25 September 2012

TO: Paul DeLuca, Provost
Martin Cadwallader, Dean, Graduate School
Jocelyn Milner, Associate Provost and Director, Academic Planning and Analysis

FROM: Gary Sandefur, Dean

RE: L&S Educational Innovation: Proposal to create a new named option, Master of Science – Economics, “Graduate Foundations”

CC: Maria Cancian, Associate Dean for the Social Sciences, L&S
Kelly Haslam, Assistant Dean Academic Assessment and Funding, Graduate School
Elaine Klein, Assistant Dean for Academic Planning, L&S
Daniel Kleinman, Associate Dean for the Social Studies, Graduate School
J. Karl Scholz, Professor and Chair, Economics

ATTACHMENT: Proposal for a New Named Option titled “Graduate Foundations” in the Master of Science in Economics (September 14, 2012)

On September 18, 2012, the L&S Academic Planning Council considered the attached request to create a new named option in the existing Master of Science – Economics degree, to be called “Graduate Foundations”. This request also requires that we change the program from a “non-admitting” to “admitting” program, so students may apply to and be admitted directly into the proposed program.

The proposed “Graduate Foundations” in Economics program is an educational innovation that will serve a specific audience of students. Many of members of that target audience may have studied Economics at international institutions, and all would be interested in – but perhaps not well prepared for – advanced-level graduate study in Economics at U.S. institutions. This program is intended to help these students develop high-quality skills by providing access to challenging coursework and faculty mentoring, both of which will prepare them to enter high quality doctoral programs. As noted in the attached proposal, the faculty in our Department of Economics has observed that similar programs offered at other institutions cannot meet demand, and suggest that a UW-Madison program in “Graduate Foundations” will serve these students, the discipline, and the university.
This 30-credit program will provide training and credentials to students who may seek to apply to any graduate program in Economics (including the UW-Madison program). The minimum target enrollment for the program is set at 30 students admitted per year. Requirements for admission will be consistent with admission to the UW-Madison Graduate School; however, the Department has been advised to set an appropriately high bar for English language skills (TOEFL score of 92 or better) so as not to strain the ESL program. Program revenue will support the costs associated with administration of the program, which will be housed in the Economics Department and which will operate within existing governance and oversight systems therein. L&S is working with the department to develop a clear memorandum of understanding about the program revenue structure to ensure that revenues will support the faculty and staff who will oversee it. Although that memorandum has yet to be completed, we are confident that the college and department will have an appropriate resource structure to make this program available to students in Fall 2013.

The proposal has the support of the School of Social Work, the Wisconsin School of Business, the Department of Agricultural and Applied Economics, and the LaFollette School of Public Affairs. Once again, the College is pleased that the Innovations Initiative provides a structure and sufficient flexibility that will make this program possible. The L&S Academic Planning Council unanimously endorsed creation of this program, which has my enthusiastic support as well.
Subject: Revised Economics Department Named Option Proposal for the 9/18 APC meeting

From: John Karl Scholz <jkscholz@wisc.edu>
Date: 9/14/2012 11:59 AM
To: Gary Sandefur <gsandefur@ls.wisc.edu>
CC: "Cancian, Maria" <Cancian@Lafollette.wisc.edu>, Elaine Klein <emklein@ls.wisc.edu>, "Kelly L. Haslam" <haslam@grad.wisc.edu>

Dear Gary, Maria, and Elaine,

Attached is a revised background memo for the economics department "named option" Masters Degree proposal for the 9/18 APC meeting. We received very helpful comments from Kelly Haslam from the Graduate School. The attached memo responds to these comments.

I also attach a letter of support from Kristen Slack, the Director of the School of Social Work. As I mentioned earlier, on 9/5/2012, the Executive Committee of the economics department unanimously approved this undertaking.

Please let me know if you have any additional questions. I look forward to the APC meeting. And thanks to our colleagues in South Hall and the Graduate School for their support of this innovation.

Sincerely,

Karl Scholz

--

John Karl Scholz
Chair, Department of Economics
Nellie June Gray Professor of Economic Policy
University of Wisconsin -- Madison
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--- Attachments:

Economics Named Options Proposal September 14.docx 38.2 KB
SSW_EconMA_LOS.pdf 131 KB
September 14, 2012

MEMORANDUM

TO:    DEAN GARY SANDEFUR, THE L&S APC, ASSOCIATE DEAN MARIA CANCIAN, AND ASSISTANT DEAN ELAINE KLEIN

FROM:   KARL SCHOLZ, ECONOMICS DEPARTMENT CHAIR

SUBJECT:   Proposal for a New Named Option titled “Graduate Foundations” in the Master of Science in Economics

This memo provides background information for a proposed new “named option” within the MS degree in economics.

1) Short Summary/Overview

We propose a new, stand-alone Masters Degree program in economics. The program would be structured for students to complete in two academic years, though students would have the opportunity to finish in 3 semesters. Our program is designed to enhance the chances that students will gain admittance to a high-quality Ph.D. program in economics. In particular, many students will come into the program with backgrounds that are not sufficiently strong to gain entrance into a good Ph.D. program. Our program will provide them a rigorous foundation in economics. Other students will come in with excellent backgrounds, but from colleges or universities around the world that do not have a track record of moving people into good Ph.D. programs. For these students, we will offer additional high quality training and necessary credentialing. Of course, not every student will prove to be well-suited for further Ph.D. studies in economics. We will provide these students excellent training in economics, analytical thinking, and statistical analysis that equips them to compete for great jobs.

We have planned the program in a way that expands opportunities for our rapidly growing undergraduate major and minimizes the potential for adverse consequences for both our undergraduates and our Ph.D. program. We expect the Masters curriculum to require as many as seven new courses by the time the program is fully phased in. To minimize disruption, we anticipate hiring an outstanding lecturer (using a national search) who would do a first-rate job teaching four undergraduate courses, which would allow others to teach in the Masters Program (we recognize the importance of having tenured and tenure-track faculty teach undergraduates: will still have, for example, recent MIU hire Alan Sorenson teach Econ 101 – he was outstanding in that class last Spring). These Masters courses, of course, will include advanced undergraduate electives suitable for the Masters students. We will staff the remaining necessary courses by offering summer salary to appropriate colleagues (they must be subject experts and outstanding teachers) for teaching Masters courses as an overload. The likely benefits to the undergraduate program are twofold: First, the Masters program courses in microeconomics, macroeconomics, and econometrics match perfectly the appropriate honors undergraduate courses. The Masters program will enhance the quality and regularity of our honors undergraduate offerings. Second, we will be able to offer more numerous, varied advanced electives for undergraduates.
2) **Background/Rationale**

The economics department does not currently admit students for a Masters Degree. Put differently, the proposed program does not exist at the University of Wisconsin – Madison. We admit students for the Ph.D. program who we believe have the background necessary to successfully complete the Ph.D. Those Ph.D. students who leave, either because they decide an economics Ph.D. is not for them or the department ends up discovering their skills are inadequate, frequently will have completed the credits and GPA needed to leave with a Masters Degree. Hence, economics students at Wisconsin can receive a Masters Degree; however, no student applies to the University to get a Masters Degree in economics.

There is considerable demand (and need) for high-quality Masters Degree programs in economics. Duke University, which arguably has the best U.S. Masters Degree program in economics, had over 1,000 applications for roughly 50 spots. Yet there are few high-quality Masters Degree programs in the country (Duke’s website provides a nice overview of the landscape for competing programs, http://econ.duke.edu/masters-program/the-program/other-programs).

We will serve three distinct groups of students not currently served at the UW-Madison. First, we will serve U.S. students who have non-traditional preparation for an economics Ph.D. program. This might include, for example, an undergraduate sociology major who is academically very capable but who only got excited about economics late in their undergraduate career. Admission to good Ph.D. programs is extremely competitive – students with non-traditional backgrounds must receive additional training to be competitive. Second, it is difficult to assess the preparation of aspiring Ph.D. candidates, particularly those with untraditional backgrounds or those who come from obscure foreign institutions. A high-quality Masters Degree program will give students valuable preparation for Ph.D. programs and credentialing that will allow students to get access to programs that they otherwise would have little chance of joining. Third, our Masters Degree program will be a valuable employment credential for students who join the program but find they are not well-suited for an economics Ph.D.

3) **Redesign of Program/Name of Program and Implementation**

Degree name: Master of Science in Economics

Option Name: Graduate Foundations

4) **Table: current degree vs. proposed options**

There are two distinct issues here: First, as explained in our response to question 2, there is no comparable existing degree at UW-Madison. In this sense, there is no comparison to the proposed option.

We will admit students who will pursue the named option degree. Students admitted to the Ph.D. program can get a generic Masters degree, but this degree is reserved only for the unsuccessful doctoral students.

While students departing the Ph.D. program can get their Masters Degree in one year, they come in with a background – in economics and mathematics – that will generally be superior to the students admitted into the Masters program. The students admitted to the Ph.D. program who leave with the generic
Masters degree need to complete a minimum of 18 credits in economics with a GPA of 3.0 or better, and a “B” or better in three of six required courses: Econ 709, 710, 711, 712, 713, and 714.

We distinguish the named option with the option name: “Graduate Foundations.” As mentioned above, students will be admitted directly into this program. They will be required to take 30 credits in economics with a GPA of 3.0 or better. The curriculum is structured so that many will be in position to take Econ 709 (first-year Ph.D. econometrics) or Econ 711 (first-year Ph.D. microeconomics) in their second year of studies. More details are given below. Hence, the skill requirements for the two groups of students are, at the completion of their course of study, similar.

5) Administrative Structure and Governance

On May 9, 2012, the faculty of the economics department voted to support creating a new Masters Program, assuming the broad outlines of our ongoing conversation remain in place. On September 5, 2012, the Executive Committee of the economics department unanimously approved this undertaking.

As with all other major decisions that arise in the department, the faculty and Executive Committee will have governance authority for the Masters Degree program. The program will be run by a faculty Director and will have additional administrative staff, including a

- Faculty Director of the Masters Program
- A faculty member to oversee admissions
- An academic staff member to help administer the program
- TAs for large-enrollment courses

These designated administrative staff will direct departmental committees (membership in these is part of the normal service expectations of departmental members). The Faculty Director of the Masters program, for example, will work with the department’s graduate committee on curriculum and other related issues. The faculty member overseeing admissions chairs the Masters Admissions committee. This six-person committee has already been appointed for the 2012-13 academic year (in the hope that our proposal receives the necessary approval).

6) Admissions and Degree Requirements

Except in unusual circumstances, applicants will have taken college-level economics (a minimum of introductory micro, introductory macro, and intermediate micro), 3 semesters of calculus and linear algebra. GRE scores and for non-native speakers, TOEFL scores, are also required for admission. Except in special circumstances, we expect admitted international students will have TOEFL scores of 92 or better. As with our Ph.D. program, we will not accept transfer credits. We anticipate there will be relatively minor additional burdens placed on other campus resources (such as the University’s ESL program), since the Masters Degree students will generally have TOEFL scores of 92 or above, will not serve as TAs in the department, and will be discouraged from doing so elsewhere in the University.

Admissions deadlines will be set to be competitive with other high-quality Masters programs in economics and to allow a minimum of 12 weeks to secure student visas for students who will be entering the program.
We will require a minimum of 30 credits for the Masters Degree. It will be possible for students to
complete the program in 3 semesters – several key competitors offer the ability to finish the program in 3
semesters. We believe it is important to be able to match this possibility. We expect, given the value-
added that we anticipate providing, that leaving after 3 semesters will not appeal to all students. Hence,
our revenue projections assume that half the students in the entering class graduate in three semesters.

The leading competing programs have application deadlines (for Fall admission) of January 16 at Duke,
February 1 at Michigan, and February 15 at University of California, Santa Barbara (with a late deadline
of May 1). We are planning a March 1 application deadline, at least this year (if our proposal is
accepted), given the start-up challenges of a new program. We anticipate notifying students of
admissions decisions by April 15, and request a decision from students by May 13.

7) **Table: Current vs. proposed curriculum**

The framework for our proposed curriculum for the new named option -- “Graduate Foundations” in the
Master of Science in Economics -- is straightforward. Training in Microeconomics, Macroeconomics and
Econometrics are the essential components of the Masters program. The core of the program is that
students will take a foundations mathematics and statistics course for economics; two courses in
microeconomic theory; one course in macroeconomics; and three courses in econometrics (two for
econometric theory and one in applied econometrics). The core is mostly standard, relative to the best
programs we will be competing with. The differences reflect considered, strategic decisions.
Specifically, we put greater emphasis in the core on econometric training. There are two reasons for this:
first, it is a historical and current strength of the Wisconsin department. We expect that to attract
students. Second, econometrics is likely to be the skill that students will most commonly use to get into
Ph.D. programs or bring to the job market. In short, the core of the program has seven courses in micro,
macro, and econometrics (and the general math/stats course), leaving three electives for students who
successfully complete the program meeting the minimum requirements. We have the capability of adding
flexibility to the course progression. For example, in rare cases, a student with outstanding preparation
could start in a track similar to the first-year Ph.D. students. But we expect the majority of students
would take the curriculum described below.

“*” indicates a new course

**Year 1: Fall Semester**

- Economics 311: Micro 1 (undergraduate course, intermediate microeconomics, honors).

- * Economics 415: Econometrics 1 (this would be an undergraduate honors econometrics course.
This would be a new offering available to undergraduate honors students).

- * Economics 5XX: Math and statistics for economists. This would be a new offering, also
available to undergraduates.
Year 1: Spring Semester
- Economics 312: Macro 1 (undergraduate course, intermediate macroeconomics, honors).
- * Economics 5XX: Econometrics 2
- * Economics 5XX: Microeconomics 2

Year 2: Fall Semester
- Economics 5XX: Advanced Elective
- * Economics 5XX: Applied Econometrics
- Economics 5XX: Advanced Elective or Economics 711 (Ph.D. Graduate Micro for advanced students).
- (For students wanting to complete the program in three semesters), Economics 5XX: Advanced Elective or Economics 709 (First-year Ph.D. Graduate Econometrics for advanced students).

Year 2: Spring Semester
- Economics 5XX: Advanced Elective or Economics 713 (Second semester Ph.D. Graduate Micro for advanced students).
- Economics 5XX: Advanced Elective or Economics 710 (Second semester Ph.D. Graduate Econometrics for advanced students).
- Economics 5XX: Advanced Elective or independent study paper-writing.

Electives include:
- Economics 666: International Finance (Professor Engel)
- Economics 450: Topics in Labor Economics (Professor Lentz)
- Economics 390 (this has a temporary number): Economics of Inequality (Professor Durlauf)
- Economics 390 (also a temporary number): Economic Forecasting (Professor Hansen)
- Economics 503: Markets with Frictions (Professor Wright)
- Economics 448: Demography (Professor Walker)
- Economics 390 (also a temporary number) Behavioral Economics (Professors Gandhi and Serrano-Padial)
- Economics 468: Industrial Organization (Professor Hendricks), and, as mentioned
- * Economics of Mathematical Finance (Professor Weretka)
- * A new Masters elective.

Seven new courses are needed to offer this curriculum (these are indicated by “*”s). Two (honors econometrics and math and stats for economists) would be particularly valuable for advanced undergraduates, though undergraduates will be able to take advantage of all. We would also develop a new Masters elective, “Economics of Mathematical Finance” offered by Marek Weretka. This course
will also appeal to advanced undergraduates. We anticipate creating a second advanced elective that will be of interest to Masters and advanced undergraduate students.

As described above, we initially anticipate staffing the program with a series of mixed graduate/undergraduate classes. At the outset, students enrolled in this program will take existing courses offered in the undergraduate course array in which Grad students are eligible to enroll (i.e., numbered 300 - 699); they will be expected to perform at a graduate level in these courses, and that expectation will be clearly articulated to them in the course syllabus. As the program matures, graduate-level courses (numbered 700 and above) will be developed specifically to serve the graduate nature of the program. Some of these new courses may "meet with" appropriate undergraduate courses, in order efficiently to share some course components with existing undergraduate courses. For example, all students might attend the same large lecture that covers a fundamental principle, but graduate students who enroll in the graduate-level version of the course would meet in their own discussion seminars and would work on different problem sets and other tasks appropriate to graduate-level education.

8) Collaborations/Partnerships

No program collaborators or partnerships at this time. We are seeking support of the Department of Agricultural and Applied Economics for the undertaking.

9) Demand/Enrollment Projections

We anticipate targeting an incoming class of 30, though this is always imprecise, since the yield from affirmative admissions decisions is uncertain. As mentioned previously, Duke received over 1,000 applications for their Masters program this year. Their program is well-established, however, so initial application pool will likely be considerably smaller.

10) Faculty

As described previously we anticipate that the Masters Degree program will require as many as 7 additional courses that will require 3.5 new faculty or equivalent lecturers to cover these courses. As mentioned previously, we anticipate staffing the program with an outstanding lecturer (hired based on a national search) and we will staff the handful of remaining necessary courses as overloads by offering summer salary to appropriate colleagues (they must be subject experts and outstanding teachers).

11) Table: List of Faculty

The program will be run by the faculty of the department of economics. They are listed here: [http://www.ssc.wisc.edu/econ/faculty.html](http://www.ssc.wisc.edu/econ/faculty.html). We have not appointed a faculty director (since the program has not yet been approved). The planning committee that has assisted the department chair has been Professors Ananth Seshadri, Jack Porter, and Alan Sorensen.
12) **Financial Support**

There will be no guaranteed support from UW-Madison. The program is designed to achieve an important education objective while also raising resources for Letters and Sciences and the Economics Department.

13) **Budget Implications**

We propose that Letters and Sciences would grant allowable expenses of $367,076 to operate the Masters Degree program. These expenses are discussed in my June 4, 2012 memo to Associate Dean Cancian (entitled “Economics Department Masters Degree MOU Proposal”). These would include the costs and fringe benefits necessary to cover 7 new courses and 3 months of faculty administrative time (2 for the program Director and one for the Admissions Director), assuming the cost of a lecturer is $75,000 (with a 4-course load), who will replace faculty members so they can teach in the master’s program; a staff administrator, and 8 teaching assistants at 50% appointments. These allowable expenses are enumerated in the attached budget. This MOU would, of course, be subject to review once the program was established. We expect L&S would receive roughly $255,000 a year from the Masters Program after netting out allowable expenses and capturing 1/3 of the remaining revenue.

The department is prepared to finance the start-up costs of the program, rather than requesting scarce L&S resources to do so. But we ask that the actual, reasonable start-up costs be netted from program revenues during the start-up phase of the program. Specifically, we request that the “set-up” costs described above – two summer months for the Masters Program Director – be netted from program revenue during the first 3 years of the program, beginning at the time the program is given a green light.

We want to be clear – the actual expenses of operating the program are nearly $600,000, since we must pay market salaries for the chair of the program, admissions director, and for 3 faculty-taught overload courses. The department hopes to net around $300,000 under the proposed arrangements, though the return could clearly be less if a) we are not able to attract a high-quality entering class of 30, b) students once they get to campus are able to secure RA or TA positions elsewhere on campus that offer tuition remission, or c) students enter the program with support of the GI Bill.

14) **Overlap with other Programs**

We are seeking a letter of support from the faculty of the Department of Agricultural and Applied Economics. We will also seek support from the LaFollette School and the School of Business, but neither program seeks to prepare students for entry into high-quality Ph.D. programs in economics. The proposed program is distinct from other programs on campus.

15) **Assessment and Program Review Plan**

We have had extensive conversations with people involved in the leading competing Masters programs around the country. These include Duke (as mentioned earlier), NYU, the University of Michigan – Applied Economics, and the University of California Santa Barbara. We are not unique in recognizing
this market opportunity, as University of California, San Diego is starting a program, as well as some less well-ranked economics departments, such as the University of Illinois. The fact that it may be feasible to welcome our first entering class in the Fall 2013 is a potentially important aspect of our efforts to quickly establish a presence in the market.

Assessment of student learning: Placement outcomes are an obvious measure of quality. We are designing the program to enable students to get into high-quality Ph.D. programs. Hence, placement into these programs will be one measure of success. For students less well-suited to Ph.D. study, we expect them to receive jobs upon leaving the program. We will track these outcomes.

Our assessment efforts will also make use of surveys. We have invested considerable resources in doing this with our undergraduates (indeed, this past year we used a private sector company, “Secret Survey” to elicit feedback on the department and employment/grad school outcomes). An obvious performance measure for any company/organization is to ask your “customers” what they think of you. We learn from feedback, so we will elicit the opinions/views of our Masters students, seeking specific information on how well they know what they were expected to learn and whether they are able to apply that knowledge in other contexts.

We will also seek out other creative ways to assess student learning. One aspect of the program is to help students develop faculty relationships to support their application to doctoral programs. We anticipate requiring students seeking recommendations to submit a statement where they provide evidence of their degree of mastery of the core curriculum and selected electives, which provides the basis for their next career step. These statements, in addition to being valuable for the faculty members writing recommendations, will provide a long-term record of student achievement. When many statements are combined, these can provide data that we can use to understand how well the program, overall, is working to prepare students.

Our final proposed measure will be the size and quality of the applicant pool and the incoming class. The value of this measure, of course, depends on how well informed students are when applying to the program. We think it is plausible that students are well-informed. News about graduate programs is transmitted almost instantly on web sites like “econ rumors.” While there is plenty of misinformation on the web, students (and their advisors) are generally well informed about program quality, faculty movement, placement outcomes, and overall student satisfaction. While we anticipate there will be challenges in getting the program established, we are an outstanding department in U.S. and international rankings. Out-of-state tuition is strikingly low, given our quality (so we are offering access to a leading department at a price point that is roughly half that offered by Duke, a lower-ranked department, and about two-thirds of Michigan). We expect the price-quality combination to make us an attractive destination for students. Whether we remain an attractive option will depend on the quality of education we provide. Trends in the pattern of applications and matriculation over time may be informative about program quality and student learning.

Program review: We expect our Masters program will be included in the regular review of academic programs, which takes place on a ten-year cycle. Economics, however, was just reviewed. So, based on advice from campus colleagues, we propose that the program be formally reviewed in five years. If it is deemed successful, it will then be reviewed within the cycle of regular program review. In addition, we will continue to monitor the program carefully to ensure that it continues to meet the revenue
expectations. This monitoring will include annual reports to and meetings with the Associate Dean(s).

16) Summary

Our economics department is well-positioned to initiate a program that can compete well nationally and internationally for excellent students and provide outstanding return on our student’s investment in economics.

17) Relevant Appendices

None

18) Letters of support from the Executive Committees or Departments of associated/sponsoring programs (signaling no objection from programs that have potential or perceived overlap)

I have formally requested letters of support from the chair of the Department of Agricultural and Applied Economics; the Director of the LaFollette School; and the Dean of the Business School. Each chair/Director has indicated that a supportive letter will be forthcoming, though I do not yet have these in hand. A letter of support from the Director of the School of Social Work is appended to this memo.

19) Letters of support from the Dean and School/College APC’s of associated programs

These presumably come after the relevant APC meetings.

We are very grateful for the ongoing input we have received from colleagues around campus.
September 19, 2012

Professor Karl Scholz  
College of Letters and Science  
University of Wisconsin – Madison  
1180 Observatory Drive  
Madison, Wisconsin  53706-1393

Dear Karl,

I met yesterday with the APC committee of the Wisconsin School of Business. We reviewed your proposal for a new MS in Economics. The APC expressed unanimous support for the program. We hope it will help us recruit PhD students for some of our disciplines, Finance and Real Estate in particular. We would like you to consider opening up the degree to an elective within our school possibly in Finance. We look forward to working with you to determine what opportunities your program will create for our students to take more classes in your department.

We understand from your proposal that this new degree should not decrease access to undergraduate economics classes for our business majors. We consider this to be critical as demand for business education continues to grow.

Thank you for consulting with us on this proposal.

Best regards,

François Ortalo-Magné  
Albert O. Nicholas Dean  
Wisconsin School of Business  
Twitter: @fortalomagne @UWBusiness  
Facebook: WisconsinSchoolofBusiness
September 13, 2012

Dear Dean Sandefur,

I am writing in support of the Department of Economics proposal to offer a Masters Degree in Economic Foundations. Many of our doctoral students draw on economic theory and econometrics for their dissertation research. The new courses to be offered by the Department of Economics as part of the proposed program would be an important new resource for these students, who generally do not have sufficient preparation to take the current Ph.D. courses in this area.

We have offered a doctoral course in Economic Theory Applied to Social Problems, which covered some related material. However, we have too few students with these specialized interests to justify offering this course on a regular basis given very limited faculty available to teach. Especially in this context of limited resources, we appreciate the efforts of the Economics Department to develop a new program that will also create potential opportunities for our students.

Please contact me if you have further questions, or if I can be of further assistance (608-263-3671, or ksslack@wisc.edu).

Kind Regards,

Kristen S. Slack
Professor and Director
School of Social Work

CC: John Karl Scholz, Chair of Economics
Dear Karl,

I am writing to express the support of the Department of Agricultural and Applied Economics for the new Masters degree proposed by the Department of Economics. This endorsement was confirmed by a vote of the AAE faculty at a meeting held on September 10, 2012.

As you have described it, this program will target students from around the world who seek additional training and credentials to enhance their ability to enter high-quality Ph.D. programs in economics. We recognize the value to the department, the university, and the profession of adding another Masters program on campus. We think the proposed offerings could also provide opportunities for our own advanced undergraduate and graduate students by broadening the range of course offerings.

As you and I have discussed, students in the proposed program might also take advantage of AAE field courses in development economics, energy and environmental economics, and applied microeconomics. Moreover, the proposed new program should complement our own plans for a "fifth year" Masters program, in which undergraduates at Wisconsin can receive a Masters degree in applied and/or agricultural economics by taking one year of post-baccalaureate study. We recognize that the technical demands of the two programs will differ substantially, but that there will likely be some overlap of student interest and abilities. The two innovations together should offer a much richer portfolio of courses spanning the range of technical and applied economic interests of students around campus. As such, we think there is much to be gained by pursuing both initiatives.

My colleagues and I are happy to support your plans and wish you all the best in this venture.

Sincerely,

Ian Coxhead
coxhead@wisc.edu
September 25, 2012

Dean Gary Sandefur
105 South Hall

Dear Dean Sandefur:

The executive committee of the La Follette School is pleased to support the proposal by the Department of Economics for a new, stand-alone Masters Degree in economics. The faculty of the La Follette School voted to support the proposal 14-0 on September 25, 2012.

We believe that the proposed M.S. in economics does not overlap with the two Master’s degrees that we offer (or with our joint and dual degree programs). The intent of the new program in economics is to admit students whose goal is to gain admittance into a U.S. Ph.D. program in economics. As only a few of La Follette’s students go on to Ph.D. programs in economics and because the math requirement for applicants to the MS program in economics is so high (3 semesters of calculus), we suspect that only a small number of our currently admitted students would also be considered for the MS program in economics.

Moreover, there is some potential for complementarities between the programs. The MS program will offer seven new courses, some of which would be more accessible to our advanced students than are the Ph.D. courses in either economics or applied economics. In addition, applicants to the MS program who do not meet their math requirements can be informed about the La Follette School. As the Duke Economics program has attracted 1,000 applicants per year, this program does has the potential for some positive spillovers to the La Follette MPA and MIPA programs.

We appreciate the opportunity to comment on the proposal.

Sincerely,

Thomas DeLeire
Director, La Follette School of Public Affairs
Professor of Public Affairs and Economics