FINAL ASSESSMENT REPORT

Institutional Quality Assurance Program (IQAP) Review

Economics (Graduate and Undergraduate programs)

Date of Review: March 4^{th} and 5^{th}, 2025

In accordance with the University Institutional Quality Assurance Process (IQAP), this final assessment report provides a synthesis of the external evaluation and the internal response and assessments of the Economics undergraduate and graduate programs. This report identifies the significant strengths of the program, together with opportunities for program improvement and enhancement, and it sets out and prioritizes the recommendations that have been selected for implementation.

The report includes an Implementation Plan that identifies who will be responsible for approving the recommendations set out in the Final Assessment Report; who will be responsible for providing any resources entailed by those recommendations; any changes in organization, policy or governance that will be necessary to meet the recommendations and who will be responsible for acting on those recommendations; and timelines for acting on and monitoring the implementation of those recommendations.

Executive Summary of the Review

In accordance with the Institutional Quality Assurance Process (IQAP), the Economics department submitted a self-study in December 2024 to the Vice-Provost Teaching and Learning and Vice-Provost and Dean of Graduate Studies to initiate the cyclical program review of its program. The approved self-study presented program descriptions, learning outcomes, and analyses of data provided by the Office of Institutional Research and Analysis. Appendices to the self-study contained the CVs for each full-time member in the department.

Two arm's length external reviewers and one internal reviewer were endorsed by the Dean, Faculty of Social Sciences, and selected by the Vice-Provost Teaching and Learning and Vice-Provost and Dean of Graduate Studies. The review team reviewed the self-study documentation and then conducted a virtual site visit to McMaster University on March 4^{th} and 4^{th}, 2025. The review included interviews with the Deputy Provost; Acting Vice-Provost Teaching and Learning and Vice-Provost and Dean of Graduate Studies, Faculty Dean, Associate Deans of graduate and undergraduate studies, Chair of the department, and meetings with groups of current students, full-time faculty and support staff.

The Chair of the Economics department along with the Chair of Graduate Studies and the Chair of Undergraduate Studies submitted responses to the Reviewers' Report (June 2025). Specific recommendations were discussed and clarifications and corrections were presented. Follow-up actions and timelines were included.

Strengths

The reviewers present a generally positive assessment of the Department and its educational programs. In terms of departmental strengths, the reviewers highlighted its sustained excellence in both academic and policy-oriented research, numerous research chair positions, and a collegial environment that fosters positive relationships among faculty, staff, and students. They also praised the Department's strong and forward-thinking leadership. Furthermore, the reviewers noted that both research-stream and teaching-stream faculty are highly qualified, with departmental activities supported by a dedicated staff team.

On the educational front, they recognized a strong commitment to undergraduate and graduate education, as well as a wise allocation of instructional resources. The curriculum was found to be well-developed and continuously evolving, providing 'a rigorous but practical education at all levels.' Regarding admissions, the reviewers confirmed that the requirements are appropriate at both the graduate and undergraduate levels. They also concluded that the Program Learning Outcomes (PLOs) are well-defined and that assessment methods are effective for both academic levels. Additionally, they remarked that the time-to-degree is within the normal range for both graduate and undergraduate students and noted that placement records for all three graduate programs are strong.

Opportunities for Improvement and Enhancement, including appropriateness of resources

Faculty Complement: The reviewers repeatedly emphasized the department's shortage of faculty members in applied microeconomics, following two departures and a retirement. They noted that this gap reduces course availability and weakens the depth of content in undergraduate applied micro field courses. Moreover, they highlighted that the affected areas are among the most policy-relevant, making the shortage particularly impactful. This lack of faculty members not only affects undergraduate programs but also raises concerns about the sustainability and quality of the MAEP program, which has a strong focus on economic policy. Additionally, the reviewers expressed concerns about the department's growing reliance on sessional instructors, a challenge linked to the reduction in faculty complement.

Undergraduate Student Experience: The reviewers strongly recommend that the department continue building on recent successful initiatives to foster a stronger sense of community among undergraduate students. Strengthening engagement and connection among students will further enrich their academic experience and contribute to their overall success.

Graduate Program Structure: The reviewers advocate for reducing the number of PhD fields, which is expected to enhance the graduate student experience by increasing program flexibility. It would also strengthen faculty confidence in course enrollment, helping to prevent cancellations and avoiding teaching for less than full credit.

Summary of the Reviewers' Recommendations with the Department's and Dean's Responses

Recommendation #1: **Rebuild the department's capacity in applied microeconomics**, particularly in the fields of labour economics and health economics. This should take the form of an immediate hire in labour economics, and an explicit plan to hire in applied fields over the next five years.
Department's Response and Actions to be Taken: The Department fully agrees with the reviewers' recommendation. In January 2025, Department Chairs in the Faculty of Social Sciences submitted faculty renewal plans to the Dean. Our plan requested two positions in applied microeconomics, with labour and health economics as top priorities, and a proposed start date of July 1, 2026. At the end of April, the Department was informed that a tenure-stream hire in applied microeconomics, with a start date of July 1, 2026, had been approved. Given the current budgetary constraints, the Department is grateful to have been allocated a faculty position. At its upcoming retreat in June, the Department will discuss hiring priorities for the next five years. The fields recommended by the reviewers on page 18 of their report—labour, health, environmental, and experimental economics—are expected to be central to the discussion. The outcome of this conversation will shape the next version of the Department's Faculty Renewal Plan, which the Department Chair will use to advocate for additional faculty positions.
Dean's Response: Having increased the size of the department's faculty complement in recent years, it was disappointing to lose three faculty members, all in applied microeconomics, at the start of the 2024-25 academic year. The commitment of a faculty hire at the assistant or junior associate level for July 1, 2026 is the first step in rebuilding the department's strength in applied micro. The challenge, simply put, is resources. Social Sciences currently projects fiscal deficits in the coming years and faces important needs across a number of departments. There is not simple, straightforward solution to this challenge. However, the Dean's Office will continue to work with the department to explore ways to strengthen the faculty complement in a fiscally constrained environment.

Recommendation #2: **Take all available actions to build stronger cohorts in the undergraduate program.**
Department's Response and Actions to be Taken: As noted by the reviewers, the Department recognizes the importance of fostering stronger cohorts. The introduction of the mathematics-focused economics course ECON 1M03 in 2022, taken almost exclusively by economics students, serves as a key component of the Department's strategy to enhance a sense of community within the program.

The Department acknowledges that further efforts are needed in this area. It will continue the initiatives introduced in 2024-25, including the Welcome event in September and a dedicated seminar for undergraduate students, while also encouraging faculty participation in Meet the Profs events. Additionally, the Department has recently committed to supporting the creation of an Economics Magazine by the McMaster Economic Society (MES).

Looking ahead, the Undergraduate Studies Committee, Undergraduate Administrative Assistant, and MES representatives will explore additional initiatives to strengthen the sense of community and foster connections between students and faculty members. The Department will consider incorporating group work into ECON 1M03, as suggested by the reviewers.

The reviewers also recommended holding an annual Honours List reception. However, with approximately 100 students on the Dean's Honours list annually, a reception for all honours students would not be financially feasible and would limit meaningful interactions between students and faculty. Recognizing the value of acknowledging student achievements, the Department will develop plans for a reception format that is engaging, cost-effective, and conducive to faculty-student interaction.

Dean's Response:

The department recognizes and is responding to the need to create a strong sense of community among cohorts of undergraduate students in the program. This includes efforts along two complementary dimensions: first, simply among the program students themselves, and second, between program students and faculty. The nature of the relevant activities and the associated financial costs of strategies may differ systematically across these two dimensions, and offer opportunities for a wider array of helpful interactions.

Recommendation #3:
Reduce the field requirements in the PhD program from two fields to one.

Department's Response and Actions to be Taken:
As noted in their report, the IQAP reviewers highlight that PhD field requirements directly influence the number of courses the department must offer, which in turn affects graduate course enrollment. Low enrollment in graduate courses has been a concern among faculty, as it can result in teaching assignments worth less than full credit, an issue also addressed in the discussion surrounding Recommendation 8. The reviewers further observed that reducing field requirements would benefit PhD students by allowing them to begin research earlier. The above concerns were also echoed by the external reviewers who assessed the Department in Fall 2024 as part of the standard review conducted in the final year of the Department Chair's term.

The two review reports clearly indicate that the department must reassess the requirements of its graduate programs. The recommendation regarding PhD field requirements will be incorporated into a broader review of graduate programs, scheduled for this Summer and Fall. At the doctoral level, this review will examine key aspects such as the number of fields (many specialized fields *vs.* fewer broad fields), course requirements per field, the total number of fields students must complete, and

whether certain comprehensive exams should be eliminated. To ensure a student perspective, the department will survey both incoming and senior doctoral students about the proposed changes to the PhD program requirements Any proposed changes to PhD field requirements will be subject to a departmental vote in Fall 2025. If approved, the revisions will take effect for the cohort entering in September 2026.
Dean's Response: As the department notes, the structure of the graduate program was also the focus of recommendations of a recent, broader external departmental review. This recommendation reflects larger trends in graduate training in the discipline of economics. The department is responding to these recommendations and is currently in the midst of a strategic planning exercise for which this is a key area of focus. It is critical that the department examine both the number of fields it offers and the curriculum requirements for each field. These issues also relate to recommendations that graduate students should engage more and earlier in research.

Recommendation #4: **Continue to monitor continuation statistics for Econ 1 students and take appropriate action if they do not improve on the 2022/23 results.**
Department's Response and Actions to be Taken: The significant increase in ECON 1 students failing out of McMaster in 2022-23—approximately 20%, compared to around 10% in the previous three years—was a concerning trend identified during the preparation of the IQAP self-study document. However, the latest data through 2024-25 indicate that the percentage has returned to approximately 10%. The Department has contacted the FSS data analyst to inquire about available data on ECON 1 students who have failed out of McMaster since the 2019-20 academic year, when ECON 1 was introduced. If sufficient data are available, we will seek to identify potential explanatory factors to determine whether any departmental actions could help reduce the number of students leaving the university. Beyond analyzing historical data, the Department will continue to monitor continuation statistics, as recommended by the reviewers.
Dean's Response: The department is responding effectively to understand both the extent to which the data point cited is part of a longer term trend of a single-year blip and how the department can respond to improve retention more generally within the program.

Recommendation #5: **Coordinate intermediate microeconomics content more clearly with third- and fourth-year courses that rely on that material.**
Department's Response and Actions to be Taken: While Level III and IV course instructors can easily determine the level at which microeconomic theory is taught in the intermediate micro sequence, a Department-led initiative would still be beneficial. Therefore, the 2025-26 Undergraduate Studies Committee will establish a Microeconomic Curriculum Subcommittee to communicate to instructors the topics covered and the level at which they are addressed in ECON 2Z03 and ECON 2ZZ3. Additionally, since the intermediate macroeconomic theory sequence is set to be updated for 2025-26, a Macroeconomic Curriculum Subcommittee will also be formed to ensure consistency and alignment in course content.
Dean's Response: The department's response is appropriate.

Recommendation #6: **Take steps to ensure greater exam security in fully remote courses,** e.g., by adopting remote invigilation software or by scheduling in-person exams during the first week of fall classes.
Department's Response and Actions to be Taken: As noted by the reviewers in their report, their recommendation applies specifically to Spring/Summer online courses, as all Fall and Winter term courses include some in-person testing. The examiners proposed two specific solutions: first, using remote invigilation software such as Respondus. However, the University will no longer approve its use by McMaster instructors after July 1, 2025. The second suggestion is to schedule final exams for Spring/Summer courses in the first week of Fall classes. While the department agrees with this proposal, current University policy does not permit it. Like the reviewers, the Department is deeply concerned about academic integrity in online courses where all assessments are conducted online. This concern is reinforced by feedback from instructors teaching online courses this Spring, who report that students' grades on assessments are significantly higher than in previous years when they taught the same courses online. The department will take the following actions in response to the reviewers' recommendation to enhance exam security in fully remote courses: (1) Propose a regulatory change to allow final exams for Spring/Summer courses to be held in September. (2) Offer some Spring/Summer online courses with an in-person final exam in 2026. Since most Spring/Summer 2025 courses are online with remote assessments, this will allow us to evaluate the impact of requiring one in-person assessment on enrollment. (3) Explore the feasibility of offering in-person exams off-campus, including internationally, for a small subset of Spring/Summer 2026 online courses. This pilot initiative will help assess logistics and scalability for large-enrollment courses, given that approximately 2,000 students

take Spring/Summer courses. The department will require support for logistical arrangements and financial costs.

Dean's Response:

Ensuring academic integrity in fully on-line courses is a challenge across the university. Working with the departments, the Dean's Office will engage with relevant offices in the university to explore ways to address this issue.

Recommendation #7:
When possible, take steps to reduce reliance on sessional instructors.

Department's Response and Actions to be Taken:
The recent loss of three faculty members contributes to the department's reliance on sessional lecturers. Regardless of the faculty complement, the Department will continue to diligently monitor undergraduate course enrollment. This ongoing assessment has led to some courses not being offered annually and reductions in the number of sections for some multi-section courses in recent years.

The Department would also like to provide three comments regarding this recommendation:

1. Sessional Instructors: Although many courses are taught by non-permanent faculty each year, a significant number of these courses are led by a small group of instructors whom the Department knows well. Although the issue of varying quality among sessional instructors raised by the external examiners is valid, it is mitigated to some extent by the frequent rehiring of experienced instructors, including a former CLA, former graduate students, and a retired faculty member. However, as the reviewers rightly noted, these individuals will not be available indefinitely.

2. Teaching Plan Considerations: When shaping its teaching plan—including course offerings, section counts, and enrollment caps—the Department must balance multiple factors:
   - Providing a diverse set of courses for students
   - Revenue considerations
   - Costs associated with hiring sessional instructors
   - Meeting demand from non-economics students
   - Availability of qualified sessional instructors for courses not taught by permanent faculty. Finding instructors who ensure a strong student experience is a necessary condition. Occasionally, this condition is not met, leading to the cancellation of courses despite their financial viability

3. Impact of PhD Field Restructuring: The planned restructuring of PhD fields may lead to a reduction in the number of graduate courses offered annually. If this occurs, more undergraduate courses will be taught by permanent faculty members.

Dean's Response:

The Faculty concurs that the proportion of courses taught by non-permanent faculty is higher than desired. While it is driven importantly by resource constraints and the inability to sufficiently expand the permanent faculty complement, it is also partly driven by curriculum design. Working with its educational programs, the Faculty is currently leading a multi-year curriculum review for which one objective is to examine ways we can reduce reliance on non-permanent instructors while also improving the learning experience of students and student success in our programs. Finding a good balance between teaching-stream faculty and tenure-stream faculty can also help address this challenge. The Faculty is committed to working with programs, including economics, on this issue.

Recommendation #8:
Work with the Dean's office to ensure a mutually satisfactory resolution to the issue of teaching credit for small graduate courses

Department's Response and Actions to be Taken:
The Department recognizes that the current structure of its PhD program—consisting of multiple fields with two required courses in each—contributes to the number of low-enrollment courses offered. This issue is particularly pronounced in years with lower program admission numbers.

At its June retreat, the Department will begin discussions on restructuring its graduate programs. Specifically, it will explore the possibility of offering fewer, more broadly defined PhD fields, which would reduce the number of field courses required and help increase enrollment in those courses, depending on overall program enrollment. Implementing Recommendation #3 would also contribute to reducing the number of elective courses that need to be offered.

Since proposed changes aimed at increasing student enrollment in field courses will be voted on in the Fall, they will not take effect until the 2026-27 academic year (AY 2026-27). Fortunately, the Dean is willing to be flexible in applying the low-enrollment policy in 2025-26, provided the department implements meaningful curriculum changes to significantly reduce—ideally eliminate—the number of courses with low enrollment moving forward.

Dean's Response:

In part in response to feedback from faculty and the graduate programs, the Faculty chose not to proceed with the "low-course-enrolment" policy proposed this past year. Instead, it will address the issue by working with programs as part of the curriculum planning process. The response of the department of economics noted above is an important part of this process.

Recommendation #9: **Develop a strategy for external fundraising to support cohort-building initiatives and/or graduate funding**
Department's Response and Actions to be Taken: The Department acknowledges that it has relied entirely on the FSS advancement team to secure external funding. Until now, the Chair has served as the liaison with the FSS advancement team, which may have resulted in less time and attention being devoted to this effort than if a designated faculty member had been assigned to lead it. To strengthen engagement and ensure a more dedicated approach to fundraising initiatives, the Department will designate a faculty member as the liaison with the FSS team as part of its annual service tasks and committee assignments.
Dean's Response: The university is currently preparing for a large campaign and so this is an excellent opportunity for the department to engage more actively in advancement activities. The campaign will include increased engagement with alumni which, as the reviewers note, can be an important source of support for students and undergraduate innovations in particular. The campaign also offers the opportunity to pursue research chairs and other research-focused support to enhance the research mission in ways that can complement it educational programs. While it will be important for a number of departmental faculty members to engage in this work, the chair plays a critical role and must be fully engaged.

Recommendation #10: **As capacity to offer CO-OP expands, we recommend that the department/faculty consider introducing a direct entry stream. We believe this will be an effective tool to help recruit high achieving students to McMaster's FSS undergraduate programs, such as economics.**
Department's Response and Actions to be Taken: The Department agrees that creating a direct-entry co-op stream (ECON 1-COOP) would help with student recruitment. Up to now, the ECON CO-OP stream has been managed by the small but very capable team in the Faculty of Social Sciences. The department will work with them to assess the costs and benefits of an ECON 1-COOP stream and the FSS team's capacity to add on this stream.
Dean's Response: The Faculty is examining the option within the co-op program more generally.

<u>**Implementation Plan**</u>

Recommendation	**Action(s) to be Taken**	**Responsibility for Leading Action** (specify the role(s) that will be responsible for each action item e.g. Program Chair.)	**Timeline for Completing Action** (indicate specific timelines (e.g. not ‘ongoing’) for action)
1. Rebuild the department’s capacity in applied microeconomics, particularly in the fields of labour economics and health economics.	Fill the tenure-stream faculty position granted to the department. Prepare a 5-year faculty hiring plan.	Department Chair and Chair of the Faculty Recruitment Committee. Department Chair and Associate Chair	April 1, 2026. September 30, 2025.
2. Take all available actions to build stronger cohorts in the undergraduate program.	Repeat the initiatives introduced in 2024-25. Consider incorporating group work into ECON 1ME3. Support the development of the M.E.S. Economics Magazine. Organize an end-of-year reception for econ students	Chair and Undergraduate Chair Undergraduate Chair Chair Chair and Undergraduate Chair	Terminate planning of Fall events by August 1st and Winter events by December 1st. August 2025 December 2025 Terminate planning by Feb. 15th
3. Reduce field requirements in the graduate program.	Discuss PhD field requirements as part of the overall review of the structure of our graduate programs. This will happen over the Summer and Fall. Implement student surveys to bring in a student perspective.	Graduate Chair	Changes to be presented to the department and voted on by the end of 2025.

4. Continue to monitor continuation statistics for Econ 1 students and take appropriate action if they do not improve on the 2022/23 results.	Analyze historical data Monitor continuation statistics	Chair Chair	December 2025 Annually in May
5. Coordinate intermediate microeconomics content more clearly with third- and fourth-year courses that rely on that material.	Create a microeconomic curriculum subcommittee tasked with communicating to other instructors the topics covered as well as the level at which they are covered in ECON 2Z03 and 2ZZ3. Create a parallel subcommittee for macroeconomics.	Chair Chair	August 2025
6. Take steps to ensure greater exam security in fully remote courses	(1) Propose a regulatory change to allow final exams for Spring/Summer courses to be held in September. (2) Offer some Spring/Summer online courses with an in-person final exam in 2026 and assess the impact on enrollment. (3) Explore the feasibility of offering in-person exams off-campus, including internationally.	Chair and Undergraduate Chair	August 2026
7. When possible, take steps to reduce reliance on sessional instructors.	Continue monitoring enrollment and reduce the number of sections offered when enrollment declines.	Chair	Ongoing.

8. Work with the Dean's office to ensure a mutually satisfactory resolution to the issue of teaching credit for small graduate courses.	An arrangement has already been made with the Dean for AY 2025-26.	Chair	June 2025
9. Develop a strategy for external fundraising to support cohort-building initiatives and/or graduate funding.	Designate a faculty member as the liaison with the FSS team as part of its annual service tasks and committee assignments.	Chair	August 2025
10. As the capacity to offer CO-OP expands, department/faculty should consider introducing a direct entry stream in CO-OP.	The department will work with the FSS team to assess the costs and benefits of an ECON 1-COOP stream and the FSS team's capacity to add on this stream.	Undergraduate chair	September 2025

Quality Assurance Committee Recommendation

McMaster's Quality Assurance Committee (QAC) reviewed the above documentation at the November 19, 2025, meeting. The committee recommends that the **Economic graduate and undergraduate** programs should follow the regular course of action with an 18-month progress report and subsequent full external cyclical review to be conducted no later than eight years after the start of the last review.