

Comprehensive Program Review
Departments of Finance and Real Estate
Georgia State University
August 2020

The following programs are critical to the institutional mission and thus MEET the institution's criteria for retention.

Bachelors of Business Administration with a major in Finance (52080101)

The BBA in Finance provides students with a broad and sound foundation in finance knowledge, builds proficiency in the use of quantitative skills for financial analysis, develops critical thinking, and prepares students for careers in the financial services industry, public and private corporations, and nonprofit organizations. There is consistently strong demand for the major, which informs on the viability of the program. There were 826 Finance majors in Fall 2015, 899 in Fall 2016, and 918 in Fall 2017. Students regularly receive excellent employment opportunities at desirable organizations in Atlanta and around the country. Based on available data (BBAs who graduated during AY2010, 2011, and 2012), a very high number of graduates go on to pursue graduate education and in some cases at prestigious institutions (e.g., NYU, Georgia Tech, Emory). In Finance, 69 out of 103 graduates (with available data) earned a Master's degree, 6 earned Law degrees, and 1 earned a doctorate. Relates to Action Item 1 (increase tenure-track faculty to meet BBA growth demands).

Master of Science with a major in Finance (52080101)

The MS Finance program is a STEM certified program that combines a rigorous grounding in financial economics with skill development in financial data analytics and FinTech to prepare students to pursue careers in financial services firms, corporations, and start-up ventures. Following a transition to a fall start date, the program had 23 students in Fall 2015, 43 students in Fall 2016, and 39 students in Fall 2017. Students receive positions as financial analysts and data scientists at top employers such as Amazon, EY, Georgia Pacific, and Regions bank. In the latest rankings, TFE ranked the MS Finance program #12 in the nation and #4 among public schools. Georgia State University is the #1 ranked public school in the southeast and #2 overall in the southeast trailing only Vanderbilt. Relates to Action Item 1 (increase tenure-track faculty to grow graduate enrollment and Action Item 4 (create a 12-month option for the MS Finance program).

Doctor of Philosophy with a major in Finance (52080101)

The PhD program in finance provides students with a comprehensive and rigorous treatment of financial theory, economic theory, econometrics, and empirical methods to prepare student for careers in academia at research institutions. There were 18 students in the program in Fall 2015, and 15 students in Fall 2016 and 2017. Graduates receive tenure-track faculty positions at research universities such as the University of Alabama, the University of Arizona, the University of Connecticut, the University of Florida, and Tulane University. Graduates publish their research in the top journals in the field, including the Journal of Finance, the Journal of Financial Economics, the Review of Financial Studies, and the Journal of Financial and Quantitative Analysis among others. Relates to Action Item 2 (endow the FinTech Lab to provide a source of increased funding for the PhD program).

Bachelor of Business Administration with a major in Real Estate (52150100)

This undergraduate program teaches students about key issues in real estate, and prepares them for careers in real estate investment, lending, and services sectors. In terms of program viability, we have seen strong increase in demand for the major. In Fall 2013, there were 18 pre-Real Estate majors. By Fall 2017, that number has risen steadily to 65 pre-Real Estate majors (261% increase). In terms of productivity, we have seen our students place well with job opportunities outpacing the number of graduates in recent years. As evidence of program quality, for 2019, U.S. News & World Report ranks GSU #10 for Best Undergraduate Real Estate Programs. Relates to Action Item 1 (increase tenure-track faculty to meet BBA growth demands).

Master of Science in Real Estate (52150100)

This graduate program teaches students to think like an owner of commercial real estate, and prepares them for careers in commercial real estate investment, lending, and supporting services sectors. In terms of viability, the MS-Commercial Real Estate program is now a profit-generator for the Robinson College of Business. In Fall 2018, the MS-Commercial Real Estate has 24 students enrolled – the largest cohort since moving the program to Buckhead. In terms of productivity, we see strong placement for our MSCRE students, with average starting salaries over \$103,000 in the most recent survey. In terms of program quality, we are not aware of reliable MS in Real Estate program ranking, however we can point to the strong placement of our graduates at large financial institutions, pension funds, life insurance companies, and REITs as testament to program quality. Relates to Action Item 1 (increase tenure-track faculty to grow graduate enrollment).

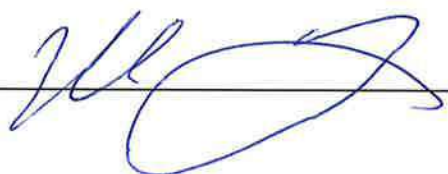
Doctor of Philosophy with a major in Real Estate (52150100)

The PhD program in real estate provides students with a comprehensive and rigorous treatment of financial theory, economic theory, econometrics, and empirical methods to prepare student for careers in academia at research institutions. In terms of viability, there were 9 students in the program in Fall 2012, and 2 students in Fall 2017. The small number of students actually makes for a more viable PhD program that focuses on quality over quantity, given only 3 roster faculty in the department. In terms of productivity, all graduates since 2011 have received tenure-track faculty positions at teaching and research universities. In terms of quality, graduates publish their research in the top journals in the field, including *Real Estate Economics*, *Journal of Real Estate Finance & Economics*, and *Journal of Real Estate Research* among others. Relates to Action Item 1 (increase faculty productivity and increase tenure-track faculty).

Provost PAA Signature and Date _____

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Provost PAA's Designee Signature and Date _____

 8/19/20

Appendix: Action Plan 2020
Departments of Finance and Real Estate

Given their interdependencies including sharing the same department chair and several courses, the Departments of Finance and Real Estate conducted the APR process together.

I. STATUS OF ACTION ITEMS FROM PRIOR APR REVIEW (Finance, 2011)

1. **Create a Finance honors major:** *Completed.*
2. **Conduct a thorough curriculum review of undergraduate and master's programs:** *Completed and ongoing via continuous assurance of learning.*
3. **Incorporate greater use of databases within the finance curriculum.** *Completed and ongoing as technology and finance continue to evolve.*
4. **Secure increased financial support for databases:** *In Progress.* The RCB funds data acquisition through annual unit allocations of the student technology fund. Monitoring at the RCB level indicates significant data usage in the classroom and for student and disciplinary academic research. Finding a permanent source of funding remains an objective; however, opportunities for external sources of funding such as grants and contracts should continue to be pursued.
5. **Strengthen program assessment:** *Completed and ongoing.*
6. **Broaden external opportunities for students.** *Completed and ongoing as part of the responsibility of a departmental director of corporate outreach, the addition of an Executive in Residence, expanded study abroad programs, sponsorship of multiple case competition studies, and access to the department's Financial Leadership Network.*
7. **Increase communication between students and the department.** *Completed.*
8. **Provide increased support for the PhD program and doctoral students.** *Completed.*
9. **Expand interdisciplinary research with other units within the University.** *Partially completed and ongoing via engagement in the RCB capital markets group, an interdisciplinary workshop for SOTL research, interdisciplinary engagement in the FinTech lab, and with the RCB's Center for the Economic Analysis of Risk (CEAR).*
10. **Increase the number of women and minorities among the faculty.** *Partially completed with the addition of three female faculty members.*
11. **Increase the number of professorships and chairs.** *Completed, but efforts to fill and expand endowed positions continue.*
12. **Hire two tenure-track faculty members to decrease reliance on non-AQ faculty:** *Partially completed, but losses and the lack of authorization to replace these losses has not increased the ratio of tenure-track to non-tenure-track faculty.*
13. **Provide faculty support for RCB executive education initiatives:** *Indeterminate. The nature of RCB executive education has changed significantly over the last few years. The Department continues to support executive education initiatives and provides two faculty members to teach the finance component in the EMBA and another faculty member who serves on the Executive Doctorate faculty.*

II. MAJOR FINDINGS IN CURRENT REVIEW

1. **Both the Departments of Finance and Real Estate require additional faculty**
Increasing enrollments and new strategic initiatives coupled with faculty losses and several years of

no tenure-track hiring have stressed faculty resources to the maximum. Undergraduate degrees in Finance and Real Estate grew by 25% and 75%, respectively, from 2016-2018. In contrast, faculty resources declined in both departments to the point where they cannot afford to lose any more if the size and scope of college and unit programs continue to increase and the units are to maintain its scholarly leadership.

2. Having one person serve as a long-term Chair of Finance and Real Estate and a lack of succession plan creates “key person” risk

Both reviewers raise potential risks related to future department leadership and the continued role that Gerry Gay serves as the Chair of Finance and the interim Chair of Real Estate.

3. The College should address whether Real Estate should remain an independent area or be housed within the Finance Department.

The Real Estate Department has been chaired for 6 years on an interim basis by the chair of Finance, and this arrangement has blurred the lines between the departments. A related issue raised is if Real Estate remains independent, a leader needs to be identified.

4. Ph.D. students teach too much and need guaranteed funding for four years

The reviewers concluded that the two PhD programs were producing outstanding graduates who placed at peer or near-peer universities, but that students were taking too long to graduate because of insufficient funding beyond their third year and excessive teaching responsibilities.

5. As feasible, the reviewers recommend stacking courses in one semester and limiting unique course preparations, particularly for assistant professors, to reduce demands on faculty and to increase research productivity.

The reviewers commented on the number of different courses requiring unique preparation taught by faculty and their teaching across multiple semesters; this creates inefficiencies, impedes research productivity, and is inconsistent with practices at peer schools with similar research aspirations. Instead, the reviewers recommend stacking courses in one semester for junior and research productive faculty, although this may be difficult for Real Estate given the small number of faculty.

6. Increase guaranteed summer support for assistant professors to 2/9 of AY salary through tenure, contingent on satisfactory performance reviews and contract extension. For research productive tenured faculty not having guaranteed funding, the College should identify sources of summer funds now critical for the retention of highly productive researchers in finance departments.

This is increasingly the practice at peer and aspirational research institutions.

7. Create an option to complete the MS Finance within 12 months (Finance only) to meet market demand.

III. ACTION STEPS FOR THE COMING CYCLE

1. Increase faculty productivity and increase tenure-track faculty to meet BBA growth demands, grow graduate enrollment, and expand offerings related to FinTech and financial data analytics.

In order to meet the anticipated enrollment growth goals of the College and the University, the Department will identify and execute ways to increase faculty teaching productivity and increase the number of tenure-track faculty. Benefits include: better positioning to integrate data analytics

and FinTech into the curriculum; improving research output and impact; and enabling the Department to grow BBA and graduate enrollment.

Time Line: The Department will explore and then adopt new approaches to course delivery in its BBA, MBA, and M.S. program offerings. The Department will also review its current course offerings to identify those that no longer need to be taught and those that should be added to the curriculum. The College budget should grow as enrollments increase which will permit the resources to initiate 2-3 faculty hires over the next 2-3 years. We will finance these hires through anticipated growth in Finance enrollments in light of the recent creation of (a) the Online BBA-Finance major, and (b) the FinTech and Business Analytics certificates. Given the strategic importance of these initiatives, the College will give priority to funding faculty hires in the Department via funds becoming available from the proposed online revenue sharing agreement, from an unfilled endowed chair, and, if needed, redirecting resources from other areas of the College's state budget.

2. Endow the FinTech Lab

The Department, in partnership with the Dean's Office, will seek to endow the FinTech Lab. This action aligns with the strategic plan of the College, and would provide a source of funds to address reviewer recommendations to reduce PhD student teaching and to provide summer funding for productive researchers. Endowing the FinTech Lab would also assist the Department in addressing the recommendation that the Department "stack" courses for assistant professors and productive researchers, since PhD students would teach less and remove an impediment to stacking. In the event that a donor is not found to endow the FinTech Lab, the College is currently introducing a FinTech Innovation stackable certificate for industry executives that will provide a potential source of residual revenues for supporting PhD student stipends and summer funding for research productive faculty.

Time Line: 1 – 3 years

3. Create "Vice Chairs" for Finance and Real Estate

This action step addresses two related issues: (1) the need to develop potential successors for the current long-serving Department Chair of Finance, and (2) the future organization of the Real Estate Department. As a first step in addressing these issues, efforts will begin immediately to identify individuals to serve as Vice Chairs for the Department of Finance and the Department of Real Estate, respectively. Vice Chairs should receive appropriate compensation for assuming these roles including potential course reductions and/or summer research stipends. We will source the necessary funding either from the college state budget and/or from departmental soft funds.

Time Line: Appoint Vice Chairs by Fall 2020. Decide upon long term relationship between the two departments 1 – 2 years.

4. Create a 12-month option for the MS Finance program (Finance only)

The Director of the MS Finance program, in conjunction with the Chair of Finance and the Finance faculty, shall create a one-year (3-semester) option in the MS Finance program.

Time Line: 6 months – 1 year

SIGNATURE PAGE:

Ronald J. Bay

2/10/2020 Department Chair

R. P. ...

2/10/2020 Dean

[Signature]

8/11/20 Provost