

FINAL ASSESSMENT REPORT

Institutional Quality Assurance Program (IQAP) Review

Economics

Date of Review: March 25th and 26th

In accordance with the University Institutional Quality Assurance Process (IQAP), this final assessment report provides a synthesis of the external evaluation and the internal response and assessments of the graduate programs delivered by Economics. This report identifies the significant strengths of the program, together with opportunities for program improvement and enhancement, and it sets out and prioritizes the recommendations that have been selected for implementation.

The report includes an Implementation Plan that identifies who will be responsible for approving the recommendations set out in the Final Assessment Report; who will be responsible for providing any resources entailed by those recommendations; any changes in organization, policy or governance that will be necessary to meet the recommendations and who will be responsible for acting on those recommendations; and timelines for acting on and monitoring the implementation of those recommendations.

Executive Summary of the Review

In accordance with the Institutional Quality Assurance Process (IQAP), the Economics program submitted a self-study in February 2019 to the Vice-Provost and Dean of Graduate Studies to initiate the cyclical program review of its graduate programs. The approved self-study presented program descriptions, learning outcomes, and analyses of data provided by the Office of Institutional Research and Analysis. Appendices to the self-study contained all course outlines associated with the program and the CVs for each full-time member in the department.

Two arm's length external reviewers and one internal reviewer were endorsed by the Dean, Faculty of Social Sciences, and selected by the Vice-Provost and Dean of Graduate Studies. The review team reviewed the self-study documentation and then conducted a site visit to McMaster University on March 25th and 26th, 2019. The visit included interviews with the Provost and Vice-President (Academic); Vice-Provost and Dean of Graduate Studies, Associate Dean, Graduate Studies and Research, Chair of the department and meetings with groups of current students, full-time faculty and support staff.

The Graduate Chair of the department and the Dean of the Faculty of Social Sciences submitted responses to the Reviewers' Report (May 2019). Specific recommendations were discussed and clarifications and corrections were presented. Follow-up actions and timelines were included.

- **Strengths**

Selected quotes from the external report bring out the key strengths of our programs.

- “The Department of Economics has a tradition of high-quality research and training for which it is recognized and known, and despite recent staff losses remains a home for several well-known and innovative researchers capable of offering doctoral training at the highest levels.” (Page 4)
- “A special feature of the program at McMaster is the co-op option. Students who choose this option must work in a placement with a significant research opportunity for a four- or an eight-month term. This option is particularly useful for students seeking employment outside academia.” (Page 6)
- “In the Self-Study and in our visits, we noticed several initiatives for innovation. We were impressed by the computer lab, the Experimental Economics lab, the co-op option for all graduate students, the “flipped classroom” strategy for Health Economics, the addition of lab sessions to the first core econometrics course, and the abundance of research/term papers used in McMaster’s graduate economics courses.” (Page 9)
- “Overall, we have the impression of a department with a strong culture of dedication to quality teaching, student success, and a democratic scholarly environment.” (Page 10)

- **Areas for Enhancement or Improvement**

- “The size of both the graduate programs and the faculty complement are insufficient to take full advantage of the prestige of the Department, its programs, and its strength in research.” (Page 4)
- “Because of recent retirements and departures, even given the current hires, the department is well under its past strength and under the size that would normally be associated with a department of its reputation and past success in graduate training and research. As well, several members of the Department are on secondment in administrative positions.” (Page 11)
- “...the Department should aim to have at least 25 tenure track professors. The recommendation is as valid today as it was ten years ago.” (Page 15)
- “PhD specializations are restricted to the areas in which faculty members are able to provide first-rate training, a set which nevertheless could expand if active new faculty members are hired.” (Page 9)
- Additional points made in the external report are highlighted in the table below.

Summary of the Reviewers’ Recommendations with the Department’s and Dean’s Responses

Recommendation	Proposed Follow-Up	Responsibility for Leading Follow-Up	Timeline for Addressing Recommendation
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<p>Expand in tandem the size of the graduate programs and the faculty complement. The quality and prestige of the graduate programs of the Department are jeopardized by the insufficient size of its faculty. As mentioned in the previous review, the Department should aim to have at least 25 tenure track professors. We understand that for the increase to be viable more resources should be generated. For this reason, we also recommend increasing the size of the graduate programs with the view of generating more revenue.</p>	<p>Faculty complement: The department will continue to advocate for resources to replace departed/retired faculty in a speedy manner. We will advocate for positions at the Assoc. and Full Professor level to replace unexpected departures of mid-career faculty. This is particularly important in the context of the discussion in section 6.1.2 of the external review report.</p> <p>The department has already begun implementing a plan to expand the number of entering graduate students. The Chair of Graduate Studies has begun discussions with FSS and SGS in order to discuss how best to ensure that this expansion is possible by re-aligning the funding of future graduate students, especially international students.</p> <p>The Graduate Studies Committee of the department is discussing additional pathways for undergraduate students with insufficient preparation, including a qualifying year/semester or a graduate diploma prior to joining our current Masters programs.</p> <p>An expanded summer preparatory camp is another option on the table.</p>	<p>Chair, Assoc. Chair for faculty expansion and Graduate Chair for the rest.</p>	<p>Given the lags involved in the approval of program changes though all stages at the university, the posting of job ads and hiring of faculty, a period of 24 months will be required.</p>
<p>Consider the possibility of enhancing the MAEP to become a professional program. The success of the MAEP program could be</p>	<p>The department is interested in exploring the possibilities of either opening a new professional masters program or integrating the existing MAEP into a professional program. Recent discussions within the department have suggested that a large number of issues need to be</p>	<p>Department Chair and Graduate Chair will lead discussions and strike a committee.</p>	<p>Recommendations will be made in 6 months.</p>

<p>exploited to get revenue for the expansion of the Department and the graduate programs. The program should be attractive to many more international students than those currently enrolled. Also, with some enhancements, such as adding an extra term, the program could generate more revenue, and could be an attractive professional program. For these enhancements to be sustainable, the bulk of the extra revenue should be reinvested in the Department of Economics and its graduate programs.</p>	<p>considered and we will strike a committee to explore these possibilities and bring recommendations to the department after a careful cost-benefit analysis.</p> <p>We will need to conduct discussions with FSS and SGS also regarding revenue and cost sharing with the department. In addition, as discussed in the previous recommendation, a significant expansion of our graduate programs will need additional faculty resources.</p> <p>Some minor resources to hire a work-study student may be required to conduct background research into similar programs elsewhere to identify “best-practices” and avoid implementation mistakes.</p>		
<p>Modify how the math camp is offered to allow students more time to assimilate the material and to avoid interference with the courses taken in the first semester. The current format of four days at the beginning of the fall semester does not serve students well. We suggest offering the</p>	<p>The department has already begun implementing this recommendation. This change has been discussed at the recent department meeting. A minor increase in resources will be needed to expand the preparatory camp to two weeks from the current model since instructors will need to be compensated for their hours of work.</p>	<p>Department Chair and Graduate Chair.</p>	<p>We expect this to be in place for the incoming cohort of students in the 2019-20 academic year.</p>

<p>math camp prior to the beginning of the fall semester over the span of two weeks and avoiding the evaluation of the math camp to interfere with the fall courses.</p>			
<p>Enhance the research experience of PhD students by upgrading the research activities of PhD students who are still taking courses, and by maintaining research support for advanced students. This research experience may be a component of regular courses, or, preferably on our view, it may take the form of a new research paper during the second year and the beginning of the third year. This paper not only would be useful to give student research experience at an early stage, it would also serve as a tool for exploring a potential topic for their dissertations.</p>	<p>The department agrees that the addition of a research paper in the second year is a good idea. We have begun discussions at the last department meeting and a formal change to our graduate regulations will be made in the coming academic year. Additional changes to the requirements for PhD students including more semesters in the thesis workshops are also under consideration by the graduate studies committee.</p> <p>In addition, a grad research skills workshop where students would be provided a refresher on searching articles using ECONLIT and web of science SSCI, searching working papers from major credible research institutions (NBER etc.), where to look for data, how to write an academic paper, how to identify research questions etc. could be added.</p>	<p>Chair of Graduate Studies.</p>	<p>One academic year to obtain approval for changes to the graduate calendar at various levels.</p>

<p>Enhance the marketing of all graduate programs to better target the programs offered to the students' needs. Better advertising the programs strengths, in particular in the case of the MAEP, is a major part of this enhancement. In addition, the set of potential applicants, domestic and international, could be broadened by offering realistic paths to join the programs to top students with some deficiencies in their admission requirements. Finally, the Department should provide better guidance in the choice between the MA and the MAEP programs.</p>	<p>The department is considering a number of ways to improve the marketing of our graduate programs and to highlight several key distinguishing features of our programs.</p> <p>Much of this work involves improving our web pages. Minor resources for a work-study student with web design skills would be immensely useful in this regard.</p> <p>We need to highlight how well our students do in finding meaningful jobs.</p> <p>We also need to enhance marketing of our highly successful co-op program. This program is very popular with students and is currently operating with no resources beyond the good-will of a few faculty members. The reviewers state on page 14 of the report that... "Creating and enhancing the interaction of students with potential employers helps the successful placement of students. We encourage the Department to continue these efforts." As the department expands the number of masters students, the co-op will generate significant resources for the university. Some of these funds need to be redirected to the department to allow job placement and co-op placement to continue to achieve the high standards of the past.</p>	<p>Chair of graduate studies.</p>	<p>6 months and on-going. Marketing of programs requires resources every fall.</p>
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Dean's Response

The Dean was heartened by the very positive assessment of Economics' graduate programs. The reviewers noted the high overall regard for the program outside McMaster and highlighted a number of strong features of the program, the high quality of the students' training experience, and the high levels of satisfaction among the students. They noted in particular, the co-op option, the research facilities available to students, innovations in teaching, the opportunities for students to write papers and undertake research papers through their coursework, and the extra-lab time integrated into the core econometrics course.

Naturally, they also identified areas for improvement, and made a set of specific recommendations in this regard. The department response outlines specific steps that the department will take in response to these recommendations, in many cases starting almost immediately. The Dean appreciated this strong response by the department. Below he offered some comments on each of the major recommendations and on the department's response to the recommendation.

1. Expand in tandem the size of the graduate programs and the faculty complement

The reviewers state that the quality and prestige of the graduate programs are jeopardized by an insufficient faculty complement. Expanding the graduate programs, they suggest, could generate revenue that can finance expansion of the faculty complement.

The Faculty has demonstrated a strong commitment to the department in the last few years as the department has experienced an unusual number of retirements and departures. At the end of hires currently in progress, the FTE complement of tenure research faculty will be 23.50, less than 0.50 lower than its highest level since 2012/13, while the complement of teaching-stream faculty has been increased by 1.0 FTE. This is below the target of 25 tenured faculty cited in the report, but the last number of years have focused simply on restoring the complement in light of the unusual number of losses. The Faculty remains committed to working with the department to enhance its faculty complement. This will be a challenge in the near term as the Faculty absorbs the recent 10% reduction in tuition fees mandated by the provincial government and the essential freezing for the near term of the nominal value of the provincial operating grant. There is merit in the recommendation to expand enrolment in the graduate programs—as noted, the department offers strong programs that are attractive to students; further, among departments in the social sciences, Economics currently has the third lowest number of graduate students per tenured faculty member. But expansion simply of the research graduate programs will not generate sufficient revenue to finance new faculty positions. Financing new faculty positions through expanded graduate training be advanced far more through the creation of professional programs that generate a larger revenue stream. As the departmental response indicates, the department has begun to

expand MA enrolment this year, and as per the second recommendation, it has committed to examining options for professional programs. The Faculty is committed to working with the department as it examines options and support it in pursuing the most promising ones. This is fully consistent with larger strategic directions of the university.

2. Consider enhancing the MAEP to become a professional program

The reviewers are correct that the MAEP is a logical place to consider a professional program. The challenge in the domestic market is that although students value the more policy-oriented training offered through the MAEP (compared to the traditional MA), students also know that they can get good jobs in the public and private sectors with the traditional MA. It is not clear that students would pay a large premium for a professional MAEP without substantial enhancement. The department has committed to examine this issue, and as part of that will have to assess what enhancements and modifications might make it attractive as a professional program. One option would be to adapt it to create an internationally focused MAEP and target international students seeking to enhance their marketability in their home countries, for which such a degree may be attractive. There may be other ways to focus a professional program on niche markets willing to pay the higher tuition. The department will have to consider all such options as it examines this issue.

3. Modify the way in which the math camp is offered

The department has already begun implementation of this recommendation.

4. Enhance the research experience of PhD students, especially while they are still taking coursework

The issue identified by the reviewers is common to PhD programs with heavy course requirements (as is true of all North American doctoral programs in economics, and increasingly so internationally). The department has already committed to act on this during the coming year and obtain the required changes into the calendar for the start of next year. The introduction of a research paper in the second year is one promising mechanism for achieving the underlying goal, but other approaches may also help and the Dean was glad to see that the department is also looking at other ways it can enhance the research experience of students earlier in their training.

5. Enhance the marketing of all graduate programs, including better targeting of the programs offered to students' needs

Better marketing of our graduate programs has been a focus of the Faculty for the last number of years, with a particular focus on websites. To that end, the Faculty has made available to all graduate programs strategic resources provided by the Provost intended to enhance marketing and recruitment. The department has committed to acting on this recommendation immediately, and the Faculty will continue to work with the department on

this issue. Both the reviewers and the departmental response highlight enhancement of the interactions between students and potential employers. The department may benefit by drawing on the Faculty's Experiential Education office, which has expertise in identifying and arranging internships and other work-integrated learning experiences and is in regular contact with public- and private- sector employers interested in student placements.

Quality Assurance Committee Decision

McMaster's Quality Assurance Committee (QAC) reviewed the above documentation and the committee recommends that the program should follow the regular course of action with a progress report and subsequent full external cyclical review to be conducted no later than 8 years after the start of the last review.