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## MEMORANDUM

ATTENTION: Senate

TEL

FROM: Peter Keller, Vice-President, Academic and Provost, and Chair, SCUP

A blue ink signature of Peter Keller.

RE: External Review of the Department of Economics (SCUP 18-38)

DATE: November 13, 2018

TIME

At its October 24, 2018 meeting, SCUP reviewed and approved the Action Plan for the Department of Economics that resulted from its External Review.

The Educational Goals Assessment Plan was reviewed and is attached for the information of Senate.

**Motion:**

That Senate approve the Action Plan for the Department of Economics that resulted from its External Review.

c: B. Krauth  
J. Pulkingham



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**MEMORANDUM**

**ATTENTION** Peter Keller, Chair, SCUP  
**FROM** Wade Parkhouse, Vice-Provost and  
Associate Vice-President, Academic  
**RE:** Faculty of Arts and Social Sciences: External Review of the Department of Economics

**DATE** August 16, 2018

**PAGES** 1/1

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Attached are the External Review Report and the Action Plan for the Department of Economics. The Educational Goals Assessment Plan is included, for information only, with the Action Plan.

Excerpt from the External Review Report:

*'The Department of Economics' undergraduate program provides students with a thoughtful and well-developed curriculum that offers a full spectrum of core courses in economics ... The undergraduate honors program in economics is small ... but of high quality ... and has had very good success in training students for graduate school, placing some in top schools in the U.S. ... the graduate program is now smaller and at an appropriate and stable size, for both its MA and PhD programs ... The Department of Economics has built a very strong reputation, by various measures between 3<sup>rd</sup> and 5<sup>th</sup> best, among economics departments in Canada.'*

Following the site visit, the Report of the External Review Committee\* for the Department of Economics was submitted in May 2018. The Reviewers made a number of recommendations based on the Terms of Reference that were provided to them. Subsequently, a meeting was held with the Dean of the Faculty of Arts and Social Sciences, the Chair of the Department of Economics and the Director of Academic Planning and Quality Assurance (VPA) to consider the recommendations. An Action Plan was prepared taking into consideration the discussion at the meeting and the External Review Report. The Action Plan has been endorsed by the Department and the Dean.

**Motion:**

**That SCUP approve and recommend to Senate the Action Plan for the Department of Economics that resulted from its external review.**

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**\*External Review Team:**

Katherine Cuff, McMaster University (Chair of External Review Committee)  
Robert Feenstra, University of California, Davis  
Philip J. Reny, University of Chicago  
Maite Taboada (internal), Simon Fraser University

**Attachments:**

1. External Review Report (May 2018)
2. Department of Economics Action Plan
3. Department of Economics Educational Goals Assessment Plan

cc Jane Pulkingham, Dean, Faculty of Arts and Social Sciences  
Brian Krauth, Chair, Department of Economics

## **External Review of the Department of Economics, Simon Fraser University**

**Katherine Cuff, McMaster University**

**Robert Feenstra, University of California, Davis**

**Philip J. Reny, University of Chicago**

**May 11, 2018**

### **1. Introduction**

This report is based on our review of the Department of Economics' detailed self-study report, the Faculty of Arts and Social Sciences (FASS) five-year academic plan, and Simon Fraser University's Strategic Vision, Strategic Research Plan, and Institutional Accountability Plan and Report. The report reflects our understanding of the administration and operation of the department and its programs within the larger university context based on our various meetings with university administrators, faculty, staff, undergraduate and graduate students over the course of our campus visit from April 4 - 6, 2018, and from extensive discussions with the internal review committee member, Maite Taboada, and amongst ourselves. We thank Bal Basi from the Office of the Vice President, Academic for her excellent organization of our campus visit, the Department Chair, Brian Krauth, the Associate Department Chair, David Jacks, and the various faculty, staff and students for their time and insights.

Following our terms of reference, we discuss the undergraduate program, the graduate program, and the overall administration and operation of the department and its faculty, and make several recommendations regarding future steps for the department with respect to each. We then conclude with a summary of our key recommendations.

### **2. Undergraduate Program**

The Department of Economics' undergraduate program provides students with a thoughtful and well-developed curriculum that offers a full spectrum of core courses in economics. In 2016/17, the Department served 1,154.2 activity full-time equivalent (AFTE) students, which represents 15% of the total for FASS and 5% of the total for the university. Included in this total AFTE count are roughly 850 students who are pursuing a major in Economics and 250 who are pursuing a minor in Economics.

Since the previous external review, and as per one of the recommendations in that review, the Department has successfully reduced the number of AFTE's that it serves. This reduction was achieved by offering more courses more frequently to eliminate bottlenecks created by students staying on an extra year or two to fulfill degree requirements, and by increasing the cumulative grade point average (CPGA) required to enter the major. Both the Department and the

Administration agree that, with this successful reduction, it is now time to stabilize the number of AFTE's served by the Department. This can be achieved by easing the requirements for declaring a minor, by reducing the CPGA requirement for entry into the major, or by adding courses that have proven to be popular elsewhere to attract students into either a minor or major in Economics that are not currently offered by the Department. For example, courses on "The Economics of Sports" or "Big Data" have been very successful at major universities in the U.S. without sacrificing rigorous economic content. We will have more to say about some of these options in the context of other issues.

The Department's 2016/17 AFTE per faculty member ratio is 31.2, which is 25% higher than that for FASS overall and 30% higher than that for the University overall, and is slightly above the 30:1 ratio that is consistent with the Department's continuing faculty (CFL) target that was set in the 2011 action plan (Econ Self-Study p. 20). From the perspective of providing both faculty and students with a suitable teaching and learning environment, we recommend the continued use of the AFTE/CFL ratio target of 30:1 as a guideline for whether the number of AFTE's served by the Department is appropriate.

***Recommendation:*** Stabilize the number of activity full-time equivalent students served by the department, aiming for an AFTE/CFL ratio of 30:1.

The undergraduate honors program in economics is small, 10-20 students, but of high quality. We did not find any significant problems here. Indeed, the program seems to be functioning very well and has had very good success in training students for graduate school, placing some in top schools in the U.S. The program's quality and success is a good argument for maintaining the program as it currently stands.

A major area of concern, indeed perhaps *the* major area of concern, expressed by students, faculty, and administrators at all levels, is the lack of proficiency in English language communication skills, both written and spoken, exhibited by the large fraction of international students served by the Department. Within the major program, this lack of English proficiency has had a profound effect on the ability of faculty to engage students in the required seminar courses through discussions and presentations. In turn, the lack of serious in-class discussions and the inability of many students to present their work in English at an appropriate level, has served to shift the entire student composition of the program. Students whose first language is English are now less attracted to the economics major, choosing instead to major in other areas.

An important constraint within which the department operates is that it must give course credits to transfer students (roughly 70% of the Department's majors) for courses taken at a selection of local colleges. As a result, the Department has less control over the content of many of the courses their students take, and in particular over the amount of English that is required of these students for a significant portion of their studies. Within this selection of colleges, there is one, Fraser International College (FIC), that supplies a large fraction of the Department's majors. Of the 70% of majors who are transfer students, roughly 65% come from FIC.

The large number of international students who transfer into the economics major from FIC provide a significant source of revenue for both the University and for the Department, and measures are in place to ensure a good match between these transferring students and the programs into which they are admitted. For example, the Department of Economics must sign off on the hiring of those who teach FIC courses that can satisfy some of the requirements for their major. Nevertheless, many of these transfer students lack proficiency in both spoken and written English and this presents a major challenge.

In response to this challenge, the Department has begun working with SFU's Center for English Language Learning, Teaching, and Research (CELLTR). One of its members, Joel Heng Hartse, was commissioned to provide a report on the kind of program that would enhance economics students' English proficiency, both written and oral, including presentation skills. The Hartse report makes several specific recommendations, many of which we endorse. (We do not endorse the recommendation to provide tutorial classes in Mandarin, and we find that the basis for this recommendation in the report is weak.) The recommendations we support include creating new courses with a focus on writing and presenting, reducing the class sizes of some "W" courses already offered, as well as providing new training for TA's in techniques for teaching, evaluating and communicating with students whose first language is not English. These initiatives are important and should be carried out in conjunction with CELLTR.

***Recommendation:*** *Implement the recommendations of the Hartse report to support the development of English language communication and writing skills of students with the exception of providing bilingual tutorials.*

Clearly, significant resources will be required to staff additional courses, train TA's, and assess the effectiveness of the Department's program to improve its international students' English language proficiency. Since both the Department and the University benefit financially from the presence of FIC students, it would be natural for the financial costs of this program to be divided between the Department and the University in proportion to their financial benefits from it.

Our meeting with undergraduates was lively and informative. They spoke eloquently of their experiences with courses in economics and raised several concerns. These included a perceived large jump in the level of difficulty between first-year courses and the gatekeeper course Econ 201. These students would like to have been better prepared for this important second year course. These students also expressed deep gratitude and thanks to the Department's staff of advisors, for the assistance provided in preparing them for the job market. Nevertheless, these students, especially the majors, would like more help from the Department. Specifically, they would like to be better connected to alumni who are eager to hire SFU graduates. At least one of these students is keeping an alumni database of his own, given the perceived lack of support in this area. Additional support in this area would be welcomed by the majors.

But perhaps the most important concern raised by the undergraduates is the evidently low GPA of the average economics major. While we recognize the problematic aspects of grade inflation, the Department needs to know that some students are discouraged from seeking an economics major

for fear that their GPA will not be high enough to even be considered for a job in the career of their choice. For example, it was suggested that jobs in finance require a minimum GPA of 3.5, which is much higher than the perceived average GPA of an Economics major. Even if this is not entirely accurate, the point is clear. If the GPA of a typical economics major is systematically lower than the GPA's that students require or the GPA's of other majors within SFU, then Economics will lose good students to other departments. Thus, this issue interacts with the Department's desire to stabilize its number of majors. A low average GPA for majors also disadvantages them should they choose to go on to graduate school since they would be unlikely to secure a fellowship. We recommend that the Department better align its grading policies with those of other departments within the university and with economics departments at competing institutions both in Canada and in the U.S. This is perhaps one of the easiest ways to help stabilize the number of Economics majors and to make them more competitive with graduates of economics programs from competing institutions after they graduate.

***Recommendation:*** *Bring the average GPA in economics in line with those of other departments at SFU and in line with Economics departments at competing institutions.*

Finally, we would like to suggest, though not so strongly as to recommend, that the Department consider expanding the number of paths to the major. Specifically, that the Department consider an additional path to the major that requires less mathematics than would be required to get through the gatekeeper course Econ 201, and that might more directly prepare students for careers in the private or public sectors. These courses could be more heavily writing-based to attract students who have superior writing skills and perhaps less than superior skills in mathematics. Such a path could lead to more students whose first language is English who might not otherwise pursue a major in Economics. This could then serve two purposes by adding more English-as-a-first-language majors and by helping to stabilize the total number of majors. Of course, adding another path to the major requires additional courses and therefore additional staffing. This could not be done without the support of the administration.

### **3. Graduate Program**

Mirroring the reduction in the size of the undergraduate program and the associated reduced demand for TAs since the last review, the graduate program is now smaller and at an appropriate, and stable size, for both its MA and PhD programs. A high proportion of graduate students are on student visas (79% in the MA and 67% in the PhD) which is likely driven by two factors. First, equivalent fees for international and domestic graduate students and second, recruitment of MA students from a predominately international SFU undergraduate population and subsequent recruitment of MA students into the PhD program. Unlike the undergraduate program, the high proportion of international to domestic students within the graduate program does not appear to be causing any issues.

Students are currently completing their graduate degrees within a reasonable time-frame and completion rates for the MA and PhD are in line with comparable institutions. The introduction of the written component in the MA program since the last review has been quite successful.

Students are, however, no longer exercising two program options within the MA program that involve an oral defense and, therefore, the department could further streamline its MA program by removing these two options. The coop option within the MA program is an attractive feature for students, both for training and networking purposes, and is well-supported by the university.

One element of building a reputation for a high-quality graduate program is investment in placement. Many jobs for economists are posted in the fall, at the same time new MAs are both taking graduate classes and serving as teaching assistants for the first time. Moving the MA math course to earlier in August to allow time to help prepare MA students for employment (e.g., how to write a cover letter, putting together a CV, getting professional headshots, etc.) before classes start could potentially help with graduate placement as well as coop applications which are also due in early Fall. The Department's recent investments in developing its alumni network is laudable and further effort in maintaining a database of MA alumni, including initial placements (which can also be used for recruitment purposes) and current contact information are encouraged.

The Department continues to increase the quality of its doctoral students to better match the high research quality of its faculty, as can be seen in the better placements of its most recent PhD graduates. Competition for high quality doctoral students will, however, only intensify over the coming years given common trends facing all Canadian economic departments, and more so for SFU given that some Ontario universities (e.g., University of Toronto and McMaster) are eliminating tuition differentials between international and domestic PhD students. A recent innovation in the department is the use of its annual Fraser International College (FIC) payments to guarantee a level of fellowship to a couple of incoming PhD students for four years. Such multi-year minimum funding commitments are standard for most of the Department's Canadian competitors. These institutions are also increasingly matching funding offers from one another. To remain competitive and to attract better students, the department needs to enhance its PhD funding offers. This could be done by using a portion of the FIC income the Department has accumulated to guarantee funding for four years for high quality doctoral students possibly subject to program performance, and to match PhD offers from competing universities. This guaranteed funding could be a backstop and replaced by any internal or external fellowships subsequently awarded to the graduate student. Such wording could be incorporated into the admission offer letters, in consultation with the Office of the Dean of Graduate Studies and Postdoctoral Fellows.

***Recommendation:*** *Provide minimum four-year funding commitments to incoming PhD students.*

One source of graduate funding is the graduate fellowships that are provided by the University to the Department. The total amount can vary to some extent year to year, but only by a certain percentage, which provides some degree of certainty although a higher level of funding would always be better. More concerning is that graduate students do not appear to be applying for other competitive funding either internally within the university or externally. Two reasons could explain this. First, visa students are not eligible to apply for Canada Graduate

Scholarships (CGS) at the Masters or Doctoral level, and as noted a large fraction of graduate students in the department are on student visas. Second, those who are eligible to apply might not have a high enough grade point average to qualify for the award. We learned that the provincial government will soon be introducing a competitive graduate scholarship program, which is expected to provide considerable financial support and potentially will be made available to international graduate students. The Department should be prepared to take full advantage of this new funding opportunity for its students, and actively encourage students to apply to this program. Whether slight revisions to the current Department grading guidelines for the graduate program could result in greater use of the top-end of the grading scale or introducing a program requirement that all students must apply for such awards or providing greater support for graduate award applications within the programs are all things the Department should consider.

In our discussions with students, some PhD students expressed concern over the time demands of their teaching assistantships given the other program demands, especially in their first-year. Within the permitted amount of TA hours, there is a range of actual TA hours worked. In allocating the teaching assistantships, the Department asks students which course they would like to TA. There is, however, also variation in actual TA hours across different instructors. By taking the course instructor into account in its allocation process, the Department could potentially ensure less demanding teaching assistantships are allocated to first-year PhD students. Providing either additional fellowships (using FIC income) or increasing the number of research assistantships could also reduce the need for students to take on time-demanding teaching assistantship. Research assistantships offer both financial support to graduate student and important training opportunities. The number of graduate students supported by research assistantships in the Department appears low ('at least four' was noted in the self-study which with a stock of 60 graduate students is about 8%) given the high number of faculty whose research is supported by tri-council funding.

***Recommendation:*** *Ensure external research funds that are available to support graduate students are being fully utilized.*

Both faculty and students expressed frustration with the lack of teaching opportunities for graduate students and cited issues with the Teaching Support Staff Union (TTSU). The collective agreement between SFU and TTSU clearly acknowledges the value of such teaching experience to students and as stated in Article XIV, Item E3, gives departments the right to hold in reserve up to a quarter of sessional instructor appointments for qualified graduate students. The Department should pursue this right and incorporate such reserved positions in future departmental teaching plans (with the caveat that students only teach one course over their degree program).

***Recommendation:*** *Ensure the availability of teaching opportunities for its doctoral students by exercising the right to hold in reserve sessional instructor appointments for its graduate students in its departmental teaching plan.*

The doctoral students we spoke with also mentioned specifically the need for the Department to ensure that students are completing their second-year papers in a timely fashion and that students have supervisors by the end of their third year of study. The upcoming implementation of annual progress reports by the Office of the Dean of Graduate Studies and Postdoctoral Fellows will be a useful tool for ensuring these program milestones are being met. A challenge of a relatively small PhD program is that not all courses can be offered every year given the minimum requirement of five students to run a graduate class. Field courses typically serve as the main vehicle by which PhD students get to know faculty and connect with potential supervisors. With such a modest number of field class offerings, it is extremely important to have reading classes available to graduate students, especially in the second year when students are trying to find supervisors.

Graduate students also expressed a desire for greater student-faculty interaction. Such interaction could be encouraged by setting up a regular graduate student meeting time with visiting speakers, providing lunches during the brown bags, setting-up a regular coffee hour for graduate students and faculty, and providing travel support (potentially in a competitive process using FIC income) for students to attend outside conferences and workshops upon the recommendation of a faculty member.

A re-thinking of the PhD field requirements in the program is needed. The value added of the comprehensive exam field requirement in which an exam is set based on two potentially weakly related courses is negligible, and potentially, negative if it is keeping students from starting or working on their dissertation research. Students have until the end of their third year to write this exam. Simply requiring students to take some number of field courses with a minimum grade in each or a minimum average over a set of courses as is currently required for the second field requirement would achieve the same objective. Given the department now has a full complement of graduate econometrics courses, the Department could also consider replacing this heterogeneous field comprehensive exam requirement with a quantitative comprehensive exam requirement for all PhD students and keep the number of required comprehensive exams to three. Going below this number is also an option and would be in line with many other economic departments.

***Recommendation: Eliminate the comprehensive field exam requirement.***

Some concerns were also expressed about the microeconomics and macroeconomics comprehensive exams. In both cases, the material from the relevant MA courses are covered on the comprehensive exams despite the courses not being required for the PhD students. This potentially gives students with an MA from SFU an advantage over those with MAs from elsewhere given MA courses in micro and macro are not completely standardized across institutions. Changing this requirement would involve a curriculum re-design of the current PhD micro and macro course sequences, and is something the Department might consider.

#### 4. The Department and its Faculty

The Department of Economics is a very well run unit. Recent staffing changes have allowed for the streamlining of some duties and the addition of personnel in other duties, such as grant applications and management. Significant staff time is devoted to the undergraduate and graduate students, as is appropriate. The only area where we heard some dissatisfaction from the faculty was in the staff time available to process travel reimbursements.

The administration provided by faculty members, i.e. by the department chair, associate chair, graduate chair and undergraduate chair, is also very effective. These individuals receive reductions in courses to compensate for their service activity that are both needed and at the appropriate level. Course releases in the department are used also for new (junior) faculty and for those who are successful in obtaining external funding such as Social Sciences and Humanities Research Council of Canada (SHRCC) grants. The external review committee likewise finds that these releases are well justified and at the appropriate level.

A question was raised as to whether course releases should be used to compensate for *other* teaching and service activities in the department, such as: graduate supervision; providing graduate reading courses; committee assignments such as tenure and promotion; etc. There are examples in North America of departments that use “credit” systems to compensate for such activities. The external review committee is cautious about such systems, and if one were proposed, it should be very simple and focus only on major activities. We are aware of examples at other universities where the university itself provides rewards of various types for e.g. a large service activity, and that can be a preferred method to compensate such activities.

Setting aside the issue of compensation, there is another respect in which the duties undertaken by those faculty members with major administrative roles (i.e. the chair, associate chair, graduate and undergraduate chairs) is almost too great: their contributions along with those of associated committees, including the hiring committee, may superficially relieve the rest of the department members from engaging their full voice in department decisions. We understand that the department has one (required) meeting per year, and this situation appears to be the case in other Canadian departments, too. Because that meeting includes presentations from members of the administration, it precludes any serious discussion of the graduate and undergraduate curriculum and hiring. It is essential that all these areas receive the full attention of the department through meetings or a retreat (such as the department recently held).

Hiring is especially important to discuss in the whole department as recent hires have moved away from positions that cut across all fields to positions that target one or two fields. It is essential that the decisions of which fields to focus on (or whether to make an open search) is determined by a full discussion of the entire department, with decisions that can be respected in the future even as they may need to be modified in the light of new separations. (We are aware that the hiring decisions now are ratified by a department vote, but that action comes too late to be supported by the necessary discussion of the entire department.)

***Recommendation:*** *The department should hold a meeting of the entire faculty to establish the priorities for hiring, and to ensure full department participation in decisions of the graduate and undergraduate programs.*

This discussion of hiring leads to the very important issue of *the number of future* faculty positions available to the department. All faculty members felt that there is uncertainty about the goal for the size of the department, and the external review committee finds that this uncertainty has negative consequences in planning decisions. We understand that around the time of the 2011 external review there was a goal of 40 faculty members and 1,200 AFTE, and that actions were undertaken to bring down the student numbers to that level. Presently, the AFTE number may be closer to 1,050. The self-study of the department mentions the goal of 37 faculty and 1,100 AFTE, which maintains the earlier ratio of 30 AFTE per faculty member. The external review committee endorses these numbers, and it urges the administration to establish such a goal to remove the uncertainty in the department that inhibits planning.

***Recommendation:*** *The department and the administration should agree on a run goal for the size of the faculty and the students being served, with 37 and 1,100 being recommended numbers.*

***Recommendation:*** *The administration should provide new positions for hiring on a timely basis so that the department can maintain a faculty size as close as possible to this goal.*

The issue of a timely provision of new faculty positions for hiring is important for the Department of Economics, because the discipline of economics tends to see high mobility of faculty across schools. That is especially true at SFU because of constraints on faculty salaries, the high cost of living, and the fact that the department has been successful in attracting good candidates who can then be “poached” by other schools. This high degree of mobility especially at SFU is a *positive* feature of the department, even though it comes at the cost of nearly continuous hiring. Indeed, the department will need to be hiring in nearly all years so to not fall behind.

There are several qualifications to the above recommendations that should be recognized:

- When faculty members go on leave to another school, sometimes as a prelude to resigning, those positions cannot be returned to the department until the faculty members are formally separated from the university.
- The university is now implementing a three-year hiring cycle. It is hoped that this cycle will benefit the Department of Economics as it seeks to maintain its faculty size.
- The possibility of adding a lower-division class dealing with writing in economics, building on the recent pilot project, is referred to above. If this course requires the additional of faculty member(s), that should be *in addition* to the goal of 37 faculty and 1,100 AFTE.

A final issue of hiring concerns research chairs. The Department of Economics has built a very strong reputation, by various measures between 3<sup>rd</sup> and 5<sup>th</sup> best among economics departments in

Canada. To maintain this high standing, it is important to add research chairs to the Department. The additional of chairs will also be a factor in helping to retain faculty with outside offers, and in adding to the diversity of the Department.

***Recommendation:*** *The Department and University should work together to add two research chairs, such as a Tier 1 and Tier 2 Canada Research Chair to the Department.*

The University will need to be an advocate for the Department in recommending their nominated candidates to the Canada Research Council. The Department can make these chairs more attractive by using a portion of its FIC balance to contribute towards research funding for the chairs.

More generally, we believe that it would be useful for the department to articulate a plan to use the balance of FIC funds, which could include:

- Graduate fellowships, including matching competitive offers
- Research funds and salary top-off for Canada Research Chairs
- Continuing with pilot program for lower-division writing for Economics class, with an understanding for future funding from the Dean

In addition to the above uses of the existing balance of FIC funds, the ongoing inflow of funds can be utilized in much the same way as presently, such as:

- Continue with course buyouts for new faculty and those receiving SSHRC funding
- Graduate fellowships, including travel and thesis completion grants
- Funding expenses at the Allied Social Science Associations meeting for recruiting

We do not agree with the use of FIC funds for salary supplements for new faculty hires.

## **5. Conclusion and Key Recommendations**

We conclude by repeating our key recommendations:

1. We recommend that the Department and the University agree on a run goal for the size of the continuing faculty and the undergraduate students (AFTE) being served, with 37 and 1,100 being our recommended numbers.
2. To maintain this goal, the University should provide new positions for hiring on a timely basis so the Department can maintain a faculty size as close as possible to 37, and that the Department should work to stabilize the number of activity full-time equivalent students at 1,100.
3. We recommend that the Department and University work together to add two research chairs, such as a Tier 1 and Tier 2 Canada Research Chair, to the Department.
4. We recommend a meeting of the entire Department faculty be held to establish the priorities for hiring, and to ensure full department participation in decisions of the graduate and undergraduate programs.

5. We recommend the implementation of the recommendations of the Hartse report to support the development of English language communication and writing skills of economic undergraduate students with the exception of bilingual tutorials.
6. We recommend the average GPA in the undergraduate program be brought in line with those of other departments at SFU and in line with economics departments at competing institutions.
7. We recommend that PhD students be provided with minimum four-year funding commitments which could be made subject to program performance.
8. We recommend that the Department ensure external research funds that are available to support graduate students are being fully utilized.
9. We recommend that the Department reserve sessional instructor appointments for its graduate students in its departmental teaching plan.
10. We recommend that the comprehensive field exam requirement in the PhD program be removed.

## EXTERNAL REVIEW – ACTION PLAN

### **Section 1 – To be completed by the Responsible Unit Person e.g. Chair or Director**

| Unit under review                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Date of Review Site visit | Responsible Unit person | Faculty Dean    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------|-----------------|
| Economics                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | April 4-6, 2018           | Brian Krauth (Chair)    | Jane Pulkingham |
| <b>Notes</b> <ol style="list-style-type: none"> <li>1. It is <b><i>not</i></b> expected that every recommendation made by the External Review Committee be covered by this Action Plan. The major thrusts of the Report should be identified and some consolidation of the recommendations may be possible while other recommendations of lesser importance may be excluded.</li> <li>2. Attach the required plan to assess the success of the <b>Educational Goals</b> as a separate document (Senate 2013).</li> <li>3. Should any additional response be warranted, it should be attached as a separate document.</li> </ol> |                           |                         |                 |
| <b>1. PROGRAMMING</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                           |                         |                 |
| <b>1.1. Action/s (description what is going to be done):</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                           |                         |                 |
| <b>1.1.1. Undergraduate:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                           |                         |                 |
| <b>1.1.1.1. Improved grading guidelines:</b> The department will consider and vote on a proposal for formal and transparent undergraduate grading guidelines that enhance comparability with other departments at SFU and other Canadian economics departments.                                                                                                                                                                                                                                                                                                                                                                 |                           |                         |                 |
| <b>1.1.1.2. New communications course:</b> The department will introduce a new second-year course on communications for economics. It will have the following distinctive characteristics: (a) small classes (around 40); (b) not eligible for college transfer credits; (c) required for all majors (with possible exceptions for joint majors and those who pass a qualifying exam); (d) taught by a mix of research faculty, teaching faculty, and sessional/term faculty; (e) supported by markers who receive training from CELLTR; (f) intended as a developmental course rather than a “gatekeeper” course.              |                           |                         |                 |
| <b>1.1.1.3. Additional curriculum revisions aimed at skills development:</b> The department will revise its upper-division curriculum to greater reinforce communications skills, e.g., converting many 4 <sup>th</sup> -year seminar courses to W courses, and adding a small writing component to most 3 <sup>rd</sup> -year courses as well. The department will also enhance its offerings of upper-division electives that develop data analysis skills.                                                                                                                                                                   |                           |                         |                 |
| <b>1.1.2. Graduate:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                           |                         |                 |
| <b>1.1.2.1. Enhanced PhD support:</b> The department will continue to use its FIC funds to offer financial support for PhD students, and will use its current balance of those funds to expand its support, subject to considerations of sustainability.                                                                                                                                                                                                                                                                                                                                                                        |                           |                         |                 |
| <b>1.1.2.2. Increased tracking of Research Assistantships:</b> The department will more systematically track use of SSHRC funds by faculty to employ Research Assistants, so that this information can be more easily used in salary reviews, and to increase the incentives for faculty to hire graduate RAs. <i>Note: due to a misstatement in our self-study, the external review report is</i>                                                                                                                                                                                                                              |                           |                         |                 |

*in error about the number of Research Assistants within the department: in the 2017-18 fiscal year the department's faculty employed graduate RAs for the equivalent of 9.5 one-semester TA positions (about \$65k), and undergraduate RAs as the equivalent of 7.9 TA positions (about \$41k).*

1.1.2.3. **Increased PhD teaching:** The Department will reserve sessional instructor appointments for its graduate students in its departmental teaching plan to the maximum extent allowed by the TSSU contract.

1.1.2.4. **PhD curriculum revisions:** The GPC will consider proposals to revise the structure of the PhD microeconomics sequence and its comprehensive exam, and to eliminate the comprehensive field exam requirement.

**1.2. Resource implications (if any):**

1.2.1. **New communications course:** this course will require an increment of 2 full-time teaching faculty (in addition to the target of 37 CFL discussed below). These teaching faculty will not be exclusively dedicated to the communications course, though they would be expected to participate in its teaching. These teaching faculty appointments will be initially hired as term faculty with long (3 to 5 year) terms. Funding for these teaching faculty will be provided jointly by the Dean's office (via its TI budget) and by the department (via FIC funds).

1.2.2. **Enhanced PhD support:** will require use of FIC funds.

1.2.3. All changes to the undergraduate curriculum will have enrollment implications in both AFTE and compositional terms. We anticipate that bringing the department's grading practices closer to university averages will tend to increase enrollments, both by making economics courses more attractive to non-majors, and by making it easier to reach the entry CGPA for our major and minor programs. We anticipate that adding a communications requirement to the major will discourage some students with weaker communications skills from pursuing the major, especially if it is initially perceived as a gatekeeper course. However, this effect may be lessened over time if it is perceived as increasing the value of the major. The net effect is not easy to predict, but we can adjust our entry CGPA as needed to maintain stable enrollments.

**1.3. Expected completion date/s:**

1.3.1. **New communications course and associated revisions to the undergraduate curriculum:** by the end of the 2019-2020 academic year, subject to availability of instructional resources.

1.3.2. **All other actions:** by the end of the 2018-19 academic year.

## 2. RESEARCH

**2.1. Action/s (what is going to be done):**

2.1.1. **Research chair:** The Dean of FASS will work with the department to secure a Canada Research Chair within the economics department.

**2.2. Resource implications (if any):**

2.2.1. **Research chair:** Will require significant time and effort by both the department and faculty to identify a suitable candidate and produce a compelling application.

**2.3. Expected completion date/s:**

2.3.1. To be determined.

## 3. ADMINISTRATION

**3.1. Action/s (what is going to be done):**

3.1.1. **Consultation on strategic priorities:** The department will move from its historical pattern of one annual department meeting to two, with the spring meeting designated for consultation on strategic and hiring priorities in advance of the department's FRP and other planning submissions. The increased meeting time will also allow additional consultation on curriculum matters.

**3.2. Resource implications (if any):**

3.2.1. None.

**3.3. Expected completion date/s:**

3.3.1. Ongoing

## 4. WORKING ENVIRONMENT

4.1. **Action/s (what is going to be done):** None

## 5. ENROLLMENT AND CFL COMPLEMENT (OTHER)

**1.1. Action/s:**

1.1.1. **Undergraduate enrollments:** The department commits to stabilizing undergraduate enrollments at 1100 AFTE, and will review and revise its entry CGPA annually as needed to maintain this target.

1.1.2. **CFL complement:** The Dean commits to stabilizing the department's continuing faculty complement to maintain an undergraduate AFTE /CFL ratio of no greater than 30 :1. As the action plan commits the department to maintaining an undergraduate enrollment of 1100 AFTE, this translates to 37 CFL (35 research and 2 teaching).

1.1.3. **Prioritization of replacements:** The Dean recognizes that economics has high turnover due to a robust job market and that it is not unusual for the department to simultaneously have both actual departures (retirements/resignations) and planned departures (planned retirements or positions accepted elsewhere that have not yet resulted in a resignation). While planned departures cannot normally be replaced until the resignation or retirement occurs, the Dean will take these planned departures into account when prioritizing the replacement of retirements and resignations across the faculty.

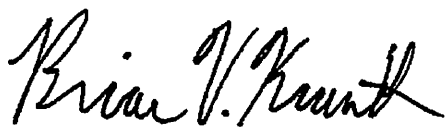
**1.2. Resource implications (if any):**

1.2.1. **CFL complement:** This CFL target does not require any net new resources, but it will require regular hiring to maintain our faculty complement in the context of high turnover rates.

**1.3. Expected completion date/s:**

1.3.1. Ongoing

The above action plan has been considered by the Unit under review and has been discussed and agreed to by the Dean.

|                                                                                                                                                            |                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| <p>Unit Leader (signed)</p>  <p>Name Brian Krauth      Title: Chair</p> | <p>Date</p> <p>July 3, 2018</p> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|

## **Section 2 - Dean's comments and endorsement of the Action Plan:**

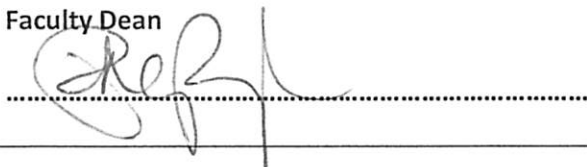
On June 27 2018, I met with Dr. Brian Krauth (Chair), Dr. David Jacks (Associate Chair) and Glynn Nicholls (Office of the VPA) to discuss the external review prepared by Professors Katherine Cuff (McMaster University), Robert Feenstra (University of California, Davis), and Philip J. Reny (University of Chicago).

I have carefully considered the external review and the response from the Department of Economics. The external reviewers have produced a concise and thoughtful assessment, identifying a number of strengths as well opportunities for new initiatives to build on the department's strengths, as well as to address some of the challenges it faces.

As the attached Action Plan outlines, the Department plans to pursue several important recommendations. At the undergraduate level, these include improving grading guidelines and introducing curriculum changes at the lower and upper division levels to better support student's capacity to communicate (communications for economics). The planned introduction of a new developmental course at the 200 level in particular will require significant additional instructional resources and the Office of the Dean and the Department have agreed on a three to five-year strategy to accomplish this curricular initiative. At the graduate level, in addition to revisiting requirements associated with the PhD microeconomics sequence and its comprehensive exam, the Department will focus efforts on better resourcing its PhD students through a variety of means. On matters of governance, the Department will provide additional opportunity for all faculty members to come together to discuss important matters such as faculty renewal priorities and curriculum development.

Going forward, the Dean will work with the Department to secure additional Research Chair appointments such as an externally funded CRC. Recognizing that compared to other units in FASS, the Department of Economics faces higher faculty turnover due to resignation because of the competitive job market for economists, the office of the Dean will support faculty hiring in the unit as identified in 1.1.2 and 1.1.3 while balancing renewal needs for the Faculty as a whole.

Faculty Dean



Date

July 12 2018

## Assessment Plan/Report Card

This form is intended to facilitate documentation of program-level Education Goals assessment for unit self-study, internal, and external reporting.

Units can customize and adapt this form to their unique needs. This means adding columns, removing columns or creating an entirely new form.

Unit/Program: Economics

Date: 6/26/2018

Unit EG Coordinator: TBA

Unit Chair/Director: Brian Krauth

| PROGRAM EGs                       | COMPONENTS/<br>DEFINITIONS OF<br>EGs                                                                                                                                                                                                                                                                                                               | DATA SOURCE                                                                  | DIRECT<br>ASSESSMENT                                 | INDIRECT<br>ASSESSMENT | YEARS/<br>SEMSTERS OF<br>DATA<br>COLLECTION | MAJOR<br>FINDINGS | ACTIONS<br>RESULTED<br>FROM<br>FINDINGS |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------|------------------------|---------------------------------------------|-------------------|-----------------------------------------|
| Knowledge of microeconomic theory | <ul style="list-style-type: none"> <li>- analyze and predict the choices made by households</li> <li>- analyze and predict the choices made by firms.</li> <li>- analyze and predict how these choices interact in a variety of market types using the tools of partial and general equilibrium analysis, as well as basic game theory.</li> </ul> | BA: ECON 201 and ECON 302<br><br>MA: ECON 802<br><br>PhD: Comprehensive exam | BA and MA: Final exam<br><br>PhD: Comprehensive exam |                        | Ongoing                                     |                   |                                         |
| Knowledge of macroeconomics       | <ul style="list-style-type: none"> <li>- correctly interpret key macroeconomic data and understand its construction</li> <li>- discuss the</li> </ul>                                                                                                                                                                                              | BA: ECON 305<br><br>MA: ECON 807<br><br>Ph.D: Comprehensive exam             | BA and MA: Final exam<br><br>PhD: Comprehensive exam |                        | Ongoing                                     |                   |                                         |

|                                  |                                                                                                                                                                                                                                                                                                                                                                       |                                                                                          |            |  |         |  |  |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------|--|---------|--|--|
|                                  | <p>determinants of long run economic growth,</p> <ul style="list-style-type: none"> <li>- discuss mainstream business cycle theories, and use those theories to predict how the economy will respond to events</li> <li>- identify the key issues in fiscal and monetary policy.</li> <li>- analyze macroeconomic issues using the tools of microeconomics</li> </ul> |                                                                                          |            |  |         |  |  |
| Ability to analyze economic data | <ul style="list-style-type: none"> <li>- perform and correctly interpret a regression analysis</li> <li>- perform and correctly interpret standard statistical inference procedures</li> <li>- use statistical software including both ordinary business applications (e.g., spreadsheets) and more advanced statistical packages (e.g., R).</li> </ul>               | <p>BA: BUEC 333</p> <p>MA: ECON 835 and ECON 836</p> <p>Ph.D.: ECON 837 and ECON 838</p> | Final exam |  | Ongoing |  |  |

|                                                                   |                                                                                                                                                                                                                     |                                                                                                                                             |                                                                                                                                                                              |  |         |  |  |
|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------|--|--|
| Apply economic theory and econometrics to multiple applied fields | <ul style="list-style-type: none"> <li>- use core economic ideas to analyze applied problems in these fields.</li> <li>- discuss the key facts, institutions, and policy issues related to these fields.</li> </ul> | BA: Third-year electives<br><br>MA: MA research paper (ECON 899)<br><br>Ph.D.: PhD research seminar (ECON 900)                              | BA: Course performance<br><br>MA and PhD: Completion of paper                                                                                                                |  | Ongoing |  |  |
| Communications skills                                             | <ul style="list-style-type: none"> <li>- write a clear and informative term paper in economics</li> <li>- engage in both oral presentation and group discussion of economic issues.</li> </ul>                      | BA: ECON 201 and 4 <sup>th</sup> -year seminar course<br><br>MA: MA research paper (ECON 899)<br><br>Ph.D.: PhD research seminar (ECON 900) | BA: Post-entry writing assessment given to all students in ECON 201, and follow-up assessment in 4 <sup>th</sup> -year seminar course<br><br>MA and PhD: Completion of paper |  | Ongoing |  |  |
| Critical thinking skills                                          | <ul style="list-style-type: none"> <li>- reach and defend informed judgments on issues in economic research and/or policy</li> </ul>                                                                                | BA: 4 <sup>th</sup> -year seminar course<br><br>MA: MA research paper (ECON 899)<br><br>Ph.D.: PhD research seminar (ECON 900)              | BA: Grade on term paper<br><br>MA and PhD: Completion of paper                                                                                                               |  | Ongoing |  |  |