

Contact: Diana Gonzalez

**PROPOSED NEW PROGRAM AT IOWA STATE UNIVERSITY**  
**BACHELOR OF SCIENCE IN BUSINESS ECONOMICS**

**Action Requested:** Consider recommending approval to the Board of the request by Iowa State University to establish a new Bachelor of Science in Business Economics which will be jointly administered by the College of Business and the Department of Economics (which is administered jointly by the Colleges of Liberal Arts and Sciences and Agriculture).

**Executive Summary:** The proposed program will provide a structured emphasis in both business and economics. This proposal was reviewed by the Board Office and the Council of Provosts and is recommended for approval. No concerns were raised when it was presented to the Iowa Coordinating Council for Post-High School Education.

**Background:**

- ◇ **Impetus for proposed program.** Currently, ISU does not provide a program that connects both academic subjects. Business majors who want a stronger background in economics and economics majors who want a stronger background in business must add electives to achieve their objective. However, this unstructured approach has led to course sequencing problems and lack of adequate preparation for students entering upper-division courses. Therefore, the proposed program will fill a gap in the curriculum and will enable ISU students to compete more effectively in the marketplace with graduates from other institutions that offer such a program. If the proposed program is approved, the current business track in the Economics program will be dropped.
- ◇ **Description of program.** The proposed program is a bachelor's level program that will require 122 credit hours and will prepare graduates to use both business and economic reasoning to think critically and address complex issues using tools and decision-making models of economics, business, mathematics, statistics, as well as concepts from the biological, physical, and social sciences. The Business Economics major will be a degree from the College of Business. However, the new major will be located in the Department of Economics. The College of Business will only provide core courses; advanced courses will be the responsibility of the Department of Economics.
- ◇ **Duplication.** This program is available at a number of institutions across the country, including the University of Iowa and the University of Northern Iowa. The proposed program most closely resembles the Business Analysis Emphasis in the Economics program at UNI. However, both SUI and UNI have expressed support for the proposed program because there is excess demand for this program in both colleges of business.

- ◇ Cost. The proposed program does not involve any new courses, course sections, modifications of existing courses, or additional advising resources. No additional faculty, facilities, or equipment in the Department of Economics or the College of Business are projected. The proposed program will combine existing resources in the College of Business and the Department of Economics in a new format that will meet student demand.
- ◇ Need/Demand. According to ISU, there is strong demand for the proposed program. The first year enrollment is projected to be 20 with a growth to 50 by the 4<sup>th</sup> year. The Fall 2005 salary survey of the National Association of Colleges and Employers indicates that the average annual starting salary of economics/finance majors with bachelor's degrees is \$42,802, which is higher than the average starting salaries of graduates with majors in business administration and management.
- ◇ Quality. While the proposed program will not seek separate accreditation, it will be covered under the accreditation of the College of Business by the Association to Advance Collegiate Schools of Business (AACSB).
- ◇ Link to Strategic Plan. The proposed program is expected to help the Department of Economics to achieve its goals regarding undergraduate education as stated in its most recent external review. The proposed program also addresses the goal of the College of Business 2005-2010 Strategic Plan to "increase analytical and creative thinking skills in undergraduate education" and the goal of the ISU 2005-2010 Strategic Plan "to strengthen undergraduate, graduate, and professional education to enhance student success at ISU and beyond." It also supports the Board of Regents' strategic plan to "ensure high-quality educational opportunities for students."

Responses to the Board of Regents' program approval questions are on file in the Board Office.