

Economics Department Advisory Group Meeting

26/27 March 2015

Carolina Inn

The Advisory Group of the Carolina Economics Department met on the 26th and 27th of March 2015 at the Carolina Inn in Chapel Hill, NC. Eight advisory group members joined Senior Associate Dean Jonathan Hartlyn, Economics faculty, grad students, undergraduates and development professionals in a spirited discussion of the opportunities facing the Economics Department this academic year. The session began with a presentation from the undergraduate Fed Challenge Team, and continued through a morning of sessions focused upon the achievements and projections of the Economics Department.

Thursday evening (3/26)

Six members of the Fed Challenge Team joined advisor Professor Michael Aguilar, Department Chair Patrick Conway, Development officer Ronda Manuel, and five alumni for a discussion of US macroeconomic performance and Federal Reserve monetary policy. The members of the Team (Brian Bartholomew, Carter Bryson, Dashiell Mace, Wilson Parker, George Simpson and James Williams) were very successful this year in intercollegiate competition: of the 100+ schools nationwide competing in the Fed Challenge, they placed in the top five and were invited to the National Finals in Washington, DC. The Team gave those in attendance an example of the presentation they make in intercollegiate competition, and then discussed the ways in which participation in this competition deepened their understanding of macroeconomics beyond what they've learned in course work.

Friday morning (3/27)

Welcome and Introductions.

Patrick Conway, chair of the Economics Department, welcomed the alumni back to Chapel Hill. The alumni, faculty, staff and students in attendance introduced themselves to one another.

Update on the College of Arts and Sciences.

Jonathan Hartlyn, the Senior Associate Dean for Social Sciences and Global Programs in the College of Arts and Sciences, added his welcome to the alumni, and thanked them for their support of this advisory group. He gave a brief overview of the scope of the College of Arts and Sciences. Of the 18,000-plus undergraduate students on campus, 16,000 are in the College. These students are studying in one of the 40-plus academic majors in the College. The College is truly the heart of the Carolina academic experience.

The Economics Department is an important contributor to that effort, with the third-most majors of any department in the College (after Psychology and Biology). It is also the home of the Entrepreneurship Minor, one of the most significant initiatives undertaken within the College in recent years.

The College has established three major priorities for coming years:

1. transforming the undergraduate experience (through rethinking classroom teaching and through incorporating experiential learning);
2. investing in four key interdisciplinary areas (applied sciences, global education, entrepreneurship, and digital humanities);
3. advancing its core disciplines.

Hartlyn shared that a search is underway for a new Dean of the College, as Dean Karen Gil will be returning to teaching in the Department of Psychology. Despite this change in leadership, he anticipates that the major priorities will remain.

Economics is a core discipline within the College, and is a hub of entrepreneurship and global education on campus. It is also among the innovators in transforming undergraduate teaching (as we saw in the morning sessions).

Private philanthropy has been especially important to the College over the past several years as it has experienced declines in permanent state funding. At present, 26% of College faculty are at least partially supported by private funds. We have many ambitious goals to achieve, and private giving will help to achieve them.

Development update.

Ronda Manuel, Associate Director of Development, provided specific fundraising highlights for the University and the Department. In Fiscal Year 2014, the UNC Management Company produced a 15.7% return on our endowment, which is up from the 12% return in Fiscal Year 2013. Although a specific goal has not been set, the University is officially in the quiet phase of the next campaign.

The Economics Department recognizes the importance in private support within the general discretionary fund. Contributions to support the general fund allow the Chair of the Department to support the most pressing needs immediately. Specifically within this fund, the Department of Economics has raised approximately \$29,000 in new commitments in Fiscal Year 2015, which is on target for what we had raised last year this time. The Department has also received significant support this year for named funds, which include a \$1 million planned gift for graduate students.

Manuel ended by challenging advisory group members to begin thinking about how they can support the Department and the type of legacy they would like to leave within the College.

State of the Economics Department – and introduction to the morning’s sessions.

Patrick Conway introduced the morning’s sessions with a précis of the Department’s performance this year. We are seeing

- record numbers of students in our undergraduate classrooms,
- strong research and teaching results by our graduate students,
- great success in hiring distinguished faculty to join our department.

When the seniors march into Kenan Stadium this year to graduate, a bit less than 10 percent of them will be Economics majors. Of the first-year students on campus this year, about 40 percent of them will take Economics 101 during their university career – and most of those were among the more than 2000 students who took the course this year. The Department is doing this with a valiant but frazzled faculty of 25 research professors and five teaching professors. (The College administration has recognized that we’re understaffed, and allowed the Department to make offers to five additional faculty members this year.)

Conway highlighted three opportunities facing the Department.

Opportunity 1: our graduate program. Economics attracts excellent graduate students, and they are critical to the success in both research and undergraduate teaching. The Department has an opportunity to make this program even better, and it would like your advice and support.

Opportunity 2: dynamic undergraduate teaching in large-enrollment classes in Economics. Large enrollments are a fact of life in introductory, micro, macro and statistics courses. The Department has the skills and the intention to improve the learning environments in those courses.

Opportunity 3: individualized learning opportunities for our majors. As the numbers of students grow, the Economics Department has the ongoing challenge to provide individualized learning opportunities.

Each opportunity was addressed in a morning session.

One final note: those who attended last October will remember we discussed our proposals for improved statistical literacy in the curriculum. The Economics Department has taken that to heart, and our Curriculum Committee is considering having an additional required econometrics course in our major. Thanks to all for input and help in advancing that idea.

Session 1: The Importance of Graduate Education.

Helen Tauchen, Professor and Director of Graduate Studies, provided an overview of the graduate program in Economics. Nearly 60 students are enrolled in the Ph.D. degree program, with about 70 percent of those serving as teaching assistants in return for a stipend. These students during their time in Chapel Hill become accomplished researchers and instructors.

Dr. Giang Nguyen and Dr. Forrest Spence are two graduate students near the end of their stay in Chapel Hill: Dr. Nguyen will join the faculty in Economics at Penn State this fall, while Dr. Spence will join the faculty at Notre Dame. The two spoke of the excellent training and mentoring they had received, both in research and in teaching. Both also acknowledged the importance of the Kampf Family Fellowship in financing their first year in the program.

Hayley Carter '17, an undergraduate Economics major (and a top player on the UNC women's tennis team) spoke of the great addition that the graduate-student TAs and instructors had made in her success in the classroom.

The session closed with a discussion of the Department's needs for private funding to support our graduate-student TAs. The state-provided stipend is currently about \$13,000, and is well below the stipends offered at our peer institutions. Private contributions, like those of the Kampf family, allow us to "top up" those stipends to compete for the best graduate-student teachers and researchers.

Session 2: Hands-on Economics

Professors Rita Balaban and Michelle Sheran-Andrews led the group through a series of activities they use in their large-enrollment classrooms (for Principles of Economics, Econ 101, and Intermediate Microeconomics, Econ 410). The alumni performed well: that was true, in large part, because they had undergraduate Economics students David Dwight '16, Mohammed Hedadji '17, John Hess '18, Alexander Magee '18 and Kara Mitchell '17 at their tables to assist them.

After the simulation exercises, the group discussed the advantages of this approach to organizing class time. The students spoke persuasively of the greater learning outcomes they've experienced: it is a "learning-by-doing" approach that prepares the students for the exams to come. It also encourages communication and group-work skills that will be important throughout life.

Session 3: Experiential and Extracurricular Learning Opportunities

Patrick Conway opened this session with a short description of the challenge. With more and more students coming into the major, it becomes more difficult to provide individualized instruction during class periods. The Department is committed to having such individualized instruction for students who wish it, since the Department recognizes how important that is to an in-depth understanding of Economics. Donor contributions have been critical in providing those opportunities.

Three students spoke of their extracurricular and/or experiential experiences within the major.

- Sarah Hallowell '15 is enrolled in the Senior Honors sequence in the Economics Department, and is currently completing a thesis on the wage outcomes over time for individuals with “overeducation”. Overeducation refers to a job outcome in which the individual accepting the job has academic credentials that are more advanced than those required for a job. This decision – to accept a job for which the person is overeducated – has long-term negative implications for the individual’s wage path. Sarah is also investigating the gender implications of overeducation – are women more likely to be “overeducated”? Her adviser is Professor Clement Joubert. She said that this opportunity – writing a thesis – has been transformative for her. She also credits that work with her ability to land a job for which she is not “overeducated” – with the consulting group BCG (formerly Boston Consulting Group) in her hometown of Philadelphia.
- Carter Bryson '15 has participated in two extracurricular activities. The Fed Challenge (mentioned above) provided him with an application of macroeconomics to the real-world challenge of US monetary policy. The Herbert Brown Mayo Summer Research Fellowship funded a summer of research undertaken with an undergraduate colleague and with Professor Michael Aguilar that gave him a taste of the demands that come with pursuing an independent research project. He is now expanding his job-search horizons from investment banking to consider the possibility of graduate study in Economics.
- Paul Kushner '17 is a participant in the Undergraduate Learning Assistant (ULA) program within the Department. This program is an experiential opportunity to work in the classroom of courses he’s already completed, helping the next cohort of students to understand the principles of economics. It also has a pedagogical content: the ULAs take a semester-long course in the basics of pedagogy (teaching and learning) so that they’ll better understand how their fellow students learn. He has found it to be a transformative experience in two ways. First, he understands the principles of economics better through having to explain it to others. Second, his eyes have been opened to the deeper questions of education and learning. He now approaches his own courses differently from his enhanced understanding of the learning process.

The students then answered questions from the alumni about their work, and their experiences. Professor Michael Aguilar spoke briefly about his initiatives to create the experiential and individualized opportunities for students interested in macroeconomics and financial markets. As the adviser to the Fed Challenge team, he is aware of the learning opportunity that such extracurriculars provide to our students.

After that, Patrick Conway returned to the theme of the session. There are two major constraints on the Economics Department’s ability to offer these individualized opportunities. The first is the size of the faculty: having more senior thesis candidates will be difficult without having more advisers to work with them. The second is the level of private contributions: both the Fed Challenge and the Mayo Summer Research Fellowship are only possible because of the generosity of private donors. He described a recent application from the Department to the Nasdaq Foundation for funding to support a practicum course in financial markets to complement our other offerings. Claude Courbois, an alumnus and employee at Nasdaq, spoke of his advocacy

for the UNC project within his corporation. Conway offered the Nasdaq application as a model that the Department would like to replicate in other subject areas (e.g., labor, public finance, industrial organization, international economics, economic development); should this be successful in improving learning outcomes, the Department will be proactive at reaching out to foundations in other fields.

Final Discussion and Adjournment

The group closed its morning with an open discussion of the opportunities facing the Department. There was general agreement that the initiatives highlighted in the three sessions -- improving graduate-student support, creating more dynamic large-enrollment classes, and providing more opportunities for individualized instruction for majors wishing it -- were excellent objectives. There was also support for the proposed addition of a required empirical-methods course, since alumni see that as an excellent way to prepare our graduates for the current job market. A final suggestion was to make job-seeking advice (e.g., how to write a resume) available to seniors either online or through a Departmental program. The Econ Club was also thought to be a good channel for disseminating this information.

Patrick Conway, in the name of the Department, thanked the alumni, the students and the Development professionals for attending. The session adjourned at 12:30 pm.

Reported by Patrick Conway

31 March 2015

Chapel Hill, NC