business students who want to combine the analytic and critical thinking tools of Economics with a strong knowledge of Accounting, Finance and Management. The BBA in Economics allows students to work at a variety of businesses. It is more flexible than Accounting and Finance and provides a greater degree of quantitative and analytical rigor than the Management major. The BBA in Economics is structured similarly to programs at top Universities. It requires a core set of courses in Principles and Intermediate theory then students can mix upper division Econ electives with upper division core Business courses.

1B. The BBA in Economics supports the Economics BA and vice-versa

The BBA and BA programs require the same set of core Econ courses and students choose from the same set of Upper Division electives. The BBA allows students to gain analytical skills of an economist while taking upper-division business courses in Accounting, Finance, and Management. Given the existence of the BA in Economics, the additional cost of offering the BBA degree is zero in terms of additional Economics faculty resources.

BBA students have different interests, goals and objectives than BA students. They graduate with more credits as they take more Business courses to be more competitive on the job market immediately following graduation.

1C. Economics has strong community partnerships

Economists partner with academic, government, and private firms throughout the State. Economics faculty have served the North Pacific Fisheries Management Council and Research Board, the Alaska State Legislature, Alaska EPSCoR, the US Census Bureau, Alaska Salmon and Seafood Market businesses, Alaska Native Corporations, Pick-Click-and-Give program, and Editorial Boards at leading Economic Resource journals. Econ students also have internship opportunities in State, Federal and Private companies throughout the world.

1D. Economics faculty facilitate international partnerships: Economics Faculty facilitated 2x2 MBA Agreement with Nankai University in China, a 2x2 Undergraduate Agreement with Jilin University of Finance and Economics in Changchun China, and a student exchange agreement with UiT Tromso Norway. The department is also a founding member of a thematic network in economics at the University of the Arctic.

1E. Economics students are employed in a wide range of fields

Economics students work in many businesses, government, and non-profit agencies throughout Anchorage, Alaska, and the world. Examples of job placements include: Rutgers University, Resources for the Future, US Census Bureau, The Federal Reserve Bank of Richmond, Bering Straits Regional Housing Authority, Central Bering Seas Fisherman's Association, BP, State of Alaska, Barclays Investment Bank, The Aleut Foundation, Northrim Bank, GCI, Alaska Airlines, and others.

1E. The Vernon Smith Experimental Science Laboratory (VSESL)

The Economics program also offers student research opportunities through VSESL. Students recruit subjects, assist in programming, conduct experiments, pay subjects, and help troubleshoot software. Thousands of student subjects have participated in laboratory experiments and faculty have paid out tens of thousands of dollars in subject incentive payments. Econ students have traveled to Kamchatka Russia and several Western Alaska communities to conduct field experiments. Students have also assisted in Choice experiments along the Kenai River and with shoppers at local Farmers Markets.

2. Program Demand (including service to other programs), Efficiency, and Productivity (7 year trend; 1400 words or less)

Fact #1. There is an increasing awards trend in Economics: Overall, all Economics majors and minors have increased 74% from 2013-2019. The average number of BBA baccalaureate degrees has remained relatively flat or decreased slightly. Increases have come in the number of Minors and the number of BA degrees. Economics minors have also increased significantly over the period (a 42.2% increase from 2013) and this is due partly to our restructuring of the minor following Strategic Pathways recommendations.

Fact #2. Economics BBA students take a similar number of credits as the average UAA student: Students with a BBA complete more credits than Econ BA students. This is because BBA students want more of a focus in Business and are willing to take more upper division business electives. Average credits per BBA Econ degree (126) are about equal to the UAA average (121) and CBPP average (126).

Fact #3. Economics has had a better enrollment trend than the rest of CBPP and UAA: And, while major program enrollments have declined at CBPP (18%) and UAA (17%) during the review period, the decline in BBA Econ program enrollment has been less over the review period, about 11%.

Fact #4. Economics course pass rates are consistent with the rest of CBPP and UAA: While there are slight variations our course pass rate is similar to the rest of the University. As in other departments, course pass rates are lower for online lower division courses than for in-person lower division courses.

Fact #5. Economics is balanced in serving students in and out of the major: Economics contributes proportionally more out of major SCH relative to other CBPP courses (31% > 17%). At the same time, Economics has a proportionally higher share of In Major SCH compared to the rest of UAA (70% > 50%). Relative to other UAA programs we have a higher share of “in major courses” and relative to other Business courses we have a higher out of major service dimension.

Fact #6. Economics SCH production remains stronger than other UAA programs: Economics SCH production has declined since 2013. However, the decline in Economics SCH production has been less relative to the overall decline at UAA (15% < 21%).

Fact #7. The Economics SCH/FTEF efficiency was the 5th highest across the entire UAA system: This efficiency measure for Economics (735) is almost double the UAA average (420) and it is also significantly greater than the CBPP average (629).

Based on the period average, **Economics has the 5th highest SCH/FTEF ranking across all UAA programs.**

If the Business Statistics (BA 273) courses we teach were included efficiency numbers would be higher. Because of the course prefix (BA) these courses are not allocated to Economics even though Economics faculty (Dr. Angie Zheng) has taught approximately 250 students in BA273 annually.

Fact #8. Economics has fewer faculty teaching more SCHRS relative to other UAA programs:

Economics Enrollment/FTEF average over the review period is almost double the UAA average (246>157) and is significantly greater than the CBPP average (246>210). Clearly Economics faculty are highly efficient in overall SCHR production.

Fact #9. Economics has fewer faculty reaching more students relative to the UAA average: The Economics FTES/FTEF (student to faculty) ratio over the review period is almost double the UAA average (25>14). The Economics Enrollment/FTEF average is also greater than the CBPP average (25>21).

Fact #10. The average Economics course is larger than the CBPP and UAA average: Economics average class size over the review period is significantly larger than average class size for UAA (25>14) and relatively larger than for CBPP (25>21).

Fact #11. Economics Instructional Cost is lower than the CBPP and UAA average: Instructional cost per SCH is significantly lower than the CBPP average (\$134<\$180) and slightly less than the UAA average during the period (\$134<\$132). These instructional cost numbers come from Course Tuition by Faculty Pay dashboard that was built by UAA IR for the Statewide program reviews.

Fact #12. Economics Instructional “profit” (instructional revenue – instructional cost) is significantly greater than the UAA average: Economics program revenue per SCH exceeds Instructional Costs by an average of \$74 per SCH over the review period. This is an average of about \$218 in net revenue per student per class. Our average is significantly greater than the Revenue-Cost average for all of UAA (\$74>\$63) and about equal to the average for the rest of CBPP (\$74>\$73).

Fact #13. Economics faculty total cost as given by the “INST Cost” in the UAA Program review data are incorrect. These data suggest that average Instructor Cost (Inst Cost/FTEF) is equal to \$210,957 for an Economics faculty over the review period. Economics faculty make significantly less than other CBPP faculty (e.g. Accounting, Finance, Marketing, and MIS faculty) yet this average is significantly greater than for other CBPP departments (\$175,225)!? As further evidence of this problem, salary data from 2016 indicate that average CBPP Economics Faculty salaries – including a 28% benefit rate – were \$152,834. **The average (Cost/FTEF) reported in the IR Program Review data for 2016 is \$222,755, about \$70,000 TOO HIGH. Clearly there are major anomalies here.**

In addition to these data anomalies, one should note that over the review period 5 tenure track Economics faculty had joint appointments at ISER. These Faculty all have heavier research workloads and teach between 1-2 courses per year, yet, their entire faculty cost is included in “Inst Cost.” Also, the Economics Department has one endowed Chair, this faculty member has a heavier research workload than the average faculty and part of this faculty position is funded through an endowed Chair.

Fact #14. Economists bring in a significant amount of revenue from grants, contracts, and gifts to the University. IR dashboard data indicates that Restricted Fund Revenue for Econ faculty 2015-2019 was \$1,016,367. This number only reflects contracts and grant funding used to buy out faculty time and doesn't reflect the total amount of grants, contracts, and gifts to UAA. We estimate that Economics faculty have been PI's or Co-PI's, on grants and contracts of around \$13,000,000 since 2013. Of this amount, about \$9,000,000 has come to UAA. A large share of grants paid the Federally negotiated F&A rate (about 50% in 2019) while other awards paid a lower rate associated with contracts or gifts. F&A funds go primarily to support administration, facilities and infrastructure and, unlike UAF and other peer institutions, UAA researchers rarely receive any share of F&A.

To put this amount of external funding in perspective, total Tuition Revenue from Economics courses over the 2013 to 2019 period was approximately \$8.3 million dollars (using rough estimates for 2013 and 2014). Economics faculty brought an equivalent amount in research funding, about \$9,000,000, to UAA over the same period.

Fact #15. The endowed Rasmuson Chair of Economics provides significant benefits to UAA students, faculty and community stakeholders. Since 2013, the Economics department has hosted 6 distinguished Economists as long-term visiting Rasmuson Chairs, including full Professors from Purdue University and the University of Wyoming. Dr. James Murphy is the current Rasmuson Chair of Economics. The Rasmuson Chair has funded visiting Chairs along with related workshops and special visiting speakers that enrich students and faculty alike.

Nobel laureate Vernon Smith was the first Rasmuson Chair of Economics. We have been extremely fortunate to host Vernon almost every year since 2003 for visits to UAA. Vernon will again visit UAA in 2020 and meet with students and faculty for special events.

Through the Rasmuson Chair, the Department has received several hundred thousand dollars in gifts from external donors providing opportunities for students, faculty and community stakeholders. Benefits include bringing around 50 academics economists from other Universities for research seminars and workshops; conducting multiple undergraduate and high school workshops; conducting workshops that benefit community stakeholders, including workshops in Charitable Giving, Fisheries, and the Economics of Contests; and funding to develop open source instructional software that benefits students all across Alaska and the rest of the United States.

Fact #16. A majority of Economics undergraduates enroll in a graduate program and job growth for economics majors is promising. According to program review data roughly 64% of Economics graduates receive a post UAA award. Economics as a profession has higher than average predicted job growth and Economics majors have the analytical and quantitative skills that are in greater demand by industries across the board.

3. Program Quality, Improvement and Student Success (1500 words or less)

The BBA and BA in Economics are a part of the College of Business and Public Policies AACSB accredited programs. In a letter dated September 26, 2019 addressing our AY18 Cyclical Program Review AY19 Second Interim Report we received a commendation and a “Continuation” finding by Dr. Stalvey. The Provost noted that “The program is serving its students and meeting its mission and goals. No immediate changes needed other than regular, ongoing program improvements.”

For our AACSB specialized accreditation we have shown how we met BBA and BA learning goals as outlined in our assessment plans. Much of this information has been assembled for our AACSB accreditation visit which will be in March 2020.

Economics department faculty are integrally involved in BBA accreditation efforts. Economics faculty contribute regularly to CBPP assessment activities and each year submit Assurance of Learning reports. Faculty also participate in continuing review and implementation. We collect data in several upper division economics courses and in our Principles of Micro and Macro courses. These data collection efforts are tied to BBA core learning goals and learning goals for the Economics major.

Assessment activities include both formal observation and formal and informal discussion of results among economics faculty. Economics faculty continue to implement changes that are responsive to themes identified in assessment activities.

In terms of “closing the loop” some of the changes economics faculty have made over the review period that address that address BBA Goal 1 (discipline content knowledge) include:

- adding writing assignments to Intermediate Microeconomics and Principles of Macroeconomics
- changes in the timing of material presented in Intermediate Micro to help students better understand the mathematics of optimization
- a new unit was added to the Economy of Alaska course (Econ 300) on the remote open resource-based economy that introduces the limits that world commodity and financial markets and national labor markets impose -- making a small economy like Alaska a price-taker
- adding content and assignments in Econ 300 that include a more analytical application of the economic base model for quantifying effects of hypothetical economic changes such as analyzing the difference between a new mine opening in rural Alaska vs. the same mine opening in suburban Fairbanks
- updating topics of discussion based on State and Federal government issues in Public Finance
- requiring students to work in groups to design experiments in Experimental Economics (ECON 333)

In addition, Economics faculty have integrated technology more effectively in Principles of Macroeconomics, Microeconomics, Business Statistics and upper division courses. Technology includes better integration of lecture capture (Panopto), providing new web-based audio/video material for online classes, and use of RPNOW in online classes.

Faculty use the mobile online economic experiment application Kiviq (www.kiviq.us) developed by former UAA faculty Dr. Kyle Hampton. Kyle donated this tool to the economics department when he left for Chapman University and we continue to use it regularly in courses and work with a programmer to keep it updated.

Economics faculty have tried hard to be innovative in terms of distance courses. Professor Larry Ross, who taught the most distance students over the review period, worked with Instructional Designers and Distance Education in Fall 2018 and did Quality Matters self-reviews for all 3 of his courses. His courses met a majority of QM measures and he made adjustments to his courses in light of feedback. Anecdotally, Economics majors tell us (the most recent a student accepted into the London School of Economics for a Masters in Economics program) that relative to other online courses they find Economics courses to be the most rigorous and valuable they have taken, by far. We regularly offer lower division and upper division courses allowing our students to balance busy lives while making good progress on their degrees.

Economics faculty and the Economics Club have coordinated to provide regular weekly tutoring to Principles and Upper Division economics students. The Economics department pays for pizza and one or two student assistants, and the Economics club recruits additional volunteers to help provide weekly tutoring to Economics students.

In order to increase exposure of first year students to Economics we introduced a new 100 level GER Economics course "Political Economy" (Econ 100) over the review period. This course has been successful in presenting core economic concepts to freshman. Ideally students who become Economics majors gain mastery of core economic concepts earlier in their curriculum.

As for student success, UAA Economics faculty Dr. Alex James and Dr. Jim Murphy have published 3 peer reviewed journal articles with Economics students over the last 5 years. Students have also gone on to outstanding jobs, internships, and to prestigious graduate programs.

Some of our students have worked as interns for the Alaska Department of Revenue, Alaska Division of Oil and Gas, Institute of Social and Economic Research, Northern Economics, Anchorage Economic Development Corporation (AEDC), McDowell Group, Target, Army Corps of Engineers, Federal Reserve Bank of Richmond, US Senate Offices (Stevens, Murkowski, Begich, and Sullivan), Representative Young's office, multiple Alaska House and Senate legislative offices, First Alaskan's Legislative Internship program, and more.

We asked a few of our students to write letters explaining their story. Several students submitted letters which we included in our original submission as an appendix. Below are brief summaries of their accomplishments, we are happy to provide their letters upon request.

- **DA (letter submitted)** – DA (BA, 2012) was a double major in Economics and English. He assisted us in the Vernon Smith Economic Science Lab and has worked in the UAA research compliance office for the last several years.
- **DB (letter submitted)** – DB (BA, 2015) graduated as an Economics major after already having completed a Math degree. Upon graduation, DB applied for PhD programs in Economics -

with strong UAA Econ faculty support – and received a full fellowship offer to Purdue University where he is in his final year of a PhD in Economics (Math Econ emphasis).

- **MJ (letter submitted)** – MJ (BA, 2015) was an Econ grad who enrolled in the WAMI program. MJ is now in his third year of medical school at the University of Washington.
- **SL (letter submitted)** – SL (BBA, 2017) completed a Masters degree at the London School of Economics. Prior to her Masters she worked for AEDC and she currently works as a Research Analyst for the International Trade Administration.
- **TP (letter submitted)** – TP (BA, 2016) completed his MBA at UAA while competing as a student athlete for the men’s basketball team at UAA. TP currently works at California Polytechnic State University in college sports marketing.
- **KR (letter submitted)** – KR (BA, 2009) was an Econ grad and UAA’s first Marshall scholar. She received degrees from Cambridge (MPhil) and London School of Economics (MSc). She went on to complete a PhD in Urban Planning at UCLA. She is now a faculty member at Rutgers.
- **RR (letter submitted)** – RR (BBA, 2016) completed his MBA at UAA. He served in the Armed forces then began his degree at UAA in 2010. RR has worked as a research analyst for ISER, AjiC and worked in Economic Development for the Bristol Bay Economic Development Corporation.
- **JR (letter submitted)** – JR (BA, 2017) currently works as the Assistant Director of the Speech and Debate program at Cornell University. She is also pursuing a Master degree in Industrial and Labor Relations at Cornell.
- **MR (letter submitted)** – MR (BA, 2017) was an Economics graduate who completed a Masters in International Relations at George Washington University after graduating from UAA. She currently works as a development economist in Cambodia for an international consulting firm.
- **AS (letter submitted)** – AS (BA, 2018) completed her BA while working as a legislative intern and then moved to a full-time position as a legislative aid when a position opened up.
- **AS2 (letter submitted)** – AS2 (BA 2016) was a double Econ and Languages major. He went on to complete his Masters degree in Environmental Science and Management at UC Santa Barbara in 2019. He is currently a Research Assistant at Resources for the Future in Washington DC.
- **CT (letter submitted)** – CT (BA 2013) was a finalist for the Marshall Scholarship, after UAA she graduated from University of Cambridge, Kings College, with a MPhil (Economics) and has worked as an Analyst at Barclays Investment bank and currently works as an Associate at Bridgepoint Capital. CT has recently applied for Econ PhD programs.

4. Program Duplication / Distinctiveness (300 words or less)

The BBA and BA Economics majors at UAA are the only baccalaureate programs in Economics offered in the State of Alaska. Regrettably the program at UAF was discontinued about two years ago.

As described earlier, the UAA BA and BBA degrees are complementary. We were careful to design the core curriculum and electives such that all courses are possible options for both BA and BBA students. BBA students are required to take more Upper Division business courses and BA students have more flexibility in electives. By eliminating either the BA or BBA, while keeping the other, program instructional costs would not decline. Further, as already stated, program Instructional Costs, are significantly lower than the UAA average but Instructional Revenue is significantly higher. Cutting the BA or BBA would needlessly reduce program revenues.

The Economics department has talked extensively with UAF faculty, the UAF Dean, and the UAA Dean about the possibility of moving the Masters in Economics program to UAA. The UAF Masters in Resource Economics program is in suspension and UAF faculty are not optimistic about its' future given the elimination of the UAF bachelor's degree in Economics and lack of Economic faculty resources.

Our faculty drafted a pre-prospectus that was given to our Dean and to the UAF Dean. Support is strong for a UAA Masters in Economics given the strong group of economics faculty and the potential for collaboration with the MPP and MPA programs. However, the fiscal climate and reduced resources have kept us from moving forward with this request. With more fiscal certainty, and renewed investment in our program, we could move forward on a Masters in Economics program.

5. Summary Analysis (500 words or less)

As indicated in the student letters, Economics at UAA is a hidden gem, providing the quality and unique instructor attention available only at some of the top programs in the country. Economics faculty engage in cutting edge research, much of it Alaska relevant, and students benefit directly and indirectly from faculty research. Much of the research economists do is in high demand, as is reflected in the significant amount of grant funding Economists have brought to UAA. The service economists do is also incredibly valuable, as also reflected by the significant donations from a variety of Foundations and unique service opportunities afforded to economists. UAA economists are experts in fiscal policy, education policy, fisheries, and resource economics and provide critical service to the State of Alaska in areas of expertise.

The Economics degree program, by all 13 requested metrics, is outstanding. Program enrollments in the BBA have declined less than other CBPP or UAA programs and overall across the BBA, BA, and the Economics minor, our graduates have been increasing. The Economics Enrollment/FTEF average

is almost double the UAA average and is significantly greater than the CBPP average over the review period. Economics has fewer faculty reaching more students relative to the UAA average, and relatively large class sizes. Economics Instructional Costs are significantly lower than the CBPP and UAA average and, just as important, Instructional Revenues are higher than average. In total, Revenue exceeds Instructional Costs by an average of \$74 per Student Credit Hour, also significantly larger than the UAA average. Of significance, other sources of revenue exceeded \$9 million.

Moving forward, our biggest challenge is the fiscal uncertainty, which, to a large extent, is out of our control. Faculty in our department love Alaska, UAA, and our department, however, they also have excellent outside options, families to support, and careers to build. Without continued investment in our program we will continue to lose good Economics faculty. Unfortunately, an outstanding program will collapse. Good people attract good people and by helping us keep and attract good people you will be building our program.

With renewed investment we can continue to build our undergraduate program and develop a world class Masters in Economics program that attracts the best students from all around the world. We will also continue to develop our marketing efforts to recruit more students from Anchorage area high schools as well as students from other US States.

Perhaps it's best to close with quote from a student letter (echoed in other letters) – one from a student who has taken courses at Georgetown and Oxford. “My economics professors at UAA are some of the best that I have had across all of the universities I have attended or taken courses at... the faculty's genuine interest in their students, as exhibited by their willingness to spend their own personal time helping those students, is something that is very rare to come across and I have struggled to find in other institutions.”