

**Department of Economics and Finance
Academic Plan
2009-2014**

Mission and Aspirations

The mission of the Department of Economics and Finance is to be a national and international leader in the areas of natural resource and environmental economics, energy economics, industrial organization, international development, financial economics and finance. This expertise creates value to the State through our three fundamental activities at the University of Wyoming, which are organized in the following order of importance: To teach and transfer knowledge in the areas of economics and finance to the students of the University of Wyoming and the citizens of Wyoming.

To create new knowledge in the areas of economics and finance through original research by its faculty

To provide the state service through our expertise in the areas of economics and finance when called upon.

Where possible and without compromising our mission as stated above, we also contribute to the wider mission of the College of Business by supporting activities in other College efforts related to ethics, entrepreneurship, and sustainable business practices.

Previous Planning Accomplishments

Completed planning goals:

- **Expand departmental facilities**
 - completed in Summer 2006 with expansion into lower floor of Ross Hall and will be met by new College of Business facility in 2010.
- **Fund and hire an endowed position in energy economics.**
 - completed May 2007 with hire of Charles Mason after a national search.
- **Hire the School of Energy Resources Distinguished Professor in Energy Economics**
 - completed August 2008 with the hiring of Tim Considine of Penn State after a national search.
- **Create endowed research funds to purchase data sets in finance.**
 - with the help of the College an endowment has been created within the college to purchase data and other needs. This is, however, an ongoing requirement as data costs continue to rise.
- **Increase the number of graduate assistantships from the College and University to support Ph.D. students.**
 - accomplished through consecutive GA enhancements being awarded through the graduate school competitive allocation process and by an increase in college support. This remains an ongoing goal as grad school allocations are temporary.
- **Establish specific scholarship funds for undergraduate economics and finance majors. Establish scholarship funds and fellowships for graduate students.**
 - undergraduate funding was accomplished to a large extent through the Hathaway program and we have since worked with Admissions and the college to redefine donor needs at the undergraduate level.

- graduate funds were reallocated from the undergraduate programs due to Hathaway and with the College of business several new scholarship sources have been found for the graduate program.
- **Add additional faculty slots that help meet UW's mission of interdisciplinary research and teaching (full/half appointments with SENR, UESS, SER, and other colleges).**
 - completed through successful application to the University CPM process and legislative funding that allowed hiring of
 - an Assistant Professor in Finance (Tatyana Sokolyk) who is assigned to teach in the Department and in the College Entrepreneurship program.
 - an Assistant professor in economics (Aaron Strong) who has strong training in ecological economics and who will be able to serve courses in the Program in Ecology and Haub School
 - Hiring of a Professor (Tim Considine) as the School of Energy Resources Energy Economic Professor.
 - Two assistant professors, one with a specialization in international development and the other in International finance : Sasha and Hilla Skiba

Items not completed or ongoing:

- **Fill open faculty slots at market average or higher**
 - hiring has occurred closer to OSU/AACSB levels than in the past. However, with surges in economics and finance salaries over the past 5 years this remains an on-going issue and salaries still lag market levels as defined by OSU/AACSB or other organizations.
- **Fund and hire an endowed position in finance.**
 - the Foster Friess endowment remains the best opportunity to meet this goal, but so far the Freiss family has not agreed to commit the already donated funds to an endowed position in finance. This remains an important goal in the Department with the coming retirement of Walt Werner.
- **Create endowed research funds that may be used for conferences.**
 - We continue to search for such funds.

Relevant Institutional Issues

The Department's goals are directly related to the five institution-wide planning motifs as identified in the University's "Creation of the Future" planning document. Specifically, the Department sees its role in the next five years as **building the University's depth** and **reinforcing and refining existing areas of distinction** through continued improvement in the Department of Economics and Finance's nationally and internationally recognized graduate programs and research productivity, especially in natural resource, environmental and energy economics. Focusing in these areas also accomplishes the planning motifs of **fostering excellence** at the university through outstanding faculty hires and maintaining the quality of our graduate and undergraduate programs while **cultivating leadership** within the state through expansion of our involvement and integration of our existing areas of faculty and program expertise within the School of Energy Resources, the Haub School and the College of Business Sustainable Business Practices focus, while also developing new partnering opportunities with other departments across campus to both support their programs and allow greater student access to a more interdisciplinary education.

To achieve these aspirations with respect to the Department and the University community, the Department of Economics and Finance has defined the following action items to be accomplished in the next academic planning cycle from 2009-2013:

Action Item #1: Maintain and increase Department research activities and support.

Given the University of Wyoming's Department of Economics and Finance is internationally recognized in an area of distinction the University wishes to promote and expand (natural resource, environmental and energy studies), it is fundamental that the Department maintains and expands its research ability. To accomplish this goal, the following actions will be pursued:

- Expansion of Department research support resources
 - The Department will act to secure additional resources to secure increasingly expensive datasets, software, and subscriptions, and to fund conference travel to present new research among peers and to promote new research networks.
- Expansion of research faculty in key areas – particularly areas of (i) risk, uncertainty and regulation *as related to energy*, and (ii) technology deployment, venture capital and project finance. Both areas could be accomplished through additional endowed professorships, internal resource reallocation or School of Energy expansion.
 - A specific University need in this area, particularly in the school of energy resources and in the department is a faculty member with research expertise in international financial dimensions of energy, energy futures, options, & derivatives, and energy project finance at the corporate level. Such a position is likely to be very attractive to some donor groups the College and university might approach.

Support development of interdisciplinary research centers within the University that can apply our Department's expertise. Examples of such research centers include the Enhanced Oil Recovery Institute and any new institutes and centers supported by the School of Energy Resources or the SENR/Haub School.

Increase the number of interdisciplinary research and teaching partnerships across campus. Examples of such partnerships that could be expanded include existing collaborations with the SENR/Haub School and the Program in Ecology (PiE). With respect to both the SENR/Haub School and PiE efforts, hiring of faculty specifically suited to the areas of intersection of these programs and our department would be tremendously beneficial. The purpose of this effort would be twofold: to increase the number of students who get economics training regardless of discipline and to create additional minors and double major students. Specific examples though efforts need not be limited to cooperating with the SENR/Haub School to further integrate economics into their core environmental policy programs, and with the School of energy Resources in providing classes in their energy Resource Science Program and eventually leading to a policy-specific track or concentration within that program.

Action Item #2: Increase the number of undergraduate and graduate students successfully completing degrees in Economics and Finance through improvement in quality of teaching in the undergraduate core.

At the graduate level this can be increased through additional graduate stipend assistance. At least 4-5 additional assistantships and higher stipends for all enrolled graduates are necessary to attract the best graduate students who apply to our programs.

Given our international reputation, we have a very high number of graduate applicants from around the world. To create the critical mass necessary to increase and improve our program offerings will require admitting more students in the PhD program, not all of whom will have their own funding. Current entering cohort sizes in the economics and finance graduate programs are usually 6-8 in the PhD program, 2-4 in the MS Economics program, 2-3 in the MS in Economics and Finance program, and 2-4 in the MS finance program. It should be noted that typical attrition rates in the PhD are about 60% (attrition between cohort entry and graduation sizes), which is typical of rigorous programs though higher than those of the most elite institutions where entering students are among the best in the world. Of these students, typically over 60% are domestic students and approximately 40% are female. These are both above the national average for PhD and MS programs in economics and finance. GRE scores average 1275-1300 over the past five years at the PhD level are among the highest in the university and in the top tier of economics PhD programs.

We will enlarge these entering class sizes to approximately 8-12 in the PhD, and 8-10 in the MS Finance program in the coming five years through more active recruiting and higher GA offers. Resources to support these additional students will be derived through external research support, private scholarships and additional internal support through the Graduate School through the competitive GA allocation pool and the recruitment of more minority and female students.

The Department will increase its involvement with the Department of Agricultural and Applied Economics by supporting their graduate program wherever possible. Specific instances of this cooperation are already occurring with both departments sharing the teaching of the econometrics sequence that can be taken across programs in both departments.

Program outcomes remain excellent with those declared Economics or Finance majors having the highest educational outcomes of any cohort in the College as measured by the ETS test administered to all College of Business graduating seniors. At the undergraduate level, however, current numbers of majors and minors are low, yet the number of undergraduate students who take courses offered by our Economics and Finance faculty is growing. Given the reinvestment the University has made in the Department by expanding faculty numbers, we must attempt to ensure undergraduates reap the dividends of this reinvestment. To do so we will

Ensure more tenured and tenure track faculty will be utilized in undergraduate classes. Complete assessment planning and fully implement program assessment in all undergraduate programs (finance and economics). Ensure comprehensive assessment of undergraduate program outcomes will be maintained and expanded to maximize the quality of undergraduate programs and to attract more students to them.

The Department will increase its involvement with the Department of Agricultural and Applied Economics by cross-listing undergraduate classes and supporting their graduate program wherever possible.

Expand international opportunities for our students through creation of international exchange activities in conjunction with the Office of International Programs. Specific examples of this effort are already occurring, including the recently completed partnership developed with IPO and Pforzheim University.

Action Item #3: Create a fully endowed Chamberlain Professorship or similar position in the Finance program.

Where possible, learning by doing is essential and one of the most effective forms of education. For the past five years the finance program has been able to offer a unique experience for finance students, allowing them the opportunity to manage a real financial portfolio for the State. This has been supervised by Professor Walt Werner, a part-time professor whose position is partially funded by the Chamberlain endowment. Professor Werner plans to retire shortly. To attract the type of professor necessary for this position on a permanent basis requires additional funds. We propose the use of the Friess endowment or a similar endowment for this purpose. The department will need help in this area from the College of Business Development Office, the university and the University Foundation. Currently this is only partially funded and having a faculty member like Professor Werner in the finance program really increases student interest and appeal, not to mention that it allows additional state service given the endowment his classes manage. This is necessary as Walt will likely retire this year and we will likely be unable to replace him with the current salary funds available.

Timeline of Implementation:

Action Item #1: Maintain and increase Department research activities and support.

2009-2014: Expansion of department research support resources. (ongoing)

2009-2011: Increase in departmental teaching and research collaborations across campus.

Fall 2009: Teaching of classes in the SER Interdisciplinary energy Resource Science Program

Fall 2009-onward: Discussion toward development of new programs or changes in department relationship with existing programs on campus including programs with the SENR/Haub School and Program in Ecology (PiE).

Spring 2008: first offering of an interdisciplinary graduate ecological economics class available to department and PiE students.

2009-2011: Expansion of Research faculty in key areas identified and agreed upon through the university CPM process.

Action Item #2: Increase the number of undergraduate and graduate students successfully completing degrees in Economics and Finance.

2009-2014: Development and expansion of international study opportunities with the International Programs Office. (ongoing).

2009-2010: Complete assessment planning and fully implement program assessment in all undergraduate programs (finance and economics).

2009-2010: Expand econometrics offerings with Agricultural and Applied Economics graduate and undergraduate programs.

2009-2011: Expansion of graduate program sizes provided resources become available.

Action Item #3: Create a fully endowed Chamberlain Professorship or similar position in the Finance program.

Immediately: Activities to acquire additional resources and to recruit a replacement for Professor Walt Werner, Chamberlain Professor of Free Enterprise.