



DEPARTMENT OF  
**Economics**  
UNIVERSITY OF WISCONSIN-MADISON

**Economics**  
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Board Meeting, October 11, 2013

## Our Objectives for the Board Meeting

- Overview of the department
- Examine our accomplishments and our challenges.

My hope is that we leave the meeting today with an executable plan that my colleagues and I, along with willing Board members, can execute to

- A) Help put us on a path to fiscal stability.
- B) Enhance the undergraduate experience.
- C) Improve graduate student outcomes.

## OVERVIEW

**31 faculty members and 6 teaching staff and 11 other staff**

**About 100 graduate students in residence**

- 15 Ph. D.s granted each year
- About 30 different graduate courses are offered each year (about 15 per semester)
- About 53 graduate students serve as teaching assistants (TAs) each semester

**1100 undergraduate majors, with about 400 graduates each year**

- 60 sections of 45 different undergraduate courses are offered each year
- About 3000 students take Econ 101 each year

## RANKINGS

**Continues to be amongst the top 10 or near the top 10 economics departments in the US**

- 12 in a recent Journal survey
- 13 in the 2012 US News Rankings of graduate programs
- 7 in the National research Council Rankings

**Only econ department in a public university that consistently outranks us is Berkeley.**

**Public departments that generally rank about the same as UW include Michigan, UCLA and Minnesota**

## INDICATORS OF DISTINCTION

**6 Fellows of the Econometric Society, 5 Sloan Fellows**

**One member of the National Academy of Sciences, two Distinguished Fellows of the American Economic Association**

**Editors of 6 leading professional journals, with many more faculty serving in editorial boards of various leading journals**

**About 15 different faculty members are principal investigators on about \$2.5 million in extramural research grants**

**Two faculty members in the shortlist for the Nobel Prize!**

## The Undergraduate Program

**The enthusiasm for the major remains strong.**

- As of Thursday, we have close to 900 declared majors!

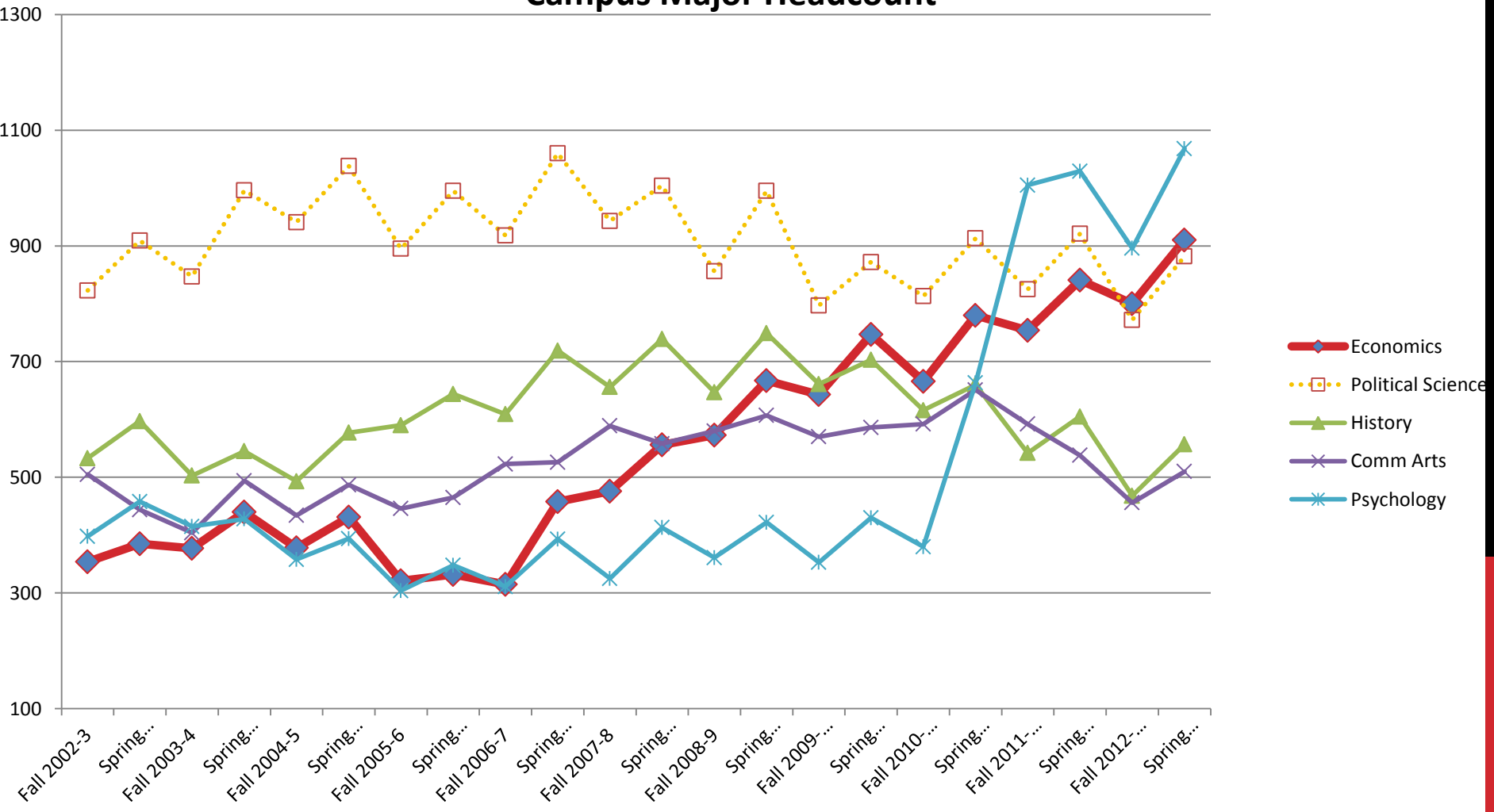
Enrollment for introductory macro for Fall is at (current) capacity. This suggests there is no slowing down, at least yet.

Enrollment for intermediate micro and macro is at an all-time high. Suggests that we are likely looking at a slightly larger major next year.

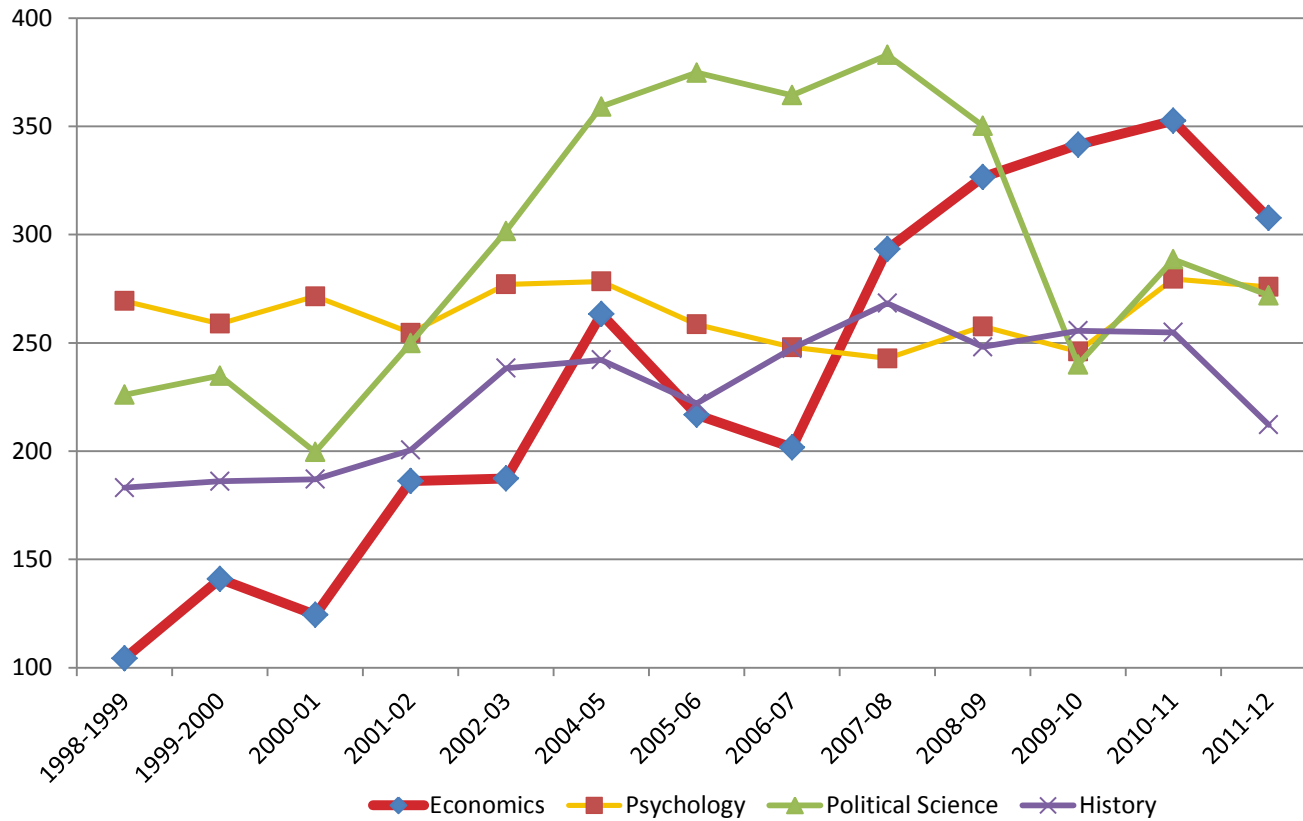
**Twenty-eight** percent of our majors are women. **We broke the 25% threshold for the first time last year.**

**About 45** percent of our majors have at least one additional major

### Campus Major Headcount



## Undergraduate Degrees

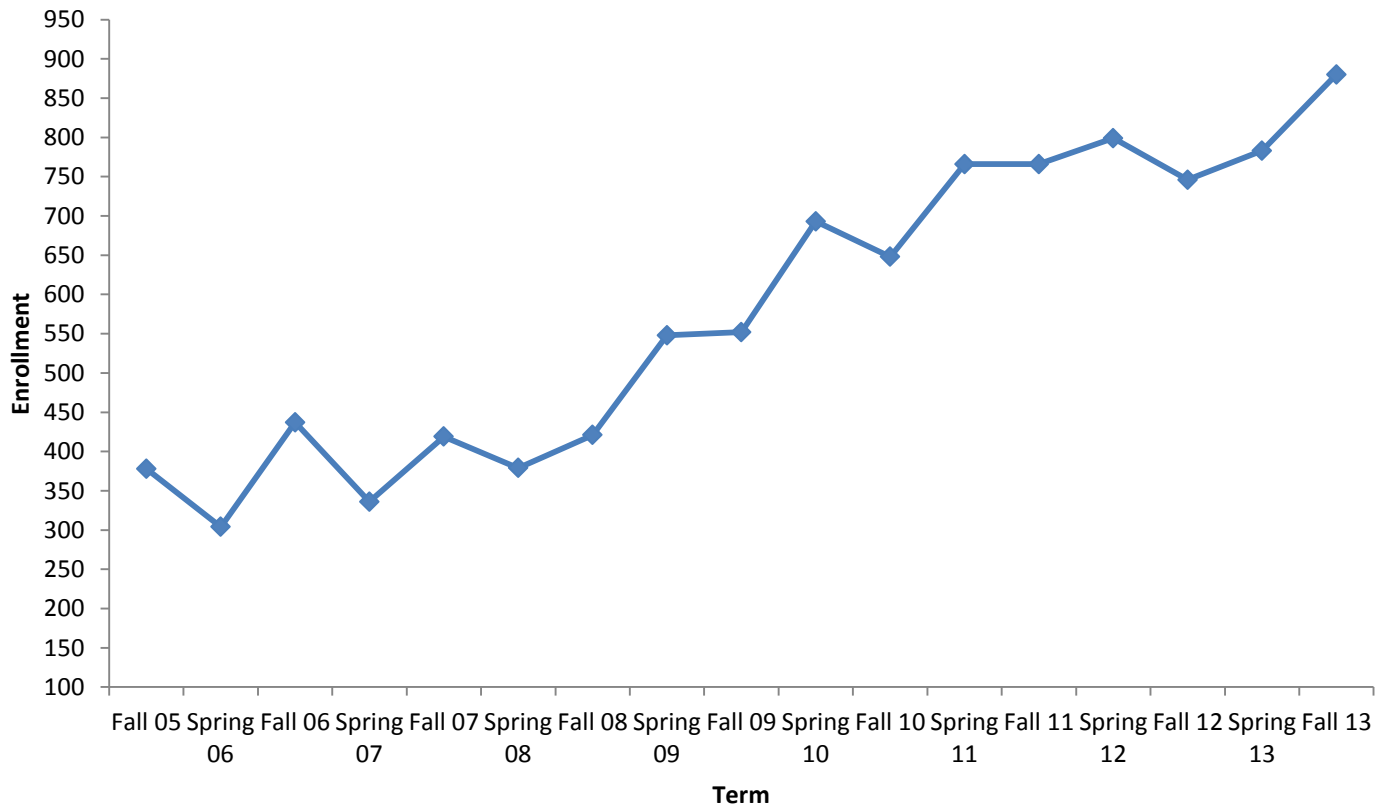




## Enrolments in Core Courses Holding Steady



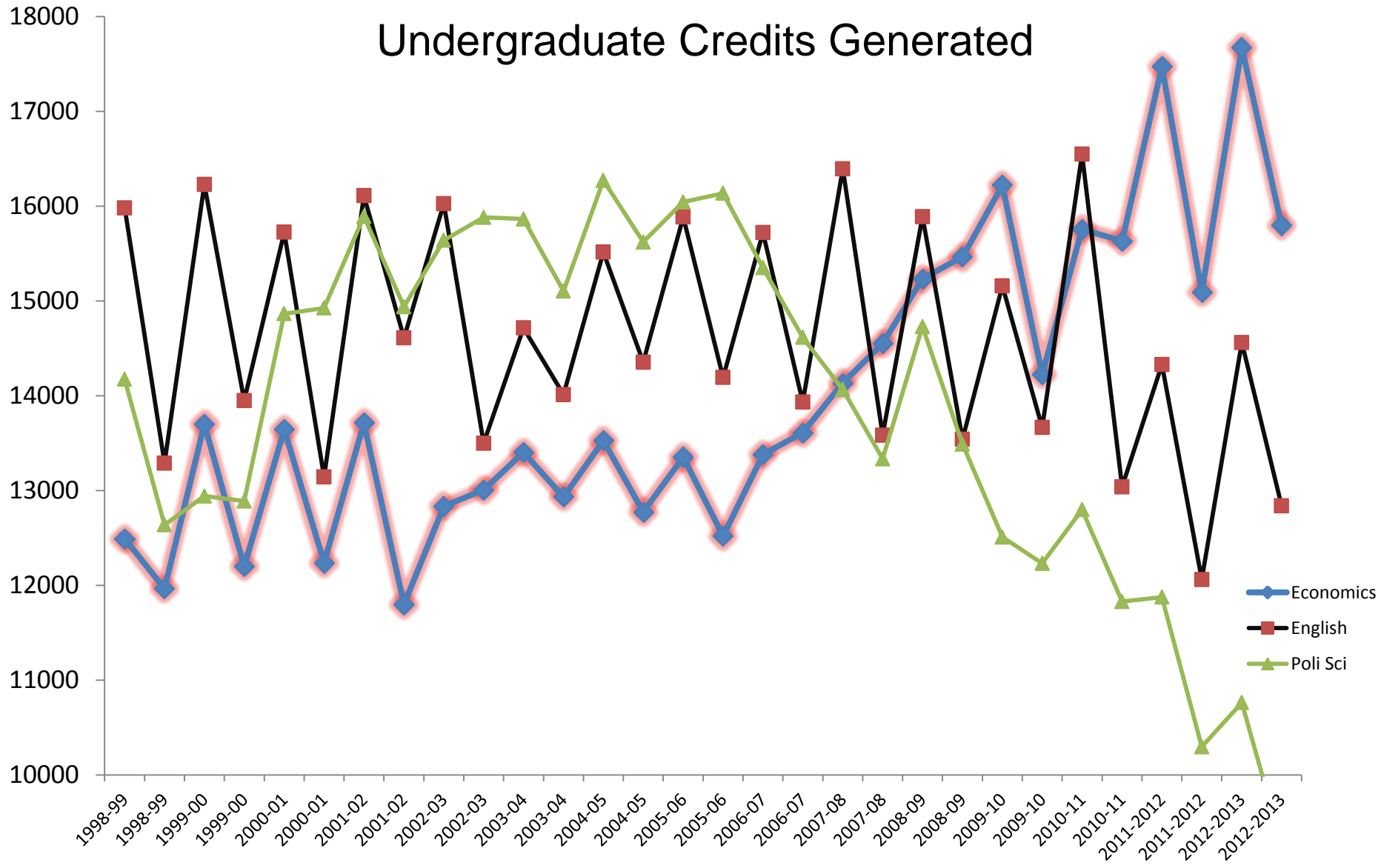
## ADVANCED ELECTIVE ENROLLMENT



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## Undergraduate Credits Generated



## CERTIFICATE PROGRAMS

**Total at semester's end = 1,056 majors**

**100 were doing the Math Emphasis**

**34 were working toward a Business Certificate.**

**22 toward a Math Cert.**

**85 other students were working toward certificates in every field imaginable.**

## WHAT DO OUR MAJORS DOUBLE-MAJOR IN?

**Poli Sci majors: 85**

**Math majors: 70**

**Int'l Studies: 57**

**A Foreign Language (varied): 41**

**Business (varied fields): 39 (27 in Finance)**

**Statistics: 33**

**History: 30**

**Environmental Studies: 25**

**Engineering (varied fields): 21**

We are not that dependent on the Business School!

## ENROLMENTS AND FACULTY

Increase between 2002 and 2012		
	Number of Majors	Number of Faculty
Economics	263%	12%
L&S	3%	3%
Business School	-7%	4%

### Placements in 2012

- Our best were Iowa, Wake Forest, Colorado State, University of Calgary, and the International Monetary Fund. It remains an international market as our students took academic or government jobs in Bank of Italy, Korea (2), Taiwan, Japan, the National University of Singapore, China (2), and the Central Bank of Peru.
- Students took non-academic jobs at Mathematica Policy Research, the Public Policy Institute of California, Freddie Max, and a post-doc at Oxford.

### Agenda for improvement.

- Smaller entering class, so all students get funding for 5 years.
- More funding.
- My outstanding new faculty colleagues will make a difference.
- We are making small adjustments to our curriculum offerings.

## INCREASE IN FUNDING FOR GRAD STUDENTS

**Higher undergraduate enrolments imply more undergraduate courses**

**This has led to an increase in TA positions for graduate students**

**Number of TA positions has increased from 33 to 55 over the last few years**

**Stimulus money helped faculty receive more grant money and jump-started shovel-ready projects!**



# RESEARCH EXCELLENCE

## What has Mattered to Economics Since 1970?

- 146 research articles identified
- An educated guess is that around 50 of these articles will win the Nobel Prize
- 8 with a Wisconsin connection

## 2 of which are Board Members!

- Meese and Rogoff
  - Empirical Exchange-Rate Models
- Christensen, Jorgenson and Lau
  - Estimating Production Functions

**This is the year of  
human resources in the  
University, College, and  
Department.**

**We have a new  
chancellor.**

- Becky is serious about redoing the budget model of the University



## We have a new Dean of Letters and Science!

- Karl is taking ideas from Econ. He has launched the L&S Career Initiative in his first month (largely taking ideas from Econ!)



## We hired Jennifer Buelow as our career services director.

- Jennifer has done a fantastic job – smooth transition from Bethany leaving
- Significantly more interest in career coordinator position
- Orientation sessions were full – a vast improvement from last year
- Faculty who teach large Econ courses as well as ESA have been encouraging students to come and talk with Jennifer – much more contact with undergraduate students



## We hired Colin Rohm as an academic adviser.

- Your funding has helped make complementary investments
- We received funds from the Madison Initiative to hire a full time academic advisor
- We used to have a half-time advisor serving over 700 majors since 2009!





**We hired Torine Pasek as a dedicated development director for the economics department.**

- This is part of an experiment (with Computer Science and Chemistry) to have department-specific development directors.



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We hired a lecturer (David Hansen) who will help with our undergraduate and Masters Program teaching. This was a national search. We over 70 applications.

**David teaches undergraduate game theory and math and stats for masters**



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We hired a staff administrator program (Stacey Sykes) for our Masters Degree

**Personnel matters have kept us very busy the past year.**





**We hired a terrific  
Assistant Professor  
colleague, Joachim  
Freyberger from  
Northwestern.**

- First person Wisconsin ever hired to be a participant in the “ReStud Tour.”



**We tenured two  
Assistant Professor  
colleagues, Dan Quint  
and Amit Gandhi.**

- One colleague, Andres Aradillas-Lopez, is moving to a tenured position at Penn State.



### UW News Rankings

- Economics was tied for 13 in the most recent ratings (tied with Michigan). We were behind Michigan (tied for 14) in 2009.
- Our subfield rankings were International (6), IO (8), Labor (8), Econometrics (10), and Public (10).

Other large UW-Madison departments: English (17), History (14), PoliSci (15), Psych (9), Chemistry (7), CompSci (11), Math (16), Physics (17), Stats (12)

### People

- No major departures. We hired great people at every level.

### Students

- Demand remains strong. And our students are doing amazing things.
  - China Economic Forum
  - ESA and Equilibrium
  - Jobs and Graduate School

## ACHIEVEMENTS OVER PAST 5 YEARS

### **Hiring full professors from better schools**

- Stanford, Princeton, Penn, Northwestern

### **Hiring Assistant Professors who have great options**

- Harvard Business School, Columbia, Wharton

### **No senior faculty has departed in the past 5 years**

### **Dramatic increase in undergrad major without sacrificing rigor**

### **Funding almost every graduate student**

## FACULTY TEACHING AWARDS

**Conscious effort to put our best faculty in key courses**

**3 faculty won undergraduate teaching commendations last year**

**Have our very best faculty in the Principles and Intermediate courses**

**Have funding to hire a teaching specialist**

What are our challenges?

*Financial Pressures*

## Funding Options

### For the University

- State Support
  - Unlikely to change much (Reserve Fund-gate)

### For the Department

- Budget Reallocation (within campus)
  - Likely to change over next 5 years.
  - Slow moving
- Innovations (We get to keep two-thirds of revenue)
  - Started a Master's program. Very very successful
- Development (alumni fundraising)
  - Have made progress and hope to do much more

## An Overview of the Budget Challenges

**We draw on three sources of revenue: budget reallocation, “innovations,” and private philanthropy.**

- Our FY 2012-13 budget was around \$7.5 million. Almost all is salary (78 percent for faculty).
  - There has not been a general salary increase (a “pay plan”) for 6 years.
  - Salary increases are coming from a) down-sizing, or b) “innovations.” Departments are now being asked to pay 2/3 of pay increases associated with retentions, competitiveness adjustments, and most post-tenure adjustments.
  - There is an active *international* labor market for economists. This past year, we made roughly \$150,000 of *departmental* commitments for salary adjustments (2 percent of the department’s budget).
- We need considerable resources to keep our faculty together.



## New Masters Program

- We had limited time to advertise since we received approval in December
- Part of initiative that allows the College to retain all revenue associated with a new non-traditional program
- Program primarily catered to students wanting to pursue a PhD
- Received 300 applications
- Admitted half and have an entering class of 60 students
- Demonstrates the power of our brand name

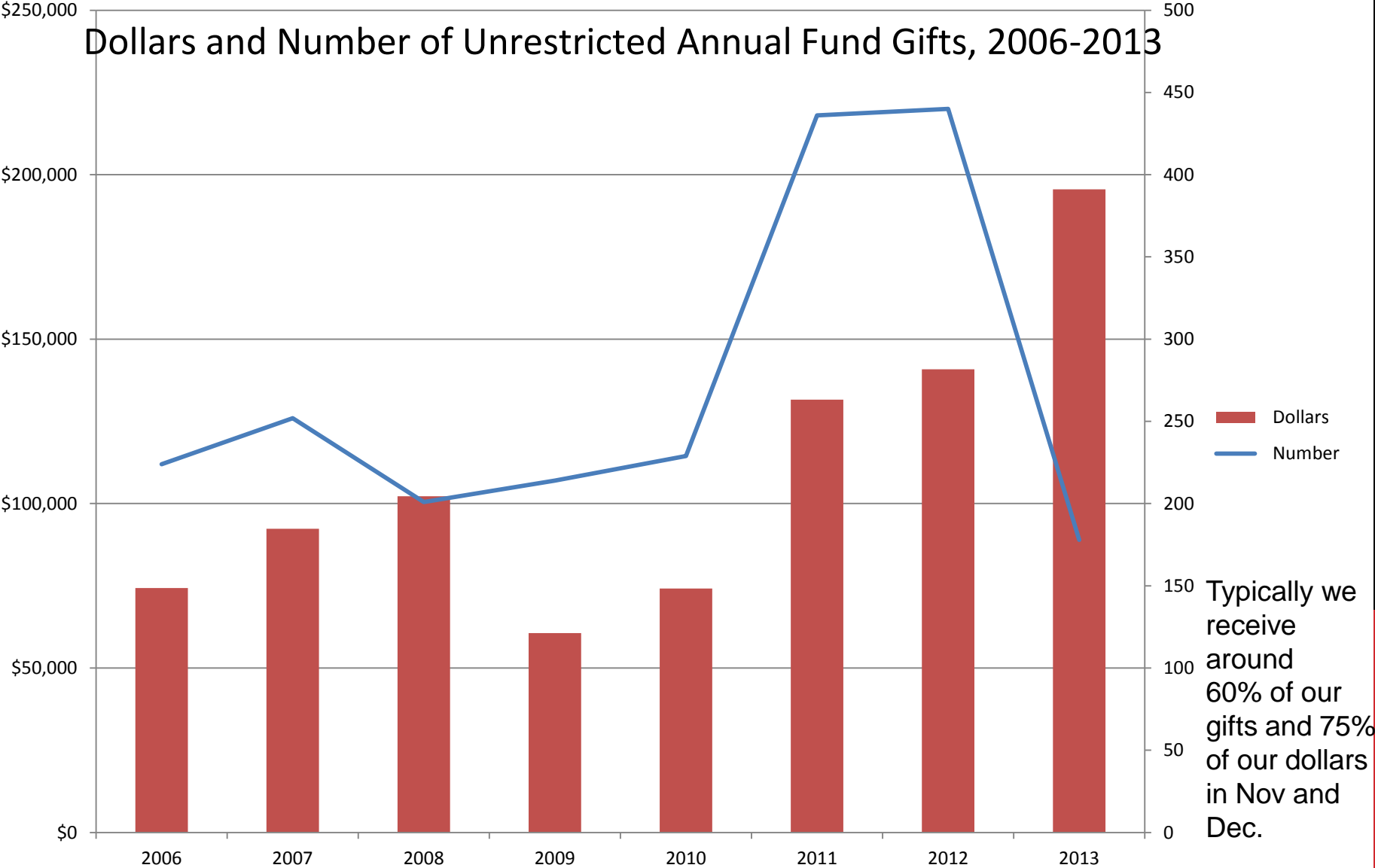
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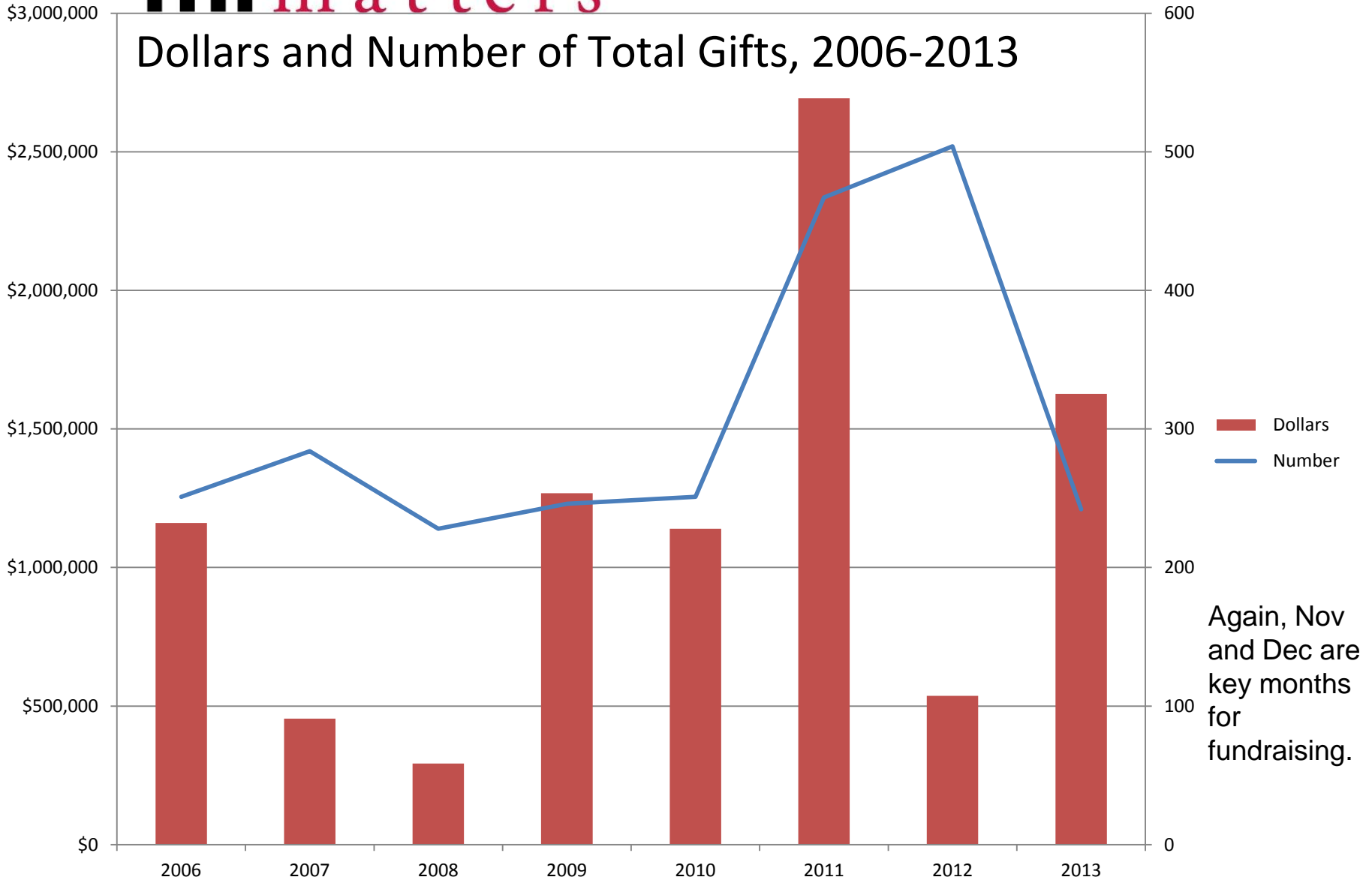
## Roughly Speaking, We Need An Additional Annual Inflow of \$100k Every Year

- Part 1: This Fall we have the first cohort of entering terminal Masters degree students.
  - Target students interested in getting into a good Ph.D. program.
  - L&S will take 1/3 of *gross* revenue (less some “allowable” costs). The department will pay costs and can use the remaining revenue (subject to constraints).
  - We have 60 students coming. Every year, this should generate (roughly) \$2 million a year. After expenses, this should buy us 5 years by generating a profit of \$800,000 a year (or so).
- Part 2: Development efforts.

## Annual Fund Gifts



## Total Gifts



## Annual Fund and Development Strategy

**Most Important!** Deliver world class education and a great experience to our undergraduates (including job help!) and our graduate students.

**Newsletters: Two a Year!**

**Department Events**

**Support ESA and efforts like *Equilibrium*.**

**Networking events: alumni hosts sponsoring events in various cities.**

**Branding: Web site redesign and content.**

## DEPARTMENT EVENTS

September – stand-up economist comedian. Over 400 attendees

October – Jon Gruber (Professor, MIT and architect of Romneycare) for the inaugural Weisbrod lecture. Around 350 attendees

November – we hope to have Jason Furman, the chair of the Council of Economic Advisors

## The Specific Challenge

**How can the Board play a leadership role in generating an additional \$100,000 in flexible resources each year?**

- One new \$2.2 million endowment gift a year.
- Year-to-year increase in annual fund giving of \$100,000.
- Our Masters program should give us several years to develop and execute

### **Uncertainty is a killer**

- We have to execute well every day. Moreover, if the environment is not good or people think the future is grim, some best people will leave.

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## Thank you

- We have the best Department Board at the University of Wisconsin – Madison.
- Thank you for being here. I know with the exceptional talents of Board members there are many things you can do with your time and energy. I am grateful that you are here.
- Please let me know if you have questions. You will hear from a lot of people today, with plenty of time to ask questions and learn more.