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December 19, 2016

To: Robert C. Stacey, Dean
College of Arts and Sciences

From: David Eaton, Vice Provost and Dean
Rebecca Aanerud Associate Dean for Academic Affairs and Planning,
The Graduate School

RE: 2015-2016 Review of the Department of Economics

This memorandum outlines the Graduate School's recommendations on the Department of Economics program review. Detailed comments on the review can be found in the documents that were part of the following formal review proceedings:

- Charge meeting between review committee and administrators (March 7, 2016)
- Self-Study (April 14, 2016)
- Site visit (May 12-13, 2016)
- Review committee report (June 11, 2016)
- Economics response to the report (November 16, 2016)
- Graduate School Council consideration of review (December 1, 2016)

The review committee consisted of the following faculty.

James Caporaso, Professor, UW Department of Political Science (Committee Chair)
Mari Ostendorf, Professor, UW Department of Electrical Engineering
Matthew Gentzkow, Professor, Department of Economics, Stanford University
Mark Watson, Howard Harrison and Gabrielle Snyder Beck Professor of Economics
and Public Affairs, Department of Economics, Princeton University

Members of the Graduate School Council presented findings and recommendations of the review to the full Council at its meeting on December 1, 2016. A summary of this report, composed by the Graduate School Council Members, is attached to this document.

We concur with the Council's comments and recommendations noted in the attached summary.

cc: Gerald Baldasty, Provost and Executive Vice President, Office of the Provost
Patricia Moy, Associate Vice Provost for Academic and Student Affairs,
Office of the Provost
Judith Howard, Divisional Dean of Social Sciences, College of Arts and Sciences
Jason Johnson, Associate Dean, Undergraduate Academic Affairs
Fahad Khalil, Professor and Chair, Department of Economics
Economics Review Committee
Graduate School Council
Augustine McCaffery, Senior Academic Program Specialist, Academic Affairs and
Planning, The Graduate School

Attachment: Graduate School Council Review Summary

Graduate School Council Discussion, December 1, 2016

Peter Johnson, Associate Professor
Department of Environmental and Occupational Health Sciences

Dan Turner, Associate Dean, Master's Programs
Michael G. Foster School of Business

Academic Unit Name: UW Department of Economics Review

Degrees/Certificates Included in the Review: BA, BS, MA, Ph.D. Note that—rarely—students from across campus may pursue the MA degree and that it can be awarded to Ph.D. students as a sequential or terminal option; students are not generally admitted to the MA.

Program Strengths:

1. The Department features a core group of productive research faculty doing high quality, impactful research. This same group is committed to both supporting the development of Ph.D. students and providing strong learning experiences to undergraduates. This group includes a number of junior faculty and features several recent senior hires, supplementing a dedicated group of long-time senior faculty in the Department. The Department is ranked in the 20-40 tier of US economics departments and compares favorably to departments within a set of 12 public universities identified as peers by the group. In the prior review the department was considered to be at a crossroad, and according to the review committee, that crossroad has been passed. The Review Committee noted, “both the current chair and the broader group of senior faculty leaders as capable, hard-working, and deeply committed.”
2. Gender and international diversity among both faculty and undergraduate students is strong. Half of the current junior faculty are women, and one of the Department's most prominent senior faculty is also a woman. This gender diversity in faculty is a significant strength relative to peer institutions. The percentage of female undergraduate students also exceeds that of peer institutions.
3. Student satisfaction in both the Ph.D. and undergraduate programs is high, and students attribute this to their perceptions of the high quality of education, their sense of ownership in the Department, and (at the undergraduate level) strong advising. Faculty providing advising services to Ph.D. students are very productive in terms of supervising a large number of students. Lecturers who lead the introductory sequence and staff members tasked with students advising are particularly strong contributors to the undergraduate experience.
4. Staff quality is high, both as noted above in undergraduate student advising group and overall. Faculty have created an environment in which staff feel valued and respected.

5. Student quality is high at both the Ph.D. and undergraduate levels. Ph.D. placements are at a level consistent with the Department's rank. Movement to a competitive major for the undergraduate program has allowed the Department to be more selective in specific aspects of quality. Undergraduate students from the Department succeed in honors courses, independent research, professional careers as alumni, and further graduate education placements.
6. The Department offers strong links to both other units on campus and to Seattle industry. These connections enhance the development experience for Ph.D. students, and the connection with industry provides an opportunity for students to work outside the University to ease the burden of funding constraints.
7. The Department features strong leadership which has responded creatively to financial resource constraints. The Department has created an Economics Visiting Committee to connect students with alumni and business community stakeholders as well as to provide assistance in teaching classes, allowed its own undergraduate students to build aspects of the undergraduate program via the Economics Undergraduate Board, and forged unique connections with economics groups inside of iconic, world-class Seattle companies such as Amazon and Microsoft. One senior faculty member holds a 50% appointment at UW and a 50% appointment at Amazon, and this clearly facilitates connection.

Challenges & Risks:

1. Financial resource constraints underlie many of the Department's challenges, and the Department appears to be using non-recurring revenue streams to fund ongoing operations.
2. The number of faculty in the department substantially lags that of public peer institutions and the addition of new faculty members is strongly advised (currently there are 23 tenure track faculty which is 10 lower than peer intuitions). To address the shortage of faculty, part-time industry appointments could be explored and other possibilities might include having top industry researchers on dissertation committees. Given the high quality PhD economists employed in local industries, part-time industry appointments may be a new model for the department to expand in a cost-effective manner. Several senior faculty appear to be not contributing to the Department's mission in a manner commensurate with their rank. Higher and lower producing faculty have the same teaching load which creates an inequity across the faculty and that inequity should be addressed.
3. Related to the lack of faculty involved at the Ph.D. level, students are forced to be creative in seeking out connections and opportunities across campus. Some Ph.D. students express concern about being able to find a supportive advisor and there is an unevenness of advising depending on specialization and the lack of faculty in all key areas. The limited number

of faculty overall and the presence of some less active faculty exacerbates challenges associated with greater undergraduate student interest in economics, though it is tempered somewhat by the creation of the competitive major at the undergraduate level.

4. Should the Department find resources to support salaries for a greater number of faculty, it would still find itself short of offices to house them. Similarly, Ph.D. students do not have a lounge/common area dedicated to their group, and unlike peer institutions, the Department lacks a computational lab for students.
5. Some junior faculty have expressed satisfaction with the mentoring process but others asked for a clearer guidance on where to publish, whether to pursue collaborative research and raised concerns about the lack of useful feedback in the annual review of progress. The Chair can help clarify mixed messages from senior faculty. Progress, promotion and tenure communication needs to be collectively improved across senior faculty and become more transparent. It may be helpful to look at models in other departments for group discussion of progress of both assistant and associate professors in order to determine whether there are constructive suggestions for improvement that could be communicated in the annual chair's review letter.
6. URM diversity is low in both faculty and student populations. Only one full-time (and non-tenure track) faculty member and 3% of undergraduate students identify as minorities.
7. A critical concern is that more funding is needed for TA's. As elsewhere on campus, TA salaries have increased substantially without a corresponding increase in the permanent GOF budget. There is a ~25% shortfall in TA funding and this presents challenges with respect to both providing financial support for Ph.D. students and supporting the student learning experience in large undergraduate classes.
8. Ph.D. students are spending extended periods working in industry in large part due to funding constraints; though some time dedicated to this work broadens both student mindset and skillset, additional such work implies a substantial opportunity cost with respect to traditional aspects of graduate student development. In addition, the students-industry connection needs to be managed better and training on Intellectual Property and Conflict of Interest related to their industry rotations needs to be improved. The Department should consider creating a committee that would develop guidelines for students working with industry and for the faculty who are supervising them.
9. Though the move to a competitive major has allowed the Department to deal effectively with the larger number of undergraduate students interested in economics, the selection mechanism may rely too much on assessment of quantitative skill and not enough on written and oral communication acumen. Perhaps because of this, the percentage of undergraduate students who are international stands at 59%, a substantial

rise from the 8% corresponding figure for the Department in 2007 and a level much greater than that of UW as a whole (15%). Due to the high percentage of international undergraduate students enrolling in the department, the inclusion of a written test in the admission process is recommended. In addition, for admitted international students, resources for writing skills needs to be actively supported and sustained.

10. Although the size of the undergraduate program and its complexity (owing to greater international diversity) have both increased, the number of staff members dedicated to advising and the funding to maintain the administration has remained constant (1.75 FTE's). Adding additional advising resources are recommended, 3 FTE's is typical in departments of similar undergraduate size.

Areas of Concurrence:

1. The Department and Review Committee exhibit broad general agreement across most program strengths and challenges. Most solutions to the challenges imply additional resources be dedicated to the Department, and it is not clear to either the Department or the Review Committee that such resources are likely to be forthcoming on any permanent basis. The proposed fee-based Master degree, supported by both the Department and Review Committee, provides one vehicle for possible—and likely partial—budget relief over the long term.
2. The Department seems to disagree that weighing the “Reading comprehension, analytical Thinking and Writing skills” (RTW) Exam (which aims to assess reading, comprehension, analytical thinking, and writing skills for undergraduates applying to the major) is prudent, or at the very least it has not committed to the increased weighting recommended by the Review Committee. The Department’s expressed objection centers around the cost of conducting the exam, but the mechanism by which increasing the weight of RTW Exam performance in admissions decisions increases costs to the Department is not clear; it is possible that the Department has concluded that it can no longer afford to offer the exam at least once per quarter as it has done recently and as would be required if the exam carried a greater weight in admissions, though this seems shortsighted given the concerns raised by the Review Committee. Converting from a written to on-line RTW exam could be part of the solution.

Graduate School Council Recommendation:

1. The Graduate School Council recommends continuing status for all UW Department of Economics degree programs with the next review taking place in 10 years, specifically in the 2025-2026 academic year.