

DEPARTMENT of ECONOMICS

FY22 Annual Report

Primary Accomplishments and Productivity for FY22

- Faculty in the department published 35 (3.2/FTE) journal articles and book chapters, of which 43% were in highly regarded journals, they gave 23 (2.1/FTE) presentations, 22% via international venues, and they served as referees for 91 (8.3/FTE) journal articles.
- AEF Funding (\$50,000) for Economics Learning Center (STV 439)
- AEF Funding (\$40,000) for Economics Computer Lab (STV 438)
- Highest Categorical Ranking under RERIP for Departmental Student Success Criteria

Major Objectives and Funding Requests for FY23

Objective #1: Recruit new faculty (3 positions)

Rationale: In alignment with our objective to integrate a new research methods course in a sequence of courses leading to a senior capstone research experience, as well as meet the forthcoming increased demand for introductory statistics arising from the new educational certification standards, we requested one additional tenure track position. Due to the retirement of Hassan Mohammadi and the resignation of Adrienne Ohler we continue to request the return of those tenure track positions in order to fill continuing curricular needs and research supervision.

Progress: We were not approved for any hires in FY20, FY21 or FY22.

Funding: No funding was requested or allocated since hiring was not approved.

New Requests for Tenure Track Positions:

Position 1: Financial Economics – The MS track in Financial Economics has the largest enrollment with approximately half the students. We need additional coverage with a second graduate course in the area because students have been closed out of elective offerings in the Finance Department and MBA courses. We also need to add a specialized course in Financial Econometrics to cover appropriate empirical tools and we expect introducing this course would attract students from both the MS Math and MBA programs.

Position 2: Environmental and Natural Resource Economics – With Ohler's resignation we have no tenure track faculty members with research and teaching interests in this very important interdisciplinary area affiliated with environmental studies, renewable energy, and the Institute for Regulatory Policy Studies. A number of non-majors from the sciences, social sciences, and technology are enrolled in existing economics offerings in the energy and environmental fields.

Position 3: Urban and Regional Economics – This position would create a permanent focus in both the graduate and undergraduate programs for the study of a variety of public policy programs. A key portion of the teaching assignment would be the ECO 406 course on Applied Community and Economic Development, a required course for all Stevenson Center Master's students. This would strengthen and make additions to our course offerings in urban and regional development, state and local public finance, and housing economics. These complementary courses would be expected to attract a significant number of non-majors from other social science disciplines.

Requested Funding: For each of the three positions we are requesting a \$112,600¹ 9-month salary, and \$26,250 in start-up funds to provide the necessary computer and software needs along with research expense funds for the position during the first year. These funding amounts are drawn from details in the American Economic Association's annual expected salary and benefits survey (2022). (see: [https://cber.uark.edu/2022-23 New PhD Labor Market Survey Report.pdf](https://cber.uark.edu/2022-23-New-PhD-Labor-Market-Survey-Report.pdf))

Objective #2: Continue support of the general education program and required introductory courses

Rationale: The department successfully rolled out the new, two-semester introductory sequence (ECO 101 & ECO 102), which have replaced ECO 105. This has brought ISU into alignment with the way introductory economics is taught at every other public university in Illinois. In addition, the department has substantial enrollments in the GE curriculum in offering ECO 103 (Individual and Social Choice) and ECO 138 (Economic Reasoning Using Statistics).

Progress: As anticipated, the new two-semester introductory sequence is requiring additional instructional capacity. We have met this need through the hiring of part-time NTTs and redistributing faculty, but this is not a tenable long-term solution. The content of ECO 103 has been updated with a global focus in order to serve as a core course in the revised International Studies minor. We have regularly offered an honors section of ECO 101 and for the first time in Spring 2022 are offering an honors section of ECO 102.

Funding: Funding for the full- and part-time NTTs during FY21 was entirely from departmental variance. With the approval of new tenure track lines, we would have expected to assign a portion of the teaching load of new hire(s) to teaching principles courses. This did not happen as the positions were not forthcoming. For FY22 substantial GE/IC funding was necessary and will once again be needed in FY23.

Objective #3: Support for faculty travel

Rationale: Departmental faculty members are productive researchers and an integral part of the process leading to publications in professional journals is to present their work at professional meetings or seminars at research universities and institutes. We have over the past several years supplemented the low level of permanent funding for faculty travel with temporary variance from grant-funded course buyouts. As this supplemental source has nearly disappeared, we have sought limited additional funding for international travel from the CAS faculty travel fund and monies from the department's agency account. This is not a sustainable strategy. We will begin a planning process to identify internal and external funding options including possibly tapping or raising additional Foundation funds.

Progress: In the recent past the department has had to limit travel funds available to faculty due to the lack of temporary variance and reduced funds in the agency account. While expenditures on travel have been reduced due to the Covid crisis, we expect this budgetary limitation will become a binding constraint once again in the very near future.

Temporary Funding: In addition to the permanent travel funds provided by CAS, and the International Travel Award (also provided by CAS), travel was supplemented through the Foundation funds as necessary. Temporary funding in the order of \$10,000 is needed.

¹ The actual mean offer for 2021-22 employment for bachelor and master degree granting institutions was \$107,175. We have therefore compounded a 2.5% annual rate of increase to forecast the expected salary for an appointment starting in 2023-24.

Objective #4: Student Success

Academic Advising

Rationale: The current academic advisor for the Department of Economics, Christopher Mushrush, is employed on a 9-month appointment as a PERM NTT (0.75 teaching, 0.25 advising). For the past several years, the department has had to allocate additional funds for Christopher to supervise Preview, Transfer Days, Academic Fairs/Open Houses, and to work with students regarding advising matters over the summer. We estimate that he spends approximately 200 hours, or approximately 5 weeks on these necessary activities for the department. During Spring 2022 Susan Chen our Undergraduate Program Director is on a sabbatical leave and Chris has temporarily assumed Susan's duties through an additional course release.

Permanent Funding: Based on his current salary and time outlined, we are requesting \$10,000 in funds to cover summer advising and student recruiting for the department. In addition, we received IC funding for the Spring 2022 coverage of Mushrush's course release.

Diversity, Equity and Inclusion

Rationale: We continue to have one of the most diverse faculties in terms of international origins and backgrounds while at the same time our graduate student body is overwhelmingly comprised of international students and has a very high proportion of women, particularly in comparison to the set of undergraduate majors.

We have worked diligently for several years on the Undergraduate Women in Economics project which fosters a more inclusive environment for women and other underrepresented groups in the profession. We were chosen to participate in the initial national organizational phase and have seen the continued growth and development of our local student-based chapter. We now have an endowment for our UWE chapter in excess of \$120,000 and have set up an RSO to guide the future direction of programmatic initiatives.

Internal Reallocations and Reorganizations in FY22

Temporary Variance: With the retirement of Mohammadi and the resignation of Ohler, we will have suffered from a substantial instructional funding gap exacerbated by two semester-long sabbaticals during Spring 2022 and will continue to confront this significant instructional funding gap through FY23. We have become overly reliant on a high level of funding from IC & GE sources. The funding mechanism for IC & GE courses punishes a department with relatively high salaries as monies are entirely inadequate to attract qualified candidates to teach as NTTs on a parttime or even fulltime basis. The going market salary for a new PhD to teach on a fulltime basis in an NTT position in FY22 be a minimum of \$75,000. The Office of the Provost will give us some \$20,000 less under the standard IC & GE funding practices. With that exorbitant gap we find it nearly impossible to recruit qualified teachers and of course it is the students who directly confront this significant decline in the quality of instruction.

Permanent Reallocation: No permanent reallocations were made.

Permanent Variance: No permanent variance was available.

College of Arts and Sciences

Permanent Funding: No permanent funding increases were received.

Temporary Funding: ECO received the standard CAS allocation of travel funds and small additional amounts in international travel grant support in FY22.