

***Eight-Year Program Review IBHE Report Summary: see attached Resources page***

## **PROGRAM REVIEW REPORT SUMMARY**

- 1. Reporting Institution:** Eastern Illinois University
- 2. Program Reviewed:** 52.0801 B.S.B. in Finance
- 3. Date:** February 2, 2022
- 4. Contact Person:** Dr. John Willems, Interim Chair of School of Business
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- 5. OVERVIEW**

The B.S.B. in Finance is one of six business majors offered in the School of Business at Eastern Illinois University. The Finance major is designed to provide students with the knowledge, skills, and critical thinking ability to succeed as finance professionals. Finance is based on Nobel Prize winning microeconomic theory supported by empirical testing. Financial decision making involves the allocation of assets to the highest and best use in order to increase the welfare of society. Financial decision making requires an understanding of the potential returns and risks of the investment options as well as the methods for reducing risk. Ability to make financial decisions is required in all businesses, financial institutions, public and private markets, and governmental agencies.

Most four-year universities offer a finance major in the school of business including Illinois State, Southern Illinois, and Northern Illinois. Eastern Illinois maintains a Securities Analysis Center which provides current and historical market and financial data on individual firms and the market as a whole. Eastern has two student managed portfolios in which students research securities and make buy and sell recommendations. Eastern has recorded four top-three finishes during the review period in the Quinnipiac Global Asset Management Education (G.A.M.E.) Forum for student managed portfolios. Eastern has a required derivatives course as part of the finance core assuring that all graduates will be proficient in pricing derivatives and using derivatives for risk hedging. At many universities, the derivatives course is an elective. Eastern has a Certified Financial Planner course sequence designed to prepare students to pass the CFP examination. Few universities offer a CFP concentration.

Upon completion of the finance major, students should have accomplished the following learning objectives: 1. Apply capital budgeting decision criteria and determine the optimal capital budget; 2. Explain and apply the determinants of asset valuation; 3. Describe and price different types of derivatives, and apply derivatives to manage risk; 4. Analyze personal financial situations, evaluating clients' objectives, needs, and values to develop an appropriate strategy within the financial plan; 5. Meet the General Education Goals of Eastern, a. EIU students will demonstrate the ability to write effectively, b. EIU students will demonstrate the ability to communicate orally, c. EIU students will demonstrate the ability to think critically, d. EIU students will demonstrate the ability to function as responsible global citizens.

## 6. MAJOR FINDINGS AND RECOMMENDATIONS

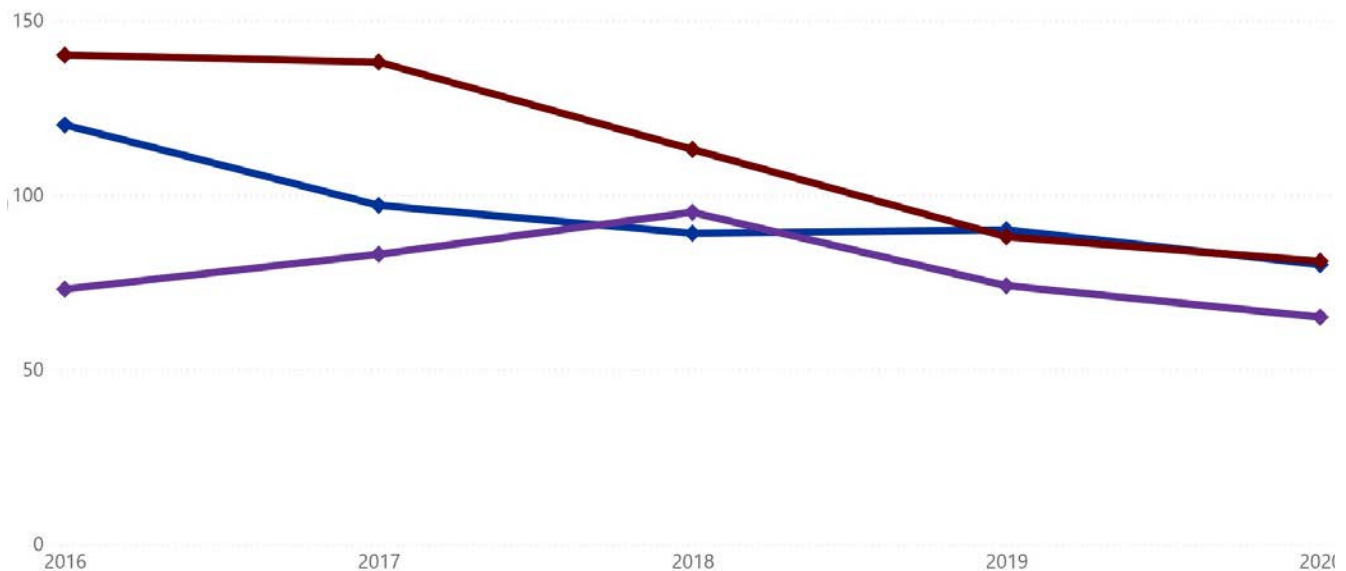
- a. **Description and assessment of any major changes in the program/disciplinary context e.g., (1) in the overall discipline or field; (2) student demand; (3) societal needs; (4) institutional context for offering the degree; (5) other elements appropriate to the discipline in question; and (6) other.**

According to the Occupational Outlook Handbook ([www.bls.gov/ooh](http://www.bls.gov/ooh)), employment for financial analysts is expected to grow 6% from 2020-30 which is average for all occupations. Employment for financial examiners is expected to grow 18% which is much faster than average. Employment for financial planners is expected to grow 5% which is slightly slower than average. Employment for financial managers is expected to grow 17% which is much faster than average.

Eastern's Career Services reports 92% of Eastern's finance graduates from 2014-2021 were employed with an average starting salary over \$47,000 (based on those who registered with Career Services and responded to the survey).

### Finance Enrollment by Year

**Institution** ◆ Eastern Illinois University ◆ Southern Illinois University Carbondale ◆ Western Illinois University



As enrollments across the state have declined over 14% during the review period, EIU has stayed competitive with its peer programs in the state as shown in the table above. Finance is still a strong major for students as enrollment in finance has only declined in the public institutions by 4% across the state. Finance offerings have increased significantly amongst AACSB schools with 12 AACSB schools now offering a new finance program within the last three years.

**b. Description of major findings and recommendations, including evidence of learning outcomes and identification of opportunities for program improvement;**

The Learning Objectives are listed in the Overview section of the report. Data is collected on all finance Learning Objectives along with all four University General Education Goals. Data is obtained from examinations, projects, presentations, and case studies in the finance courses. The results are discussed by the finance faculty each fall. If any exceptions are noted, corrective action is taken. Students generally meet the learning objectives. In recent assessments the discipline has altered to focus to personal financial goals with LO 4. The discipline has noted that the learning outcomes with the first measurement of LO 4 in the 2021 assessment cycle were low with about half of students meeting the desired goal. As this was the first time this objective was measured, the discipline is planning on reviewing this deficiency in two ways. The first is to place greater focus on the objective and the second is to review the methodology of measuring the objective. It is a new objective that is mostly handled by a faculty member with only two years of experience. Five exam questions are evaluated for each sub-goal. This means if a student achieved 3 of the 5 questions correct, they would have a 60% and fall below the goal of 70% correct. Evaluating how this goal is measured and the expectation will be discussed in the coming year for the next assessment period. We anticipate that as the discipline matures with the goals of the objective that student outcomes will improve and surpass the desired levels.

In response to our latest internal assessment report, we set as a program goal the integration of specialized survey questions into the senior survey. The discipline drafted new, custom questions to survey finance graduates. We anticipate this will allow us to better assess the goals, intentions, and job prospects of our graduates. With this knowledge, we will be in a better position to serve their needs and those of the market. This should also aid our efforts in addressing the assessment deficiency in LO 4.

**c. Description of actions taken since the last review, including instructional resources and practices, and curricular changes;**

Since the last IBHE review, the Securities Analysis Center has been continually updated and maintained to be the jewel of the School of Business resources.

Since the last review, the required courses for the major have been reduced and the elective requirements have been increased. The moved course was FIN 3770 – Working Capital Management. As the focus on the content has become less emphasized in practice the discipline felt this move allowed for more flexibility between the students and the faculty with course selections. We also have a faculty member on sabbatical taking an ESG certificate course through the CFA Institute to offer an ESG investing course in Spring 2023 and develop ESG investing skills in the FIN 4220 investing course. We anticipate we will offer a new course on current issues in finance with this ESG course being the first topic. It would be a dedicated forum for special topics that are more timely. We are also offering a meme-stock course under our FIN 4110 Special Topics.

The discipline also created FIN 4275 – Internship in Finance in fall 2018. This was done to encourage more finance students to seek internships. Allowing the students to earn credit from them. The summer before COVID, 2019, saw 8 finance students take an internship for credit, about 10% of the finance majors.

The course number for the Survey of Finance was changed from FIN 2710 to FIN 3070. The content covered in this course was of a nature that was more illustrative of a junior level than a

sophomore level. Changing the course number better reflects this content to prospective students.

A new finance Ph.D. faculty was hired in 2018 to replace a retirement. Approval of this position illustrates the university's commitment to the program. She specializes in the CFP designation and has been spearheading those courses and acting as the student advisor.

**d. Description of actions to be taken as a result of this review, including instructional resources and practices, and curricular changes.**

As a result of this review the discipline plans several changes to address concerns and make improvements in the program. The first will be a thorough review of the methodology of assessing the new LO 4. The method of measurement appears incongruent with the intentions of the learning objective. With our internal assessment report from earlier in the academic year and this report, the assessment priority for the remainder of the semester will be to review the measurement methodology.

The second change will be the proposal of the new course on current issues in finance, as discussed above.

**7. No Institution-Assigned Issues**

**8.1 Decision**

**VPAA Decision:**

- Program in good standing
- Program flagged for priority review
- Program enrollment suspended

**8.2 Explanation**

**VPAA Explanation:**

The summary above gives an overview of the significant program changes that have occurred and been measured within the Finance B.S.B. degree. The program has maintained steady enrollment, refreshed its course offerings, developed survey questions for graduates, oversees the Securities Analysis Center, and prides itself on several highly-ranked student-researched managed portfolios in the Quinnipiac Global Asset Management Education Forum competition. Another unique feature of the program is curricular: a concentration in Certified Financial Planning. The jobs outlook for finance majors is excellent, and the job placement rate is strong, at 92% over the review period.