December 19, 2016

To: Matthew S. Platz, Vice Chancellor of Academic Affairs  
University of Hawaii at Hilo

Drew Martin, Interim Dean  
College of Business and Economics, University of Hawaii at Hilo

From: Nori Tarui  
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RE: Program Review  
Economics Program, College of Business and Economics  
University of Hawaii at Hilo

I am honored to have this opportunity to evaluate the economics program at the College of Business and Economics (CoBE) at the University of Hawai‘i at Hilo (UH H) as an external reviewer.

I noticed that the academic unit (Department of Economics within CoBE) in charge of the program under this review no longer exists. It has been merged with the business department into one department effective fall 2016. In its wake, the current economics program is being phased out and replaced with a new BBA program with an emphasis on economics.

Prior to my visit to UHH on October 5 as part of this review process, I had an opportunity to read the previous documents relevant to this review (including the program’s self study 2016/17 and the previous external reviewer report by Professor Steven Hackett) and Internet-based material on the department's major curriculum and course offerings. During the visit, I spoke at length with each of the permanent economics faculty – currently three – and had a chance to meet with students in economics and business, and I sat on two economics classes taught by two of the three faculty members. I also met with Dr. Drew Martin (Interim Dean, CoBE) and Dr. Matthew Platz (Vice Chancellor of Academic Affairs [VCAA]).

The mission of the program

The mission of the former Department of Economics at UH H is to assist individuals in acquiring the knowledge and the skills necessary for sound decision-making in their personal and professional lives. The mission is consistent with the broader articulated mission of the university. The department also set a number of specific goals for student learning that emphasize knowledge acquisition and the ability to apply that knowledge, as well as the transformation of students into confident and capable professionals who possess skills in critical thinking, analysis, and communication.

The department utilizes a standard undergraduate core curriculum, and it provided students
with the choice of pursuing an international and a traditional track until 2012 when the traditional track was replaced by the sustainable development track and the quantitative track. The department offers economics courses of a variety that is a bit too wide for the faculty size of three, demanding more than normal course preparations per faculty member. The majority of students enrolled in economics courses are from other disciplines, mostly business administration.

**Feedbacks from students**

I had a meeting with seven CoBE undergraduate students, and they indicated a high level of satisfaction with the economics courses they had taken, with some variation attributable to individual instructor characteristics. They expressed positive evaluation of and satisfaction with the courses they had taken, though some of them expressed they would be better off if they were exposed to more real-world examples and applications in connection to the U.S. and other economies. The feedback from students who had taken two or more economics courses had a consensus that the economics faculty members are willing to help students.

During the visit, I observed two economics classes taught by two of the three permanent economics faculty members. I left both classes with a strong impression that the economics faculties are knowledgeable, passionate, and effective. The traditional lecturer—listener format was utilized in the two classes observed. It was recommended in the previous program review for the economics faculty to incorporate (i) active and/or collaborative learning methods, and (ii) appropriate multimedia and Internet technologies. Largely due to the nature of the subject matters covered in the two classes (one on standard monetary theory and the other on intermediate microeconomics), I was not able to directly observe how (ii) was implemented (though I was told the faculty members make use of online portals and slides for their classes). With respect to (i), the faculty members utilized active and collaborative learning methods through small-group exercises and interactions between the students and the instructor.

The issue students brought up at the time of the previous review—that the large number of business administration majors in economics classes was forcing their economics instructors to water down course rigor—was not brought up during my conversation with students. In an effort to address this previous concern, the economics program has added a quantitative track that is more challenging in analytical rigor than others in the program. Though the history of the new track is not long enough to allow a credible judgment on its impact, there appear to be signs of positive impact: two or three students have enrolled in the quantitative track every year since its inception; some of them decided to pursue graduate study in economics. The universities that admitted them include highly ranked programs such as those at NYU, Boston University, Rice University, and UH Manoa whose ranking has been rising steadily in recent years.

Two students indicated that some online and distance-learning courses would benefit them and those students who live on the other side of the Big Island. (NOTE: An economics faculty member had offered Econ 131 online during several summers until the CoBE Dean decided that 100-level economics courses should not be offered in the summers out of concerns for low enrollments during the academic years.)

**Feedbacks from the dean**
The Dean of CoBE expressed satisfaction with the work carried out by the economics faculty in both quantity and quality in all three areas: teaching, research, and services. While the dean appreciates that the economics faculty passionately offer a variety of courses, he expressed his concern that more than three course preparations per academic year might be an unreasonable teaching load for the faculty. On the other hand, the economics faculty members expressed their willingness to maintain the current level of course variety as long as the number of annual course preparations does not exceed four. With the reduced faculty size, however, the economics faculty noted it takes a greater share of burden per faculty member to maintain the current economics course variety. The dean expects that the economics faculty members have a greater share of student advising as a result of the recent merging of the two departments within CoBE. The dean also mentioned local community demand for expertise of the economics faculty members, and looks forward to further outreach activities by the economics faculty.

**Feedbacks from the Vice Chancellor for Academic Affairs**

The VCAA applauds CoBE for making the difficult decision of streamlining its programs (i.e., merging two departments into a single department). He expressed gratitude that the economics faculty is playing a major role in maintaining CoBE’s BBA program, one of the largest majors in UHH. He indicated that distance learning to serve Kona area might be an option for the introductory courses, such as Bus 100 or Econ 100. The VCAA concurs with the dean regarding how the local community would benefit from the economics faculty if engaged with the local community in dealing with its economic issues. At the same time, the VCAA noted that asking the economics faculty members, who already have a full work load with teaching, research, and other services, to provide further services for the community would not be realistic without a fair compensation to each of the faculty for such services.

**Global assessment**

The economics faculty size has been reduced from an original five to current three. Despite this and other constraints, the faculty members have managed to provide a wide variety of economics courses in an effective and efficient manner in order to sustain their own program (the economics program) without compromising the quality, and, at the same time, to support the business program. The recommendations in the previous program review have been well addressed by the faculty except those suggestions beyond their control.

Economics faculty members, with no exception, have been continuously active in research, which keeps them current in their respective subject areas, the benefits of which ultimately trickle down to their students in one form or another. Their publication records have made a significant impact on CoBE’s scholarly output in quantity and quality as well, thereby making a strong contribution to the CoBE’s AACSB accreditation from the beginning.

Economics faculty members are expected to assume a larger share of student advising after their department was merged with the business department with a much greater number of students (and the share has increased, according to the economics faculty members). In addition, with the reduced faculty size, the individual share of the burden of maintaining the economics course variety is heavier. Still, the economics faculty members in general are
willing to engage with the local community as much as they can. (This does not mean they were not engaged with the community at all according to a former department chair. The department faculty members indeed have been engaged, though sparsely and sporadically, with the local community through activities, such as local presentations, research, and economic forums for local high school students.)

In sum, the economics faculty deserve to be portrayed as a productive faculty group dedicated to providing a quality program to students. This can be concluded in view of the relevant documents I reviewed, conversations I had with the faculty members and students, and my observations of their classroom teaching. I am convinced through my conversation with students that the economics faculty members take care of their students, and I am also convinced through my classroom visits that the faculty’s teaching is engaging and motivating.

Despite the economics faculty members with their strong records being an integral part of CoBE and its initial AACSB accreditation and subsequent maintenance, however, their salaries have been substantially lower than other discipline faculties within CoBE, which is evident from the AACSB annual salary survey. Considering that the role of economics within a typical business school such as UHH CoBE is as integral as any other discipline it, this creates an issue of inequality.

**Previous recommendations and their fulfillment assessments**

(Each previous recommendation is quoted in *italic*.)

- **(R1):** *I recommend faculty development focused on integrating (i) active and/or collaborative learning methods, and (ii) appropriate multimedia and Internet technologies, if faculty aren't already doing so in other parts of their courses.*

  I indirectly confirmed that (i) has been addressed; I indirectly confirmed that (ii) has been addressed, for example, with some limited use of Laulima.

- **(R2):** *I recommend that the university offer departmental faculty the opportunity to take a course release in return for investing in innovative new learning methods.*

  I noticed the most junior member of the department had a course release upon hire for a while, partly meeting the recommendation.

- **(R3):** *I recommend that an effort be made to incorporate individualized learning experiences into faculty workloads.*

  No evidence on the contrary was observed.

- **(R4):** *I recommend that the department consider adding some additional tracks that link to external programs such as mathematics and business administration.*

  A quantitative track has been added. A few graduates on this track were admitted to strong graduate programs in economics, a positive sign of success of the quantitative track.
(R5): *I recommend that the university allow the department to hire a replacement for Dr. Cauley.*

No replacement was hired. It is not likely given the current enrollment trend and the university’s tight budget constraint.

(R6): *I recommend that university allow the department to make a new hire. In this case, I recommend that the department and the administration consider forming a written agreement whereby the new hire would be at the mid-career level and would explicitly be assigned the task of growing course demand through program development. Possible areas would be agriculture, natural resources, energy, or health economics and policy.*

No hire is likely given the current enrollment trend and the university’s tight budget constraint.

(R7): *I recommend identifying ways to reduce teaching loads to a 2-3, which seems more consistent with the rising research expectations for faculty on tenure track. This might be accomplished by way of course buyouts in return for development of innovative new pedagogy, possibly tied to the scholarship of teaching, as described earlier.*

While the dean’s suggestion is in line with this recommendation, the economics faculty members are willing to maintain the current course variety.

(R8): *I recommend that expectations for scholarly output for tenure and promotion be clearly expressed to junior faculty on tenure track.*

The expectations are now well spelled out in CoBE’s documents for tenure/promotion.

(R9): *I recommend that the department specify community outreach in one or more of its searches, explicitly searching for a more applied economist with interests in community engagement, perhaps in areas such as economic development and funded contracts with business and government entities.*

No hire seems to be feasible given the current enrollment trend and the university’s budget constraint.

(R10): *I recommend that the department take a positive approach to the issue of low departmental salaries, and seek out affirmative ways of demonstrating that economics is a high-demand discipline that could justify higher pay levels across the ranks.”*

UHH formally recognized economics as a *high-demand* discipline, but little action has been taken regarding the latter.
Recommendation (2016)

1. Since the economics department no longer exists, the unfulfilled previous recommendations on hiring (R5, R6, and R9) are no longer relevant. Others are more or less fulfilled. However, I would like to echo the previous two recommendations (R1 and R3) because there is more room for further endeavor.

2. In view of a BBA program with emphasis on economics replacing the current economics program, I recommend that integrative and collaborative activities be explored and pursued with the faculty in other disciplines within CoBE in teaching, research, and service.

3. I recommend that the dean and the economics faculty members work out the optimal level of economics course variety. (While too many course preparations unduly burden the economics faculty, too few course preparations negatively affect the economics program and CoBE students in general.)

4. I recommend that the dean and the economics faculty take into account the faculty’s workload discussed above in coping with increased demand for student advising and local outreach, both of which seem to be important and consistent with carrying out UHH’s mission.

5. In response to the previous recommendation (R.10), UHH officially recognized (by way of an official memo) that economics is a high-demand discipline, a positive first step forward. However, few follow-up actions have been undertaken. I recommend that CoBE take a positive step toward rectifying the existing internal salary inequality unfavorable to the economics faculty.