

DRAFT

**Cover/Signature Page - Abbreviated Template/Abbreviated Template
with Curriculum**

Institution Submitting Request: University of Utah

Proposed Title: Marriner Stoddard Eccles Institute for Economics and
Quantitative Analysis

Currently Approved Title: n/a

School or Division or Location: David Eccles School of Business

Department(s) or Area(s) Location: Finance

**Recommended Classification of Instructional Programs (CIP) Code¹ (for
new programs):**

**Current Classification of Instructional Programs (CIP) Code (for existing
programs):** **Proposed Beginning Date (for new programs):** January 2018
for the Institute **Institutional Board of Trustees' Approval Date:**

Proposal Type (check all that apply):

Regents' General Consent Calendar Items		
<i>R401-5 OCHE Review and Recommendation; Approval on General Consent Calendar</i>		
SECTION NO.		ITEM
5.1.1	<input type="checkbox"/>	Minor*
5.1.2	<input type="checkbox"/>	Emphasis*
5.2.1	<input type="checkbox"/>	(CER P) Certificate of Proficiency*
5.2.3	<input type="checkbox"/>	(GCR) Graduate Certificate*
5.4.1	<input type="checkbox"/>	New Administrative Unit
	<input type="checkbox"/>	Administrative Unit Transfer
	<input type="checkbox"/>	Administrative Unit Restructure
	<input type="checkbox"/>	Administrative Unit Consolidation
5.4.2	<input type="checkbox"/>	Conditional Three-Year Approval for New Centers, Institutes, or Bureaus
5.4.3	<input type="checkbox"/>	New Center
	<input checked="" type="checkbox"/> <input type="checkbox"/>	New Institute

¹ CIP codes must be recommended by the submitting institution. For CIP code classifications, please see
<http://nces.ed.gov/ipeds/cipcode/Default.aspx?y=55>.

		New Bureau
5.5.1		Out-of-Service Area Delivery of Programs
5.5.2		Program Transfer
		Program Restructure
		Program Consolidation
5.5.3		Name Change of Existing Programs
5.5.4		Program Discontinuation
		Program Suspension
5.5.5		Reinstatement of Previously Suspended Program
		Reinstatement of Previously Suspended Administrative Unit

Requires "Section V: Program Curriculum" of Abbreviated Template* **Chief Academic Officer (or Designee)

Signature:

I certify that all required institutional approvals have been obtained prior to submitting this request to the Office of the Commissioner.

Signature

Date:

Printed Name:

**Program Request - Abbreviated Template University of Utah Marriner
Stoddard Eccles Institute for Economics and Quantitative Analysis
August 2, 2017 Section I: Request**

We are requesting provisional approval for an Institute that will support interdisciplinary academic research and development of content for courses in theoretical and applied economics. The Marriner Stoddard Eccles Institute for Economics and Quantitative Analysis has as its vision the creation of a world-class research institute. Scholarship in economics and its application to a broad set of allied fields in business and social sciences will be supported by the institute. In addition, the Institute will allow the David Eccles School of Business to quickly develop a top-rated undergraduate program called Quantitative Analysis of Markets and Organizations. The program is a collaborative effort with the Department of Economics. Moreover, the Institute will support coursework by PhD students at the University of Utah.

Beyond its support of faculty and student research and course-development, the Institute will host and support conferences that attract leading scholars as well as policymakers and business leaders to the state of Utah. The Institute will also support high school education in a novel way. In order to augment existing support for STEM and infuse an appreciation for the value of mathematics and scientific methods in economics, the Institute will provide support for teachers introducing economics and mathematical social sciences to Utah classrooms.

The Marriner Stoddard Eccles Institute for Economics and Quantitative Analysis will support faculty and student research, help the David Eccles School of Business recruit an exemplary business economics faculty, fund long- and short-term visits of world-class scholars, support conferences for scholars, teachers, students, policymakers and business leaders and enable faculty to develop innovative and first-rate courses in business economics. The benefits will be felt broadly within the University of Utah and the state in general

Section II: Need

Economics is both a foundational social science and a valuable toolkit for business decision making and policy analysis. This is why we find multiple economics departments and programs in a single university, given the breadth and diversity of economic inquiry and education across disciplines (see Attachment A-Table). Students with these tools are highly valued in a diverse set of industries. Hallmarks of the economic analysis of human societies include:

- The study of individual choice and rationality
- Normative and Positive study of collective choice
- The analysis of the role of markets in allocating resources
- An examination of the impact of incentives (financial and otherwise) on individual and group behavior
- The use of game theory to study strategic interactions in a variety of settings
- The study of the optimal design of businesses and other organizations
- The study of the optimal design of auctions and markets
- An understanding of direct and indirect equilibrium effects of policy interventions
- Hypothesis development using mathematical modeling of economic phenomena combined with statistical and econometric analysis of data to conduct tests.

In recent decades, economics has grown in prominence among the social and business sciences.

Many leading business schools are now home to an economics department. The David Eccles School of Business does not have a separate department at this time. Instead, the DESB has 7 faculty members (4 full professors, 1 associate professor and 2 assistant professors) conducting research in business economics. These scholars are appointed in the Department of Finance and publish in the leading journals in economics. Several were tenured at some of the most prestigious Universities in the world before coming to the University of Utah. Although the current group is strong, its members share a desire to establish a research presence that is competitive with the very best universities in the world.

In the classroom, these economists have begun to offer an innovative undergraduate major within the David Eccles School of Business. The major, approved last year, is a recognition of the need to provide University of Utah students with a rigorous set of courses combining rigorous training in game theory and quantitative methods, with advanced courses that cover applications and rely on advanced training in these tools to better understand problems of business, policy, and economics. The major is a collaborative arrangement with the Department of Economics and leverages their capabilities. Specifically, the new major involves three core course offerings currently staffed by the Department of Economics and offers non-DESB students the option to take courses from the new concentration. As was argued when the new major was approved, the new business economics offerings add richness and depth to the current economics capability of the University in a variety of ways. In particular, the group within the DESB focus on business economics, which includes game

theory, contract theory and econometric analysis as the core set of technical skills. These skills place a high reliance on quantitative skills.

The major is and will continue to be administered by the Department of Finance. Although it is anticipated that the Institute will support a variety of endeavors, including supporting course development based on leading research in the field, no courses will be offered through the Institute. That is, the Marriner Stoddard Eccles Institute for Economics and Quantitative Analysis will allow the university to effectively launch the Quantitative Analysis of Markets and Organizations major and offer students at Utah's flagship state university a top quality education in quantitative and theoretical business economics.

The mission statement for the proposed Institute reads as follows:

Mission: The mission of the Marriner Stoddard Eccles Institute for Economics and Quantitative Analysis is to support the development of a business economics research and teaching program within the David Eccles School of Business and support interdisciplinary research in economics at the University of Utah.

The Institute will honor the legacy of Marriner Stoddard Eccles, a Utah businessman and son of David Eccles who served as Chairman of the Federal Reserve Board from 1934 to 1948. Marriner Eccles is widely credited with having created the Federal Reserve as we know it with his contributions to the 1935 Banking Act. Marriner is also well remembered for his stewardship of the nation's finances through the Great Depression, and for his work on the development of the International Monetary Fund and World Bank.

The "Economics and Quantitative Analysis" portion of the Institute's name emphasizes the use of quantitative methods -- including game theory, contract theory and econometrics -- in both the Quantitative Analysis of Markets and Organizations major and in the research of the business economics faculty that the Institute will support. This name also emphasizes the interdisciplinary nature of the Institute and its invitation to researchers across campus using quantitative methods and addressing economics related questions to benefit from the Institute's support and to collaborate in the Institute's various activities.

Section III: Institutional Impact

The development of an Institute for Economics in the David Eccles School of Business will contribute to University of Utah's mission by:

- Pushing the frontiers of knowledge through research

- Giving University of Utah students access to a state-of-the-art education in business economics, game theory, and econometric analysis through the Quantitative Analysis of Markets and Organizations major.
- Hosting and developing world-class economists in Utah
- Supporting the integration of STEM and social sciences for Utah high school students

Evaluation of the Institute's impact will focus on three dimensions:

- Success in supporting world-class research that advances the theoretical and applied frontiers in economics and related fields
- Success in helping the David Eccles School of Business to grow the faculty in Business Economics
- Success in supporting the new major in Quantitative Analysis in Markets and Organizations

As we build the Institute's capacity, we will actively seek out opportunities to partner across campus on research and programs that align with the Institute's mission. For example, all University of Utah faculty and students will be given consideration for research grants and scholarships. Aside from this direct support, we envision connecting with the larger community of researchers in several collaborative ways. First, faculty working on research that broadly aligns with the Institute's mission will be invited to become faculty affiliates and the Institute will help disseminate ongoing research through a working paper series. Second, through collaborations across research groups specific projects will be supported.

The Institute intends to support or co-sponsor conferences, symposia and workshops with other departments in the main and health sciences campus. For example, planning has begun on such a collaboration on international security and trade with University of Utah scholars working in political science and political economy. Conversations with scholars in economics, psychology and law are also in the early stages. We plan to continue to seek out these kinds of opportunities across both the main and health sciences campus and expect to be able to show a proven track record of successful collaborations before the Institute seeks permanent approval. We also plan to explore the possibility of a regular joint symposium with the Economics Department that would reflect our mutual interests. ..

Although the Institute will invite participation from faculty from a variety of areas across campus, no faculty appointments will be held in the Institute. The Institute will provide some funding for visitors, adjuncts, and tenure appointments as well as support course development. Permanent faculty positions, however, will be sustained in the usual way, i.e., by revenues from a variety of sources, including but not limited to additional private giving, enrollment growth and diversification,

and support from other DESB programs utilizing economics expertise. As required by university policy, any appointments will be made following the standard university procedures for the appropriate university department.

Section IV: Finances

At the current time the institute has obtained a pledged gift of \$20,000,000 to cover the Institute's activities for the first 8 years. One portion of the gift is from the George S. and Dolores Doré Eccles Foundation; the other portion is from the Charles Koch Foundation.

The Eccles Foundation is well-known to many in Utah. It has made a number of contributions over the years to a variety of programs and projects at the university ranging from health care to the arts to education.

The Charles Koch Foundation was started by Charles G. Koch. For more than 50 years, Charles G. Koch has supported students and scholars who are focused on improving people's lives. The Charles Koch Foundation was created to continue this support through academic grants and educational initiatives. It specifically supports education and research that facilitates dialogue and sparks innovation, creating opportunities for people to thrive. There are currently six PAC12 institutions with programs or direct research supported by the Charles Koch Foundation (Stanford, University of California at Berkeley, UCLA, University of Colorado, University of Arizona, and Arizona State University). Other institutions that have programs supported by the Koch Foundation include Harvard, Yale, Columbia, Cornell, Emory, Georgetown, the University of Michigan, the University of Texas, and the University of Virginia. A full list is found in Attachment B.

The Institute will have a faculty director and an advisory board consisting of tenured faculty in business economics in the David Eccles School of Business appointed by the Dean of the David Eccles School of Business. The board will also include a tenured faculty member from outside the David Eccles School of Business. The advisory board exists to provide oversight and guidance for the Institute and the director. It is expected that actions by the director will be undertaken with the support of a majority of the advisory board.

Consistent with the principle of academic freedom, the donors will not approve or veto the results or content of research supported by the Institute or hiring decisions by the University.

The anticipated allocation of the funding is as follows:

--\$3 million will be allocated to the permanent endowment of a chair

--\$8 million, \$1 million per year for 8 years, for a total of \$8 million, to build a world-class business economics faculty at the David Eccles School of Business.

--\$ 6.2million, \$775,000 annually for 8 years toward Institute activities and research:

- Visiting and affiliated scholars
- Special research grants for economics faculty
- Bi-annual Marriner Stoddard Eccles Economic Policy Conference
- Annual Utah Winter Business Economics Conference
- Research colloquia and workshops
- Marriner Stoddard Eccles Summer Institute for High School Teachers
- Marriner Stoddard Eccles Workshop on quantitative methods in the social sciences for high school students

--\$1.6million, \$200,000 per year for 8 years, toward scholarship/fellowship support

--\$1.2million, \$150,000 per year for 8 years, toward administrative support

Donors have also indicated that financial support for the Institute may be renewed following the initial eight-year grant. An objective of the institute will be to create a stream of revenues over the first eight years of the grant to sustain the Institute in perpetuity. Permanent faculty positions will be sustained by revenues from the major as it grows over the next eight years and revenues from other programs utilizing the economics capabilities within the business school.

Appendix A

University	Business Economics Major	Economics Department Major
Cornell University	“Applied Economics and Management” Charles Dyson School of Applied Economics and Management	“Economics” College of Arts and Sciences
Washington University in St. Louis	“Economics and Strategy” Olin School of Business	“Economics” Faculty of Arts & Sciences
Indiana University	“Economic Consulting” Kelley School of Business	“Economics” College of Arts and Sciences
University of Pennsylvania	“Business Economics and Public Policy” Wharton School of Business	“Economics” School of Arts and Sciences
New York University	“Business Economics”, “Economic Theory” Stern School of Business	“Economics” College of Arts and Sciences