Progress Report of the Department of Economics  
University of Waterloo  

September 1, 2012  

This report outlines the progress of the Department in responding to the recommendations of the review conducted in May 2009 by Professor James Davis (University of Western Ontario) and Professor Ngo Van Long (McGill University).

State of the Department  

Students today are aware of the need for a good understanding of economics for careers in both the public and private sectors. There are increasing numbers of students from all faculties registering in economics undergraduate classes and economics graduate degrees are in high demand. The Department of Economics welcomes these trends and we strive to provide the best economics education possible for these students.

The chart below shows class enrollment trends since 1996. In the 2010/2011 academic year the Department had 14,851 class enrollments.
The following chart shows enrollment by majors for selected departments in Arts. The number of economics majors has grown steadily and is now over 500.

Enrollment in our economics graduate programs is shown in the chart below. We have a long-standing successful MA program, which is unique in that it offers a co-op option. We have made a number of changes to our graduate program over the past few years in order to make it more rigorous and to help our students succeed. We are proud of the quality of our graduates and believe our program’s reputation will continue to strengthen as our alumni build their careers.
In 2004 we began a PhD program and have been working hard to make it successful. We have had four students graduate so far. A PhD defense is scheduled for September, and another student is expected to defend this fall. All of our PhD graduates have obtained jobs in their chosen fields either in academia or the private sector. Our MA graduates are also meeting with success in the job market and in PhD programs in top Canadian universities.

<table>
<thead>
<tr>
<th>Economics PhD Graduates</th>
<th>Name</th>
<th>Year of graduation</th>
<th>Current position</th>
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<tbody>
<tr>
<td>Mahdiyeh Entezarkheir</td>
<td>2010</td>
<td>Faculty, Huron University College, University of Western Ontario</td>
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</tr>
<tr>
<td>Shan Chen</td>
<td>2010</td>
<td>Senior Analyst, Risk Capital Group, Royal Bank of Canada</td>
<td></td>
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<tr>
<td>Mingcui Su</td>
<td>2010</td>
<td>Assistant Professor, Southwestern University of Finance and Economics, China</td>
<td></td>
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<tr>
<td>Becky Shi</td>
<td>2012</td>
<td>Assistant Professor Research Institute of Economics and Management Southwestern University of Finance and Economics, China</td>
<td></td>
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The trend in economics faculty numbers is shown in the chart below. As of August 2012 we had 24 regular faculty members, 1 definite term assistant professor, and 4 continuing lecturers. In the 2011-12 academic year we had 72 undergraduate course sections taught by sessional instructors.
The 2009 OCGS Review: Issues, Responses and Progress

Background
Subsequent to the 2009 departmental review, in a letter dated June 8, 2009, John ApSimon of OCGS recommended that the MA and PhD programs be viewed as being of good quality but that the Department should in two years report on (1) progress in the recruitment of faculty, (2) progress in the review of curriculum for both courses and examinations, and (3) enrolments and continuation rates in the PhD program. An update was prepared by the Department and submitted to the OCGS in May 2011. A subsequent letter, dated June 14, 2011, was submitted by the Chair of Economics responding to additional questions from the OCGS. In a letter dated June 17, 2011, from Donna Woolcott of the OCGS, we were informed that our MA and PhD programs were judged to be of good quality.

The progress report given below is more general than the one done in mid-2011, and addresses all the issues raised by the reviewers.

1. Faculty Resources

Issue: At the time of the review the Department had 23 faculty members (6 full, 6 associate and 11 assistant) and 1 continuing lecturer. The reviewers expressed concern about the number of faculty given the high level of teaching activity in the Department, as well as the need for senior professors to mentor more junior faculty members.

Progress: Since 2009 we have been able to hire 5 faculty members at the junior level, but there have also been three retirements. In addition, we have hired three continuing lecturers and one definite term assistant professor. Our total faculty complement is 29, of which 24 are regular tenured/probationary faculty. We have not been successful at hiring more senior professors, due in part to the large salaries needed to induce senior faculty to relocate. However, we are currently trying to hire two senior economists, and are very hopeful that this will work out. A number of our assistant professors are applying for tenure this year, so the assistant/associate balance should improve. We will continue to try to recruit more faculty at both the senior and junior levels to support the demands of our undergraduate and graduate programs and the huge demand for service teaching from across the university.

2. Other program resources

Issue: The reviewers noted that staff resources are inadequate. The Department previously had four staff members and now has only three, despite greatly increased student enrollment. To quote from the page 5 of the review report “(f)or comparison, the
economics departments at both UWO and Queen’s had 9 staff members this year, and each has about 28-30 tenure-track faculty - - not much more than the Waterloo department.”

**Progress:** The Department still has only three staff members, which is unsustainable given current student enrollment levels. This is a critical need and we are currently drafting a job description for a fourth person.

**Issue:** The Department does not have adequate common space for faculty and graduate students. This is important for the cohesiveness of the graduate student class and for faculty interaction.

**Progress:** We have created a lounge for our graduate students including a fridge and microwave. It is located in the PAS building, so is not near the Department. Nevertheless it is much appreciated by students.

We also converted an office to a faculty lounge which includes a few chairs, as well as a desk for visitors. While this is better than nothing, it is a small area and we are still much in need of a larger lounge space.

3. **Recommendations regarding the graduate program**

**Issue:** To support the graduate program, the Department needs more faculty strength in microeconomic theory and econometrics.

**Progress:** We have hired two micro-economists and two econometricians since 2009.

**Issue:** The reviewers felt that there were difficulties with the PhD microeconomic theory sequence. In their view, the curriculum and comprehensive exams were too difficult and should be more oriented to the applied economics mission of the program.

**Progress:** The microeconomic theory sequence has been adapted so that it is more suited to the applied economics nature of our PhD program. This has been facilitated by the hiring of two faculty members who are specialists in microeconomics. This issue was addressed in detail in the report prepared for the OCGS in mid-2011.

**Issues:** There were several other specific recommendations for changes to the PhD and MA programs which have been implemented.
Progress:

- The Economics of Technology and Management field has been eliminated. Students wishing to pursue this area of research can do so under the umbrella of our remaining field of Public Economic Policy.
- The co-op requirement has been eliminated from the PhD program.
- The research and writing requirements have been increased for MA students, who must now write a research paper with a value of at least 30 percent in one of their courses. In addition MA students take a course in Research Methodology where writing skills are a focus.
- The seminar series budget has been increased to $8,000, somewhat below the $10,000 budget recommended by the reviewers. However we are currently investigating ways of launching a high profile lecture series within the faculty.
- We have provided office space for first year PhD students in the Department in Hagey Hall. Beyond the first year, PhD offices are located in PAS. We also have created a small PhD computer lab.
- PhD students are now required to attend a significant number of Department seminars each year. This is monitored to ensure students comply.

4. Recommendations regarding the undergraduate program

Issue: The reviewers noted the heavy reliance on sessional lecturers and recommended that it be reduced.

Progress: Although we have hired some regular faculty members, teaching demands have continued to increase with growing enrollments as well as the demands of running a reputable graduate program. The Department still remains heavily reliant on sessional lecturers with over 70 sections taught by sessionals in 2011/12. While we do have some excellent sessional lecturers, overall this is a job with a high turnover rate and quality control is difficult. We look forward to reducing the number of sections taught by sessional lecturers as we are able to hire more faculty in the future. We are also hoping to recruit more continuing lecturers.

Issue: The reviewers found that the undergraduate program is of good quality despite low funding compared to other G13 universities. However some recommendations for improvements were made. These relate mainly to serving the needs of different types of students, such as those who want to pursue graduate studies in economics versus those who may pursue graduate studies in other areas (such as law) or are completing a terminal BA degree.
Progress:

- A new degree in mathematical economics has been created. Students can be registered either in math or in economics to pursue this degree. This program is excellent preparation for students wanting to pursue graduate degrees in economics or finance.

- The reviewers noted that we were not offering some important elective courses. We have been able to address this to some extent with the hiring of more faculty. For the first time we will be offering an undergraduate course in game theory in the winter 2013 term. This is long overdue. We have also introduced other electives to provide students with a broader range of course choices, including “Law and Economics”, “Economics of Sport”, and “Numerical Methods”.

- The reviewers noted a lack of communication amongst instructors teaching course sequences such as microeconomics and mathematical economics. Our undergraduate committee has worked to improve this coordination and lists of requirements for what should be covered in each year of a particular sequence have been created. We have also worked to upgrade our mathematical economics courses so students are better prepared for their senior courses.

- The reviewers mentioned the importance of keeping software in the Arts computing lab up to date. Since the report was done we have upgraded and expanded both the hardware and software in the lab.

Current Plans and Direction

The Department will continue to develop and improve our graduate and undergraduate programs. We will seek increases in faculty, staff and other resources needed to serve our growing student population.

Our Undergraduate Committee continues to focus on how to best meet the needs of our diverse student population and is undertaking a broad overview of our undergraduate academic plans. We are improving the coordination across the multiple sections of first and second year courses with the goal of increasing consistency and quality control. The
Undergrad Committee is examining innovative teaching techniques using new technology and teaching ideas to enrich the undergraduate experience for our students.

Our graduate program has been significantly enhanced over the past few years with the maturing of our PhD program and an increase in graduate courses offered. Most recently the Graduate Committee has been considering how to help PhD students make an easier transition into their research so that they are able to finish their degrees in a timely manner and to prevent attrition from the program. A change that is being implemented this year is to increase the number of elective courses students must take, in order to provide students with a more in-depth review of their areas of specialization. We have also introduced more careful monitoring and nurturing of PhD students through the declaration of fields of specialization and the introduction of specialized seminar courses.

One goal of our graduate programs is to increase the recruitment of top quality domestic students. To this end the Graduate Committee has worked on publicity for our program through posters and the creation of a video now posted on YouTube. http://www.youtube.com/watch?v=oovyf9T5r8Y. Our Graduate Associate Chair has made presentations to undergraduates at uWaterloo and other Ontario universities encouraging excellent students to apply for graduate school. We believe we are seeing the effect of this marketing by an increase this year in the number of domestic applicants from top Canadian universities such as Queens, Western, and the University of Toronto.

The Department hopes in the next few years to participate in new collaborative programs with other departments. There are some natural areas of collaboration such as in behavioral decision sciences, accounting and finance, and environmental sciences which hold great potential for new programs. For example, we are participating in a new interdisciplinary program being proposed by the Water Institute. Many of our faculty participate in the Center for Behavioural Decision Research at UWaterloo. We are in discussions with the School of Accounting and Finance regarding a joint Master’s program.

Submitted by Margaret Insley, Chair, Department of Economics