

Economics Department Advisory Group
10 October 2014 Meeting
Carolina Inn, Chapel Hill
Reporter: Patrick Conway, Department Chair

We had an exciting and informative inaugural meeting of the Advisory Group at the Carolina Inn on Friday, 10 October. It was a pleasure for me to meet – or become reacquainted with – the alumni who returned, and it was inspiring to hear from both faculty and students about the innovations occurring all around us in the Economics Department. Great thanks are due to Ronda Manuel, Associate Director of Development for the Arts and Sciences Foundation, for helping to make this event happen.

I sat down to write a chronological summary of the sessions for your information, but decided instead to re-organize the sessions and comments to tell a more coherent story in this format. Those of you who attended – things may seem out of order here. For all of you, though, I think the positive energy of the meeting will shine through.

Vision for the Group

Conway provided an overview of the challenges and opportunities facing the Economics Department at this time. The goal of the Economics Department remains what it has always been: to provide quality graduate and undergraduate education to our students, and to contribute cutting-edge research in our discipline that benefits the state of North Carolina, the nation and the world.

The Economics Department has established three overarching strategies to achieve this goal. First, we work constantly to improve our faculty's record in research and teaching: recruiting new additions to the faculty, facilitating faculty research efforts, and encouraging teaching innovations. Second, we work to support our graduate students through improved stipends and through support for research and travel to present their work. Third, we work to develop innovations in our undergraduate offerings to expand the menu of opportunities for our majors and interested non-majors.

The Economics Department has had strong support from the College of Arts and Sciences as it has addressed its goal through these three strategies, but more can be done. We in Economics want the Economics Department Advisory Group to play two crucial roles. First, we ask that the members serve as an expert cabinet, a sounding board, a cheerleader, for the innovations that we propose and implement. The members' experience as both graduates of the program and successful people in their chosen careers give them an important perspective on our innovations in the curriculum. Second, we ask that the members consider making a gift to support the needs and priorities of the Economics Department.

Overview of this Meeting

The theme for this meeting is innovation in the undergraduate program. The overarching challenge is one familiar to alumni from earlier communications: there is currently great excess demand for undergraduate courses in Economics due to the popularity of Economics as a major. This puts extreme pressure on our ability to deliver the quality education that is our goal. Conway foresees a three-sided partnership in maintaining the quality of the major. The faculty provide the ideas for the innovations or extra-curricular activities to enhance educational quality; the College works within its budgetary restrictions to raise the number of faculty members in the Department; and private contributors assist in financing some of the innovative programs that we learned about in the day's sessions.

Priorities of the College of Arts and Sciences: Senior Associate Dean Jonathan Hartlyn

Jonathan Hartlyn, Senior Associate Dean for Social Sciences, welcomed the alumni back to Chapel Hill, 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, and emphasized that departments and curricula in the College confer 86 percent of the undergraduate credit hours earned on campus. 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); and
3. advancing its core disciplines.

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 the University has experienced declines in permanent state funding. At present, about one-quarter 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

Rob Parker, Executive Director and Senior Associate Dean for Development for the Arts and Sciences Foundation, spoke about the importance of private giving to the funding of the College. The University is beginning a Capital Campaign in the coming year, and the College will play a significant role in that effort. He supervises a team of Development professionals who assist in

contacting potential donors and introducing them to the resource needs on campus. He recognized two in particular of these: Ishna Hall, the former development liaison with the Economics Department and current Senior Associate Director of Development, and Ronda Manuel, current development liaison and Associate Director of Development. He asked Ms. Manuel to say a few words.

Ronda Manuel provided specific fundraising highlights for the University, the College and the Department. The Department recognizes the importance in private support within the general discretionary fund. Specifically within this fund, the Department of Economics has raised the following amounts:

- In FY12, the Department raised approximately \$57k,
- In FY13, approximately \$50k was raised, and
- In FY14, almost \$65k was given to the Departments discretionary fund.

Contributions to support the general fund allow the Chair of the Department to support the most pressing needs immediately.

Manuel ended by sharing that private donations have been critical in particular for the Economics Department in retaining productive faculty and attracting promising graduate students, and have also been critical in innovations in undergraduate programs such as we'll discuss today.

Innovations in Large-Enrollment Classes.

One solution in the Economics Department to the excess demand for Economics classes has been to convert our core courses to large-enrollment format. The Introductory course (Econ 101, formerly Econ 10) has been taught in large format in a single semester for 30 years, but more recently we have converted single-semester Microeconomics (Econ 410, formerly Econ 101), Macroeconomics (Econ 420, formerly Econ 132) and Statistics (Econ 400, formerly Econ 70) courses to large-enrollment classes of between 120 and 240 students per class. We recognize the challenge that this raises, since the large-enrollment classes make learning more difficult. Our Economics faculty members have taken on this challenge head-on.

Rita Balaban, Senior Lecturer in Economics, has “flipped” her Econ 101 classroom to improve the learning outcomes. In a flipped class, the students review videos of the major concepts and tools outside class, and then spend in-class time solving problems and examples. This new format is popular in the STEM disciplines, but is less common in Economics. Professor Balaban has documented, though, that the student outcomes in the flipped class are better on average than in the traditional Econ 101 class (that she taught in preceding years). We also heard from Andrew Powell ('15 Economics and Student Body President) of the design and implementation of the flipped classroom, and from Sarah Brooks ('17 Economics) on the improvement in learning that she observed both in her understanding and in the commitment of her classmates to the material.

Michael Aguilar, Senior Lecturer in Economics, has innovated by dividing his large-enrollment classes into small-groups for analytical exercises. Professor Aguilar teaches Econ 420 in classes of 120-160 students, and he's had great success in fostering greater effort and greater learning through his in-class small-group activities. He has devised a number of techniques to mix large-group presentations with small-group problem-solving, and has remarked upon the greater application and interactivity of students in this format. Conner Frank ('16 Economics) is a former student in Econ 420 and a current Undergraduate Learning Assistant (ULA) in that class; he provided both personal observations and evidence from the students he's assisted as a ULA of the improved learning environment with the small-group initiative.

Comments from those present were uniformly complimentary to Professors Balaban and Aguilar. The most important question raised was "Why hasn't every instructor in these large classes done this?" There is a simple answer: it is difficult and costly to make the transition from a traditional class to the type of class described here. Professor Balaban had the assistance of Andrew Powell and other students in transforming her course, and she received a grant from the Center for Faculty Excellence to fund the videos and other new materials necessary to convert the class. Professor Aguilar developed his technique on his own, but over many years of experimentation. Convincing other faculty in large-enrollment classes to make the switch will be effective if we can provide a combination of course-development funding and skilled technical support – and these are not resources available to faculty through state funding at present.

Bringing the Real World into the Field Courses.

In the undergraduate major, we have two types of courses that build upon the core courses mentioned above. Field courses provide applications of economic theory to specific disciplines: for example, labor economics, international economics, public finance, industrial organization, economic development, or financial markets. These are one-semester courses, typically taught in classes of 50 to 80, that introduce the students to the subject matter in that discipline. Advanced courses are seminar courses with enrollments of 25 that take a more detailed look at the disciplines and have field courses (or core courses) as prerequisites. Students majoring in Economics take at least three field courses and at least one advanced course.

In last year's survey of alumni, we heard one recurring suggestion for our field and advanced courses: that they should incorporate more "real-world skills". Examples of these skills included proficiency in statistical and econometric analysis, analyses of current economic dilemmas, internships and experiential learning, or writing and presentation skills. This is a suggestion that our faculty members have been implementing as well, and we had three proponents join us at the meeting.

Brian McManus, Associate Professor of Economics, teaches the field course in industrial organization. He is also an active researcher in this area, and publishes his work in peer-reviewed journals. His argument was a simple one – that research-active faculty members, as we have at Carolina, can deliver these real-world applications for the students more effectively. He illustrated

his argument with the example of the bundling of cable channels in a single product – as a research-active professor, he is able to bring the practical aspects of this product choice to his students. His goal is to be able to give his undergraduate students that same research experience that he has had. In his remarks, he explored ways to bring that experience to the students in these classes.

Stephen Lich-Tyler, Senior Lecturer in Economics, teaches the Statistics and Econometrics courses in our undergraduate major. These are skills that have immediate payoff in the job market, and yet they are skills that students postpone learning until their final year at Carolina. Statistical literacy is an important life skill, and it is one that the Economics Department is in excellent position to teach. Ariana Vaisey ('17 Economics), one of Professor Lich-Tyler's students, spoke to the group of the great research and summer work opportunities that she was able to enjoy due to her early completion of these statistics and econometrics courses.

William Parke, Associate Professor of Economics and Director of Undergraduate Studies, discussed the Economics Department's successes in fostering experiential learning among our undergraduate students. While we could do more with targeted support or designated personnel for identifying and monitoring internships, we are pleased with the success we've had to date.

The discussion after these presentations led in two important directions. The first was from alumni suggesting that the field courses partner with alumni-led businesses to identify and analyze cases from those businesses that apply economic theory. This type of problem-solving can both promote learning and prepare the student for "real-world" job challenges. The second was a proposal that the Economics Department introduce an intermediate statistical course required prior to taking the field courses. This will improve statistical literacy among the majors and will allow instructors to cover more sophisticated and realistic information in their classes. Conway promised to take this suggestion back to the faculty.

Student Extra-curricular Learning Opportunities.

As our undergraduate classes have grown larger, it has become more and more important that we offer "extracurricular" activities for our best students to deepen their knowledge and application of economics. This was a common recommendation in our survey, and it is a goal that the Economics Department is determined to achieve. In the final session of our meeting, we invited eight students involved in extracurricular activities to talk with alumni about the importance of these experiences to their learning. They spoke about four programs:

1. **Fed and Fiscal Challenges.** These are two interuniversity competitions, similar to debate team, that challenge the students to apply their knowledge of macroeconomics to real-world problems. The Fed Challenge is a competition to devise the best monetary policy for the US, while the Fiscal Challenge tasks the students with coming up with the best fiscal policy to lower the US debt burden by 10 percentage points in 10 years. Brian Bartholomew ('16 Economics) and Dashiell Mace ('16 Economics) described their participation in these. The

Challenges demand that students apply economic theory to real-world detail and present their case effectively; both were valuable to the students. They also said that the sophistication and depth of their knowledge of macroeconomics was improved immensely by participation. They ended with a “shout out” to Professor Aguilar, who has taken the initiative in maintaining these activities on our campus. (They could have shouted out to our private donors as well, whose gifts have provided travel funding for the Fed Challenge and prize funds for the Fiscal Challenge.)

2. **Econ Club.** This is a club for undergraduates wishing to learn more about Economics – and Economics employment. Andrew Hunt ('15 Economics) and Ben Zhao ('15 Economics) are co-presidents, and described the opportunities available through the Club. Andrew emphasized the job panels that they've sponsored – panels of alumni working in specific industries (e.g., finance, consulting, manufacturing) who speak to the opportunities for students with Economics degrees. Ben described the Case Competition currently ongoing – a competition among students to develop and argue the best case about an economics issues. They have over 100 active members and 800 on their mailing list, so many are benefiting from this resource.
3. **Undergraduate Learning Assistants (ULA).** We in the Economics Department recognize the value of having undergraduates mentoring undergraduates inside and outside the classroom. ULAs are undergraduate students who have taken the course previously and understand the problems that their peers encounter in those courses. We in the Economics Department offer these students a course that teaches them to be teachers – and then gives them course credit for working with other undergraduates. Paul Kushner ('17 Economics), Jamie Strassman ('16 Economics) and Bill Wang ('18 Economics) testified that not only are they helping their fellow students with economics questions, but they are deepening their own understanding both of economics and of pedagogy. They were very complimentary of the combination. Jamie explained that she enjoys economics, but is not yet convinced that she wishes an economics job. After serving as a ULA instructor and mentor, she's thinking seriously about education as an alternative career path.
4. **Herbert Brown Mayo Summer Research Fellowship.** One of our generous donors provided us funding to begin a summer research fellowship for students working in the fields of macroeconomics or financial markets. We've devised a fellowship by which a team of undergraduates enlists with a faculty member to work on a research project over the summer. The fellowship provides a stipend for the students, and for the faculty member. May Tysinger ('17 Economics) was a member of the three-student team that received the fellowship last summer – they worked with Professor Aguilar. She presented the results of their research, and then explained the importance of that summer work in deepening her knowledge of economics and her confidence in conducting research.

The alumni at the meeting were very impressed with the students. The main question that arose afterwards was “How can we extend these types of extracurricular activities to more of our majors?”

The common feature of these programs is the private philanthropy that makes them possible. The faculty members supervising the activity are supported from private funds. Travel expenses, costs of visitors, and summer stipends for student researchers are all drawn from private contributions. To scale these up will require funding from our supporters.

Discussion.

The alumni in attendance expressed their appreciation for the innovations that have occurred. As one put it, “I wish these programs had been in place when I was a student!” We received a number of useful suggestions, but there was satisfaction that we were innovating in the right direction.

A second sentiment was common as well: “What can we do to help?”

As noted in the vision statement above, this meeting of the advisory board delivered on the first goal – we achieved the constructive feedback that we’d like to receive from our panel of experts. As for the second goal, provision of financing for innovations to improve the Economics Department, we have a list of priorities that we would like to fund. Many had been highlighted in the day’s sessions; private philanthropy will allow the Department to “scale up” its successful innovations.

Priority 1: Faculty expansion and support. To this end, the following will be helpful.

- a. Endowed professorships.
- b. Flexible funding for use in faculty retention.
- c. Flexible funding for the support of faculty research initiatives.

Priority 2: Graduate-student funding. This could include:

- a. Funds designated to “top up” current state assistantships to make them more competitive in recruiting graduate students.
- b. Flexible funding to support graduate-student travel to present research findings or to conduct original research.
- c. Funding for competitive summer stipends for graduate students.

Priority 3: Funding for undergraduate initiatives. Examples of these taken from the day’s presentations:

- a. Course development funds for innovating instructors in large-enrollment classes.
- b. Undergraduate summer research fellowship funds (like the Mayo, but in other fields of economics.)
- c. Funding to establish and administer a statistics lab. This would involve hiring graduate students to staff the lab and procuring the hardware and software to demonstrate statistical techniques.

- d. Funding to defray costs for appropriate student internships, and for staffing assistance to students in identifying and monitoring appropriate internships.
- e. An endowment to provide the Econ Club with programming funds; and another to defray costs for student teams competing in the Fed and Fiscal Challenges.
- f. Funding to ensure continuing instructional capability for the ULA program.

These examples are not meant to be exhaustive, but are meant to illustrate programs that can be scaled up in reach through private donations. If you are interested in learning more about opportunities for you (or your company) to support the Department of Economics, please let us know. Ronda Manuel will be glad to follow up with you for further discussion.

I know that I can speak for us in Chapel Hill – Ronda Manuel, Dean Jonathan Hartlyn, the faculty and students of the Economics Department – in thanking all of you for your interest. This inaugural meeting of the Economics Department Advisory Group was an excellent opportunity for us. We were able to show you several of our innovations – and our great students. We also got great feedback and reconnected with fondly remembered alumni. We trust that those of you who attended were similarly energized by the event.

The next meeting of the Advisory Group will be on 27 March 2015. Please put this on your calendar. Plan to join us in Chapel Hill to learn more about the Department and to participate as we reshape and reinvent our activities.

See you then!

Patrick