



**College of Letters and Science**  
*Department of Economics*

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February 9, 2009

Sherry F. Queener, Ph.D  
Director of the Graduate Office, IUPUI  
Associate Dean, Indiana University Graduate School

Dear Dr. Queener,

It is with pleasure that I respond to your request for comments on the "Proposal for a PhD in Economics at IUPUI." My overall impression is highly favorable and I anticipate that the PhD will grow into a fine program if instituted.

Among the reasons for my optimism are

1. The narrow focus of the degree. In starting a program it is important not to try to be all things to all people. Indeed, I have noticed a narrowing of fields at even very strong and long established departments. In my own state the University of Wisconsin-Madison retains seven fields a reduction from the last decade. A relative small number of fields provides focus for recruiting students and for staff development and also provides clear priorities for hiring. All of these build the complementarities between students and faculty and between faculty members that are crucial for success in research and obtaining funding.
2. The particular fields chosen build on natural strengths of the department. The medical school and being a public health center makes the offering of health economics sensible and provides both cognate fields in other units, funding opportunities and research complementarities. The well known expertise of IUPUI in philanthropy does the same for the second chosen field of nonprofit/philanthropic economics.
3. The particular fields chosen are not well represented in other economics departments. Identifying relatively unique areas in which to specialize increases the chance of attracting students and developing the teaching and research expertise needed to obtain recognition for the department. I concur that health economics is "a growth field" and that few PhD programs specialize in it. There is room for such a program to be sure.
4. The existing faculty members are active and successful teachers and researchers who already have the respect of the discipline. They have experience with the MA program, the teaching and directing of graduate students and the operation of a graduate program. The move to a PhD program is, therefore, a natural and incremental (if non-trivial) evolution.
5. The proposed program seems well designed to create successful scholars. It is very intensive in econometrics and computer skills. It will provide as high a level of applied expertise as any PhD in economics. The graduates will be ready to contribute. They will have cognate fields outside economics but within the broad areas of their fields within economics.

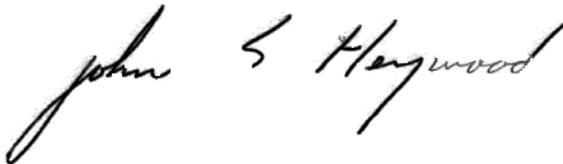
6. The growth of the department is clearly designed to support the PhD program with anticipated hires precisely in the core areas needed by the PhD.

In sum, the program proposal is unusually well reasoned and designed. Several modest concerns remain that may merely reflect things that were not clear to me.

1. The source of funding for the new PhD students seems to depend on grant success of the faculty and on reorienting funds from the current MA program. At issue would be whether or not this provides enough support to bring individual class sizes (especially for those classes unique to the PhD) up to sustainable levels. I would strongly encourage the administration to recognize the advantages to IUPUI associated with this potential program in terms of prestige, external funding and research quality by providing specific additional student support for this endeavor.
2. The requirements for entering students are those of an excellent PhD program in economics. At issue is whether or not the program can start with those requirements or should grow into them. These requirements, a sequence in univariate calculus, a class in multivariate calculus, a class in linear algebra, a class in statistics (math stat?) and a preference for classes in analysis and probability, might profitably be bent somewhat for otherwise good students. At least in the early going, it strikes me that some of this material could be taught within the class structure outlined in the proposal. Do not misunderstand. I applaud the high standards and think them ultimately appropriate. The question to consider is only whether or not they can be implemented immediately.

I appreciated the opportunity to review the proposal and wish you and the department the very best of luck in its implementation. I anticipate that IUPUI will become well known for its unique and successful Ph.D. in economics. Please do not hesitate to be in touch if I may be of further assistance.

Sincerely,

A handwritten signature in black ink that reads "John S. Heywood". The signature is written in a cursive style with a large, sweeping initial "J".

John S. Heywood  
Distinguished Professor