A. UNIT STRENGTHS AND WEAKNESSES

A.1 Strategic Focus

In 2003, the Department of Risk Management and Insurance (the department or RMI) embarked on an ambitious plan to reinvent itself. Much has been accomplished since that time, and this report documents the activities undertaken to achieve the goals set seven years ago.

However, the more important aspect of this report is to detail what we aspire to accomplish in the future. We have established a vision for ourselves of using the RMI program at Georgia State University along with its network of resources to define a new field of scholarship known as Risk. We understand that this statement is audacious and do not make it lightly. However, in our view, it is an objective that resonates with many academics from different fields; it is also one being sought by industry and policy makers as it promises significant insights into behavior and policy across a wide arc. Moreover, the cost of failure could be high when measured in terms of the welfare of individuals, households, and society. This section summarizes our ideas for aspiring to this envisioned future.

The revised Mission, Vision, and Goals statements for the RMI Department are as follows:

<table>
<thead>
<tr>
<th>Mission</th>
</tr>
</thead>
<tbody>
<tr>
<td>The mission of the Department of Risk Management and Insurance is to advance knowledge and educate students in the academic discipline of risk.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vision</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Department of Risk Management and Insurance will propel risk to be a distinct field of scholarship.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>We will implement our mission and aspire to our vision by:</td>
</tr>
<tr>
<td>Developing the leading program of scholarship that unifies characterization of the financial and nonfinancial domains of risk.</td>
</tr>
<tr>
<td>Preparing students for careers in the variety of professions and industries that seek to improve the welfare of individuals, households, institutions, and societies through the efficient management of risk.</td>
</tr>
<tr>
<td>Increasing the utilization of information on risk management by policy makers and risk professionals.</td>
</tr>
</tbody>
</table>

The department’s mission calls for us to define our roles and to be viewed as leaders of an academic discipline known as risk that seeks to understand how individuals, institutions, and societies make decisions across different domains of uncertainty. Addressing this mission requires us to answer at least three important questions. First, for a scholarly area of inquiry to be unique, it must have intellectual boundaries that are sharp enough for it to be separate and distinct from related and existing disciplines. Thus, we must answer the question of what distinguishes risk management as a separate field of study. Second, assuming that we successfully address the first question, we must then ask if there is enough demand by the community at large to create and benefit from such a unique characterization. Finally, is the group at Georgia State University capable and willing to lead such a task?

Defining the Field

The term “risk” is quite broad and could refer to economic and noneconomic risks. To bring focus to our endeavor, however, we propose to study risk and its management from an economic perspective. As such, our research draws on the finance, economics, insurance and law literatures. Our view of risk is broader than that of risk in the finance literature as it pertains to risk management in that it tends to focus on short-term risks such as those created by financial markets. Ironically, an assumption often maintained in the finance literature is that risk is tradable and therefore can be perfectly hedged in markets. The economics literature studies risk and its management at various levels of aggregation but often abstracts
away from frictions inherent in institutions, markets, and contracts. The insurance literature focuses solely on insurable risks and the various products used to manage them. And finally, the legal literature tends to focus on managing risks primarily through regulation, contracts, or litigation, which may only focus on a narrow range of risks and likely ignores systemic risks and other externalities created by these mitigation strategies. We believe that it is imperative to adopt a more holistic view of risk management by unifying the themes explored by the different strands of the literature.

Rigorous research on risk management from a holistic perspective requires tools from mathematics, statistics, and actuarial science. Importantly, many risks are heavy-tailed so that the use of Gaussian distributions to model them, which is often seen throughout financial and economic theory, is inappropriate. Recent work by statisticians, econometricians, and actuaries on extreme value theory, nonlinear dependency modeling, and related topics form the underlying methodological constructs for this aspect of the field. These statistical tools are being applied now and have been shown to have significant consequences in economic modeling. For example, important debates in the scholarly literature are sometimes attributed to rare-event risk. Beyond the academic debate, the idea that a better understanding of rare events, which occur more often than a normal distribution would suggest, is clearly demonstrated by the recent financial crisis, and the real world needs to determine the adequate provision of capital for financial institutions.

Finally, the fields of finance and economics often simplify the concepts of utility, risk tolerance, and beliefs of the decision maker by focusing on models using representative agents. Risk management necessarily takes a more granular view of the decision maker, focusing on the individual, household, or organization. Institutions matter with risk management: The options available to an individual are not the same as those available to a household, and each differs radically from the options available to an organization. These management options have to be respected in any analysis of risk management. With this more granular view of the decision maker, risk management distinguishes itself as a field by the need to refine and apply the methods used to elicit and characterize the subjective beliefs and risk tolerances of decision makers. Other fields have an interest in these methods, of course, but for risk management they are critical foundations.

**Determining Demand**

Is the field of risk management important enough to warrant special attention? The corporate answer to this question is, at least in some ways, rather obvious. Certainly the markets where risks trade have grown large and now represent a significant percentage of global GDP. Modern commercial risk management can trace its roots back to the 17th century when the first viable market for insurance was created in London at Lloyd’s coffeehouse and is now a global multitrillion dollar industry. Organized futures markets, developed over 200 years ago with the advent of agricultural futures exchanges, have evolved in dramatic ways with contracts that now trade on a plethora of underlying exposures including financial risks, energy prices, weather, natural catastrophe losses, and many others. Over the past 40 years, the modern market for financial risk management products has grown exponentially in size and complexity. As evidence of this explosive demand, we note the two most visible professional associations for financial risk managers (the Global Association of Risk Professionals established in 1996 and the Professional Risk Management International Association established in 2002) now have a combined membership of over 220,000 professionals worldwide even though neither existed 15 years ago.

Less obvious, but equally important, is to ask if the various segments of the profession seek a unified discussion of risk. After all, the insurance industry grew to be the size it is today with actuaries carrying the intellectual burden for much of its existence. Likewise, the financial risk management profession has

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2 For a recent example, see debates related to the equity premium puzzle as discussed in Barro, Robert, 2006, “Rare Disasters and Asset Markets in the Twentieth Century,” Quarterly Journal of Economics 121(3): 832-866
developed by using theories shaped by financial economists with departments of finance in business schools teaching the students who now populate this profession.

As the number of risks that can be more accurately measured and managed has grown, business has sought better ways to make decisions regarding the trade-offs that exist between continuing to face a risk versus trading that risk to someone else through the use of contracts or markets. Making this trade-off decision can be, and has been, done within any one of the traditional silos associated with risk management for many years (e.g., insurance versus credit versus contract risk). However, the importance of risk management comes when one can balance these decisions across silos. Thus, increased value to corporations and increased welfare to individuals and households will come from creating a unified process to measure and manage this disparate set of risks.

Early incarnations of this movement were called holistic risk management or integrated risk management. Recently, the term enterprise risk management has emerged, and the concept has matured enough such that it is now being codified into standards of practice and employed in regulatory contexts. For example, 14 of the world’s largest actuarial societies recently adopted a new international professional designation for those who practice at the intersection of actuarial science and financial risk management (the Chartered Enterprise Risk Analyst credential).\(^4\) Since the late 1980s, bank solvency standards promulgated by the Basel Accord and the new Solvency II capital standards for insurers are risk-based frameworks. In 2009, the International Organization for Standardization published ISO 31000 – Risk Management: Principles and Guidelines, the stated purpose of which is to provide guidance to businesses to manage “any type of risk, whatever its nature, whether having positive or negative consequences.”\(^5\)

The various segments of the risk management profession have made it possible to securitize and trade a great many risks. As already argued, this ability to manage a disparate set of risks has generated significant welfare gains to individuals and companies as they shed risks they dislike and keep risks that provide some value. But, how should these types of decisions be made for society as a whole? For example, a debate currently underway asks who should bear the risk that science will develop a cure for cancer that results in life expectancies increasing dramatically. One resultant risk is that people close to or just entering retirement will not have enough time to save the additional money needed to live a longer expected lifetime. Should that risk be borne by society at large through social insurance systems funded by current workers, allocated to corporations by incenting the development of private pension funds, or should households bear that risk themselves, and, if so, how would this change their other financial and personal risk decisions? Like corporate managers, policy makers are asking societal risk allocation questions. Unfortunately, for the most part, answers are currently unavailable.

Within academia, there is a clear desire for the field to evolve beyond the institutional focus of insurance towards a more rigorous and integrated view of risk management. Consider the following remarks made by Professor James Garven during his presidential address at the 2006 annual meeting of the American Risk and Insurance Association (ARIA):

> While a number of truly outstanding risk management programs are represented within ARIA, I would like to call your attention to Georgia State’s RMI program in particular. By consistently producing high quality risk management research characterized by depth as well as breadth, GSU’s RMI department has successfully managed to make itself the focal point for risk management research and education at the Robinson School of Business. Our colleagues at GSU have staked a legitimate intellectual claim to risk management by earning the respect of their academic peers throughout the business school, especially finance. Apparently their finance colleagues understand that there is more to risk management than just financial risk management, and that there are advantages to having a separate department offer a more


comprehensive risk management perspective. This outcome could not have been possible without their steadfast commitment to high quality scholarship and pedagogy.  

Although not the case now, at one time, the academic field of finance with its own historical focus on institutional detail was viewed similarly by economists. Harvard Professor John Campbell expressed this view when he wrote, “In the early postwar period finance held a rather lowly place among fields of economics” and later “Before the mid-1950s, moreover, these topics [of finance] were the preserve of institutionalists, and economic theory had little impact.” Other prominent economists and financial economists, including Lawrence Summers, Stephen Ross, and Fischer Black have expressed similar thoughts.

Like Professor Garven, our European colleagues are also eager for a more rigorous and economic approach to risk management. In an article summarizing the 2010 World Risk and Insurance Economic Congress held in Singapore earlier this year, Professor Jean-Paul Louisot from the University Paris writes the following regarding a plenary session where the future of RMI education was discussed by the conference delegates:

It is all too clear that with the notable exception of Georgia State University, under the leadership of Prof. Richard Phillips, most Anglo-Saxons remain very “insurance-oriented”, whereas the French and German schools are more in line of Pigou and other Nobel Prizes of Economics.

Why Georgia State?

The final question is whether Georgia State University has the resources necessary to lead an effort to define a new field of economics. As discussed, other fields have emerged that are now considered separate disciplines (finance, behavioral economics, experimental economics, etc.). A critical requirement for an area to emerge is the need for some individuals or some group to take a strong and defining hand. Thus, the group must not only have a passion for the topic but must also have individuals with the intellectual capacity to promote change in the way that influences people in existing fields. In this case, the immediately related fields are economics and finance, and eventually accounting. In addition, the group must also possess the resources necessary to allow researchers the time for coordinated study.

The RMI program at GSU is uniquely poised to take this leadership role. RMI has significant financial resources through its foundation and the GSU Area of Focus grant that provides the basis for the Center for the Economic Analysis of Risk (CEAR). Furthermore, the program has significant human capital resources in the form of an internationally visible senior leadership team, a history of significant collaboration with the industry, and a large and talented group of junior faculty, and it is currently building a network of researchers with other universities as CEAR implements its networked faculty strategy. This is not to say that the human capital or financial resources at present are sufficient to realize our vision; that is likely not the case. However, it is apparent that the department has a crisp vision of where it would like to go and is actively working to achieve the goals necessary to convert that vision into reality.

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A.2: Strengths and Weaknesses

A listing of the department’s strengths and weaknesses was compiled from several sources. Primary among these sources were:

• Department’s Academic Program Review Committee.
• Surveys of faculty, students, and alumni conducted by the University’s Office of Institutional Research in connection with the Program Review (see Appendix D-5).
• Departmental Faculty and Staff meetings at large.
• Comparisons with peer departments at the University of Georgia, Temple University, the University of Illinois, and Carnegie Mellon University’s Master of Science in Computational Finance Program.

A summary of the identified strengths and weaknesses (nonprioritized) are listed below. The remainder of this report provides additional detail and summarizes our response to deal with each weakness.

Strengths:
A. Strong department leadership that has propelled growth over the past decade.
B. Interdisciplinary faculty with a common sense of purpose.
C. Recognized internationally as an innovator in risk management education.
D. Entrepreneurial department culture.
E. An ethic that the academic questions with the most potential for impact are often derived demand from the practical problems faced by the industry.
F. Through the department’s foundation, an infrastructure that allows for meaningful ongoing interaction between faculty and students with both industry and policymakers.
G. Through the department’s Center for the Economic Analysis of Risk (CEAR), a formal mechanism exists to leverage academic resources across multiple units at GSU and multiple universities internationally.
H. The department’s two research centers with complementary strategies.
I. Strong staff support for department mission.
J. Growing level of research in a broad array of top academic journals related to risk.

Weaknesses:
A. Excessive use of part-time instructors. Despite significant hiring since 2003, one-third of course sections are taught by part-time instructors, GTAs, or retired faculty.
B. Need to update some academic programs and remove courses no longer offered from the catalog.
C. Marketing and web services are inadequate resources to market the department’s successes in an accurate and timely manner.
D. Inadequate resources to market and successfully recruit graduate students beyond Georgia.
E. Incomplete/inadequate curriculum assessment plans and implementation.
F. Low levels of interaction by faculty with undergraduate students on research.
G. Poor tracking of post-graduation student placement/employment information.
H. Inadequate and unreliable funding of doctoral program.
I. The Center for RMI Research does not have a baseline of financial support and contract work over the past two years has declined significantly.
J. Inadequate support for instructional technology.
K. Limited integration of legal risks and other nontraded risks into research and curricula.
L. Academic advising and placement assistance for students.
M. Lack of funding for summer faculty research stipends.

A.3.1 Quality of Instruction

High quality instruction should be important for any academic unit, but it is an imperative for a specialty department without a required course in a core curriculum. The department has a history of teaching excellence as evidenced by our long history and the numerous awards that we have won over time when
the University System of Georgia awarded the Board of Regents Teaching Excellence Award in the research university category to the department in 1999. We endeavor to live up to those high standards.

As detailed in Section C of this report, a significant challenge for us over the past several years has been to maintain high quality teaching while undergoing a major change in the composition of the department’s faculty members. We have done a reasonable job. Over the past two academic years, the department’s average SEIP score of 4.4 on question 34, “Effectiveness of the Instructor,” was slightly higher than the college average of 4.3. Student and alumni survey results conducted as part of Academic Program Review also suggest teaching quality remained strong during this time period. Additionally, individual faculty members have received a total of 9 teaching awards since year 2003 (see Appendix A-2).

Although positive, these results represent a slight decrease in the quality of departmental teaching relative to previous eras. It is clear to us that more emphasis on enhancing the quality of our teaching is needed in future years. In part, this will happen naturally as a very young faculty base matures. That being said, a significant effort to increase the quality of the department’s already strong teaching is called for in the next strategic plan.

An area of concern that has not been adequately addressed since 2003 is the department’s continued use of part-time instructors. In fall 2010, approximately one-third (31 of 101 sections) of all BBA and graduate course sections are being taught by retired faculty or part-time instructors. The primary reasons for the heavy reliance on adjunct faculty are the lower teaching loads for current faculty members due to the greater proportion of faculty in tenure-track positions and the 48 percent increase in the number of majors since 2003 (504 vs. 340).

A.3.2 Quality of Research

The department’s mission calls for us to be a leader in the field of risk. Given this ambitious mission, each faculty member has been asked to create a portfolio of high impact research in an area related to risk. For some, this will lead to publications in actuarial journals; for others, it will be publications in journals that focus on insurance economics; and for yet others publications on behavioral risk, and so on. Over the past years, 2007–2010, current faculty members have produced 32 papers that have been published in the premier quality field journals related to risk, such as Journal of Risk and Insurance (5), Insurance: Mathematics and Economics (3), Journal of Health Economics (1), the North American Actuarial Journal (3), ASTIN Bulletin (4), the Journal of Banking and Finance (3), Experimental Economics (3), Journal of Economic Behavior and Organizations (3), and others.


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12 The tables provided to us by the Office of Institutional Research display faculty counts as of June 30 of each calendar year. Throughout this report we discuss the current faculty members in RMI as those with appointments at the beginning of the academic year in fall 2010.

13 The numbers in parentheses represent the number of papers published a RMI faculty member in the journal from 2007–2010. Removing forthcoming papers and those written by current faculty before they arrived at Georgia State would reduce the total number of publications to 27. We report the total at this point in the text to demonstrate the quality of current departmental faculty.

14 Removing forthcoming papers and those written by current faculty before they arrived at Georgia State would reduce the total number of publications to 11.
The second way that we can document the impact of our research is through awards. Since 2003, individual faculty members have received 20 national and international research awards. Three of these were the Robert I. Mehr Award given by the editorial board of the *Journal of Risk and Insurance* to the author(s) of the paper judged to have had the greatest impact on the field 10 years after publication. Papers published by RMI faculty were presented the award over each of the last three consecutive years 2008–2010. To our knowledge, the Mehr Award has never been presented to researchers housed in the same institution three years in a row. A complete list of all faculty awards received over the period of this self-study is in Appendix A-2.

Overall the faculty’s scholarly and creative activities have resulted in numerous scholarly books, journal articles, reports, and monographs. During the period 2007–2010, productivity per research active tenure-track faculty is shown below. A complete listing of all faculty publications is shown in Appendix A-1.

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010(^1)</th>
<th>Total</th>
<th>AVERAGE/FACULTY(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refereed Scholarly:</td>
<td>8</td>
<td>16</td>
<td>15</td>
<td>29</td>
<td>68</td>
<td>1.2</td>
</tr>
<tr>
<td>Refereed Professional/Practitioner:</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>9</td>
<td>0.2</td>
</tr>
<tr>
<td>Books and Monographs:</td>
<td>0</td>
<td>6</td>
<td>19</td>
<td>4</td>
<td>29</td>
<td>0.5</td>
</tr>
<tr>
<td>Non-Refereed/Other:</td>
<td>5</td>
<td>13</td>
<td>2</td>
<td>1</td>
<td>21</td>
<td>0.4</td>
</tr>
<tr>
<td>Conference Presentations:</td>
<td>29</td>
<td>47</td>
<td>31</td>
<td>37</td>
<td>144</td>
<td>2.7</td>
</tr>
<tr>
<td>External Funding:</td>
<td>$199,468</td>
<td>$422,435</td>
<td>$1,168,484</td>
<td>$924,755</td>
<td>$2,715,142</td>
<td>$49,366</td>
</tr>
</tbody>
</table>

A.3.3 Quality of Service

The RMI faculty’s excellent record of service is evident in the numerous influential positions engaged by individual members in professional/academic organizations, the Robinson College of Business, and the university.


\(^{15}\) Through December 1, 2010.
\(^{16}\) 2007–2010 annual average per research active tenured or tenure-track faculty member. Figures for 2010 were multiplied by 12/11 to adjust for the 2010 data being available only for the period through December 1, 2010.
Finally, three different RMI faculty members have testified before the United States Congress since 2003.

B. Institutional: Over the period of this self-study, individual faculty members have served the Robinson College and the university through regular participation in various standing and ad hoc committees, as well as engaging the following high profile activities:

- Hosting visiting scholars from various universities, including the University of Montreal, University of Toulouse, Swiss Institute of Technology, among others. In each case, the visitor presented a distinguished lecture series or organized a conference held on the GSU campus.
- Co-hosting a conference with the American Enterprise Institute entitled the Future of Insurance Regulation held in Washington, DC.
- Serving as the chair of the dean’s specially appointed RCB Strategic Planning Task Force charged to develop RCB’s strategic plan for planning years 2011–2015.
- Serving as the director of recruiting for the university’s Honors Program.
- Serving as the Administrator/Coordinator of the Business Learning Community Program, a program largely developed through the work of one RMI faculty member who also had served as Director of both the Freshman Learning Community Program and Freshman Studies.
- Developing and regularly offering courses in the Business Learning and Freshmen Learning Communities on various topics over the years including those that focus on health and society, on risk, business and society, and on global warming.

A.4 Centrality of the Program to the University

Georgia State University is a major urban research university that seeks to house “a wide array of problem-oriented interdisciplinary programs.” Almost by definition, the RMI department is an interdisciplinary program drawing researchers to Atlanta from various fields, including economics, finance, actuarial science, and law, among others. In addition, the department’s Center for the Economic Analysis of Risk (CEAR) is designed to allow researchers from multiple departments and colleges within GSU, multiple institutions in the City of Atlanta, and multiple academic institutions from around the world to carry out a coordinated agenda of risk-related research. Furthermore, university officials have identified five key areas of focus as strategically important to accelerate the advancement of the university’s reputation. Risk management is one of the areas.

The department is housed in the Robinson College of Business, the fifth largest business school in the United States and the largest in the southeast region. The college houses several highly ranked programs including RCB’s Flexible MBA program currently ranked among the top 8 percent of part-time degree programs nationally by U.S. News and Robinson’s Executive MBA which is among the top 30 programs nationally as judged by the Financial Times. The RMI department is the highest ranked and one of the most visible academic programs in the college and the university.

A.5 Viability of Programs.

The department offers two majors (RMI and AS) in the university’s BBA program. At the master’s level, the department offers Master of Science (MS) degrees in RMI with options for specialization in either Mathematical Risk Management (MRM) or in Risk and Insurance. There are also masters programs in Personal Financial Planning (PFP) and Actuarial Science (MAS), and certificate programs in PFP and Enterprise Risk Management (ERM). Within the MBA program, we also offer two majors (RMI and PFP), two concentrations (RMI and AS), and an ERM “career path.” The RMI concentration includes a specialization in Financial Risk Management, and the RMI major includes one in ERM. A PhD is offered

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17 Per the university’s mission statement found online at http://www.gsu.edu/about.html.
18 The other four areas of focus are Brains and Behavior, Language and Literacy, the Molecular Basis for Disease, and Partnership for Urban Health. Details on all five programs are online at http://www.gsu.edu/40012.html.
in RMI. Additional graduate and undergraduate courses taught by department faculty include the Legal and Ethical Environment of Business core courses for the BBA and MBA programs as well as a limited number of business elective courses.

Our academic degree programs are viable and growing. In fall 2010, the number of majors enrolled in our BBA degrees was 326, and we have 178 majors in our graduate and certificate programs. The 504 majors participating in the department's programs this fall represent an increase of 48 percent from the prior planning period (fall 2003). By comparison, over the same period, enrollment at the Robinson College of Business and Georgia State University was up 0.4 percent and 12.3 percent, respectively. Enrollment of our majors by program in fall 2010 was as follows: (See Table B-3a in Appendix B-6 for a listing of enrollment by semester for fiscal years 2008–2010)

<table>
<thead>
<tr>
<th>Major/Degree</th>
<th>Majors Enrolled (fall 2010)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Financial Planning (certificate)</td>
<td>11</td>
</tr>
<tr>
<td>Enterprise Risk Management (certificate)</td>
<td>4</td>
</tr>
<tr>
<td>Actuarial Science (BBA)</td>
<td>164</td>
</tr>
<tr>
<td>Risk Management and Insurance (BBA)</td>
<td>162</td>
</tr>
<tr>
<td>Master of Actuarial Science (MS and MBA)</td>
<td>64</td>
</tr>
<tr>
<td>Mathematical Risk Management (MS)</td>
<td>18</td>
</tr>
<tr>
<td>Personal Financial Planning (MS and MBA)</td>
<td>9</td>
</tr>
<tr>
<td>Risk Management and Insurance (MBA All Concentrations)</td>
<td>35</td>
</tr>
<tr>
<td>Risk Management and Insurance (MS)</td>
<td>12</td>
</tr>
<tr>
<td>Risk Management and Insurance (PhD)</td>
<td>14</td>
</tr>
</tbody>
</table>

A.6 Financial Resource Analysis

Four state-funded full-time administrative personnel support the faculty. In addition, CEAR employs one full-time support person, and the Center for RMI Research and CEAR share a business manager together with the RCB dean’s office. The department employs one academic professional with responsibility for external relations (funded two-thirds from soft money resources and one-third from state funds as compensation for teaching and college-related service activities). A nonprofit foundation, Educational Foundation, Inc. (EFI), actively supports the department’s programs both financially and through advisement. The foundation has one employee, the Assistant Director of EFI, funded completely from industry support. The department chair serves as the Executive Director of EFI pro bono. An organizational chart for the department is in Appendix B-2.

In late November 2010, the department’s endowed funds totaled a little over $10 million. These funds are in the form of three endowed research chairs, four endowed research professorships, two endowed programs chairs, and several endowed scholarship funds. RMI endowment accounts provide close to $500,000 in discretionary spending per fiscal year. In addition, the department’s foundation engages in a number of activities designed to raise additional funds on an annual basis. Annual contributions in these campaigns have averaged $280,000 over fiscal years 2008–2010.

B. THE DEPARTMENT: ITS HISTORY AND CURRENT CONTEXT

B.1. History

During the 1950s, what was to become the Robinson College of Business (the college or RCB) hired a handful of scholars to launch the Department of Insurance at Georgia State University. Just as we are proposing now, the program’s mission evolved over time, and correspondingly its name has changed several times since its inception. Now known as the Department of Risk Management and Insurance, we have grown to become one of the world’s largest and most respected centers of risk management and insurance education and research. Since 1999, U.S. News & World Report has consistently ranked our undergraduate insurance program among the top 10 programs in the nation with the most recent ranking
placing us third and second among public colleges and universities. In 2009, the Society of Actuaries
designated our actuarial science program as one of the inaugural Centers for Actuarial Excellence (CAE),
a distinction granted to only nine schools in the United States and 12 in North America. RMI is the only
program among the top three U.S. News & World Report ranked programs to also be designated a CAE.

The RMI department houses two research centers. The Center for Risk Management and Insurance
Research, established in 1968, has been an integral part of the department. Its mission is to produce
economic research relevant to public policy issues in risk management and insurance and the efficient
functioning of insurance markets. The Center’s report is in Appendix B-5a.

The newest research center in the RMI department is the Center for the Economic Analysis of Risk
(CEAR). Formed in 2008 under the Area of Focus Program sponsored by the university provost, CEAR is
a cooperative effort of the Department of RMI (as the lead unit), the Department of Finance, the School of
Accountancy, the Department of Economics in the Andrew Young School of Policy Studies, and the
Federal Reserve Bank of Atlanta. Leveraging our expanded view of risk, CEAR’s mission is to conduct
and promote basic economic research on the risks impacting individuals, households, institutions, and
societies. The inaugural director for CEAR, Professor Glenn Harrison, joined the university in fall 2009
and CEAR launched its research agenda in spring 2010. Although not required for Academic Program
Review, a report on the initial activities and accomplishments for CEAR is found in Appendix B-5b
because it has already become an important extension of the academic activities of the RMI department.

B.2. Faculty Size and Breadth

As of fall 2010, the RMI department had 20 permanent faculty members and one visiting faculty member,
who was replacing a colleague currently on leave. Additionally, 15 part-time instructors (PTIs) taught for
us. Of the full-time faculty, seven are tenured (three professors and four associate professors); nine are
on tenure-track (six are assistant professors, two are associate professors, and one is an untenured full
professor), five were non-tenure track (NTT) (one associate clinical professor and four assistant clinical
profs), see Tables B-1 and B-2 in Appendix B-6 for details.

In 2003 the department was similarly sized with 20 permanent faculty members. At that time, we had a
significant reliance on clinical professors as nine of the 20 were on a non-tenure track status. Of the 11
tenure track faculty members, several were no longer active in research, and the department had only
one untenured professor. As a result, the department had a strong reputation for teaching and service
with the research mission effectively being carried out by just a subset of the tenure-track faculty
members. In addition, the majority of the active research faculty members were insurance economists or
actuaries; therefore, the primary domain of influence was in the insurance literature.

The composition of the faculty in fall 2010 is much different. Of the 21 permanent faculty members, 16 are
tenured or tenure track and all are research active. The average faculty member today is more junior with
nine of the 16 untenured. The breadth of faculty research interests is now more diffuse as we strategically
endeavored to hire faculty with a breadth of research interests related to risk. As a result, the department
now has expertise in financial econometrics, mathematical finance, macroeconomics, behavioral
economics, microeconomics, financial law, and other areas. Thus, the number of permanent faculty
members makes RMI one of the largest full-time faculties internationally dedicated to understanding,
quantifying, financing, and developing strategies for managing risks faced by individuals, organizations,
and society. The breadth of expertise makes us unique among academic departments.

B.3 Faculty Research Productivity

Over the years 2008–2010, RMI faculty members produced 58 scholarly refereed articles, seven
professional refereed articles, contributed to or wrote 29 books or monographs, and made over 140
presentations at conferences around the world. Productivity per-research-active tenure-track faculty
member over the years 2007–2010 is summarized in the table below. A summary table is in Section A.3.2
is this report and a detailed listing of faculty research productivity is presented in Table B-2 of Appendix
B-6 and Appendix A-1.
B.4 Academic Programs: Number of Majors, Graduation, and Retention Rates

The summary table showing the number of majors in fall 2010 is in Section A.6. Table B-3a in Appendix B-6 displays the number of majors enrolled in our degree and certificate programs and the number of degrees awarded over fiscal years 2008–2010. The detailed table shows the average number of BBA majors was 315 and the average number of graduate and certificate degree majors was 155 over this time period.

Appendix E-4 shows that retention and graduation rates for our undergraduate majors are high relative to university averages. For students in our programs who were new juniors in fall 2003–fall 2008, the average one-, two-, three-, and four-year retention rates are 87, 87, 84, and 81 percent, respectively. Likewise, the average four-, five-, and six-year graduation rates for these same students are 42, 67, and 77 percent, respectively. The department's six-year graduation rate is 27 points higher than the university's current six-year graduation rate of 50 percent.

B.5 Number of Credit Hours and Sections Taught

Table B-4 displays the annual credit-hour production by RMI faculty members by type of position. The only general trend to note is an increase in the number of credit hours taught by tenure-track faculty members. This positive is offset by noting 30 percent of all credit hours are taught by noncontract faculty. Similarly, the RMI department will teach 71 total sections of AS, MRM, PFP, and RMI prefix courses in AY 2010–2011 and 30 sections of legal studies courses in the PMBA, MBA, and BBA core curricula.19 Noncontract faculty members will teach 30 of these 101 course sections.

B.6 Program Relevance

We discuss the need for our academic programs in the following order: actuaries, quantitative risk professionals, insurance professionals, risk management professionals, and financial planners.

Actuaries: The Bureau of Labor Statistics reports that actuaries held 19,700 jobs in 2008 in the United States of which 55 percent were employed by insurance carriers and another 16 percent by management, scientific, and technical consulting services.20 The average annual wage is close to $100,000.21 Employment in the next 10 years is expected to grow 21 percent, which is faster than the average for all occupations. Most of this growth is expected in industries other than the insurance industry, such as financial services and consulting.

In a recent roundtable discussion about the current market for actuarial science in the U.S., the panelists agreed that there is an increase in demand for P&C actuaries and a slowdown in the life and pension areas.22 Some skills are of particular interest in recent times as a result of the financial crisis such as knowledge in Enterprise Risk Management (ERM), predictive modeling, and economic capital. Also, implementing health care reform will require actuaries skilled in workers’ compensation and how it relates to managed health care.

The actuarial profession is recognized as one of the best careers in the United States. CNN Money ranks the actuarial profession as 11th in its best jobs rank and the 12th highest paying job in 2010.23 A CNBC poll ranks the actuarial profession as number one in the United States saying: “In an economy permeated

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19 These numbers include one Econ-prefix course developed for the MRM program that is taught by an RMI faculty member and an MHA-prefix course also taught by a member of the department.
by risk, the job of an actuary becomes quite relevant, as they deal with the financial impact of risk and uncertainty, calculating the likelihood of events and how companies can build strategies to avoid negative impact on the bottom line." Career Cast also reports actuarial science as a best occupation saying that actuaries enjoy low physical demands, low stress levels, pleasant work environments, have good salaries, and there is strong growth potential for the profession.

Quantitative Risk Managers/Analysts: The department launched its Mathematical Risk Management program in 2004. MRM’s emphasis on quantitative risk management rather than quantitative finance and financial engineering makes the program distinct from its peers that focus primarily on educating “quants” for Wall Street. The middle office function of the risk management profession is typically thought to be of secondary importance relative to the revenue producing front office roles by many students. This perception may change. For example, according to a recent survey of 125 CFOs by CFO Magazine, 62 percent of finance executives blamed the crisis on risk management’s inability to understand complex financial instruments. In addition, nearly 75 percent of the respondents said risk management now ranks higher in importance relative to other issues such as long-term and short-term debt financing, relationships with financial institutions, pension plan asset allocation, and the ability to secure equity financing.

According to Risk Talent, a New York job placement service for quantitative risk analysts, salaries for junior level professionals averaged $118,000 in 2010. Although statistics on salaries are available, it is only possible to provide evidence on the demand for quantitative risk professionals because exact numbers are not readily available. According to the Bureau of Labor Statistics, there were 539,300 Financial Managers (SOC Code 11-3031) employed in the United States in 2008. Three out of 10 financial managers work in the finance and insurance industries. Between 2008 and 2018, the number of financial managers is expected to grow 8 percent or 41,200.

Another statistic that can be used as a guide for demand is available from the Global Association of Risk Professionals (GARP) that has seen an average annual increase of Financial Risk Management (FRM) exam takers of 27 percent per year from 2001–2010. In 2009, 23,391 individuals from 125 countries registered for the FRM Exam and in 2010 GARP registered its 100,000th individual. As the FRM certification exam is intended for experienced financial services professionals to demonstrate their knowledge of the fundamentals of risk management, its increasing popularity is a testament to the growing importance of the risk management profession.

While global demand for highly educated quantitative risk managers is expected to continue to grow, currently, there are only a handful of graduate programs that have curriculums specifically tailored to risk management. According to the International Association of Financial Engineers (IAFE), of approximately 150 member institutions, only 10 had quantitative graduate programs in risk management with only four in the U.S, and only Georgia State University is also a Center for Actuarial Excellence.

Even prior to the recent collapse of the subprime market, the financial industry already sought well-rounded risk managers with excellent quantitative skills as well as a broad understanding of market issues and trends. However, it was not until the crisis when the risk management profession was brought to the spotlight and received full attention from both regulators and the financial services community. Only a few programs have curriculums specifically designed around risk management, thus Georgia State’s Mathematical Risk Management program is well positioned to supply highly qualified graduates to meet the ever-growing global demand for quantitative risk managers.

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Insurance Risk Professionals: Traditionally employees of insurance companies came into the industry with a wide variety of backgrounds and educational achievements. It has often been said that people find insurance without actually seeking it out. Insurance offers a financially rewarding and intellectually stimulating career, but college students in the past never got the message. Over the past decade, insurance companies have been more vocal in their support of universities that teach risk management and insurance. Evidence of this increased interest is available in recent industry reports by McKinsey and by Reagan Consulting in cooperation with the Council of Insurance Agents and Brokers included as part of this report (Appendix B-7). Although companies are happy to employ smart and motivated people from diverse backgrounds, they are more interested in finding candidates who have already demonstrated their passion for the industry and have the training to make them valuable additions to the industry quickly. They are more apt to stick with the industry because that is where their interest lies.

Risk Management Professionals: Risk management has changed dramatically over the past decade. The position of Risk Manager used to mean someone who worked with brokers and insurance companies to place insurance in order to protect a company's assets. This job description was clearly "insurance focused" as noninsurable risks were dealt with outside of the purview of the Risk Manager. Today, the role of the risk manager has evolved into one where these individuals deal with most, if not all, risks to a company. Financial, operational, and legal risks fall under this position, and many are not insurable. The academic training for risk professionals needs to evolve.

Events of the past decade have moved business towards a greater appreciation for risk management. During the recent financial crisis, financial and nonfinancial corporations took great risks without properly appreciating the consequences. Companies took on much more leverage than was prudent in the hope of realizing outsized profits for their shareholders. Leverage certainly has a multiplier effect of ratcheting up profits during good times, but it also multiplies losses in bad ones. As a result, corporate America has gained a new appreciation for risk. Seeing the mistakes of the past, we hear that risk is being looked at in a new light, and risk professionals are employees in demand. Reacting to this need for more and better-trained risk professionals, GSU is moving to take on a leadership role in defining risk and training America's new risk leaders.

Financial Planners: Finally, individual and family risk management (PFP) continues to grow in prominence as individuals are increasingly expected to manage their own economic future in uncertain economic and political environments characterized by governments necessarily reducing generous social insurance programs. We are well positioned to take advantage of this trend.

Media references mentioning the professional need for our programs have been footnoted throughout this section.

C. PROGRESS TOWARDS 2003 GOALS AND OBJECTIVES

The 2003 Strategic Plan identified three goals and seven objectives. Each goal is listed below along with a brief assessment of the progress toward the objectives that support that goal. See Appendix C-1 for a copy of the 2003 RMI Strategic Plan.

Goal 1: Develop the world’s premier multidisciplinary research program on risk and its management. (Creative and Scholarly Activity)

Objective: By the end of 2006, have assembled a group of faculty members trained in the most advanced methods of their disciplines and ensure that our research-active faculty have the necessary time for coordinated study of risk management problems.

The 2003 strategic plan called for the department to broaden its traditional focus in insurance institutions to add faculty members at the forefront in several risk-related areas. To accelerate the change, the department was allocated six additional lines that were used to hire faculty with specializations in mathematical finance, contract theory, macroeconomic dynamics, and applied microeconomics. Our goal
was to attract these faculty members using a cluster hiring strategy to signal the depth of the commitment by departmental, college, and university officials to our change in mission.

Table C-1 below shows the research interests and primary training of RMI faculty members as it existed just prior to implementation of the strategic plan in fall 2004.

**Table C-1: RMI Faculty by Discipline – Spring 2003**

<table>
<thead>
<tr>
<th>Appointment Type</th>
<th>Quantitative Methods</th>
<th>Finance</th>
<th>Economics</th>
<th>Insurance Economics</th>
<th>Legal Studies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenure Track</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Tenured</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>5</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Non Tenure Track</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2</strong></td>
<td><strong>1</strong></td>
<td><strong>0</strong></td>
<td><strong>9</strong></td>
<td><strong>8</strong></td>
<td><strong>20</strong></td>
</tr>
<tr>
<td><strong>Percent of Faculty</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The primary conclusions to note from the table are the department’s significant reliance on non-tenure track faculty members, the heavy emphasis in the area of insurance economics, and the seniority of the department’s faculty members as evidenced by having only one tenure-track assistant professor on staff at the end of the 2003 academic year.

The figure below shows the manner in which the department’s faculty either retired or resigned and when new faculty members were appointed from 2003–2010.

The data in the next table show the research interests and primary training of the current faculty members of the department as of fall 2010.

**Table C-2: RMI Faculty by Discipline – Fall 2010**

<table>
<thead>
<tr>
<th>Appointment Type</th>
<th>Quantitative Methods</th>
<th>Finance</th>
<th>Economics</th>
<th>Insurance Economics</th>
<th>Legal Studies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenure Track</td>
<td>3</td>
<td>0</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Tenured</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Non Tenure Track</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4</strong></td>
<td><strong>2</strong></td>
<td><strong>0</strong></td>
<td><strong>9</strong></td>
<td><strong>6</strong></td>
<td><strong>21</strong></td>
</tr>
<tr>
<td><strong>Percent of Faculty</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
The table shows that the department was successful in increasing the proportion of tenured or tenure-track faculty from 55 to 76 percent, and we also were successful in recruiting faculty members with risk-related interests from disciplines beyond insurance economics. The average seniority of the department's faculty members decreased significantly as only seven of 16 tenure-track faculty members are currently tenured. Finally, despite the early success of the cluster hiring strategy, the original goal of having 26 faculty members was not sustained due to faculty retirements and turnovers occurring faster than hiring could maintain.

A second major initiative undertaken to achieve the goal for the department to establish itself as a premier center for risk management research was the establishment of the Center for the Economic Analysis of Risk (CEAR). The Area of Focus grant that provides the funding for CEAR was awarded to the Department and its partners (the Department of Finance and the School of Accountancy in the Robinson College of Business, the Department of Economics in the Andrew Young School of Policy Studies, and the Federal Reserve Bank of Atlanta) in spring 2008 and is now under the direction of Professor Glenn Harrison who joined the University in fall 2009. CEAR launched its research agenda in spring 2010 and is now fully operational.

The department is now uniquely poised to blend the elements of scholarship that underpin the study of risk. The early results are promising as evidenced by the gains in risk-related scholarships that have taken place since 2004 in both the number and breadth of high quality scholarly publications.

**Goal 2: Create an environment for learning characterized by its quantitative and qualitative rigor, global orientation, and emphasis on problem solving and effective communication.** *(Instruction)*

**Objective:** By the end of 2004, have revised the undergraduate RMI and AS curricula to provide an enhanced quantitative orientation and a more integrative approach.

Both the BBA AS and RMI curricula have been substantially revised since 2003. The intent was to position both of these majors as points of distinction from our traditional undergraduate peer institutions whose RMI programs are more focused on the institutional aspects of the insurance industry or whose AS programs are typically focused almost exclusively on the mathematics of insurance.

A number of changes were made to achieve this objective; the most significant was to create a common entry course and a common capstone course for both majors. The revised gatekeeper course is an applied probability and statistics course focused on risk modeling targeted for students to take in the fall of their junior year. Both BBA AS and BBA RMI majors take the course in lieu of the usual college requirement that students complete MGS 3100 – Business Analysis. We requested this change to accommodate a more rigorous presentation of business statistics and to focus the discussion on a wide variety of risk-related applications. The capstone course, the second CTW (Critical Thinking through Writing) course for both majors, is a case study class focused on enterprise risk management that requires students to integrate their knowledge of finance, insurance, and risk management.

The revised BBA AS curriculum is well suited for what actuarial employers seek. The revised BBA RMI curriculum increased interest from traditional employers, but the placement of students outside of the insurance industry is still an exception. The challenge going forward is to identify placement opportunities for our students in the changing financial services environment and to expand opportunities for risk managers in nonfinancial firms and government.

**Objective:** Not later than 2007, have revised our graduate curricula to provide an enhanced quantitative orientation and a more integrative approach.

At the graduate level, the department launched and refined a graduate program in Mathematical Risk Management (MRM) aimed at mathematically talented students interested in the application of financial mathematics to manage illiquid and rare events from exposure to risks in capital markets. Over half of the required courses were developed specifically for this program. Additionally, in 2005, we launched a formal dual degree option for students to complete our Master of Actuarial Science (MAS) and the MS in MRM in
a lockstep four-semester program. Students majoring in these quantitative degrees now represent a majority of the 150+ RMI graduate students in fall 2010.

This portfolio of analytical programs has proven very successful in attracting top quality students and top placements in financial services and consulting firms around the country. As evidence, students majoring in MAS or MRM have the highest entrance exam scores of any graduate program in the Robinson College of Business.\(^3\) A significant change relative to previous years has been the attractiveness of our students to firms outside the insurance industry as we now routinely place students in banks (e.g., Bank of America, Suntrust, HSBC, Federal Home Loan Bank, Merrill Lynch) and in consulting firms engaged in financial risk management (e.g., KPMG, Duff & Phelps, Fitch Risk Management, Southern Company).

Over the time period of the self-study, the department continued to offer an MBA concentration that allowed students to specialize in an integrated educational program focused on enterprise risk management (ERM). The curriculum enhancements for this program were largely put into place prior to 2003 and less energy has been focused on innovating this program. Going forward, refinements to our MBA program in Risk Management will become a focus with the goal of having a curriculum that focuses not only on risks that traded in markets but also on a broader array of operational and legal risks.

**Objective:** By fall 2012, further enhance the quality of the learning environment provided for students in our programs by:

A. Continuing our commitment to teaching excellence.
B. Implementing comprehensive evaluation and assessment of our teaching effectiveness, including appropriate assessment of the learning outcomes of our programs.
C. Implementing departmental admission requirements for all of our degree programs.
D. Improving educational opportunities for our majors.
E. Improving our career placement services.
F. Limiting class sizes to appropriate target and maximum enrollments.
G. Discontinuing the routine use of part-time instructors (PTIs).

Beyond the curriculum innovation discussed previously, the department developed and implemented a number of strategies intended to increase the quality of the learning environment for students. For example, in 2009, the department created a professional skills course at the undergraduate level designed to prepare students to enter the job market and, with the use of industry professionals, to make students aware of the career options available to them by majoring in our programs.

Another significant enhancement was to eliminate one staff position charged to provide administrative support for faculty and replace it with a new position entitled Student Affairs and Alumni Coordinator. This staff-level position is charged to support the department’s student recruitment and placement efforts, to assist students developing their resumes and cover letters, to support the department’s student clubs (Gamma Iota Sigma, the Actuarial Science Association, and the MRM Graduate Student’s Association), to support the mentorship programs conducted by the department, and to serve as an intermediary between our majors and the scholarship and financial aid programs offered through the department and its foundation.

As mentioned earlier, an area of concern that has not been adequately addressed since 2003 is the department’s continued use of part-time instructors. The primary reasons for the continued heavy reliance on adjunct faculty despite our success hiring new faculty are the lower average teaching loads for the new faculty relative to those that leave or retire and the 48 percent increase in the number of majors since 2003 (504 vs. 340).

**Goal 3:** Provide significant leadership to our constituencies. (Service)

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\(^3\) In fall 2010, the average GMAT/GRE scores for students in the MAS and MRM programs are 670 and 650, respectively. To be able to directly compare GMAT and GRE overall tests scores, the total GRE score is calculated as the average of the GRE verbal and GRE quantitative scores.
The 2003 strategic plan identified seven important external constituencies: (1) insurance and (2) financial services industries, (3) others involved in the management of risk, (4) our alumni, (5) other universities, (6) policy makers, and (7) the media.

Objective: By the end of 2005, have developed and begun implementing a coordinated and focused external relations and marketing program for the department that will enhance our relations with our key external constituencies and result in greater numbers of highly qualified applicants to our programs.

The department uses its foundation (Education Foundation Inc.) as the primary vehicle to interact with its industry constituents. Over the past several years, the leadership of the foundation has been revamped and the composition of the board has changed in ways consistent with changes in the department. Specifically, we have recruited new board members from outside the traditional insurance industry and with greater geographical reach. As specific examples, we now have trustees who work in the New York City area and who are employed by Bloomberg and CIT Financial. In total, the foundation has 27 board members coming from the insurance, banking, risk management, employee benefits, and consulting industries.

The department remained influential in insurance policy settings over this time period. The primary vehicle for this influence has been through the department’s Center for Risk Management and Insurance Research under the direction of Robert Klein. As examples, Professors Klein, Grace, and Wang have testified before the U.S. Congress on numerous occasions on several different topics. In summer 2008, the Center cosponsored a Washington D.C. based forum on the future of insurance regulation with the American Enterprise Institute. Specific details on these and other similar events are provided in Professor Klein’s report included as an appendix (see Appendix B-5a).

A number of departmental faculty maintain nationwide media presences including, most prominently, Professors Binder, Ciccotello, Grace, Harrison, Klein, Phillips, and Wang. Please see the faculty CVs for details (see Appendix F-3).

Objective: By the end of 2005, have implemented a plan to promote a stronger international presence of our faculty, students, and programs.

The department is international in scope in several ways. For example, the department continues to sponsor a highly respected executive education program with the Munich Re Company. Going into its 30th year, the program brings 10 executives to Atlanta from around the world for eight weeks each spring to participate in a series of workshops focused on leadership development and to introduce them to the U.S. insurance industry. The program has over 250 alumni with none coming from the United States.

There is a strong international presence among the department’s students, particularly its graduate students. For example, a large number of the department’s doctoral students graduate and then teach in universities outside of the United States, often at the best universities in their home countries. As examples, we have graduates teaching at National Chengchi University in Taiwan, Lingnan University in Hong Kong, and Nankai University in China. At the master’s level, approximately half of our graduate students are now of international origin.

The department hosted numerous distinguished scholars from around the world over the self-study time period including Professor Paul Embrechts from the Swiss Institute of Technology, Georges Dionne from the University of Montreal, and Christian Gollier from the University of Toulouse. The duration of each visit lasted several weeks or months, and each person either a conducted a special symposium or led a distinguished lecturer series during his time with us. See Appendix B-9 for descriptions of the 2006 and 2009 lecture series.

The department has expended significant effort to increase our visibility on the island of Bermuda over the past several years. As Wall Street is to the capital market, Bermuda is one of the most significant
insurance trading centers in the world. With the help of an alumnus and representatives on the island, the department actively recruits Bermudian students to study in our programs and engages the local industry to fund the co-branded BFIS/GSU Bermuda Scholarship. Over the past several years, we have raised over $135,000, and we are in the final stages of negotiating a matriculation agreement with the only institution of higher learning on the island. We now have a pipeline of Bermudian students studying in our programs.

Recently the department broadened its interface with international academic institutions through the establishment of several relationships with faculty as CEAR Program Directors. Three of the six CEAR Program Directors are on the faculty at high quality educational institutions outside of the United States. This effort will expand over the next several years as researchers at other universities (and at GSU) are appointed CEAR Research Fellows. For details, see the CEAR report shown in Appendix B-5b.

**Objective:** By the end of 2005, have revised the structure and provided for the enhanced infrastructure of the department to ensure that financial and human resources are adequate for, aligned with, and fully supportive of the department’s envisioned future.

The 2003 strategic plan called for the department to greatly increase the proportion of faculty members actively conducting research in a broader set of topics and to proactively recruit and place students nationally and internationally. Unfortunately, the staff structure that existed in 2003 was largely designed to support a mature faculty base that placed greater emphasis on the department’s teaching mission dedicated to attract and place students primarily in Atlanta and then in Georgia. Thus, significant changes were needed to support the department’s new mission. The changes were as follows:

1. In 2005, the department began allocating financial resources to buy out a portion of the teaching load of a non-tenure track faculty member to allow her to focus on local community outreach and placement opportunities for students. In 2008, this part-time outreach effort was expanded, and the department created a permanent position, structured as an academic professional, titled the RMI Director of External Relations (DER). Initially funded 100 percent with industry soft money, the DER has primary responsibility for the recruitment of undergraduate and graduate students, interacting with the industry to identify internship and placement opportunities for students and to oversee the department’s marketing and awareness campaigns. The geographic focus of the DER’s placement and student recruitment efforts are beyond Atlanta as we utilize RCB Graduate Admissions as the back office for our national and international recruiting strategies and we partner with the Robinson Career Management Center to provide support placement opportunities in the Atlanta market.

2. As discussed earlier, one of two administrative support positions that existed in 2003 was eliminated and in its place the department created a position titled Student Affairs and Alumni Coordinator. This staff-level position supports the RMI DER and the faculty advisors for our various programs.

3. Two new Administrative positions came with the addition of CEAR. One position was created to manage the technology infrastructure of CEAR and to serve as an executive assistant to the director. This position is filled. The second position, not yet filled, will serve as the Associate Director for CEAR. The associate director will be charged with developing and overseeing CEAR’s communication strategy, to contract with CEAR research associates, and to facilitate research through the network of associates that participate in CEAR. In addition to creating two new positions, a position that already existed in the college was revamped to provide business manager support for CEAR.

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32 The acronym BFIS stands for the Bermuda Foundation for Insurance Studies. See [www.bfis.bm](http://www.bfis.bm).

33 In 2010, the salary is split 2/3’s soft money versus 1/3 state to compensate for teaching and other college-level responsibilities assigned the DER in 2009.
A significant enhancement of the department’s infrastructure occurred with renovation of the RCB 11th floor office suite during the summer of 2010. The renovation was necessary to accommodate the additional office needs and technology infrastructure of CEAR. As a result, RMI and CEAR, together with our partners, now have access to state-of-the-art presentation capability in the CEAR Conference Room. The renovation also created the CEAR Collaboration Room, a multipurpose room designed as a collaborative and interactive open meeting space that enables users to share ideas on electronic whiteboards, open files from a dedicated PC, and conference to different locations globally over a web-based conference solution. Other improvements to the environment include creating dedicated office space for our PhD students, building a student lounge for informal meetings and quiet study, and modernizing all faculty and staff offices.

The increased visibility of the department since 2003 led to a number of significant gifts and increased support from industry and alumni. For example, the department received a $1 million gift to establish the AAMGA Research Chair, several new scholarship programs were initiated including the Samuel Baig Scholarship, the Brightworth Scholarship, the BFIS/GSU Bermuda Scholarship, and the CIAB Fame Scholarship, among others. Over this time period, several faculty members have been appointed to endowed positions that existed prior to 2003, including Professor Ajay Subramanian to the Bruce A. Palmer Professorship and Shinichi Nishiyama to the New York Life Professorship. George Zanjani was appointed to the AAMGA chair in Fall 2010.

### D. QUALITY OF CURRICULA

#### D.1. Learning Outcomes

The department performs an assessment of learning outcomes by using data from several sources. We rely on course objectives set out in our Learning Outcomes Assessment Plans as the primary articulation of our desired learning outcomes (See Appendix D-1). The department also uses the OIR survey results to inform changes. The survey results are summarized in Section D.2 below and in Appendix D-5. The department also periodically conducts program level reviews to assess how the learning outcomes from each course fit together in an integrated curriculum. The department also uses inputs from members of its foundation in its program assessment. The results of these reviews are summarized in Section D.3 below.

#### D.2. Survey Results

The survey results, taken as a whole, illustrate both strengths and weaknesses in the department curriculum design and implementation. Regarding areas of strength, current students and alumni at both the undergraduate and graduate levels consider the RMI professors to be generally well prepared and the RMI programs to be very academically challenging and a good preparation for their careers. On the other hand, students at both levels were less positive about both academic and career advising in the RMI Department. In the area of advising, a downward trend is apparent. Although 81.3 percent of the graduate alumni rated the department’s academic advisement very good or excellent, only 55.5 percent of the current graduate students gave a similar rating. On career advisement, 50.1 percent of the graduate alumni rated the department very good or excellent, but only 27.8 percent of the current graduate students provided a similar rating. These results are perhaps not surprising given the large turnover of RMI faculty members and the maturation of the DER strategy. Appendix D-5 contains a summary of survey results.

#### D.3. Analysis of Curricula

Teams of department members conducted a review of each major at both the undergraduate and graduate levels. This section summarizes their findings. At the undergraduate level, the new focus on the economics and quantification of risks has provided a challenging and novel approach to risk management education. The change has helped to propel the department into a leadership role in the worldwide community of risk management educators. The challenge is to improve advisement of students within the
program and work to bridge the interface with a broader array of employers. At the graduate level, the department continues to have innovative curricula in several areas, including the Master of Actuarial Science, the MS in Mathematical Risk Management, and the program in Enterprise Risk Management. Each of these curricula has evolved to reflect the interdisciplinary nature of the department at the intersection of the mathematics and economics of risk. At the graduate level, the department determined that the MS RMI and MBA RMI programs, which are more focused on insurance institutions, are in need of revision. The enrollment in these programs has declined, reflecting changes in both the skills and interests of faculty members and changes in the financial services industry itself.

Appendix D-3 contains degree requirements for each of our programs. A list of courses offered by the department during the last three fiscal years appears in Appendix D-4.

D.4. Major Revisions to Existing Curricula

The major changes planned to the existing curricula are in two areas. In the undergraduate RMI program, the plan is to develop two tracks, one focusing on the department’s traditional strength in insurance and insurance institutions and the other on the department’s more recent evolution toward the economics and quantification of risks. After each undergraduate RMI student takes foundational courses in risk, that student may then choose between the two tracks.

The second major change will be to the graduate MS and MBA in RMI. The department plans to develop several courses related to the management of operational risk. This will involve consideration of management of issues related to reputational risk, legal risk, and other “nontradable” risks facing households or business enterprises. These courses will complement the more quantitative coursework focused on financial risk management already in place at the graduate level. Reflecting the evolution of graduate programs away from insurance institutions, the department will delete a number of graduate offerings from the catalog. Many of these courses, in areas such as pensions and benefits, have not been offered for a number of years.

E. QUALITY OF STUDENTS

The graduate admissions requirements for the department’s degree programs are uniform and set by the RCB. Those requirements are set out in Appendix E-3. The department’s two graduate certificate programs’ admissions requirements also appear in Appendix E-3.

Summary statistics documenting the quality of the department’s graduate students and of our peer departments is shown below in Table E-1.

<table>
<thead>
<tr>
<th>Program</th>
<th>Number</th>
<th>GMAT</th>
<th>GRE Verbal</th>
<th>GRE Quant</th>
<th>% Admitted</th>
<th>% Enrolled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantitative Programs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GSU - Master of Actuarial Science</td>
<td>64</td>
<td>658</td>
<td>505</td>
<td>768</td>
<td>56</td>
<td>48</td>
</tr>
<tr>
<td>GSU – Mathematical Risk Mgmt.</td>
<td>21</td>
<td>694</td>
<td>520</td>
<td>748</td>
<td>46</td>
<td>59</td>
</tr>
<tr>
<td>CMU – Computational Finance</td>
<td>93</td>
<td>715</td>
<td>581</td>
<td>792</td>
<td>19</td>
<td>62</td>
</tr>
<tr>
<td>Univ. of Illinois – Financial Eng.</td>
<td>26</td>
<td>695</td>
<td>-na-</td>
<td>-na-</td>
<td>66</td>
<td>-na-</td>
</tr>
<tr>
<td>Qualitative Programs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MS/MBA in RMI and PFP</td>
<td>46</td>
<td>613</td>
<td>475</td>
<td>685</td>
<td>46</td>
<td>63</td>
</tr>
<tr>
<td>Univ. of Georgia</td>
<td>13</td>
<td>667</td>
<td></td>
<td></td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>Temple University(^{34})</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All RCB specialized MS programs</td>
<td>239</td>
<td>600</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^{34}\) Unfortunately Temple University did not send us their data in time for inclusion in the report. We will update the report if and when they make it available to us.

The average quality of the students in the department’s quantitative programs (MAS and MRM) is on par with the MS in Financial Engineering at the University of Illinois. The MS in Computation Finance program...
offered by Carnegie Mellon University appears to be more selective as it admits a lower percentage of applicants than either of the department’s programs. In addition, CMU MSCF students have higher average GRE and GMAT entrance exam scores than do students in our MAS program. The average GMAT score for GSU MRM students is comparable with the CMU students but is lower on the GRE verbal score.

A significant change over the time period of this self-study is the placement outcomes for students graduating from the MRM program. Historically, the department has placed students almost exclusively as professionals in the insurance industry or as actuaries with traditional actuarial employers. Over the past few years, MRM graduates have taken jobs with Bank of America, the Federal Home Loan Bank of Atlanta, Fitch Risk Management, Merrill Lynch, HSBC, Suntrust, Duff & Phelps, KPMG, ING Investments, and many others. These are outcomes that would not have happened without creating the MRM program.

The average GMAT score for the department’s other non-MBA masters programs (MS RMI and PFP) was 613. These scores are above the fall 2010 average of 600 for all RCB specialized master’s programs but are below GMAT average of the MBA students in the RMI program at the University of Georgia (see Appendix B-1).

Over the period covered by this self-study, 14 students graduated from the department’s PhD program. Of these, we placed graduates at peer institutions including the University of Iowa, the University of Nebraska, Temple University, Virginia Commonwealth University, and Manchester University (in the United Kingdom). One of our doctoral students won the prestigious Ernst-Meyer Prize in 2007, which is sponsored by the Geneva Association and recognizes the doctoral thesis that makes the most significant and original contribution to the study of risk and insurance annually from universities anywhere in the world. The same student also won the Harold D. Skipper Best Paper Award for the 2006 Annual Meeting of the Asia-Pacific Risk and Insurance Association. Another student won the Casualty Actuarial Society Best Non-Life Paper Award at the World Risk and Insurance Economics Congress in 2005 and was also presented the State Farm Companies Foundation Doctoral Dissertation Award in 2004. A third student won the 2007 Research Excellence Award for the best academic paper presented at the 2007 Annual Meeting of the International Insurance Society. Recently, a current student had a paper accepted for presentation at the prestigious and highly selective annual meeting of the Western Finance Association for 2010.

Appendix E-2 displays average SAT and Freshmen Index Scores for the department’s students majoring in AS or in RMI. The average SAT score for BBA AS majors of 1130 over the past three academic years is the highest of any major in the Robinson College of Business. The average SAT score for RMI majors of 1037 over that same period compares favorably to the average SAT of 1041 for all RCB BBA students in fall 2010. The Freshmen Index scores for AS and RMI majors averaged over the past three years are 2856 and 2704, respectively. These Freshmen Index scores are both higher than the current Index score for all RCB BBA students which is 2504 in fall 2010.

**F. QUALITY OF FACULTY**

The names and specialties of the 21 full-time members of the department’s faculty and their CV’s are found in Appendix B-4. Of the 21 full-time faculty members, 16 are tenured or tenure-track and five are non-tenure-track. The definition of graduate faculty and selection criteria were developed by the Robinson College in 1998 and are specified in Appendix F-1.

As already discussed, the department’s mission calls for us to produce risk-related research that is influential within both premier quality field journals and in the premier general interest journals of finance, economics, law, and accounting. A copy of the department’s journal quality memo is included as Appendix F-5. The discussion in this section is based upon that memo.

**F.1. Scholarly and Creative Productivity**
As already discussed, over the fiscal years 2007–2010, RMI faculty members produced 68 refereed scholarly articles, nine refereed professional articles, contributed to 29 books and monographs, made over 140 conference presentations, and RMI faculty members participated in over $2.7 million in externally funded projects. Of the 68 refereed scholarly articles, 31 appeared in premier quality field journals and 10 appeared in premier quality general interest journals. A complete listing of publications appears in Appendix A-1. A complete listing of all externally funded research appears in the reports prepared by the directors of our two research centers.

F.2. Results of Promotion and Tenure Reviews

During fiscal years 2008 through 2010, the department recommended one faculty member for promotion from associate to full professor and one for tenure. Both cases were successful.

F.3. Faculty Honors

During fiscal years 2008 through 2010, individual RMI faculty members received numerous awards for teaching and research excellence including four RCB/Georgia State teaching awards, eight national awards for research and three international awards for research. A complete listing of all faculty awards and recognitions can be found in Appendix A-2.

F.4. Sponsored Research

The department sponsored projects totaling more than $2 million over fiscal years 2008–2010. Most of the department’s sponsored research is conducted either through the Center for Risk Management and Insurance Research or the Center for the Economic Analysis of Risk. Both centers prepared reports as part of this self-study. See Appendix B-5a and B-5b. Sponsored projects conducted by the department’s full-time faculty over the past three years are summarized in Table B-2.

F.6. Service

As discussed in section A.3.3., RMI faculty members make significant service contributions to the department, college, university, and to the profession at large. Readers are referred to that section for specific detail and to the faculty CVs included as Appendix F-3.

G. ADEQUACY OF RESOURCES

G.1. Faculty Resources

A significant goal of the 2003 self-study report was to reduce the percentage (69 percent) of course sections taught by PTIs and NTTs. In fall 2010, that percentage dropped to 60 percent. This represents a slight improvement but more must be done. In fact, the percentage of PTIs in the classroom actually rose over this period (24 percent in 2003 vs. 32 percent in 2010). The student/faculty ratio data for fiscal years 2007 to 2010, as compiled by the university’s Office of Institutional Research, appears in Appendix G-1.

Our inability to substantially reduce our reliance on PTIs and NTTs is not due to lack of effort or from a lack of being authorized faculty lines. The RCB Dean has been supportive in allocating faculty lines to the department as faculty left or retired. As already discussed, the problem has been that faculty members left faster than we could hire new ones and the average teaching load of the new generation of faculty is much lower than the load carried by those that left. Another result of having such a large cohort of junior faculty members has been the heavy service burden on the senior full-time faculty. The opportunity cost

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35 The numbers in this section count each author on a paper so co-authored papers will count as two publication citations. There were three instances of co-authored papers over this time period. The paper counts in this section do not include forthcoming papers and publications made by current faculty members while they were at their prior institution.
to full-time faculty in terms of diverting them from research and other productive efforts renders us less effective than we should be.

The plan going forward is that we recruit the three TT lines authorized to us this year and receive authorization to fill the additional two lines requested in this strategic plan. Doing so will yield between 15–20 course sections that can be taught by TT faculty members that should reduce our PTI/NTT percentage closer to 30–40 percent. Accomplishing this goal would lead to even greater research productivity, a better work-life balance for senior faculty members, and a major improvement in the quality of the education that students traveling from around the world expect from a highly ranked program.

G.2. Administrative Resources

The department has 4.0 full-time equivalent (state-funded) staff positions and 1.0 FTE academic professional focused on external relations (two-thirds funded on soft money). The 1.0 FTE foundation director is funded completely on soft money. The department receives one administrative release for an NTT faculty member to manage the large number of legal studies PTIs. Our full-time faculty/staff ratio is 4.0:1. The average for our peer departments is 4.2:1 (see Appendix B-1).

The department undertook a staff reorganization in 2007 with the goal of reducing administrative support that was no longer needed for a younger faculty base and to reallocate those resources towards student services. The initial goals have been met. However, the staff that we have now is not adequate in either the amount or the level of support needed for the continued growth of our graduate quantitative programs and to launch major new initiatives in our undergraduate and graduate degree programs. We must secure additional professional-level support—particularly in the area of marketing, student recruiting, and student services.

It is inappropriate that our existing academic professionals continue to be subsidized via non-state funds. In addition, the one staff position dedicated to fundraising and alumni relations is supported exclusively from contributions to our program, whereas other departments include such activities appropriately within the duties of their state-funded staff. The effect is to penalize student scholarships and faculty support.

Finally, one of our staff is substantially undercompensated. In Objective 6, we seek to remedy this deficiency and to secure state funding for an additional full staff position.

G.3. Technical Resources

The technical resources currently available to support the department’s research efforts are deficient in several ways. The most significant current shortcomings are:

A. Computer hardware and software. Computer hardware for faculty is reasonable. Computer hardware for PhD students is not reasonable as the machines are often recycled computers that are outdated and process too slowly to run the sophisticated research software needed by the students. Likewise, research software licenses are difficult and expensive to obtain for PhD students. Finally, our younger, more research-active faculty members find it difficult to secure licenses for student use in class. It is true that many labs on campus have the software, but this is inadequate given the mobility and expectations of the modern student.

B. Lack of data access. The department and college are at a significant disadvantage relative to other universities given our lack of access to data. As an example, the Wharton Research Data Service offers access to 40 different data sets on wide-ranging topics including capital markets, company financials, risk management, marketing, economics, and corporate governance, among others. Faculty members at RCB have access to less than 10 of these data sets. Several units in the college, including RMI, have resorted to funding the purchase of research data sets using Student Tech-Fee Proposals, which is entirely inadequate because the program is designed to make one-time purchases and not sustain annual subscriptions. The lack of support for the purchase of data is a particularly acute problem because the world’s information is digitizing and amazing new data sets...
are becoming available all the time. The department and university are falling further and further behind.

C. **Lack of IT support for departments.** RCB Systems Support provides very limited support and only on standard platforms. Within a research university, the philosophy of IT support should be to help faculty members learn about and experiment with advanced technologies that are providing new and exciting ways to do things. RCB Systems Support does not have the resources for this to happen.

D. **Lack of web support.** Web support for departments is largely nonexistent, and departments are left to themselves to build and maintain their websites. As a result, we have had to internalize these costs and expenses. Even worse, as a department with national and international aspirations, we do not have the expertise to take advantage of sophisticated web-based marketing techniques. Consequently, a peer program like Carnegie Mellon’s MS in Computational Finance program is able to attract many more applicants than we are to our program.

G.4. **Space Resources**

Because of the 11th floor renovation in summer 2010, existing departmental space is modern and adequate for current and forecasted needs in the short term. Within 2–3 years, however, the department will no longer have visitor office space, assuming a faculty base of 25 members and the addition of a professional level staff person.

G.5. **Laboratory Resources**

See discussion under Technical Resources, above.

G.6. **Georgia State Foundation/EFI Resources**

Supplemental funding for the department is provided through the Georgia State University Foundation (GSUF) and Educational Foundation, Inc. (EFI). These funds are used for scholarships, graduate assistantships, and other academic program support. During fiscal year 2010, funding totaled $607,734, including $375,445 from EFI and $232,289 from GSUF. Funds raised in EFI have remained steady in recent years despite the difficult economic environment. Assets in fiscal year 2010 were $3,298,033 in EFI and $5,568,788 in GSUF, totaling $8,866,821 (see Appendix G-4).

G.7. **Library Resources**

Central (Pullen) library resources to support the department's programs are detailed in the Library Resources Report found in Appendix G-2. The library provides 33 journal titles supporting the program, and contains 27% of the universe of available risk industry titles.

**H. GOALS AND OBJECTIVES**

The faculty identified three goals designed to support our revised mission and vision. We also developed several objectives that support the attainment of these goals for the next planning horizon of 5–7 years. This section provides the rationale and discusses the implementation plan for each objective.

**Goals**

We will implement our mission and aspire to our vision by:
- Developing the leading program of scholarship that unifies characterization of the financial and nonfinancial domains of risk.
- Preparing students for careers in a variety of professions and industries that seek to improve the welfare of individuals, households, institutions, and societies through the efficient management of risk.
- Increasing the utilization of information on risk management by policy makers and risk professionals.

**Objectives**
Achieving the following objectives will ensure that we realize our goals:

- Assemble and retain a core of permanent and networked faculty who excel in their discipline desiring to undertake the coordinated study of risk management problems.
- Place graduates of the PhD program at peer and aspirational universities in academic risk management programs and in departments of economics and finance.
- Become the aspirational risk management program for students from around the world.
- Enhance the quality of the learning environment for our students consistent with the programs and opportunities offered to students at top 20 U.S. business schools.
- Implement a coordinated and focused external relations and marketing program that ensures clear and consistent communications with key stakeholders including prospective, current, and former students, recruiters and corporate supporters, and scholars and policymakers around the world.
- Ensure that the department has the financial and operational resources necessary to achieve the envisioned future.

Objective 1: Assemble and retain a core of permanent and networked faculty who excel in their discipline desiring to undertake the coordinated study of risk management problems.

Rationale:

As already argued, the demand for high level research in the management of risk extends well beyond the traditional boundaries of the individual disciplines of statistics, econometrics, microeconomics, macroeconomics, finance, and law. Academic research generally has been deficient in responding to this demand as it ordinarily examines risk and its management from the perspective of a single discipline and thus maintains certain biases that are inevitably embedded in that specific discipline’s worldview. Even worse, not only is risk-related research often uncoordinated across disciplines, it is often conducted by one or two individuals working in semi-isolation.

The department possesses two unique assets that it will leverage to achieve its research goal. The first is breadth. Housing the range of scholars in RMI, from financial mathematicians to behavioral economists to legal scholars, that all address risk from a range of perspectives within the same departmental governance structure and mission is, to our knowledge, unique.

Of course, having researchers from different backgrounds in the same location does not mean that ideas from those disciplines will influence the thinking and research of other people. Thus, we plan to engage numerous strategies, both professional and social, designed to reinforce the notion that we are a collective unit studying risk rather than a collection of subgroups with little interaction across the groups. The following are examples:

- An important criterion that we use when interviewing job candidates is to determine the person’s desire to be in an entrepreneurial academic environment interacting with people from other disciplines. We interviewed dozens of talented candidates that did not fit the cultural ethic who have had good careers at other universities.
- Communication in a group such as this is critical and senior leadership of the department takes considerable care in making sure it is done well.
- We endeavor to create a cultural expectation that all faculty and PhD students attend the weekly research seminar regardless of the topic (as an aside, it is quite something for one of our lawyers to participate in a seminar presented by a mathematician discussing energy price risk management by Norwegian power companies just as it is for a mathematician to participate, debate, and discuss bankruptcy litigation with a legal scholar).

These and other strategies are all designed to encourage research relationships to form and develop across disciplines. These are long-term investments that are just now beginning to generate returns as research relationships, both formal and informal, have developed in ways that we might not have imagined when we began assembling the faculty in 2004.

A second unique asset is the department’s new research center CEAR that has as one of its goals to build an international network of researchers representing a wide range of disciplines that will conduct
risk-related research on a coordinated basis. Although some CEAR researchers will be faculty members at Georgia State University, the majority will be scholars located elsewhere who agree to establish ties with CEAR. These CEAR Research Fellows will conduct basic research in unstructured environments as well as applied grant-related research, develop and implement annual or biannual research seminars, and develop CEAR summer programming. In addition to Research Fellows, CEAR will provide monetary awards to CEAR PhD Fellows in the University’s risk-related PhD programs. CEAR has made a significant investment in virtual technology to create a sense of community among these scholars. In this way, CEAR will have a global reach while establishing Georgia State University as the focal point for risk-related research worldwide.

Although the permanent faculty size of the department is approximately the same as it was in 2003, the intellectual boundary of the group has expanded greatly, and we are no longer heavily populated with NTT and nonresearch-active tenured faculty. In addition, assuming that the department is successful in recruiting the three faculty lines authorized to us, the size of the permanent faculty base in spring 2011 will be 23, which is close to the optimal size of 25 that the department now seeks in steady state. Looking beyond this year, at least one of the two new additional faculty lines that we will request should have an actuarial/mathematical finance background given the interests of the department and the growth of our quantitative degree programs (BBA AS, MAS, and MRM). The discipline for the remaining line is open at this time.

Assembly of the networked faculty began with the appointment of Glenn Harrison as Director of CEAR in fall 2009. Since then, the senior leadership team for CEAR has been put in place as we have successfully recruited the inaugural slate of CEAR Program Directors (see Appendix B-5b). The next steps are to begin identifying and appointing CEAR Research Fellows and to recruit the Associate Director for CEAR. In steady state, CEAR expects to have 75 Fellows with no more than one-third of them employed at Georgia State University. The successful candidate to the AD position will develop the infrastructure necessary to support the research activities of CEAR-affiliated faculty and the appropriate communication strategies, reach out to and address a variety of constituencies, and develop, foster, and nurture a common sense of community and shared purpose among all local and global members of the CEAR network.

**Resources Needed:**

- Two additional faculty members. At least one position should have an emphasis in *actuarial science/finance*. The person will have a PhD in actuarial science, mathematical finance, or a related field with an interest in asset pricing, quantitative risk management, and contingent claims pricing of insurance/reinsurance. At this time, the emphasis for the second line is open and will depend upon the outcome of 2010–2011 recruiting.
- The department will need to convert one PhD office into a faculty office.
- Adequate equipment and administrative/academic support for the additional faculty members.

**Implementation Plan:**

- The department will complete recruiting for three positions in AY 2011. The department will request one additional faculty line in AY 2012 and the second in AY 2013.
- Conversion of a PhD office into a faculty office will need to be done not later than summer 2013.
- Recruit CEAR Associate Director in spring 2011.
- Given the relative inexperience that we have with respect to the networked faculty strategy, the department and CEAR commits to proactively evaluate the strategy annually and make adjustments as necessary.

**Objective 2:** Place graduates of the PhD program at peer and aspirational universities in academic risk management programs and in departments of economics and finance.
With an average of 12 students in any given year, the department’s PhD program is one of the world’s largest programs focused on risk. Students typically take an average of five years to complete the requirements for the PhD degree. We receive 40–50 applicants each year and make offers to five. On average, three students accept. Over the past three years, eight students have either voluntarily or involuntarily left the program.

The large change in the composition of the department’s faculty members afforded us the opportunity to significantly change the PhD course work in recent years. Given the time lag between entry into and exit from the program, the first members of this next generation of students will soon begin leaving. It will be important that they place well.

As part of this self-study, a faculty review committee concluded the strengths of the program are as follows:

- The revised course structure provides students with broad training in foundational economics and quantitative methods consistent with the department’s strategic vision. As such, students are participating in a program with exactly the type of training sought by the market (see the comments by Professors Garven and Louisot presented earlier in this report).
- Most research-active faculty members are involved with the PhD program either through (i) teaching PhD courses, (ii) supervising PhD dissertations, or (iii) serving on PhD committees. Having direct access to such a large group of research-active faculty willing to work with PhD students is unique among our traditional peer institutions.
- The program is an integral part of the department and is not, like many specialty programs, a smaller part of a larger program.
- The department’s networked faculty strategy has the potential to be a useful asset that can be leveraged for increased placement opportunities.

The primary weaknesses of the PhD program are as follows:

- The quality of students has been erratic. Historically, we have found it difficult to discern good students from our pool of applicants ex ante.
- Funding for the PhD program is not guaranteed and is dependent on annual campaigns results run by the department’s foundation.
- Historically the stipends we offered were below market. In 2006, the annual stipend was $12,000 per year.

Over the past several years, the department has made a concerted effort to increase the stipend to be at the top of the market but not over. In fall 2010, the annual stipend was $22,400 per student. Data collected from similar programs shown in Table H-1 suggests that we now offer an attractive financial package relative to peer institutions.

<table>
<thead>
<tr>
<th>University</th>
<th>AY Stipend</th>
<th>Summer Stipend</th>
<th>Annual Stipend</th>
<th>Responsibility</th>
<th>Funding Guarantee</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Georgia</td>
<td>-</td>
<td>16,852</td>
<td>GRA/16hrs</td>
<td>4 years</td>
<td></td>
</tr>
<tr>
<td>University of Wisconsin</td>
<td>16,264</td>
<td>1,807</td>
<td>18,071</td>
<td>GTA/4yrs/likely 5th yr</td>
<td>4 years/5th likely not guaranteed</td>
</tr>
<tr>
<td>Florida State University</td>
<td>$13,000</td>
<td>3,000</td>
<td>16,000</td>
<td>GTA/GTA 10 hrs/wk</td>
<td>4 years/5th likely not guaranteed</td>
</tr>
<tr>
<td>Wharton</td>
<td>23,930</td>
<td>Ad hoc</td>
<td>15,599</td>
<td>GTA or GRA/20 hrs/wk in later stages teach 2 courses</td>
<td>4 years/5th with teaching</td>
</tr>
<tr>
<td>Temple University</td>
<td>$15,599</td>
<td></td>
<td>15,599</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

It is important to note that our benchmarking exercise is relative to other RMI PhD programs at peer institutions. Of course, we compete for the attention of students that may also be considering a PhD in the related disciplines of economics or finance. Informal analysis of these markets suggests our financial
package dominates what is offered by an economics program at a peer institution and would be below offers made by finance PhD programs. For example, the finance PhD programs at GSU, the University of Minnesota, and Georgia Tech currently offer stipends of $24,000, $25,000, and $30,000 respectively.

The faculty review committee recommends that we remain cognizant of finance PhD stipend levels but does not recommend that we increase them to be competitive. At our current level of financial support, the committee believes students will decide which offer to accept based upon their own research interests, the quality of the faculty members that participate in the program, and the amount of interest the faculty have in working with PhD students. We are not a good value proposition for students who want to study mainstream economics or finance. Our comparative advantage is in the area of risk broadly defined (this includes insurance economics, actuarial science, etc.). The department’s reputation has been built in the area of insurance, and we should continue to leverage this reputation.

That being said, the strategic objective requires the department to develop strategies to place students in both peer departments and mainstream departments of economics and finance. The committee recommends a two-part strategy to achieve this objective. In the short term, the committee believes that we should continue to target students to peer or better departments of risk and insurance and actuarial science and in insurance groups housed in economics or finance departments (typically finance departments). In the medium-to-long term, given our efforts, the field of risk will emerge that will create demand from departments of economics and finance to consider our graduates.

Further, the committee believes that focusing on the North American academic job market is far too narrow. There is tremendous growth elsewhere in the world (Europe, Asia, and Australia), and placements in good schools, policy institutions, and so on in these areas should continue to be pursued with vigor.

**Resources Needed:**

- None other than those discussed in Objectives 1 and 6.

**Implementation Plan:**

- Not later than spring 2011, the department will develop and implement a more intensive evaluation process for applicants including requiring Skype interviews with top applicants before offers are made. The primary purpose of the interviews will be to better discern the creative potential of the applicants and their communication skills.
- By not later than spring 2011, expand the PhD Fund Annual Campaign begun in 2010 to include the alumni of the program in addition to the RMI faculty.

**Objective 3:** Become the aspirational risk management program for students from around the world.

The department offers two undergraduate degrees: the BBA in Risk Management and Insurance (RMI) and the BBA in Actuarial Science (AS). We offer graduate programs in four distinct areas: Master of Actuarial Science (MAS), MS in Mathematical Risk Management (MRM), MS or MBA options in Risk Management and Insurance, and MS or MBA options in Personal Financial Planning. Our intentions for each program are described below.

**Quantitative Graduate Degrees: MAS and MRM**

**Rationale:**

Our quantitative graduate programs (the Master of Actuarial Science and MS in Mathematical Risk Management) can largely be considered aspirational already. Both programs draw students nationally and internationally of very high quality, and we place them nationally with exceptional placement rates. In addition, the formal MAS/MRM dual degree option for a student to complete both degrees in four semesters is unique among U.S. universities.
In fall 2010, the combined enrollment in the MRM and MAS programs is 82 students: 67 percent are international, 20 percent from Georgia, and 13 percent from the U.S. but outside of Georgia. The average GMAT/GRE scores of the students in the MRM and MAS programs are 670 and 650, respectively. These are the highest average entrance exams scores for any graduate program in RCB outside of the PhD program.

The faculty review revealed several things we can do to enhance the quality of these programs. They include:

- Adopt more sophisticated marketing, student recruiting, and admissions processes designed to increase applications and allow for more intentional composition of each new cohort of students. Right now, the department uses the resources of its own director of external relations to engage these efforts. Unfortunately, doing so diverts energy away from efforts to secure industry partners and to help identify placement opportunities in the national labor markets. The quantitative metrics of success for an enhanced recruiting effort are as follows:
  - Increase the number of applications by 50 percent
  - Increase the verbal entrance exams scores while maintaining or improving the quantitative entrance exams scores
  - Have a more balanced proportion of applications coming one-third from international students, one-third domestic students from Georgia, and one-third domestic students from U.S. states other than Georgia.

- Develop a strategy or set of strategies to increase how effectively graduates from these highly technical programs communicate the results of their work to nontechnical audiences including prospective managers and fellow team members. Any strategy that we develop should recognize the particular needs of our international students.

- Add a graduate research thesis option, in the form of industry collaboration projects, to the program options.

- Develop and begin offering elective course work focused on actuarial mathematics of non-life insurance exposures.

**Resources Needed:**
None beyond those currently provided and those identified in Objectives 1 and 5.

**Implementation Plan:**
- Revise the MAS and MRM degree requirements to provide a research thesis option by fall 2011.
- Develop and launch the communication enhancement strategy by fall 2011.
- Develop at least one course focused on the actuarial mathematics of non-life insurance that will be approved by the RCB Graduate Program Council in fall 2011.

**MS and MBA in RMI**

**Rationale:**
The current MS in RMI is focused on insurance institutions. The department’s MBA concentration allows students to focus on corporate/insurance risk management, financial risk management, or a combination of the two. These MBA options draw approximately 25–35 students per year. The MBA option is attractive for students from the local area but does not draw students to Atlanta from around the country or around the world.

The faculty review of these programs concluded that neither program was aspirational. The MS RMI was a popular option at one time but is no longer viable given the composition of the current faculty and the current needs of industry. It has been in decline for several years and now has very few students. The MBA RMI options were innovative when they were introduced in 2000 but are no longer distinctive enough to draw prospective students to Atlanta.

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36 To facilitate comparison between GMAT and GRE overall tests scores, the total GRE score is calculated as the average of the GRE verbal and GRE quantitative scores.
Discussions by the faculty in partnership with industry professionals suggest that there currently exists a great opportunity to develop a unique program designed to prepare senior leaders who can transcend the silos that define the various areas with risk management. In addition, our review of the supply of existing programs suggests that currently no graduate program in the country adequately meets this demand.

The faculty recommends completely revamping the department’s nonquantitative graduate risk management program. The revised focus would be to prepare the future chief risk decision makers (e.g., CROs) within corporations or the professionals offering strategic risk advice working for consulting firms, brokerages, or risk advisory groups. Students participating in the program will enhance their leadership skills through self-assessment, personal coaching, and problem-solving exercises while also gaining the technical expertise needed to oversee risk measurement and then the development of the financing, transferring, and hedging strategies that enable organizations greater ability to achieve their overall strategic goals. Through electives, students will have the opportunity to focus in one or more of several areas including Financial Risk Management (FRM), Operational Risk Management (ORM), or in Security and Disaster Management.

**Resources Needed:**
None beyond those currently provided and those identified in Objectives 1 and 5.

**Implementation Plan:**
- Remove the current MS RMI degree program and corresponding courses from the graduate catalog in spring 2011.
- Develop revised MS RMI program in spring 2011 that is approved by RCB Graduate Program Council in fall 2011. Recruit students and launch first cohort in fall 2012.
- In light of changes to the MS RMI, critically evaluate the future of the RMI options in the MBA program by fall 2013.

**MS and MBA in Personal Financial Planning**

**Rationale:**
The department’s personal financial planning (PFP) MS and MBA options draw students with strong verbal and technical aptitude who seek to enter or accelerate a career providing advice to individuals on how to best manage their financial assets and personal risk exposures. The program attracts students primarily from the local area, and there is a strong overlap with MS Finance and Master of Tax students.

Unlike the majority of PFP programs that have migrated to continuing education or online delivery, our program is linked to either an MBA or MS degree within a high quality business school. Thus, the course work has greater emphasis on the economics of behavior and critical thinking and not just CFP exam prep.

We concluded at the end of our review that the current program is aspirational only to students in the local market and should remain that way until we attract new faculty with interests in individual and household risk sharing. Fortunately, given the cross-functional nature of a program that draws expertise from multiple departments in RCB, (primarily the Department of Finance and the School of Accountancy) a single hire or two in RMI could make a big difference in our ability to design and offer a compelling program.

In 2009–2010, we were authorized to recruit one faculty line in household risk sharing. Unfortunately, the position was taken back as a result of budget turmoil during spring 2010. We were reauthorized the same faculty line in fall 2010 and are currently seeking candidates in this area.

In summary, there is ample opportunity to be unique in this area, but it is a goal that we will implement at a slower rate.

**Resources Needed:**
None beyond those currently provided and those identified in Objectives 1 and 5.
Implementation Plan:
- Complete recruiting for a faculty member with an interest in household risk sharing by no later than spring 2012.
- Complete a strategic overview of the PFP program by no later than the end of the 2011–2012 academic year. A revised program will be approved in fall 2012. We will launch a revised program by fall 2013.

**BBA in RMI and AS**

**Rationale:**
Like the Master of Actuarial Science, the BBA AS program can largely be considered aspirational for students in Georgia for several reasons: (i) we are the only actuarial program in the State of Georgia, (ii) we are the only Center for Actuarial Excellence in the southeastern region of the U.S., (iii) our current majors have the highest scholastic aptitude of any major in RCB, and (iv) average placement rates are strong.

Going forward, the faculty recommends the following with respect to the BBA AS program:
- We should act like a premier program and actively recruit the finest mathematically talented students in the state to GSU. Right now, our strategy is to attract students once they are already at Georgia State. We propose to target the math magnet schools in Georgia and the junior college programs seeking exceptional candidates.
- We should emphasize increasing average student quality by raising entrance standards into the program as we are already at capacity.

Even though we have implemented a number of changes to the BBA RMI curriculum since 2003, the program has failed to achieve the goal of being distinctive. The changes made the program more technically rigorous than RMI programs offered by our peers, but it is still too focused on insurance to offer majors opportunities beyond the industry. As a result, we compete directly with the RMI program at the University of Georgia, and we fail to build on the department’s great breadth and depth of expertise.

The faculty recommends that we segment the BBA RMI program into two tracks: an Insurance Track and a Risk Analyst Track. The Insurance Track will largely be our current program and would be appropriate for students seeking entry-level positions in traditional RMI careers primarily in the local Atlanta market. The Risk Analyst Track would target high potential students who are creative and have the ability to think critically. It will emphasize analytics and economic model building and will place greater emphasis on the economic and financial aspects of risk. Students graduating from the program would be well positioned for graduate work and to seek placement options in the national labor markets in traditional RMI careers but also as risk analysts in banking, treasury, consulting, compliance, government, and economic analysis.

**Resources Needed:**
None beyond those currently provided and those identified in Objectives 1 and 5.

**Implementation Plan:**
- In partnership with university undergraduate admissions, develop and launch recruiting strategies targeted to students participating in the math-science magnet schools and junior colleges in Georgia by no later than fall 2011.
- Complete a strategic overview of the BBA RMI program in spring 2011. A revised program will be approved in fall 2011. We will launch the revised program by fall 2012.

**Objective 4:** Enhance the quality of the learning environment for our students consistent with the programs and opportunities offered to students at the top 20 U.S. business schools.

**Rationale:**
Our department is a leading school of risk management and insurance but aspires to be considered a top program in the country. In order to achieve this goal, we need to enhance the quality of the learning
environment consistent with what is expected by high achieving students as they consider other top programs. The faculty identified the following strategies:

1. **Increase the focus on our high achieving students and introduce them to prestigious opportunities.** For example, we should identify high achieving students early and assist/encourage them with the application process to prestigious scholarships and programs. The Marshall Scholarship is an excellent example. In addition, we should develop strategies to ensure that high achieving students have access to top-notch internships. The faculty noted that some of these internships possibilities are already available to our students but often interest is lacking. See Paragraph 3 below for possible resolution of student apathy as relates to internships.

2. **Enhance student-faculty interactions.** Prior to 2003, the department’s various fraternities and other similar organizations were robust as leadership from senior faculty members and/or from the large contingent of non-tenure track faculty were interested in overseeing these programs. We now have a much younger faculty who faces significant pressure to produce the research necessary to make progress towards tenure. The department needs to develop strategies to better promote and reward more faculty involvement with students. Faculty-student mentoring is important for both our masters' level students and our undergraduate students. Possible ways to do this are through faculty oversight of industry collaborative research projects proposed as part of an enhancement to our graduate programs. Another way would be to assign a faculty member to oversee undergraduate students who participate in the university’s undergraduate research symposia in lieu of teaching a formal class.

3. **Enhance interaction with professional organizations.** Similar to point 2, we should revitalize the various departmental fraternities and other organizations to better integrate students into departmental offerings and to create more of a “team-like” atmosphere. Doing so will enable student-to-student mentoring and graduate-to-undergraduate mentoring. Both types of mentoring can provide the students early insight and grounding in what will be a necessary “soft” skill in their professional life, that is, “relationship building.”

4. **Revise the curriculum with an emphasis on integrative learning.** The study of risk involves understanding how concepts relate to each other. For example, in a learning community, we could intentionally link two or more courses in a degree program. The department is rich in interdisciplinary resources. Faculty collaboration could provide enormous benefit to the students. The collaboration and linkage would force the faculty to work together and would promote a more cross-functional learning environment for faculty and students alike. The course could be modeled after MBA 8000. The MBA 8000 faculty, all of whom are from different disciplines, meet weekly to share ideas, power points, current case studies, and cross-disciplinary information. Because of this, the course remains a “work in progress,” providing a rich learning experience for faculty and students. MBA 8000 is consistently ranked by the MBA students as one of the most valuable courses in the MBA curriculum in large measure because of its interdisciplinary approach. In addition, MBA 8000 serves as a foundation course introducing students to concepts and ideas that they will study in more detail as they delve into the various disciplines.

**Resources Needed:**
None beyond those currently provided and those identified in Objectives 1 and 5.

**Implementation Plan:**
- By no later than spring 2011, form a standing faculty committee charged to identify high achieving students and to direct them towards appropriate programs.
- By no later than summer 2011, form a committee that will develop and implement strategies to enhance the professional organizations and students groups in the department.
- Develop strategies designed to enhance student-faculty interaction in parallel with the enactment of changes in academic program outlines in Objective 3. The BBA curriculum committees will also be charged to develop the integrated signature course described above. Implementation of these two objectives will be consistent with the timelines established in Objective 3.
Objective 5: Implement a coordinated and focused external relations and marketing program that ensures clear and consistent communications with key stakeholders including prospective, current, and former students, recruiters and corporate supporters, and scholars and policy makers around the world.

Rationale:
Our department is a leading school of risk management and insurance but aspires to be the top program in the country. In order to achieve this goal, we need to implement an infrastructure consistent with programs that are at the top of their respective fields. This means the following with respect to external relations and marketing:

- Attracting top students locally, regionally, nationally, and internationally. The best programs in any discipline attract students from beyond their local footprint. We need to market our program beyond metro-Atlanta and be viewed as a destination school for the best RMI students.
- Build strong relationships with employers who will hire our graduates. The acid test for how our program is viewed is based largely on how attractive our graduates are to prospective employers.

The specific priorities that we seek to emphasize over the next planning horizon are as follows:

Priority 1: We must attract and maintain top caliber students. Student marketing needs to take place on four levels: (i) high school students in Georgia and other carefully select markets looking for the best undergraduate RMI or AS program, (ii) junior college students in Georgia and other carefully select markets looking to transfer to one of our undergraduate programs, (iii) current GSU undergraduates who have not yet declared their major, and (iv) students/professionals exploring graduate education options in national and international locales. With additional staff, we could do a more effective job reaching significantly more prospective students than we do today. Given that many top students are just not aware of our program, especially outside of Atlanta, educating more students about our department will yield enhanced quality and quantity of students.

Priority 2: We must create, distribute, and maintain written and electronic marketing information so that we can interest and attract top students. Students and prospective students today get most of their research and information from the Internet. We are currently in the process of revamping our website and written materials to make it more user friendly and informative. Other top programs have done a better job with their electronic messages and we are playing catch up. This process is labor intensive and it takes a substantial amount of DER time to keep these materials up to date. Although it is necessary, time spent on marketing infrastructure is time spent away from other initiatives. Adding to staff will allow these projects to continue and not take momentum away from other projects.

Priority 3: We must be on the cutting edge of risk management innovation and our name should be associated with ideas that advance work in risk. Staying involved in new and innovative projects enhances our reputation and is necessary for us to command the attention of potential graduate students coming from around the country or around the world. In addition, once opportunities are identified, these collaborative projects must be managed to a successful conclusion. With only one DER, each project that we undertake means other endeavors must be reprioritized because there just is not enough time to do everything that is important. Additional staff will allow the momentum to continue and not be bogged down when new projects are launched. We have the faculty and the students to engage these project—we do not want to risk having to turn down opportunities for lack of qualified personnel to run them.

Priority 4: We must be recognized as the top program by industry. By and large, our program’s reputation locally is extremely positive. Based on our U.S. News and World Report ranking, our national reputation is positive too. Each job fair highlights how well our programs are viewed as a disproportionately high number of firms recruit our students. For example, in fall 2010, approximately 30 firms (out of 70) recruited RMI and AS students, which is impressive given that only 5 percent of RCB students are associated with our department. Although 30 firms is a good number, we could be doing even better. We should strive to have each graduate secure a position within three months of graduation. We also need to be as well known outside of Atlanta as we are locally. The DER Team should be traveling to firms outside of our local area to discuss the merits of our programs and to convince these
firms to recruit at GSU and hire our graduates. We should attempt to double the number of firms that recruit our graduates, which is a reasonable goal, assuming a DER Team. We are having success already, but we need more time on the road to meet these non-local employers. Additional staff will allow for this to happen faster.

Priority 5: We must maintain strong ties to the insurance industry and create ties beyond insurance. We already maintain strong ties to the industry, but we need to continue expanding beyond Atlanta and to continue cultivating relationships beyond the insurance industry. Risk is not just an insurance-based discipline, and our graduates should aspire to careers beyond just the insurance industry. However, unless we cultivate relationships in banking, nonfinancial firms, and government, our students will be on their own if they desire to look beyond insurance. The DER should be taking a lead role in finding firms eager to hire our graduates for noninsurance risk-based positions. A DER-Team is needed to move this goal forward.

Priority 6: Our students need to feel an affinity to both GSU and RMI. Maintaining thriving student clubs can help. Historically, GSU students participated in academic clubs. Actuarial Science students participated in the Actuarial Students Association while RMI students belonged to Gamma Iota Sigma or the Graduate Risk Management Association. While the ASA continues to thrive, GIS has recently fallen dormant. The DER Team could help here by assisting with mock interviews and finding suitable speakers to address the club’s membership.

Priority 7: We must help prepare our students for their job search after GSU. The best programs at the best schools prepare their students for life after college. This means that students are taught how to interview and prepare for the job search. This not only helps the students, but employers are much more likely to return to a school if they have success with the interview pool. This area has not been a traditional strong point at GSU. However, this semester the DER taught RMI 4385 – Professional Skills. The class introduced students to the many careers available to BBA-RMI and BBA-AS graduates as well as helped them practice their interview skills. This class should be mandatory for all students, but we do not have the resources to teach the number of classes necessary to reach each student.

Priority 8: Alumni need to stay connected
Alumni involvement is key for a number of reasons, but they have not remained active post-graduation. We need to keep our alumni engaged, or at least informed. There are many ways this can be done including, possibly, the use social media. A DER initiative is key to holding on to these students after they leave for the business world but is beyond the time available to the DER today.

Resources Needed:
We currently have a Director of External Relations that spends most of his time on marketing and outreach initiatives. A Public Relations Specialist and a Student Affairs and Alumni Coordinator assist in certain aspects of the DER’s job responsibilities. The Public Relations Specialist is a valuable asset to the department but has many other responsibilities that limit her role in outreach efforts. The Student Affairs Coordinator is structured as a staff level position and is not at the experience-level necessary to offer the assistance at a professional level.

Given the existing structure, the greatest need comes in two forms: (i) communicating in a timely manner activities and accomplishments of the program, and (ii) outreach to prospective students. The first problem can be addressed by freeing up some of the time of the existing DER and by more aggressively leveraging the communications department in the RCB dean’s office. The latter problem requires dedicated expert resources that currently do not exist in the department. Furthermore, attempts to leverage existing resources within RCB have proven unsuccessful as those resources are focused almost exclusively on recruiting students only in Atlanta and Georgia. Thus, we need at least one additional senior-level professional that would focus on student recruiting and student services. Given the current workload of the existing DER, many of the department’s initiatives will not be realized on a timely basis given the growing number of priorities and initiatives. We are just too short-staffed to accomplish
everything that we would like to do within the timeframe necessary. There has been much progress, but there is so much left to do.

**Implementation Plan:**
- By no later than summer 2011, identify financial resources necessary to establish the RMI Director of Recruiting and Admissions. By no later than fall 2011, hire and recruit the inaugural RMI Director of Recruiting and Admissions and adjust the reporting structure in the department.

**Objective 6:** Ensure that the department has the financial and operational resources necessary to achieve the envisioned future.

**Rationale:**
This plan anticipates the following major initiatives over the next planning cycle: (i) launching a new graduate program and a new track in our undergraduate program for high achieving students seeking employment and graduate school opportunities in and beyond Atlanta (ii) enhancements to the quality of the learning environment designed to ensure that our programs are consistent with what is offered by programs at top 20 business schools, (iii) developing a more professional, timely, and robust marketing, recruiting, and communications program.

In addition to these initiatives, the junior core of faculty members hired since 2004 will begin seeking promotion and/or tenure within the next several years. The department will need significant additional endowment resources in order to retain the highly talented members of this and future cohorts.

It is axiomatic that a failure to align organizational structure with and provide adequate resources for organizational goals and objectives substantially undermines the prospects for achieving those goals and objectives.

**Resources Needed:**
- Those currently provided plus those identified for other objectives, particularly Objectives 1 and 5.
- Significant compensation increase for one current staff member.
- One additional professional-level staff member to assume the position RMI Director of Recruiting and Student Services.
- Additional annual financial support of $100,000 from EFI.
- Additional endowment support of $5 million for the implementation of our research and outreach objectives.

**Implementation Plan:**
- By summer 2011, with the support of the RCB, the university, and EFI, we will secure the necessary state funding and soft money resources to hire the RMI Director of Recruiting and Student Services. In addition, funding for a significant increase to the inappropriately low compensation for one of our current staff members will be secured.
- The EFI Board of Trustees will complete a capital needs assessment by summer 2011 and will launch a campaign in fall 2011. Our target date for securing these funds is not later than the end of 2013.

**Additional Notes:**
- The 2010 Self-Study Report and accompanying appendices will be made available in both PDF and Microsoft Word formats, however the following appendices are only available in PDF format: B-1, B-2, B-5a, B-5b, B-7, D-1, D-2, D-4, D-5, E-4, F-3, and G-4.