

**Florida Gulf Coast University Board of Trustees
April 21, 2009**

SUBJECT: New Degree Program: B.S. Economics

PROPOSED BOARD ACTION

Approve new Bachelor of Science (B.S.) in Economics program.

BACKGROUND INFORMATION

FGCU is requesting permission to offer a Bachelor of Science (B.S.) in Economics as described in the Executive Summary.

Supporting Documentation Included: Executive Summary

Prepared by: Acting Associate Provost Cathy Duff

Legal Review by: General Counsel Vee Leonard (April 6, 2009)

Submitted by: Provost and Vice President for Academic Affairs Ron Toll

Florida Gulf Coast University

New Degree Program Proposal

Executive Summary

March 31, 2009

Degree: Bachelor of Science (B.S.)

Major: Economics

Concentrations: None

College: Business

Department/Division: Marketing and Economics

Anticipated Implementation Date: Fall 2009

Suggested CIP: 45.0601

Program Description

The proposed B.S. in Economics will prepare students for careers in business, public policy, consulting, and governmental organizations as well as for graduate programs in economics, business, international studies, public policy, government and law. The study of economics develops critical thinking skills, communication skills, and analytical capabilities for students planning to pursue post-undergraduate employment or graduate studies.

Economics draws upon accounting, mathematics, statistics, philosophy and history. The curriculum covers a set of foundational principles in both macroeconomics and microeconomics. The study of macroeconomics addresses a large range of issues including the business cycle, inflation and unemployment, measures of productivity, employment and price levels, international flows of goods and services, fiscal policies and monetary theories and policies. Areas of inquiry in microeconomics are even more wide-ranging with fields of study in environmental economics, taxation, regulatory and anti-trust issues, cost-benefit analysis, sports economics, consumer choice, labor markets, and others. Economics also lays a crucial foundation for the study of business, generally. Managerial decision-making, strategic decisions, game theory and forecasting all are crucial functions of entrepreneurship and business activity.

The proposed program follows the model of all Lutgert College of Business (LCOB) bachelor's degrees. The degree will be comprised of 120 credit hours including general education coursework, common prerequisite coursework, 27 hours in the business common core, 12 hours of upper-level required coursework in the discipline of economics, 15 hours of upper level elective coursework in economics, 3 hours of the required course IDS 3920 University Colloquium, and general electives. There are no concentrations, tracks, or specializations.

The curriculum has been approved by both the college curriculum team and the university-wide Undergraduate Curriculum Team. The proposed program is consistent with the criteria for new degree

program authorization adopted by the Florida Board of Governors on March 29, 2007. The establishment of the economics major is a fulfillment of the commitment made by the LCOB in January 2006 to the Association to Advance Collegiate Schools of Business – International (hereafter, AACSB). This commitment can be found in the university’s “Update Report to AACSB, January 2006”¹ and the “AACSB Acceptance of the Update Report” dated January 7, 2007.²

Consistency with FGCU Mission and Strategic Plan

FGCU’s Strategic Plan (Source: www.fgcu.edu/planning/files/SP04_05.pdf) contains “Strategic Directives” dealing with Student Recruitment, Student Success, Academic Programs, Student Life, and Research and Service. In the area of student recruitment, an economics major will help to attract, retain, and graduate undergraduate students. The Strategic Directives specifically call for FGCU to “Promote nationally recognized undergraduate programs distinguished by student research and scholarship opportunities.” Economics is an internationally recognized discipline with degree recipients securing jobs across a variety of industries and we have procured substantial funding already with only a minor in place. Local demand for a major and growing enrollments in the LCOB indicate a desire for an economics major. Also, it is highly unusual to find any quality university without an economics major.

Two recent student discussion sessions on the current financial crisis, active involvement with varied student groups in the LCOB, the externally-funded research assistance program, and undergraduate research projects that have led to presentations at the national level are examples of how economics promotes student life. Service learning is also important and economics classes have produced two Economic Impact Statements for the Arts (one in Collier County and one for Lee County.)

As an institution we are called upon to “Serve as an intellectual center for Southwest Florida through research and service...” The LCOB faculty members are active in national and international professional organizations, serving as reviewers, conference presenters, and providing service to these organizations as members and board members. These activities are intended to lead to publications in peer reviewed journals of high standing.

Need and Demand

The need for economics education and degrees nationwide has increased dramatically during the past decade. Firms and agencies need university graduates who can combine technical and analytical skills with communications and people skills. The National Association of Colleges and Employers annual survey of college recruiters, “Job Outlook 2008,” found that economics was one of the top-ten degrees for employers. Salary data also shows that the high demand for these graduates provides attractive

¹ Update Report to AACSB, January 2006. Available at: <http://www.fgcu.edu/cob/accreditation/am.html>

² AACSB Acceptance of the Update Report. Available at: <http://www.fgcu.edu/cob/accreditation/am.html>

starting salary ranges. The National Association of Colleges and Employers Fall 2008 Salary Survey found that the average salary offer for economics majors was \$51,062. The same measure for accounting majors was \$48,020 and for other business disciplines, it was \$46,800. Business administration/management majors received an average of \$46,171.

A number of nationally published studies illustrate the increase in student demand for degrees in economics, both in terms of job growth within the discipline and growth in “non-academic” occupations. The U.S. Department of Labor Occupational Handbook lists the top Management, Business and Financial occupations. Of these categories, approximately one-third indicate a bachelor of science in economics is desirable.³

Demand refers to students who desire to enroll in an economics major. Surveys were administered to students in 2004 and 2008. Data suggested a substantial interest in economics in 2004 and a growing interest in 2008 for a major, minor, and additional course in economics. Enrollment in economics has increased steadily from 52 students across three classes in 2004-05 to 200 students across seven classes in 2007-08. The average class size over that period went from 17.3 to 28.6. With the exception of ECO 3101-Intermediate Price Theory, which is a required course for finance majors, these classes are electives that are presumably being taken almost exclusively by students pursuing the current economics minor.

Enrollment

Twelve students (9 full-time and 3 part-time) are expected to enroll in the B.S. in Economics program in the first year. The simple average of year-to-year growth rates at the University over its lifetime (13.5%) was applied to estimate a headcount of 20 (16 full-time and 4 part-time) in the fifth year.

Resources

All resources needed to implement the proposed program are already in place in the Lutgert College of Business. The costs in Year 1 are projected to be \$12,193. Costs in Year 5 are projected to be \$20,941. These costs are associated with new courses (one in Year 1 and two in Year 5) offered to serve the needs of students in the major.

³“Management, Business, Financial Occupations.” (2009). *Occupational Outlook Handbook, 2008 -2009 Edition*; U.S. Department of Labor, Bureau of Labor Statistics. < <http://www.bls.gov/oco/ocos055.htm> > (13 November 2008)