




February 3, 2021

Daniel A. Reed  
Senior Vice President for Academic Affairs  
205 Park Bldg.  
Campus

APPROVED:

 2/4/21  
Daniel A. Reed Date  
SVP for Academic Affairs

RE: Graduate Council Review  
Department of Finance

 2/4/21  
Ruth V. Watkins Date  
President

Dear Vice President Reed:

Enclosed is the Graduate Council's review of the Department of Finance. Included in this review packet are the report prepared by the Graduate Council, the Department Profile, and the Memorandum of Understanding resulting from the review wrap-up meeting.

After your approval, please forward this packet to President Ruth Watkins for her review. It will then be sent to the Academic Senate to be placed on the information calendar for the next Senate meeting.

Sincerely,



David B. Kieda  
Dean, The Graduate School

Encl.

XC: Michael Cooper, Chair, Department of Finance  
Taylor R. Randall, Dean, David Eccles School of Business  
Rachel M. Hayes, Associate Dean for Faculty and Research, David Eccles School of Business

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**The Graduate School - The University of Utah**

**GRADUATE COUNCIL REPORT TO THE SENIOR VICE PRESIDENT  
FOR ACADEMIC AFFAIRS AND THE ACADEMIC SENATE**

*November 25, 2019*

The Graduate Council has completed its review of the **Department of Finance**. The External Reviewer was:

Jennifer Conrad, PhD  
Dalton L. McMichael Professor of Finance  
Kenan-Flagler Business School  
University of North Carolina at Chapel Hill

The Internal Reviewer for the University of Utah was:

Monisha Pasupathi, PhD  
Professor  
Department of Psychology

This report of the Graduate Council is based on the self-study submitted by the Department of Finance, the reports of the external and internal reviewers, and a response to the external and internal reports from the Department Chair. The Dean of the Business School endorsed the response of the Finance Department Chair.

## **DEPARTMENT PROFILE**

### **Program Overview**

After reviewing the materials provided for this overview, the main impression is that the Department of Finance at the University of Utah is a healthy, well-functioning department with high faculty productivity and collegiality, and a prioritization of student success. The Department has worked consistently to address some of the recommendations from the previous Graduate Council review, including curricular overhauls that make the master's and PhD programs more robust and relevant, and is beginning to address student and faculty diversity (which is a continuing recommendation). In the Department's own words, "The Department of Finance at the David Eccles School of Business (Eccles School), University of Utah, prides itself on achieving and maintaining a world-class research faculty, state-of-the-art classroom experiences, and highly visible service to the department, school, university, academic, governmental, and professional communities." The materials provided validate this assessment.

The Finance Department offers two undergraduate degrees (Finance, and Qualitative Analysis of Markets and Organizations–QAMO), an Advanced Financial Analysis minor or emphasis, two master's degrees (an MS in Finance and a Master of Real Estate Development, a joint program with the College of Architecture + Planning), and a PhD in Finance. The Department's primary strategic goal is to be "consistently ranked in the top 20 finance departments in the country." Currently, the Department is nationally ranked at 34<sup>th</sup> in terms of research output in top finance publications, which is commendable due to its smaller faculty size; the MS in Finance was recently ranked as 11<sup>th</sup> in the United States in the *Financial Times*, and first in terms of overall value by the same publication (self-study). The overall commendations point to the high-level teaching and research by faculty, the stellar student experience, especially with specialized field programs, and a culture of collegiality and open-mindedness. The main recommendations for the Department concern bolstering funding for the PhD program to get high quality candidates; creating more tenure-track lines, particularly in the business economics side of the program, to keep up with rising student numbers; a need for more administrative support as the Department grows; and a continued and more focused commitment to student and faculty diversity.

### **Faculty**

In the internal and external reports, and in the exit interview with the external reviewer, an emphasis is placed on the high level of collegiality between faculty of all ranks, and between faculty and staff. The external report states that the Department exhibits "a sense of community and common purpose," and the internal report notes the "vibrant, rich, intellectual, educational, and research environment for faculty and students." Another marked theme is the high level of research productivity in the Department (34<sup>th</sup> in the nation in terms of output in the top four finance research journals).

In terms of the faculty demographics, at the time of the review the Department of Finance consisted of 18 full-time tenure-line faculty, one part-time tenure-line faculty member, and one emeritus faculty member. Of these 19 tenure-line faculty, 14 are men and 5 are women; 17 identify as white, and 2 identify as Asian;

11 hold the rank of Professor, three are Associate Professors, and five are Assistant Professors. The Department also employs nine full- or part-time lecturers (one of whom is shared with another department), 56 adjunct faculty, and 16 doctoral students. There is one male Asian visiting assistant professor. The reviewers, and the Department, are aware of the lack of diversity of its faculty. Interestingly, when looking at the data of several recent tenure-line job searches, there are almost as many self-identifying Asian applicants as self-identifying white applicants, and in a few of those searches there are more, which is not indicated in the actual hires. All of the career-line faculty are white, and all are men, with the exception of two women; all of the 56 adjunct faculty members are white, and all but one of them are men. The Department is aware of its lack of diversity, although it has a higher percentage of women than the national average in finance, and has a good track record of promoting women. According to the self-study, "Our department is currently more diverse than many finance departments at other institutions in the world: The average top 50 ranked finance program has 15.2% female faculty and the Eccles School finance department has 26.3% female faculty." However, one of the primary foci of this next review period should be to continue making larger recruiting efforts to promote faculty diversity, especially women and people of color.

The Department is comprised of two faculty "sub-groups," those specializing in finance and those in business economics (in the study they are referred to as the Qualitative Analysis of Markets and Organizations–QAMO faculty, and will be referred to as such for the rest of this document), and is in the process of hiring more faculty in QAMO. Both internal and external evaluators commented on the need to hire more faculty on the QAMO side in order to cover classes and to keep the viability of the program as it grows. There was some concern voiced by QAMO faculty about making sure that the RPT process was clear for members of the QAMO side, and, although there have been some high-profile hires on this side, to look at the higher faculty turnover to make sure that this sub-group stays fully supported. Faculty expressed both appreciation of the potential cross-over and collaboration between these two groups, and a need to balance the two programs and have a plan in place if the two groups split into separate programs, a possibility described as "pending."

The external reviewer noted that "the increase in the students enrolled in specialized masters' programs, the increase in the size of the major and the introduction of a new major (QAMO)... combined with the relatively modest increase in tenure-track and career-line faculty, has led to an increase in the number of adjunct faculty in the department; the self-study identifies 56 adjunct faculty. There was some concern expressed by the full-time faculty, as well as the program staff, that this has led to some issues with quality control in the classroom." That is a significant increase in adjunct faculty in this last review period, which both of the reviewers noted as a sign that the Department would do well to balance with more tenure-line faculty, particularly junior hires. (It also brought up the need for quality control in the classroom and potentially a more formal onboarding process.) Overall the reviewers were impressed by recent hires (13 new hires in this review period), the quality of longer standing faculty, and overall strength of faculty as researchers, mentors and teachers. The departmental self-study mentions that "our faculty routinely receive accolades for teaching. Over the years, 16 of our tenure-line faculty received teaching awards and 1 of our full-time career-line instructors received a teaching award."

The departmental staff includes two administrative assistants, a program director for the QAMO group, and a program director for the Master of Science in Finance (MSF) program. The reports point to how satisfied faculty are with the administrative staff, and it seems the administrative staff has a high morale as well; the external reviewer was surprised at the administrative workload, and felt that an extra hire would help with retention. There was one explicit contradiction between the two reports that warrants further attention: while the external reviewer noted that junior faculty desire more research support and viewed this as

important for their productivity and national exposure, the internal reviewer remarked that they felt satisfied with the amount of financial and research support. The internal reviewer focused more on concerns that senior faculty and non-tenure-line faculty expressed in relation to how best to evaluate research quality and teaching quality without solely relying on metrics and teaching evaluations. The external reviewer mentioned that career-line faculty expressed some uncertainty about contract terms and promotion policies; this is an issue that Department leadership should seek to understand and clarify. The external reviewer also mentioned that the students felt that they got greater support from the faculty, in terms of career services, than the career mentors, and wondered if a student and alumni mentoring program would alleviate some of this faculty load as well as build more sense of connection to community outside of the School.

Other notable contributions by faculty include the creation and maintaining of the Utah Winter Finance Conference, which the external reviewer called “one of the most prestigious finance conferences in the world and brings top academics to the School every year” and the Utah Winter Economics Conference. The faculty hold several journal editorships and associate editorships, and is also internationally recognized for publishing in top journals.

### **Students**

Student success, extracurricular programs, and opportunities are central to the mission of the Department, and these efforts show in student success and satisfaction. Both external and internal reports indicate high rates of student satisfaction, in particular with full-time faculty. Recent statistics show that the Department of Finance had 180 declared undergraduate majors, and 160 enrolled in master’s programs. The PhD typically admits 3-4 students a year, the attrition is about 20%, and the median time for students’ graduation is 5 years. There are currently 16 PhD students in the Department.

In the undergraduate programs in Finance, the average ratio of women to men over the past several years is 1:4. Looking at the past four years, the average ratio of students identifying as LatinX, Black, Asian, Native Hawaiian, Pacific Islander, Bi-Racial, or other, to white is also about 1:4. There were no students since 2011 that identified as American Indian or Alaska Native.

In the graduate programs, the ratio of women to men is 1:3—this ratio was closer to 1:2 between 2011-2013. Looking generally at the past four years in the graduate program, the ratio of students identifying as LatinX, Black, Asian, Native Hawaiian, Pacific Islander, bi-racial, or other, to white is about 1:3.5. There were no students since 2011 who identified as American Indian or Alaska Native. There is a larger international student population in the MSF, which “typically has students from 10-15 different countries.” The MRED program has a lower ratio of non-white to white students, the average ratio of seven years being 1:8; the MRED is making some gains with recruiting women, although the ratios are still quite disproportionate. Faculty who teach in both master’s degree programs agree that a major objective is to increase women and minorities in the applicant pool.

The Finance Department is aware of the lack of diversity in the student population, and is trying to address these disparities; this is one of the main recommendations from the past review that still needs fundamental work: “Although we reach out to all students who match our profile, the proportion of students in the finance major who identify as female or as students of color has remained well below the proportions in the university’s undergraduate population. This fall (2018), we have changed our recruiting strategy. We held a half-day session with a focus on diversity that featured a diverse group of industry professionals and

current students...” The Department has also made efforts to change language in and placement of advertisement and recruitment opportunities.

The internal reviewer noted that some of the initiatives to gain diversity are still too new to evaluate. These initiatives “include having senior female faculty teaching in the introductory core to increase the visibility of women in the field for prospective majors within the [Eccles School]. The department might also consider targeted outreach to local high schools - perhaps in collaborative efforts across the business school and/or in collaboration with the broader university community. Degrees and careers in finance may be largely unknown to students, but the proportion of female undergraduates in math (and also accounting within [the Eccles School]) is reason for optimism as it suggests that a pool of talent is available.”

The reviewers and the Department commented on improvements made to the PhD program since the last review, including changes to the curriculum and in the mentorship process. Reviewers mentioned that although the PhD program is advancing, junior faculty felt that stipends could be higher to attract higher quality candidates, and that there seems to be a degree of ambivalence about mentoring from the faculty. The students mentioned that candidates seem to be concentrated among few faculty, and that the “RA program is perceived as less structured and useful than might be ideal – and this is the case across both faculty and students.”

## **Curriculum**

Several curricular changes across all programs in the Finance Department have happened since the last review. The Finance undergraduate major “has been the second largest major in the Eccles School in recent years, excluding the general business major,” and the new QAMO major, which was launched in 2017, is growing quickly enough that the Department wants to “strengthen its Economics group so that we can offer our students the necessary business economics classes as well as provide a sufficiently rich research environment for faculty members in this group.” The Department hosts an active honors program that was mentioned several times throughout the self-study and by the reviewers, and offers a new Advanced Financial Analysis minor or emphasis. Some of the professional development programs that are highly regarded by faculty and students include: University Venture Fund, the Finance Club, the Finance Career Conference, Week on Wall Street, CFA Research Challenge, Phi Beta Lambda, Business Economics Society, and the Annual QAMO Business Trip, among others. The external reviewer mentioned all of the above as indications of the commitment to the excellence of the student experience, which is one of the main goals of the Eccles School as a whole. An emerging challenge is to keep these opportunities robust and accessible with increased student demand.

According to the self-study, “QAMO students must take 50 credit hours to graduate: 11 in quantitative preparation, 18 in QAMO core courses, nine in Economics and 12 in electives. In addition, four emphases are currently offered: Entrepreneurship, Finance, Management and Marketing. Three additional emphases have been submitted for approval: Accounting, Information Systems and Operations, and Supply Chain.” Honors students in Finance complete an honors thesis and supplement smaller classes taught by research faculty with liberal arts and writing courses. The program of study is competitive, having graduated 22 students in the past five years. The student investment fund is a competitive class in which students invest \$500,000 in socially responsible investments. According to the self-study “the students have a dedicated trading room with access to research resources including Bloomberg, an enhanced version of CapitalIQ, SAS, and resource texts. The students have been invited to appear on national television (on CNBC) twice and have won numerous awards.”

Since 2012 the Master of Science in Finance has doubled in size, and since 2015 has been ranked in the *Financial Times* as a high-level program. The program is working on balancing this increase in size and visibility with continued quality education. The MSF is a 30-semester-hour program whose curriculum focuses on “corporate finance, investments and portfolio management, financial statements analysis, and proficiency in prevailing technological tools (currently Excel and Python). The elective offerings include additional courses in investments and corporate finance, venture capital and private equity, real estate, financial engineering, computer programming, financial consulting, accounting, valuation, and risk management.” The only problem touched on was the lack of quantitative rigor in some of the classes MSF students take in the MBA program.

The Master of Real Estate Development (MRED) program is in its 10th academic year, and is such a popular program that it currently fills to capacity every year. This increasingly competitive program offers a 42-semester-hour program that serves primarily professional students interested in careers in commercial real estate. Most MRED students have post-baccalaureate work experience and work in the industry while completing the program. Core classes in the curriculum include “real estate finance (underwriting, valuation, investment, financial modeling), due diligence, site planning, sustainable design, and market analysis.” The MRED has a partnership with Ivory Boyer Real Estate Center, which offers students more chances for community engagement, mentorship, research, and professional development opportunities.

Since the last review, faculty in the Finance Department revamped the curriculum of the PhD to include a three-week pre-semester “boot camp,” new courses that are currently relevant to the field, and increased electives in other departments and mathematics to supplement candidates’ individualized work. The director of the program was praised by the reviewers for adding increased flexibility to the curriculum to enable candidates to make a more specialized program. The PhD program has an increased web presence, increasingly higher GMAT scores for incoming students, and a higher level of prior research. One of the main goals articulated in all levels of review would be for larger stipends for PhD candidates in order not to lose high quality candidates to peer institutions.

### **Program Effectiveness and Outcomes Assessment**

A number of changes have been made to the graduate programs since the last review in 2013, which include formal faculty mentorship from the beginning of each graduate student’s career. The Department articulated and re-vamped Expected Learning Outcomes in the past three years, and this work helped the programs create new curriculum and assessments that are more relevant to students. At the undergraduate level, the assessments of program effectiveness caused a re-imagining of core curriculum that is going into effect in 2019. The Finance Department shows an example of the fruitful loop that can occur when a program looks honestly at what students are expected to learn to gain employment in the field, to see if students are in fact learning this, and to change curriculum and standards to achieve their goals. This strategy has worked well for the Department, as evidenced by the high level of job placement reported by all areas. The Department also has clubs, mentorship, and advising about post-college career opportunities, puts considerable effort into career placement services, and does a good job of tracking jobs and salaries post-graduation.

The MSF and MRED both have three main expected learning outcomes with proven assessment plans: The goals are to graduate students who can solve problems, be technologically proficient, and find jobs. Once the programs streamlined and decided on these three main goals, they changed their core curriculum, final exams and proficiency tests for the programs to make sure students were achieving these

outcomes. The MRED program added a capstone project and exit interview, and the MSF changed some courses to better prepare students for the final comprehensive exam (which measures many of the desired outcomes necessary for the contemporary field). After implementing these clarifications and changes, students are completing the assessments with greater success. In the MRED, job placement rates “exceed 95% within three months of graduation in most semesters and average starting salaries are typically at or in excess of our target, which is \$70,000.” The MSF “targets over 90% placement within three months of graduation and an average starting salary of no less than \$65,000 per year. Over the past three years the program has been able to achieve or surpass these goals in each placement cycle, with the exception of Spring and Summer of 2017.” Along with these curricular changes, career coaching and mentorship services have been invested in heavily by the Eccles School as a whole, and results have paid off.

The main goals for the PhD program in Finance are for graduates to find jobs at top research universities in Finance, and to have an active research career that continues advancing the field. In the last year, PhD candidates had received tenure-track offers at numerous institutions. According to the internal reviewer, “12 students finished between 2011-2012 and 2017-2018; all had an academic position although a portion of these were visiting professor positions. As an outsider to the field, it is difficult to be certain to what extent the placements for the past 7 years are consistent with faculty and student ambitions to train and place students that will generate the next cutting-edge scholarship in finance/business economics.”

### **Facilities and Resources**

Since the last review, the facilities of the Eccles School as a whole have seen significant improvement and modernization. The state-of-the-art Spencer F. Eccles Business Building functions as a central nervous system for the School; the Robert H. and Katharine B. Garff Building and Lasonde Studios, which have been built since 2013, along with the C. Roland Christensen Center and the Business Classroom Building, are physical manifestations of the support and belief that the University has in this School. Along with classrooms, offices, public spaces, and working rooms, these facilities also house several centers, institutes, and bureaus that offer numerous benefits and connections to students and faculty. Satisfaction with the facilities is high, with only a few mentions of difficulties of finding classrooms for undergraduates for larger semester-long classes. The support for IT, databases, and library acquisitions is also seen as a positive by the Finance Department.

As stated in the self-study, “the finance department has been happy with our level of funding for faculty and for research resources, such as databases and conference attendance. As we grow our academic programs, there is always the need for more faculty, but over the last few years we have been in relatively good shape in staffing the finance classes. This next year (2019) will be a big year for trying to hire a number of economics professors to help teach in our QAMO program, and we have funding in place for those potential hires.” The reviewers mentioned that monies should be secured for more faculty for the QAMO program, as well as to alleviate some of the reliance on adjunct faculty. They also mentioned the need to fund another administrative assistant to keep up with an expanding workload, and a need for more funding for PhD stipends in order to keep that program competitive.



## **COMMENDATIONS**

1. The Department is commended on the exceptional quality of teaching and research by faculty, which is noticed nationally and internationally in college program rankings. The culture of collegiality and open-mindedness is noticeable and creates a healthy work environment.
2. The Department offers stellar student experiences, not only in the classroom, but through specialized field programs, clubs, working labs, and career mentorship.
3. Work on learning outcomes and assessment by the Department has resulted in curricular changes that have markedly improved student outcomes such as job placement, acquisition of necessary certifications, technological savvy, and current knowledge of the field.
4. The creation and continued commitment to conferences such as the Utah Winter Finance Conference and Utah Winter Economics Conference are highly commendable, as they are internationally recognized sites of new knowledge dissemination that highlight the excellence of faculty and offer a great opportunity to expose the research community to the University of Utah.

## **RECOMMENDATIONS**

1. The Department needs to make a continued, and more focused, commitment to student and faculty diversity. Although this has been an ongoing goal of the Department, and the Chair's letter addresses recent efforts made, the Department should come up with a more targeted plan. Community partnerships and working with youth groups throughout the Salt Lake Valley could help foster a more diverse student pool. Working on including diverse adjunct and career-line faculty would be a first step in addressing faculty diversity.
2. The Department needs to target more funding for the PhD program to make the program attractive to the highest quality candidates; faculty should renew focus on how (and by whom) the candidates are mentored, and the RA program should be revamped and clarified.
3. The Department needs to work with administration to gain more funding for tenure-line hires, particularly in the business economics side of the program, to keep up with rising student numbers and alleviate the use of such a large pool of adjunct faculty. Hiring more diverse junior tenure-line faculty would help balance the demographics of the program. There is also need for more administrative support as the Department grows.
4. The Department should continue to clarify the relationship between the finance and business economics groups within the faculty, to make sure that RPT and research funding decisions are transparent, and that the faculty collegiality is not compromised by lack of clarity in future decision making.

Submitted by the Ad Hoc Committee of the Graduate Council:

Satu Hummasti (Chair)  
Associate Professor, School of Dance

Douglas Christensen  
Professor, Departments of Biomedical Engineering and Electrical and Computer Engineering

**College Name**  
David Eccles School of Business

**Department Name**  
Finance

**Program**  
All

## Faculty Headcount

		2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
<b>With Doctoral Degrees Including MFA and Other Terminal Degrees</b>	Full-Time Tenured Faculty	9	9	10	12	12	12	13	11
	Full-Time Tenure Track	5	4	5	3	4	6	6	7
	Full-Time Career Line/Adjunct Faculty	1	1	1	1	1	1	2	3
	Part-Time Tenure/Tenure Track	3	3	3	1	2	1	1	1
	Part-Time Career Line/Adjunct Faculty	0	0	0	0	0	0	2	5
	<b>Total</b>	18	17	19	17	19	20	24	27
<b>With Masters Degrees</b>	Full-Time Tenured Faculty								
	Full-Time Tenure Track	0	0	0	0	0	1	1	0
	Full-Time Career Line/Adjunct Faculty	3	2	3	4	5	7	7	6
	Part-Time Tenure/Tenure Track								
	Part-Time Career Line/Adjunct Faculty	1	1	1	1	1	1	10	13
	<b>Total</b>	4	3	4	5	6	9	18	19
<b>With Bachelor Degrees</b>	Full-Time Tenured Faculty								
	Full-Time Tenure Track								
	Full-Time Career Line/Adjunct Faculty								
	Part-Time Tenure/Tenure Track								
	Part-Time Career Line/Adjunct Faculty	0	0	0	0	0	0	3	5
	<b>Total</b>	0	0	0	0	0	0	3	5
<b>Total Headcount Faculty</b>	Full-Time Tenured Faculty	9	9	10	12	12	12	13	11
	Full-Time Tenure Track	5	4	5	3	4	7	7	7
	Full-Time Career Line/Adjunct Faculty	4	3	4	5	6	8	9	9
	Part-Time Tenure/Tenure Track	3	3	3	1	2	1	1	1
	Part-Time Career Line/Adjunct Faculty	1	1	1	1	1	1	15	23
	<b>Total</b>	22	20	23	22	25	29	45	51

## Cost Study

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
<b>Direct Instructional Expenditures</b>	4,395,526	4,057,688	5,494,282	5,939,838	6,729,108	7,813,183	9,061,700	8,724,094
<b>Cost Per Student FTE</b>	5,898	5,597	8,680	10,111	11,146	12,619	14,235	12,617

## Student FTE from Cost Study by Instructor's Status with the University

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
<b>Full-Time</b>	19	14	19	18	11	13	14	14
<b>Part-Time</b>	4	5	3	3	5	4	5	7
<b>Teaching Assistants</b>	0	0	0	1	0	0	0	0

## Funding

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
<b>Total Grants</b>	43,423	15,396	10,636	43,407	160,053	84,892	439	0
<b>State Appropriated Funds</b>	2,538,120	2,449,521	3,029,955	2,610,295	1,232,866	1,392,096	9,050,053	8,709,151
<b>Teaching Grants</b>								
<b>Special Legislative Appropriation</b>								
<b>Differential Tuition</b>								

## Student Credit Hours and FTE

		2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
<b>SCH</b>	Lower Division	5,436	5,217	2,928	84	93	78	75	63
	Upper Division	9,860	8,825	9,081	10,051	9,993	9,062	9,303	10,058
	Basic Graduate	4,363	4,827	4,405	4,789	5,106	6,074	6,237	6,834

	Advanced Graduate	344	311	249	205	245	216	243	249
<b>FTE</b>	Lower Division	181	174	98	3	3	3	3	2
	Upper Division	329	294	303	335	333	302	310	335
	Basic Graduate	218	241	220	239	255	304	312	342
	Advanced Graduate	17	16	12	10	12	11	12	12
<b>FTE/FTE</b>	LD FTE per Total Faculty FTE	8	9	5	0	0	0	0	0
	UD FTE per Total Faculty FTE	14	15	14	16	21	17	15	16
	BG FTE per Total Faculty FTE	9	13	10	11	16	17	15	16
	AG FTE per Total Faculty FTE	1	1	1	0	1	1	1	1

## Enrolled Majors

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Undergraduate Pre-Majors	0	0	0	0	0	0	0	2
Undergraduate Majors	178	120	122	154	177	161	180	238
Enrolled in Masters Program	67	86	102	114	121	163	160	203
Enrolled in Doctoral Program								
Enrolled in First-Professional Program								

## Degrees Awarded

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Undergraduate Certificate	0	0	0	0	0	0	0	3
Graduate Certificate								
Bachelors	156	104	85	102	96	102	113	117
Masters	40	39	54	60	64	84	81	110
Doctorate								
First-Professional								



## **Memorandum of Understanding Department of Finance Graduate Council Review 2018-19**

This memorandum of understanding is a summary of decisions reached at a wrap-up meeting on June 10, 2020, and concludes the Graduate Council Review of the Department of Finance. Daniel A. Reed, Senior Vice President for Academic Affairs; Taylor R. Randall, Dean of the David Eccles School of Business; Rachel M. Hayes, Associate Dean for Faculty & Research of the David Eccles School of Business; Michael J. Cooper, Chair of the Department of Finance; David B. Kieda, Dean of the Graduate School; and Katharine S. Ullman, Associate Dean of the Graduate School, were present.

The discussion centered on but was not limited to the recommendations contained in the review summary report presented to the Graduate Council on November 25, 2019. The working group agreed to endorse the following actions:

**Recommendation 1: The Department needs to make a continued, and more focused, commitment to student and faculty diversity. Although this has been an ongoing goal of the Department, and the Chair's letter addresses recent efforts made, the Department should come up with a more targeted plan. Community partnerships and working with youth groups throughout the Salt Lake Valley could help foster a more diverse student pool. Working on including diverse adjunct and career-line faculty would be a first step in addressing faculty diversity.**

The Department and the Eccles School have put thought and effort into student diversity, and recognize the importance of continued commitment to both gender balance and racial/ethnic diversity. At the undergraduate level, the School has cohort programs, such as the successful First Ascent Scholars program aimed at removing barriers and supporting the success of students with significant financial need. With gains in student diversity at the School level, the Finance Department is working to attract these students to the Finance and QAMO majors with tailored info sessions and by building community, such as a Women's Collective that connects students together and links them to professional women in the field. Recent changes to the undergraduate core curriculum are also viewed as providing beneficial wide exposure to prospective majors. This should be evaluated in the next few years and an updated analysis of diversity trends and progress in the undergraduate population should be sent to the Graduate School in the interim MOU updates. In the longer term, the Department should consider whether direct involvement with the community would be another effective way to attract diverse students to the U who want to pursue studies in finance and business economics.

**Memorandum of Understanding**  
**Department of Finance**  
**Graduate Council Review 2018-19**  
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At the graduate level, there are also several initiatives, including a Women's Council in the MRED program that facilitates networking and mentoring. Recruiting tactics aimed at diversifying the student population in the MSF program include strategic partnerships with in-state and out-of-state universities, including a potential plan emerging with Howard University, and a mentorship/scholarship program run coordinately with the Refugee Education Initiative. The doctoral student population is more gender balanced and diverse, but striving for diversity here will continue to be key.

Faculty diversity will be discussed in Recommendation 3, but related to this topic, Chair Cooper acknowledged that issues with a particular faculty member had resulted in heightened awareness of strengthening the climate of inclusiveness, with a departmental climate survey and all faculty members taking part in training provided by the Office of Equal Opportunity. Updates to the Graduate School should include how information from the climate survey is used to make further improvements. We also discussed the importance of tracking and evaluating student outcomes to ensure that once students are in a department-led program, their success and placements are equitable.

**Recommendation 2: The Department needs to target more funding for the PhD program to make the program attractive to the highest quality candidates; faculty should renew focus on how (and by whom) the candidates are mentored, and the RA program should be revamped and clarified.**

The School has recently implemented a new funding model that gives departments more flexibility in how they spend funds allocated for PhD programs. Associate Dean Hayes explained that departments can now set a stipend level for their students. In the Department of Finance, the strategy is to decrease the number of students so that stipend levels can increase to a more competitive level in the discipline. They may further consider honorary supplements for particular students, as well as travel and research support funds, but are cognizant of having fair processes and standardized baseline funding levels. Chair Cooper praised the current director of their PhD program, Professor Coles, for his work in formalizing RA-faculty relationships, and also noted that there will be a transition to new leadership that is likely to be accompanied by new initiatives. Dean Kieda advised thinking quantitatively about program goals, which were described as producing doctoral students with active research agendas that ultimately lead to successful academic placements. Decisions about how best to reach these goals and what metrics are important along the way will help guide the Department's efforts to make the research experience more consistent and more successful.

**Recommendation 3: The Department needs to work with administration to gain more funding for tenure-line hires, particularly in the business economics side of the program, to keep up with rising student numbers and alleviate the use of such a large pool of adjunct faculty. Hiring more diverse junior tenure-line faculty would help balance the demographics of the program. There is also need for more administrative support as the Department grows.**

The Department of Finance and Eccles School administration are unified in priorities for upcoming growth. The restrictions brought about by COVID-19 will cause a temporary halt, but hopefully will not interfere with

the overall trajectory planned. While this recommendation implies a need to reduce adjunct faculty, this is not viewed as a current issue by the Chair. However, what is the case for adjunct, career-line, and tenure-line faculty is the imperative need to expand diversity. While an adjunct pool might be considered the easiest place to start, this was pointed out to be a challenge as these faculty tend to be at later stages in their career where the pool is less diverse. Nonetheless, the Department is persisting in finding adjunct and career-line faculty with more diverse backgrounds and is open to taking new strategies to tenure-line recruitment. We discussed potential opportunities to “pre-recruit” tenure-line faculty by attracting rising stars (or hidden gems) from the national pool of PhD students -- not just those at elite institutions -- to visit by sponsoring their participation in the Department’s signature Winter Conferences and possibly specific forums that spotlight and even offer mentorship to these trainees and expose them to the University. They have also recently hired a visiting professor who is a person of color, and expanding on this opportunity to bring in underrepresented minority faculty members is an effective way to cultivate an inclusive community and learn from these colleagues. Recruiting and retaining faculty with racial/ethnic diversity, and specifically the inclusion of underrepresented minorities among faculty, will require clearly communicated priorities and dedicated effort at all levels and is particularly important during this time of anticipated growth. While gender balance among faculty is higher than many peer programs, it is still an important focus. As with other types of diversity, the difference in gender representation between students and teaching faculty, especially the adjunct faculty, can impact student retention and graduation at both undergraduate and graduate levels. With the hire of a new staff member, Chair Cooper felt that administrative support is currently meeting departmental needs.

**Recommendation 4: The Department should continue to clarify the relationship between the finance and business economics groups within the faculty, to make sure that RPT and research funding decisions are transparent, and that the faculty collegiality is not compromised by lack of clarity in future decision making.**

The Department is transparent about its intention to spin off a Business Economics unit and has an acting chair of this group. That said, Chair Cooper emphasized the high value of research collaborations and other activities that take place across these groups. Despite transparency on the future organization that is envisioned, the current situation and the path forward are complicated, making it difficult to avoid some unrest. While there are issues that the Department must deal with now (RPT, research funding, communication, etc.), Dean Randall indicated that support is also needed from above in order to create a pathway forward, as the formation of a new department requires several steps of approval. Dean Kieda indicated that the Graduate Council looks for a record of faculty discussion and consensus, as well as well-articulated reasons for the proposal. With a hoped-for timeline of bringing this forward in the next couple of years, we expect this conversation will be continued in the near future.

In closing, Dean Randall emphasized that Finance is a fantastic department, setting the pace for research productivity throughout the School. He reiterated the high reputation of the Winter Conferences organized by the Department noted in the commendations and thanked Chair Cooper for his leadership.

**Memorandum of Understanding**  
**Department of Finance**  
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This memorandum of understanding is to be followed by regular letters of progress, upon request of the Graduate School, from the Chair of the Department of Finance. Letters will be submitted until all of the actions described in the preceding paragraphs have been completed. In addition, a three-year follow-up meeting may be scheduled during AY 2022-23 to discuss progress made in addressing the review recommendations.

Daniel A. Reed  
Taylor R. Randall  
Rachel M. Hayes  
Michael J. Cooper  
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David B. Kieda  
Dean, The Graduate School  
February 3, 2021