Economics Cyclical Program Review

PROGRAMS:
Bachelor of Arts in Economics
Bachelor of Arts in Economics and Accounting
Bachelor of Arts in Economics and Financial Management
Bachelor of Arts in Applied Economics
Master of Arts in Business Economics

Final Assessment Report

Submitted by: Dr. Michéal Kelly, Dean, School of Business and Economics; Dr. Joan Norris, Dean, Faculty of Graduate and Postdoctoral Studies; Dr. Deborah MacLatchy, Vice-President: Academic & Provost; Dr. Pat Rogers, Associate Vice-President: Teaching & Learning

Date: December 10th, 2014
PART ONE: EXECUTIVE RESPONSE

A) EXECUTIVE SUMMARY OF REVIEW DOCUMENTS
(SELF-STUDY, REVIEWERS’ REPORT, UNIT RESPONSE)

Summary of Self-Study

The Economics Self-Study provides a comprehensive overview of the Economic Department’s undergraduate and graduate programs including the Honours BA Program in Economics, the BA in Honours Applied Economics and the MA in Business Economics (MABE). It covers program structures, admission requirements, learning outcomes, curricula and quality indicators. The Self-Study also sets out the Department’s concerns about its continued ability to provide a high quality educational experience for its students.

With respect to its undergraduate programs, the Economics Department expressed concern over its ability to adequately staff courses given the substantial increase in course registrations that had occurred in the previous three years. It also expressed concern with the high attrition rates in its undergraduate programs. The self-study expressed hope that increasing the mathematics grade requirement from high school to 75 for Honours Economics and raising the minimum entry average for both programs to 84 would reduce the amount of attrition.

Two specific concerns were expressed related to the MABE program. The first related to whether it should have a field that might be attractive to students taking electives in Finance. The Department recognized the political problem in proceeding with this given the existence of the MFin degree in the Business department. Concerns were also expressed over the language and writing abilities of some foreign students particularly as they relate to the Major Research Paper. There has been a substantial growth in foreign and foreign-born Canadian students in the program in recent years. This is only likely to increase in the future. These students increase the load of those marking papers in electives or in the Research Paper and Seminar course and need greater support from Laurier’s Writing Centre. It is likely that more attention and resources will need to be devoted to this area in the coming years.

Summary of the External Reviewers’ Report and Recommendations

The Review Committee for the Economics Cyclical Review was comprised of Dr. Kris Inwood from the University of Guelph, Dr. Robert W. Dimand from Brock University and Dr. Scott Slocombe from Wilfrid Laurier University.

The reviewers provided a detailed assessment of SBE’s Economics programs and challenges, and provided 12 recommendations for consideration.
Overall, the reviewers felt that the Department of Economics delivered high-quality and highly successful programs whose design is consistent with professional norms and yet also contributes to the broader needs of the School of Business and Economics, the University and nearby institutions.

They were highly complementary of both the undergraduate and graduate programs in Economics. In their view, program-level objectives were clearly identified, consistent with professional norms and with Laurier’s mission and academic plan, and fully realized in program outcomes. Moreover, teaching materials in their view corresponded with national and international standards and the curriculum of the department largely reflected the current state of the discipline of economics. They felt that the students attracted to these programs were also of high quality.

Based on their examination of entrance grades, enrolments, graduation rates, scholarship attainment, post-graduation data and discussion with students, the reviewers felt that the programs fully met standards for the discipline and for the province of Ontario.

They also commented favourably on the efforts of the department to improve written and verbal communication skills.

The placement rates for graduates from programs at all levels were deemed to be impressive. Anecdotal evidence cited by the Chair suggests that a significant number of graduates over the years have been highly successful in their careers.

The reviewers also recognized the increasing level of scholarly and creative activity among faculty. In their view, research in the department appeared to be improving in part through a process of faculty renewal and in part through contributions by established faculty. Several faculty were noted as having very strong funding and publication records, most have at least some. Many have published in highly ranked economics journals.

There were however several concerns expressed by the review team. These included:

- The shortage of classroom space for having TAs offer tutorials to first and second year undergraduates. The reviewers hoped this would be rectified by the move to the new building.
- The department’s ability to offer competitive financial packages to prospective graduate students, so that the MABE program can attract good students. In their view, the MABE program needs to be able to make better financial offers to at least a handful of the best applicants each year. They felt that there is some evidence that the best graduate students are not being recruited because the department cannot offer them competitive funding packages.
- The growth in class size as student numbers increased faster than faculty complement. The review team felt that class sizes have increased steadily to the point that faculty ability to deliver material effectively and to give appropriate feedback to students is threatened. In addition, the Department’s support staff was reduced from 2.5 to 2.0 and, given sick leaves, is currently 1.0 plus, on some days, a half-time temp, which they felt was insufficient.

While they noted that attrition rates appeared to high after the first year level, the reviewers felt that this perception is largely illusory. According to their report: “The first course in economics introduces the most powerful ideas of the discipline. For many students this is sufficient. Moreover, the process of student learning and revising their understanding of what subjects they wish to study is entirely healthy and understandable. It is common at most universities for economics to lose students in this process. Nevertheless, we feel it would be
prudent for the department to consider if it might be possible to devote more resources to the first-year course and to conveying to potential students what economics does and does not offer. It also seems likely that most of the students leaving economics are not lost to the university, i.e. they transfer to other programmes, though better data might be collected on this”.

The reviewers concluded their report with the following list of recommendations:

1. Assess the effect of raising the admission average to 84 in the 13-14 academic year and consider whether to reduce, retain, or raise the admission cut-off from 84.

2. Explore the value of, and potential resources within the Department for, mounting tutorial/seminars in the first year courses. In section 2.8 we link this to a recommended expansion of graduate students and in section 2.9 we identify the importance of more tutorials for undergraduate quality enhancement.

3. Continue efforts to improve student capacity for verbal and especially written communication of economics.

4. Make funding offers to prospective MABE students more competitive with funding at other schools.

5. Restore the 0.5 support staff position, though we recognise the coming advising position may make up some of this.

6. Consideration of more field courses at the senior undergraduate and graduate levels and adding resources to the first year course and writing-intensive courses for the honours economics students.

7. The department might strike a task force to determine if there is a will within the University for the economics graduate program to grow in size and quality. If there is support for this move, the following steps might be considered.

a. Work to increase profile and program identity of MABE degree within the SBE context and improve its web and Facebook presence.

b. 1-2 more field courses each year would be useful, if necessary by pulling back a couple of the secondments of faculty for graduate level teaching elsewhere - or making the Waterloo courses of these colleagues useful to WLU students in completion of their MABE degree.

c. Each year the MABE program accepts a small number of graduates from the WLU undergraduate degree. It might be useful to investigate if this is the right number of WLU students to bring into the MABE and if the ‘right’ students are being targeted (presumably students who want an applied degree as opposed to PhD-bound students).

d. Pro-active and highly selective recruiting of the best international students would enhance the attractiveness of the program to Canadian students. Economics is an intrinsically international discipline. Heads-up students assess the quality of a program by its ability to attract a few international students.

e. Department officers observed that modest changes in Graduate Studies procedure could expedite the processing of grad applicant files and permit the Department to respond in a more timely fashion to both domestic and especially international applicants.
f. Most economics departments anticipate some proportion of admission offers being declined, and on that basis extend more offers than 100% acceptance would allow. Apparently this is not done, at least not at the level of the WLU Economics Department.

g. The level of financial support for MABE students is close to being competitive with other universities for applicants of ‘middling’ quality. On the other hand, the financial package is uncompetitively low for strong applicants, and somewhat generous for weaker students (and those in the first year of a transition into economics). Additional funds from either the School or the University’s graduate program office would be helpful although some improvement can be effected at no net cost by differentiating offers, planning for some proportion who do not accept and simply streamlining the handling of files.

8. Further mentoring in external scholarship application for the best students.

9. Ensure Econ 381 is broadly appropriate preparation for Econ 481 in terms of research development, methods, and writing.

10. Teach 4th year econometrics within the Department to ensure better flow from 3rd-year course and closer relevance and application to economics problems.

11. If financial and space resources permit, consider testing the use of tutorials for key introductory courses for their effect on attrition and skills development.

12. More tutorials should be offered for first-year Economics students (currently Supplemental Instruction offers two tutorials a week in Economics, more than a dozen in Business), and the instructors should have input about what material is covered and how it is taught (at the moment they don’t, and the Supplemental Instruction tutors are sometimes unaware of changes in what topics are covered).

RESPONSE TO RECOMMENDATIONS

Included below are each of the reviewers' recommendations and the Department’s response.

**Recommendation #1:** Assess the effect of raising the admission average from \( 83 \) to \( 84 \) in the 13-14 academic year and consider whether to reduce, retain, or raise the admission cut-off from \( 84 \).

**Response:** In 2014-5 the minimum entry average stayed at \( 84 \) for Economics and increased from \( 87.5 \) to \( 88 \) for the BBA. This change presumably resulted in more alternate Economics offers being made to students who fell short of the BBA cut-off but satisfied the Economics cut-off. Applications for Business and Economics programs as well as for all WLU programs in 2014-5 were down slightly from the previous year largely due to changing demographics. In order to make up for an overall shortfall in meeting the WLU target enrolments several programs were asked to consider admitting more students. Economics agreed to increase its target from 277 to 300 students.\(^1\) Whether or not the 84 cut-off average can be maintained in future years may depend on how demographics affect future applications as well as on the gap between the Economics cut-off and the BBA cut-

\(^1\) At official count date, the number of the students who entered the Honours Economics program in September 2014 was 274.
off. Proposals have been prepared for creating the necessary data to track students through programs. This data could be used to look at the progression and admission process and the role of the gap between the BBA and Honours economics cut-off.

**Recommendation #2:** Explore the value and potential resources within the Department for mounting tutorial/seminars in the first year courses. In section 2.8 we link this to a recommended expansion of graduate students and in section 2.9 we identify the importance of more tutorials for undergraduate quality enhancement.

**Response:** There is general agreement within the department that mounting first year tutorials would enhance the learning experience for students, however there are a number of issues to be resolved in achieving this. The main issues are insufficient TA resources, inadequate funding for undergraduate instructional assistants, and lack of classroom space. Furthermore, it may be that TA resources would be better deployed in second year courses, which are smaller and thereby require fewer resources, and more difficult than first year courses and thus have a greater need for TAs.

In 2014-15 we will trial a second year tutorial program for some required second year courses using upper year undergraduate students. If this trial goes well then we may consider whether the program could be extended to other second year required courses.

**Recommendation #3:** Continue efforts to improve student capacity for verbal and especially written communication of economics.

**Response:** We currently provide numerous opportunities for students to develop verbal and written communication skills, including research papers; presentations; group projects, annotated bibliography; and a variety of projects other writing assignments. We have several initiatives we would like to introduce to support writing across the curriculum, including peer review of written work and making use of the Writing Centre’s services. We would also like to further integrate statistical analysis into both core and elective courses. These initiatives are difficult to implement due to large class sizes and a limited budget for TAs.

**Recommendation #4:** Make funding offers to prospective MABE students more competitive with funding at other schools.

**Response:** The data presented in the Self-Study shows that MABE funding per student is slightly lower than that of competing programs. Some of the steps that we have taken recently to make our program more attractive financially have included: (i) turning the Weir Scholarship into an Entrance scholarship (it was previously allocated in the Fall term after students had accepted their offers); (ii) including co-op as part of the entry offer (co-op offers were also previously allocated in the Fall term after students had accepted their offers); and (iii) offering a new $5,000 MABE entrance scholarship provided by the Dean of SBE. The attractiveness of the MABE program was confirmed with the enrolment of 17 students for the 2014-15 academic year. This represents one of the largest MABE classes ever.

**Recommendation #5:** Restore the 0.5 support staff position, though we recognise the coming advising position may make up some of this.

**Response:** The staff advisor position will be shared between Economics and Business programs and thus would result in an additional 0.5 support staff person for Economics. The hiring of the advisor has been delayed and the prospects of hiring the advisor have dimmed somewhat by the upcoming budget cuts. On the other hand the
outcome of the IPRM exercise may result in more resources for SBE programs. Additional arguments for SBE staff resources have been provided by the AACSB reviewers who commented that SBE business programs were understaffed. The adding of a staff person who advises both Business and Economics students would thus heed the advice of both the Economics Program Reviewers and the AACSB Reviewers.

**Recommendation #6:** Consideration of more field courses at the senior undergraduate and graduate levels and adding resources to the first year course and writing-intensive courses for the honours economics students.

**Response to the recommendation of more field courses:** One way to economically offer more senior undergraduate and graduate level courses is to cross-list. Precedents for cross-listing graduate and undergraduate courses within SBE are several MBA courses that are cross-listed with 4th year undergraduate courses.

Economics subject areas that would be good candidates for course cross-listing between MABE and 4th year undergraduate are those that satisfy one of more of the following criteria: (i) the subject is already being taught as a graduate elective course; (ii) the subject is being taught at the second year level in the undergraduate program and could thus benefit from a more advanced treatment; and (iii) the department has a lot of expertise in the subject area. Currently there are three subject areas that satisfy one or more of the above criteria.

**International Trade and/or Development** is currently being taught at the graduate level (EC639 Empirical Trade) and in two second year electives (EC239 Trade, EC207 Development). Three faculty members have expertise in the subject (Essaji, McCaig, Jackson). EC639 could thus be cross-listed with a newly created course called EC439.

**Labour Economics** is currently being taught at the graduate level (EC606) and as a third year elective (EC306). Seven faculty members have expertise in the subject (Ariizumi, Johnson, Maxim, McLeod, Neill, Schirle, Smith). EC606 could thus be cross-listed with a newly created course called EC406.

**International Finance** has been taught at the graduate level (EC649, albeit by M. Kugler who is no longer in the Department) and as a second year elective (EC249). Three faculty members have expertise in the subject (Pang, Shiamptanis, Siklos). EC649 could thus be cross-listed with a newly created course called EC449.

**Response to the recommendation of more resources at the 1st year level:** See response to Recommendation #2.

**Response to the recommendation of more writing intensive courses:** See response to Recommendation #3.

**Recommendation #7:** The department might strike a task force to determine if there is will within the University for the economics graduate program to grow in size and quality. If there is support for this move, the following steps might be considered.

a) Work to increase profile and program identity of MABE degree within the SBE context and improve its web and Facebook presence.

b) 1-2 more field courses each year would be useful, if necessary by pulling back a couple of the secondments of faculty for graduate level teaching elsewhere - or making the Waterloo courses of these colleagues useful to WLU students in completion of their MABE degree.
c) Each year the MABE program accepts a small number of graduates from the WLU undergraduate degree. It might be useful to investigate if this is the right number of WLU students to bring into the MABE and if the ‘right’ students are being targeted (presumably students who want an applied degree as opposed to PhD-bound students).

d) Pro-active and highly selective recruiting of the best international students would enhance the attractiveness of the program to Canadian students. Economics is an intrinsically international discipline. Heads-up students assess the quality of a program by its ability to attract a few international students.

e) Department officers observed that modest changes in Graduate Studies procedure could expedite the processing of grad applicant files and permit the Department to respond in a more timely fashion to both domestic and especially international applicants.

f) Most economics departments anticipate some proportion of admission offers being declined, and on that basis extend more offers than 100% acceptance would allow. Apparently this is not done, at least not at the level of the WLU Economics Department.

g) The level of financial support for MABE students is close to being competitive with other universities for applicants of ‘middling’ quality. On the other hand, the financial package is uncompetitively low for strong applicants, and somewhat generous for weaker students (and those in the first year of a transition into economics). Additional funds from either the School or the University’s graduate program office would be helpful although some improvement can be effected at no net cost by differentiating offers, planning for some proportion who do not accept and simply streamlining the handling of files.

Response: This matter was discussed at a Department in Council meeting and it was decided that the existing Graduate Program Committee (chaired by the MABE Director) would be charged with monitoring the issues listed above on an ongoing basis. At present the response to each item is as follows:

a) Web-site. When the university gets a new website (promised for Fall 2014) then the MABE program’s web presence will be improved.

b) Secondments. Currently there are several Economics Faculty members who teach in the Master of International Public Policy (MIPP) program. All but two of the MIPP courses taught by Economics Faculty are available as electives for MABE students and a few MABE students have pursued this option. It is unlikely that the Economics Department will reduce its commitment to the MIPP program but the Department will continue to encourage students to take MIPP courses. It is also unlikely that the MIPP courses can be altered so as to be designed exclusively with MABE students in mind. MIPP courses are designed for students who have backgrounds in a variety of disciplines and they complement the education of a MABE student by providing greater emphasis on verbal and written communication skills rather than on data analysis and mathematical modelling skills.

c) Targeting WLU undergraduates. WLU undergraduates often seek the advice of WLU professors when making decisions about graduate school. In many cases they are encouraged to try another school in order to get the best fit. Notwithstanding this advice there are often between 3 and 5 (mostly high achieving) WLU undergraduate students in a typical MABE class of 15 students. Some of these students remain in Waterloo for personal reasons and there may be an opportunity here for a more integrated undergraduate/graduate program for excellent students.
d) Recruiting International students. We attract between 40 and 70 international applications every year without doing any active recruiting (i.e. between 50% to 70% of our applications are from International students). We attract a steady stream of applicants from the Western-Dongbei program. The Western-Dongbei students have done two years in China at the Dongbei University of Finance and Economics and two years at either Huron College or King’s College at Western. We also attract international students who have done their undergraduate degrees at Western, Waterloo, Trent or UNB. We thus regularly attract a large number of international student applicants who have proven their ability to perform at a Canadian University. Most of the international students that we admit complete the program and some do very well. We are currently only allowed to admit 2-4 international students per year. If these limits on admitting international students were lifted then more active recruiting would be warranted. If we are only allowed 2-4 international students, then we have more than enough qualified international student applicants.

e) Expediting the processing of applications. The process for admitting students depends on the processes and resources of the MABE admissions committee, the Faculty of Graduate and Postdoctoral Studies (FGPS) and the Co-op office. Although the prospect of a co-op offer makes our program attractive it does cause delays not experienced by competitor programs that do not offer co-op. In particular, students who would like to be considered for co-op must be interviewed by the co-op office prior to being issued an offer. The MABE Director, Admin Assistant to the MABE Director and the Graduate Program Committee (which makes admission decisions) have tried to minimise delays needed to accommodate the co-op process by using an efficient system involving shared folders, detailed applicant summaries provided by the Admin Assistant and a comprehensive ranking system. In the 2014-5 year this system worked well as 17 students accepted our offers. This success was achieved despite having considerable turnover in the Admin Assistant position.

f) Over offering. The extent to which over-offering is permitted is determined by FGPS. Reticence to over-offer can be partially justified by the fact that acceptance rates can vary widely from year to year. Nevertheless the MABE Director will continue to encourage FGPS to be less conservative in making offers.

g) Funding for top students. The Dean’s Scholarship and the Weir Scholarship will assist in being able to offer more scholarship to top students. In addition the scholarship money provided by FGPS amounts to $3,000 per student on average but the amounts have varied between $0 and $6,000 for individual students. We understand the programs that compete with us for students have a similar policy.

Recommendation #8: Further mentoring in external scholarship application for the best students.

Response: We send out e-mails to our students letting them know where they can find information for external funding. Admittedly more can be done to encourage our best students to apply for external funding.

Recommendation #9: Ensure Econ 381 is broadly appropriate preparation for Econ 481 in terms of research development, methods, and writing.

Response: EC381 was taught for many years as essentially a writing course. Since the retirement of the faculty member who used to teach the course, and the increase in the enrolment limit in EC381 from 30 to 75, the course has become more of a research methods course with a writing component. It continues to prepare students for EC481 but the emphasis on writing has been reduced. Another development is the increase in the number of third year electives that have writing and data analysis requirements. These assignments also serve to prepare students for EC481.
**Recommendation #10:** Teach 4th year econometrics within the Department to ensure better flow from 3rd-year course and closer relevance and application to economics problems.

**Response:** The 4th year econometrics course (EC455) is cross-listed with a fourth year math course (MA492) and has recently been taught by a Math Department faculty member who does not emphasize (understandably) the applications to economics. As a result, it would benefit our students if this course could be taught by an Economics faculty member. There are two obstacles. First, there are only two full-time Economics faculty members who have expertise in time series econometrics. Secondly, there are many more pressing needs in the undergraduate and MABE programs (e.g. we need 7 more sections of required undergraduate courses and we need more third year and MABE/4th year electives).

Notwithstanding the above constraints it is currently the plan to have an Economics faculty member teach EC455 at some point in the future.

**Recommendation #11:** If financial and space resources permit, consider testing the use of tutorials for key introductory courses for their effect on attrition and skills development.

**Response:** If we ever find the resources for first year tutorials (see response to Recommendation #2) then the Undergraduate Director and/or the New Staff Advisor could be charged with providing econometric evidence of the impact of tutorials on various aspects of academic performance.

**Recommendation #12:** More tutorials should be offered for first-year Economics students (currently Supplemental Instruction offers two tutorials a week in Economics, more than a dozen in Business), and the instructors should have input about what material is covered and how it is taught (at the moment they don’t, and the Supplemental Instruction tutors are sometimes unaware of changes in what topics are covered).

**Response:** Supplemental Instruction (SI) tutors are aware of what is being taught by virtue of attending classes and having access to all course material via their access to the MyLS sites for EC120 and EC140. Learning Services selects the SI tutors and provides them with some basic training. SI tutors would benefit from additional course-related training from course instructors. As a result, course co-ordinators (or their designates) will from hereon in be encouraged to meet with SI tutors on a regular basis to provide feedback on what material to teach and how to teach it.
## PART TWO: IMPLEMENTATION PLAN

<table>
<thead>
<tr>
<th>Recommendation to be implemented</th>
<th>Responsibility for implementation</th>
<th>Anticipated Completion/Start Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Maintain 4-5% gap between the BBA entry average and the Economics entry average.</td>
<td>SBE Dean</td>
<td>November 2015</td>
</tr>
<tr>
<td>2. Adopt BBA method for calculating Economics entry average (i.e. average includes 1 English, 2 Math and 3 next best courses).</td>
<td>U/G Economics Programs Director</td>
<td>June 2015</td>
</tr>
<tr>
<td>3. Economics Department, PRISM and the Economics Club provide STATA tutorials for all U/G EC courses requiring STATA.</td>
<td>U/G Economics Programs Director</td>
<td>September 2015</td>
</tr>
<tr>
<td>4. Provide instructional assistants for all sections of EC270 &amp; EC290.</td>
<td>U/G Economics Programs Director</td>
<td>September 2015</td>
</tr>
<tr>
<td>5. Use Writing Centre to help improve writing skills in EC481.</td>
<td>EC481 Instructors</td>
<td>September 2015</td>
</tr>
<tr>
<td>6. Have EC455 taught by an Economics Professor</td>
<td>Chair of Economics</td>
<td>Fall 2015</td>
</tr>
<tr>
<td>7. Encourage undergraduate students interested in graduate school to apply for OCGS and/or SSHRCC by: (i) including application information in the letter sent to high achieving 4th year students; (ii) posting application information on the MyLS site available for all Economics Students; and (iii) mentoring. Clarify: “modest changes in Graduate Studies procedure could expedite the processing of grad applicant files and permit the Department to respond in a more timely fashion to both domestic and especially international applicants.”</td>
<td>Chair of Economics (letters)</td>
<td>Fall 2015</td>
</tr>
<tr>
<td></td>
<td>U/G Economics Programs Director (posting, mentoring)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Graduate coordinator &amp; FGPS dean</td>
<td>Winter 2015</td>
</tr>
<tr>
<td></td>
<td>Graduate coordinator &amp; FGPS dean</td>
<td></td>
</tr>
<tr>
<td>8. Cross list 4th year electives and MABE electives</td>
<td>U/G Economics Programs Director Graduate coordinator in consultation with FGPS Dean</td>
<td>Winter 2014: Labour Economics Winter 2015: Trade</td>
</tr>
<tr>
<td>9. Hire a staff person to advise U/G Economics students</td>
<td>FGPS Dean</td>
<td>Fall 2015</td>
</tr>
<tr>
<td>10. Maintain the $5,000 Deans’ MABE Scholarship and pursue avenues for int’l MABE student funding (e.g. self-funding).</td>
<td>SBE Dean (scholarship)</td>
<td>Ongoing</td>
</tr>
<tr>
<td></td>
<td>MABE Director (int’l student funding)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Consult with FGPS Dean</td>
<td></td>
</tr>
</tbody>
</table>