Report of the External Committee for the
Academic Program Review of the
Department of Economics
Andrew Young School of Policy Studies
Georgia State University

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Executive Summary

On April 8-10, 2018 we conducted a site visit for the academic program review of the Department of Economics at Georgia State University. In preparation for the visit, we reviewed the Department’s self study and associated appendices, the CVs of faculty, and the letters of transmittal from the Department Chair and the Dean of the Andrew Young School. Over the course of our site visit, we held meetings with University and School administration, center directors, groups of faculty separated by rank, directors of undergraduate and graduate programs, and graduate and undergraduate students. Our discussions centered around successes and challenges facing the Department in terms of research productivity and internal and external financial support, recruitment and retention of faculty and staff, the role of research centers in the Department, curriculum of undergraduate and graduate programs, and advising, mentoring, and career services offered to undergraduate and graduate students.

Our assessment is that the Department of Economics is a gem of Georgia State University with national and international recognition for rigorous, policy-relevant research, success in awards of external grants and contracts well in excess of that of departments at peer (and many benchmark) institutions, strong placement of Ph.D. students at academic and research institutions, and broad satisfaction with the curriculum among the undergraduate students. Faculty are publishing regularly in leading peer-reviewed professional journals, securing large grants and contracts from major national and international government agencies and foundations, and presenting at major global economics conferences. Several faculty hold significant campus leadership positions as center directors and university administrators.

Despite the substantial rise in ranking since the last external review, aided in part from the Department’s success in securing 2CI professorships, much of the gain is fragile owing to pending retirements, recent challenges in retaining productive faculty, and insufficient University support for the entrepreneurial research centers. Throughout the report we highlight these challenges of faculty recruitment and retention and make recommendations on how the University and School might address them to prevent loss of national distinction. We also make recommendations in how they might improve mentoring of junior faculty, the productivity of research-active faculty, and the quality and quantity of economics majors and graduate students.

Contributions to the Discipline

The structure of our report follows that provided to us by the University in its External Review Report Guide. In this first section we highlight the subfields of the Economics profession that the Department makes its most significant scholarly contributions, and we discuss the extent to which the number and composition of the faculty adequately meet the research and educational needs of the Department.

The Department of Economics specializes in eight fields within the economics discipline comprising public, labor, health, education, urban and regional, environmental, experimental, and applied econometrics. This specialization is in part an outgrowth of the Department’s unique positioning within a School of Public Policy, as opposed to the typical location in arts and sciences, but such specialization (with possible differences in composition) is often found in economics.
programs located in a business school. This specialization has enabled the Department to focus resources for research and training, and it has paid dividends in terms of national rankings and external research funding. As noted in the self study, the Department ranked 40th overall in the 2017 RePEc/IDEAS rankings (59th overall in US News rankings), above several of GSU’s aspirational schools (including some that are AAU members), and in the top 15 for the subfields of experimental and behavioral economics, and top 25 in education and labor economics. In terms of external funding, securing over $9 million in external grants in the last three years is well above the national norm for economics departments.

Of the areas that the Department specializes, the current faculty are most noted in the fields of labor, experimental, health, and education. The historic strength of the department that laid the foundation of its international reputation is in the areas of public and urban/regional economics. The influence of these areas has been depleted over the past decade from faculty departures and retirements, and today the Department is acutely underserved in those areas. Given the positioning of the Department in the nexus of Georgia state government and in a large urban area, the loss of faculty expertise on issues of taxation and spending, and the structure and functioning of urban communities, has diminished the Department’s local, state, and national influence on pressing public policy issues in these areas. This is highlighted by the fact that there is no longer direct faculty involvement in the Fiscal Research Center, and the majority of influence of the International Center for Public Policy and the Experimental Economics Center are led by the extraordinary efforts of one faculty member in each center. This “thinness” of faculty depth is also in evidence in the areas of experimental and environmental economics, each of which experienced several faculty departures in recent years, as well as in the core methodology areas at the heart of economics graduate education—micro and macro theory and econometrics.

**Recommendations on Faculty Size and Composition**

In order to restore the reputation of public and urban economics, to re-establish linkages between the research centers, and ensure continuity of program excellence in experimental, health, and labor economics in light of faculty departures and pending retirements, we recommend a sustained program of hiring with “real” growth in faculty size of no fewer than five full-time tenure-track faculty over current faculty size. There is a clear need that some of these new faculty be prominent senior scholars who will be able to take leadership positions in the Department and affiliated research centers in terms of external funding, graduate advising, and overall program direction. The department would also benefit from new faculty members who are early and mid-career faculty at the associate and full professor ranks, as these ranks are currently under-represented in the Department. Several members of the Department expressed frustration at the lack of institutional commitment to the Department in terms of faculty lines. The major concern is due to the fact that lines either revert back to the School (including endowed chairs) or University (e.g. 2CI/Next Gen) with faculty departures or retirements. When a department is unable to exert control over hires, it makes it quite difficult for a department to sustain existing program areas when there are departures and retirements. This frustration is also understandable given that the Department’s rank among the Economics profession far exceeds the University’s overall rank, and its reach within the local, state, and national policymaking circles yields outsized potential for wider engagement and influence.
The Department recognizes that further efforts at gender and racial/ethnic diversity among faculty ranks are needed going forward. The three prominent female full professors have either recently retired or moved into full-time University administration, and thus there currently are no female full professors with full-time appointments in the Department. There are currently three female associate professors (one research-track and two clinical), and two assistant professors (one research-track and one clinical). The Department has made efforts in recent offers, but has fallen short. In the course of our discussions, we were made aware that the University has no policy of maternity (or paternity) leave, which falls short of the market. Many universities offer the option of deferred tenure decisions (in some cases up to two years for two children), while others also provide paid leave during the term of the childbirth. The lack of a formal maternity leave policy may deter some potential recruits. What we found to be more problematic about the lack of maternity leave policy is that there was general confusion on the part of the faculty about what exactly the policy was or was not at the University. Policies like this are very important to recruitment of faculty and it is also important that all faculty are clearly informed about what those policies are. Our perception is that on these and several other policy matters, there may not be sufficient communication to the faculty regarding official policies. We were also informed that the University commitment to spousal hiring has changed over time and is less available. This, too, could disproportionately affect recruiting of female faculty. This challenge is not unique to GSU as recruiting of minority and underrepresented groups in Economics is a national challenge as well, but with GSU’s location in a large metro area with a diverse population base there are natural advantages for recruiting diverse faculty conditional on aligning some policies and procedures with market norms such as maternity leave.

**Quality of the Department’s Undergraduate and Graduate Programs**

The Department of Economics offers multiple undergraduate degrees as well as Master’s and PhD degrees. We will discuss and evaluate each in turn.

*Undergraduate Programs*

The Department offers three undergraduate degrees including a BS and a BA in Economics as well as a BA in International Economics and Modern Languages. Each of these degrees adheres to traditional standards for curriculum as they all require the standard Principles and Intermediate courses, upper level field courses and then specialized requirements appropriate for each degree. The BS degree requires additional math courses as well as econometrics while the Modern Languages degree requires requisite training in languages. Given the policy focus of the faculty, most of the courses appear to have a clear policy focus which was appreciated by the undergraduates we spoke with. The Department has proposed adding a Math – Econ degree as well. This is a type of degree which is becoming more common around the country. It is definitely a useful degree for students interested in getting a PhD but can also be useful for students who just want to take a more rigorous approach to their work.

The quality of the incoming students appears to be high based on the average SAT score of the incoming students, 1132. The Department also seems to be doing a good job of sending students on to graduate programs. The survey results reported in the study indicate a generally positive level of satisfaction by the students which was confirmed by the impressive group of
undergraduates we interviewed. There were certainly a few complaints in the survey and from the students, but those mostly had to do with scheduling issues and other elements specific to an individual student’s case. The students were strong in their praise for the faculty and were quite appreciative for the classes they were able to take. We particularly noted that a few of the students praised the PhD students who had taught some of their courses with the undergraduates saying that the PhD students were very committed to teaching them and they used innovative approaches which allowed the students to better connect with the material.

The Department is in the process of implementing a 4+1 program which a few of the students we talked to were very excited about. This should turn out to be a great opportunity for motivated students.

The only negative we found regarding the undergraduate programs had to do with the students running into consistent problems with centralized advising. The problems included inconsistency regarding when they were allowed to transfer to School-specific advisers (some were approved at 60 hours, others not until 90 hours). Students also reported that while they were supposed to retain a common adviser from semester to semester, this rarely happened as each time they would go for advising they would be directed to someone new. What makes all of this problematic is that the central advisers were ineffective in helping the students navigate specific issues with the degree they wanted. This includes multiple instances of advisers directing bright and ambitious students towards easier and less rigorous courses. The students reported generally better satisfaction with the School advisers. We also received reports of some challenges in registering for 4+1 course offerings; namely, students being denied access to the +1 courses due to inadequate status. The issues were ultimately resolved with intensive intervention of Department staff, but highlight some hiccups in implementing the new 4+1 program.

**Recommendations on Undergraduate Program**

In general, we found the undergraduate programs to be in good shape. We would strongly advise that the administration take a careful look at the central advising model as there are clearly issues there, but this is nothing the Department can affect on their own. There are, however, a few recommendations we have regarding recruitment of additional majors that we think the Department might be able to pursue.

1. General Recruiting – Given that the Department receives so many students into their principles courses, they might be able to get more majors overall by engaging in active recruitment of these students. Principles classes themselves don’t always cover the material best suited for recruiting but the Department could have instructors spend a few minutes of every week talking about the types of issues that professional economists address related to the material for that week and/or talking about different types of jobs available to people trained on solving those problems.

2. Minority Recruitment – This University and the Department are in a unique position to do a service to Academia in general and to the field of Economics due to the number of minority students served (approximately 1/3rd of the students are African American). The general recruitment strategies discussed above can also be targeted at minority students to not only bring them into the major, but where appropriate to introduce them to the idea of getting
advanced degrees. Academia would be well served by having more minorities among our ranks and GSU could become a leader in providing well trained minorities into the pipeline.

3. Female Recruitment – Females make up only 36% of the Economics majors at GSU. Under-representation by females is a common problem in the field and it is one each department must attempt to address. Based on recent research there are a few strategies that appear effective though the Department may find others. Most of the effective strategies involve providing women with more information about what it takes to be successful in the major as well as information on what they can do with the major. The major is typically not well understood and so explaining to women in principles classes all of the career opportunities available to them has been effective at other universities. So too has making it clear to women who might not have quite gotten A’s in a principles class that they can still major in Economics. Research shows that males are almost equally likely to major in Economics regardless of their grades in Principles classes while the rate of women in the major falls off substantially for any grades below an A. Explaining to them that they are still viable majors if they receive a B or B+ in their initial classes can help overcome this problem.

4. Course Sequencing/Prerequisites – Most students begin their program of study taking Principles of Macroeconomics before Microeconomics, which is opposite that of most programs, and we heard some reports that students found the sequencing a challenge. In addition, with few exceptions, the upper-division courses do not require intermediate micro or macro as prerequisites. Some students felt that this resulted in less challenging field courses because they perceived that the faculty were inhibited in the methods used owing to the mixed training of students (some only with principles, some with intermediate micro). Many programs require at least intermediate micro prior to upper-division courses to ensure common training, though this comes at a cost of reduced flexibility in scheduling for students, which may be a challenge for many of the nontraditional students at GSU. Because of this we are reluctant to recommend outright the introduction of upper-level prerequisites, but we do encourage the Department to more fully explore whether the sequencing and prerequisites of the undergraduate program might offer a more fulfilling experience for GSU students.

Graduate Programs

The Department has both a terminal MA program and a separate PhD program, both of which appear to be quite successful. The MA program brings in 20 students per year while the PhD program brings in about 15. The curriculum for both programs adheres to norms for the discipline and by all accounts, the programs appear very effective at training students. The PhD program in particular has an outstanding record of placing students into high quality academic positions. GSU students are generally able to get positions that one might normally expect would go to students at higher ranked departments. This is a testament to the effort the faculty put into training these students for the market.

The alumni survey for the graduate students again reports generally positive results and the students we interviewed were also very positive about the Department. The MA students greatly appreciated the policy focus of their course offerings. The PhD students reported that they almost uniformly received great support from the faculty regarding their research. They in particular appreciated a new innovation in the past few years of an organized seminar that would allow two PhD students per week to present their work. Students found that this experience gave them
excellent preparation for the job market.

The one element the PhD students found unsatisfying was the level of financial support provided and indeed prior years of students were brought in at funding levels that were not only uncompetitive but should be expected to be a hardship for these students to do well in the program. These offers involved providing $16-18,000 in stipends but requiring that these students pay large amounts back to the University in fees and health insurance. Most recently the Department has upped the stipend to a more competitive $24,000 but still with the requirement that students pay their health insurance and substantial fees out of that money (around $4,000 annually). That structure will undoubtedly make it difficult to recruit the best PhD students.

**Recommendations Regarding the Graduate Programs**

1. **Our main recommendation is due to our belief that the Department and the University are missing a great opportunity with the current MA program.** The MA students present did mention that while they appreciated the program, they would really like more hands on courses that teach them programming skills and give them practical experience with data. We believe there are many more potential students with such demands. The faculty of the GSU Department are almost perfectly suited to create a MA curriculum with such a focus. This could substantially increase enrollments of full price paying students. Of course, these new classes would require substantial investment by the faculty and it would require freeing them from other duties, and ideally be met with commensurate growth in faculty size. We would strongly recommend a revenue sharing arrangement be worked out that provides the Department and faculty the incentive to create such a program and do the work necessary to make it successful. The additional revenue would benefit the University and sharing some of it directly with the Department could allow them to better support junior faculty research and the PhD program or other needs as identified by the Department.

2. **For the PhD program we recommend that something be done about the issue with the stipends and fees.** It is quite unusual that a University require PhD students to pay substantial fees out of their stipends. The $24,000 level of the new stipends is a competitive level that we would hope can be maintained but the University would be well served by finding a way to waive the fees or provide the Department with the resources to cover these fees for the students. We are also concerned about the sustainability of the current funding model. Our understanding is that this new stipend level is funded in part based on some of the research Centers providing the funding. As we discuss elsewhere, the long run viability of some of these centers is in doubt without faculty resources to maintain them. If the Centers cannot be maintained, this could endanger the PhD program. We would encourage the School to find more sustainable funding for the program. Finally, several students expressed the desire for more teaching opportunities, but the current structure of the program that requires those teaching a course to concurrently be assigned as a half-time RA to be too much burden. For those teaching, a 1+1 course load over the academic year without the requirements of being an RA would be a more competitive package, offering the opportunity to gain useful classroom skills while also maintaining ample time to work on dissertation research.
Quality of the Department’s Research Culture

The Department hosts two research centers—the newly created Education Policy Lab, and the Experimental Economics Center—and has leadership oversight of two School-based centers—the Fiscal Research Center and the International Center for Public Policy. In addition, several faculty are affiliated with the Georgia Health Policy Center. These research centers play core functions in the intellectual life of the Department, offering support and opportunities for externally funded grants and contracts that provide academic-year course relief and summer salary for faculty, and stipends for graduate students. They also serve as crucial gateways for the Department to engage in outreach to the wider University, Atlanta, and global communities. For example, the Experimental Center offers its lab resources to researchers around the nation (not just economists, but also faculty in accounting, finance, and other social sciences) to conduct rigorous lab-based projects. The International Center hosts an annual summer program in public economics to early and mid-career professionals from Spain and brings leading economists around the world to teach in the program. The Department also sponsors an active seminar series that brings noted national speakers to interact with faculty and students, enriching the research environment for faculty and students.

There are several important challenges facing the Department’s research environment. First, as noted previously, the centers, notably the Experimental and International centers, are led by senior faculty in the latter stages of their careers and with no obvious succession plan. Several faculty departures have resulted in lost faculty affiliations with the centers, and in the case of the Fiscal Research Center, there is currently no direct faculty involvement after the recent internal promotion of the director to Dean of the School. Given the historic connection of the centers to academic life in the Department, both for faculty research support as well as for graduate students, means that loss of these monies could jeopardize both the research activities of many faculty (travel funds, course reductions, summer stipends) and support for graduate students. Second, under the current configuration, the centers are “swimming alone” in that there is little in the way of University support in terms of bridge funding, matching funds, and staff support. A recent example is the multi-million dollar foundation grant to establish the Education Policy Lab. The grant requires a progressively larger cost-share, and thus far the Lab is required to raise this share on its own from other grants and contracts rather than a University commitment as one finds at benchmark universities. This lack of institutional commitment actually makes it more difficult for a center carry out the work and to raise those matching funds. This may lead to less money being raised and risks the possibility of a project failing. Given the stated importance by the University for external funding, we found this lack of a two-way partnership places the Department and centers at a strategic disadvantage relative to aspirational programs. Third, the standard teaching load is 2+2, even for the most productive faculty. This was also true for untenured junior faculty until the recent move to a 2+1 load for the first three years of the appointment, and for the newest hires a 2+1 load for the duration of the probationary period. The latter is a positive development to be competitive with the wider market for productive junior faculty in Economics. And even though tenured faculty have the opportunity to buy off courses with external funds, not all faculty have equal opportunities for external support, or there may be cyclicality in funding, and yet they may still publish papers in leading peer-reviewed outlets, but the 2+2 load potentially places them at disadvantage compared to the current market.
Recommendations for Research Environment

1. We recommend that in order to sustain and grow the research centers, the University and School need to direct resources to the centers, primarily through new faculty lines, both at senior and junior ranks.

2. The Department is fortunate to have exceptional, committed staff, but at present they are overwhelmed with handling all of the standard academic work in the unit and trying to support the contracts and grant work for the Department. While the Centers have staff that can help out people doing work related to the Center, unaffiliated faculty, and especially junior faculty, can find it more difficult to get information on how to navigate contract and grant work. Thus, we recommend that resources be committed to a full-time staff line to support faculty grant and contract activities.

3. Many grants and contracts require substantial cost-share commitments, and to encourage greater entrepreneurial research activities, faculty and centers need access to greater cost-share commitments from the University to grow the research enterprise.

4. The Department needs to establish more clear and systematic policies on travel support to professional meetings and conferences. The standard amount of $1500/year typically covers one, and likely no more than two, national conferences. Some faculty are able to supplement this amount through informal channels, e.g. asking the right person at the right time, but this can systematically exclude certain groups. One option is to make access to travel funds a progressive function of faculty rank, e.g. $3000/year for junior faculty, and less for tenured faculty. Also, if the tuition sharing plan is implemented to increase MA enrollments, some of these funds could be directed towards improved travel funding which would provide the resources for solving this problem.

5. The Department needs to explore the viability of moving to a 2+1 course load for research-active faculty, and to establish clear guidelines of how to receive a course reduction, while still permitting additional course releases for buyouts from grants or administrative assignments.

Goals

The Department has outlined an ambitious set of goals that represent their aspirations regarding the key missions of the Department regarding undergraduate and graduate education along with furthering the research mission of the Department. In our view, the goals proposed by the Department are exactly the ones which the Department should be pursuing. The goals are ambitious but attainable. However, successful attainment of the goals will require the Department being provided with the right mix of resources.

In our view, the recommendation we made above regarding how the Department could expand their MA program would be very beneficial to helping them achieve many of their other goals. If the School/University can assist them and provide them the incentives to push this program, then this would deliver substantial resources that could be put towards achieving the other goals of the Department.

We also believe that the Department may be being modest in their request for faculty lines. Given their high number of recent departures and expected near term retirements, the Department will need substantial investment into faculty lines in order to maintain not only its high academic
reputation but also its ability to generate contract and grant work. This means that replacing these departing faculty is essential and at least some of the replacement of these new faculty must be at a senior enough level so that they can replace potential outgoing center directors. As we discuss above, given the current size of the undergraduate and graduate programs, coupled with prospective growth in the latter MA offerings, we believe real growth of faculty by at least five lines would appropriately expand the program integrity.

Summary

We would like to stress our view that the GSU Economics Department is currently a very strong Department. The faculty are doing a great job with undergraduate and graduate education. They are also producing a substantial amount of high quality research. While this would be enough for most departments, the faculty at GSU are also producing an amount of contract and grant activity several standard deviations above the norm for economics departments at its level. It is very rare for a department to be doing this well on all of these elements. We hope that the University appreciates the quality of this department and what it brings to the University in terms of academic prestige as well as in financial resources.

As we have discussed throughout this report, our view is that the Economics department at GSU is currently at something of a crossroads regarding its future. The University and the Department have invested heavily in becoming world leaders in certain areas like Public Economics, International Policy and Experimental Economics. Currently each of these traditional strengths in the Department are either in decline or at risk of precipitous decline should senior faculty members retire. This would be very damaging to the reputation of the Department. Our view is that it is vital to the Department to maintain these traditional strengths while continuing to build on the newer strengths of the Department such as in Health and Education. The Department has proposed a set of goals and plans that will help them maintain this reputation and we hope that the University will give them the capability to pursue those plans. We have provided several specific recommendations above, which we think will help the Department in attaining these goals and may help the University/School in providing the Department the resources necessary.