

## Economics Department Assessment Plan

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### 1. Department Student Learning Statement

The purpose of the Department of Economics is to provide our students with a strong foundation in economic theory and empirical analysis. We also strive to develop broader analytical abilities and communication skills – to think, write and talk like an economist – so that our students can develop a deeper understanding of the world they live in and can serve as agents for productive change. Course work in economics prepares students for a wide variety of career paths and advanced studies in economics, business, law, and policy analysis.

### 2. Student Learning Goals

As economics majors, our students should understand:

- I. Core economic theory regarding individual, household, firm, and government decision-making, and the interaction of decision-making in small groups, markets and larger economic systems.
- II. The role of institutions in economic systems.
- III. Statistical modeling tools to test hypotheses rooted in economic theory, to detect and quantify causal relationships among economic variables, and to measure and evaluate economic costs and benefits.
- IV. How to apply economic analysis to real-world problems and opportunities – to, as we often say, “think like an economist” – and communicate this knowledge with others.

### 3. Student Learning Outcomes

- I. **Decision-making Theory** – This at the very core of economic analysis and we expect that our students will be able to independently model:
  - The marginal conditions that constitute efficiency at the individual and market level
  - Decision-making under uncertainty and in intertemporal settings
  - Strategic decision-making in small groups
  - The interaction of decision-making in markets and larger systems (i.e., the macroeconomy or international economic system)

II. **Institutions** – This aspect of economics connects us most closely to the curriculums of other academic departments including political science, history, international studies and others. We expect students to be able to incorporate the following into economic models:

- The fundamental economic rationale for governments and collective action: The provision of public goods and correcting market failure produced by externalities and monopoly power.
- An understanding of the variation in economic institutions across time and space and their impact on economic outcomes. This includes American institutions (e.g., property rights, policy regimes, etc.) as well as those in other regions of the world.

III. **Statistical Modeling** – All students should demonstrate the ability to statistically test economic models through use of:

- Data management and analysis
- Graphical analysis to illustrate patterns in data
- Regression analysis, along with strategies for establishing causality

IV. **Application and Communication** – As students advance through the major they should develop the capacity to independently apply what they have learned in new settings and effectively communicate their findings to others. Specifically, we expect that our students will:

- Demonstrate an appreciation for the basic lessons of economics such as there is no free lunch (all activities have opportunity costs), incentives matter, markets are a productive way of organizing economic activity, etc.
- Demonstrate an appreciation for the powerful insights that theoretical modeling and data analysis can produce when done correctly
- Demonstrate strong writing skills
- Demonstrate strong oral presentation skills

In most cases, course grades will determine whether we are accomplishing our learning goals and outcomes for individual students. That is, we are confident that students who have completed the major with a 4.0 GPA in economics courses have successfully mastered all of these outcomes. Students who do not reach a minimal acceptable level of performance for a particular outcome do not pass the course in which it is covered.

#### 4. Assessment Strategy

Our assessment strategy has four components. We will apply the first three components to assess departmental performance on all four learning outcomes: Assessment that takes place in our classes

through the grading of exams, homework, papers, presentations, and projects; an online exit survey to be completed by each graduating major; and an online post-graduate survey to be completed by economics majors who are two or three years past graduation. The fourth component consists of ongoing curricular assessment to be completed by the members of the department, focusing on one learning outcome for each of the four years spanning 2014 to 2017.

Below find an explanation of each of the components.

### **I. Assessment through grades**

The economics department actively engages in student assessment by imposing meaningful grade distributions in our classes. Our departmental grade point average hovers at 3.0, among the lowest on campus. Our grading is somewhat unique in that there is no evident upward trend in our average GPA in the past ten years. Faculty in the department assign a student a grade of "A" only if that student has done an exceptionally good job at grasping and applying the material and assign students who do not learn a sufficiently-high proportion of the material a grade of C or lower. A student's overall success in our department can therefore be measured quite accurately by examining the within-department grade point average of the student.

A student's success in meeting our specific learning goals can be measured, in part, by their grades in specific economics courses. Because Intermediate Microeconomics Analysis (Econ 361) emphasizes analytical thinking -- often relying on calculus -- the grade in this course reflects the level of student learning in this area. Intermediate Macroeconomics Analysis (Econ 371) is also highly theoretical but places more weight on the understanding of institutions and system behavior. By comparison, Introduction to Econometrics (Econ 381) focuses almost exclusively on empirical analysis, discipline-based writing, research and oral presentation skills. Thus the grade in this course reflects student success in meeting an almost entirely different set of learning outcomes. It is important to note that we often see individual students who perform very differently across these three courses.

Course grades also provide an important incentive mechanism that we use to encourage our students to take our learning goals seriously. All of our course syllabi specify learning goals and outcomes and the various weight attached to each for calculation of the final grade. If high grades are important to students, they have a strong incentive to meet the learning goals. While a low course grade does not reveal to an outsider which learning outcome the student has struggled with, it should be clear to the student and the instructor -- the two individuals who can make the information actionable. Moreover, the act of computing course grades forces the professor to quantify performance on the various learning outcomes and assign relative weights to them. Thus, while we do not share our grade sheets with one another, we have a pretty clear sense of how our students, taken collectively, are doing in different areas. This information is shared in department meetings and informal conversations among the faculty.

## **II. Online Exit Survey**

Each year the department surveys graduating economics majors. The survey asks them a variety of qualitative questions concerning their experience with the curriculum in the department. For example, one question asks how well their economics education has prepared them for obtaining employment in their desired field. Space for open-ended written commentary is provided. We compile and analyze the data and written answers, and circulate the results within the department. One department meeting in the fall will be devoted to discussing the results and understanding their implications. A copy of this survey has been sent to the Associate Dean of the Faculty.

## **III. Online Post-Graduate Survey**

We implemented an online post-graduate survey in the fall of 2010 as part of an external review of the department. We plan to refine this survey instrument and implement it again in 2015 in conjunction with new efforts made by the alumni office in consultation with the Associate Dean's office. This survey is implemented in the way that student evaluation letters are solicited from students for the purposes of faculty promotion reviews. This survey asks students to reflect on their experience in the economics major in the context of whether and how the major prepared them adequately for career, school, and life after Macalester. A copy of this survey has been sent to the Associate Dean of the Faculty.

## **IV. Curricular assessment projects**

Each year, members of the department will meet to discuss and assess how what we are doing in our classes relates to one of our four learning outcomes. We will develop strategies that we can implement in our courses. The following assigns one learning outcome category to each of the four years:

2014: Decision-making theory

2015: Institutions

2016: Statistical Modeling

2017: Application and Communication