

DATE: January 29, 2015**SUBJECT:** New Academic Program, Middle Tennessee State University
Master of Science - Finance**ACTION RECOMMENDED:** Approval

BACKGROUND INFORMATION: Middle Tennessee State University proposes to offer a Master of Science in Finance degree to broaden the knowledge base and expertise of those who work in the growing field of finance and assist individuals, companies and governments in navigating the increasingly complex and essential world of financial analysis. The proposed Finance MS program will seek to provide students with instruction in financial theory and practice that will prepare them for careers as financial analysts, managers, planners and consultants. The faculty members in the proposed program have sterling records of publication, business experience and professional and public service. Students in the program will benefit from this extensive engagement in both the academic and business-world aspects of finance.

The Finance MS program will provide the only opportunity in the State to pursue this program of study at a public university. The proposed hybrid program is designed for full-time students to complete the program in a calendar year. This proposed program will provide an opportunity for students to gain expertise and eventually certification in specific areas of finance. The program will emphasize communication skills, critical thinking, analytical and ethical decision making skills.

PROPOSED IMPLEMENTATION DATE: Fall 2015

1.1.20A MISSION: The proposed program supports Middle Tennessee State University's mission of "preparing students to thrive in their chosen professions and a changing global society." The curriculum of the Finance MS program has been designed and developed so that preparation for various certifications is embedded in the courses.

The Finance MS program will allow graduates to undertake and advance in careers that are key to the functioning of the 21st century global economy, including financial planning, investment banking and financial analysis. Additionally, the program is in full compliance with MTSU 2007-2017 Academic Master Plan, particularly the priority area of expanding programs with a focus on regional demand and financial viability.

The Finance MS program is in alignment with the goals outlined in the THEC 2010-15 Public Agenda for Higher Education, specifically the focus on strengthening Tennessee's Knowledge Economy and increasing the number of graduate degrees awarded to the state's citizens.

1.1.20B CURRICULUM: The degree program will require completion of 33 semester credit hours, including a 27-hour major field core and 6 hours in electives. The program also incorporates a capstone project in which students will focus on financial management.

Students will have the opportunity to complete the curriculum in one calendar year, with courses conveniently offered on weekends, evenings, online and hybrid-format.

1.1.20C ACADEMIC STANDARDS: Program admission requires the following: bachelor’s degree, a minimum 2.75 overall undergraduate GPA, satisfactory scores on the Graduate Management Admissions Test (GMAT) or the Graduate Record Examination (GRE), resume, and personal statement. Additionally, students must have completed a business finance foundational course. Applicants without this foundational course will be required to complete it as a part of their program of study.

Students must meet progression and graduation standards as published annually in the MTSU catalog.

Projected Program Enrollment and Productivity

Enrollment projections are based in part on various recruitment efforts that will be undertaken by the university, the Jones College of Business and the Department of Economics and Finance. Students will have the option to attend the program on either a part-time or full-time basis.

Year	Full-Time Enrollment	Part-Time Enrollment	Total Headcount	Graduates
2015	8	16	24	--
2016	12	20	32	6
2017	18	25	43	14
2018	20	25	45	20
2019	20	25	45	26

1.1.20D FACULTY: The proposed program will be supported by graduate finance faculty in the Department of Economics and Finance. All faculty involved have a diversified background in teaching, research and public service. Members of the finance faculty have served as consultants to local and regional banks, insurance companies and non-profit organizations that will benefit the students in the proposed MS Finance program. The program will require two additional full-time faculty positions to meet student demand as the program grows.

1.1.20E LIBRARY RESOURCES: The university has significant library holdings for the proposed Finance MS program. However, the department has allocated \$20,000 annually to purchase databases (e.g., Thomson Reuters Data Stream, Compustat). These databases will also be available for other academic programs within the Jennings Jones College of Business.

1.1.20F ADMINISTRATION/ORGANIZATION: This program will be offered through the Economics and Finance Department in the Jennings Jones College of Business. A departmental faculty member will receive course reassignment to serve as the graduate program director for the proposed Finance MS program.

1.1.20G SUPPORT RESOURCES: Students will have access to a wide range of support resources, including advising support from the Graduate Program Director.

1.1.20H FACILITIES AND EQUIPMENT: Facilities and instructional equipment are adequate to support the program. The College of Business has allocated seven classrooms (including a video conferencing classroom) specifically assigned to the Department of Economics and Finance for scheduling courses. One of the classrooms is a state-of-the art Bloomberg Stock Trading Classroom which has a stock ticker showing stock prices in real time, all the Bloomberg financial data and 30 computers that students can use during class to access the Bloomberg data and software.

1.1.20I NEED AND DEMAND: As a regional comprehensive university, MTSU strives to meet the demands of the citizens and economy of the middle Tennessee region. The College of Graduate Studies and the Department of Economics and Finance received numerous requests for the proposed Finance MS program, especially given the lack of any such master's program at a public university in the State. The program also received strong endorsements of experienced leaders that provided letters of support for the program. For example, the Vice-President for Finance at Asurion, one of the largest employers in the Nashville area, cited specifically that this program will have a "positive impact on the growing demand and limited supply of finance professionals in the area."

The need for professionally trained finance professionals is clear in the employment projections. The Bureau of Labor Statistics indicated a strong need for finance professionals in the future. Nationally, the need for personal financial advisers is expected to increase by 27 percent between 2012 and 2022. As the population ages and life expectancies increase, the demand for financial planning services is forecasted to increase. Locally, the Tennessee Department of Labor and Workforce Development identified financial analysts as the sixth highest-paying post-secondary "hot job" in Tennessee.

1.1.20J NO UNNECESSARY DUPLICATION: According to Financial Times, there are currently 32 finance master's programs in the United States. Vanderbilt University is the only university in Tennessee that offers a Finance MS program. The proposed program at MTSU will provide access to an affordable and high quality graduate program for the State.

1.1.20K COOPERATING INSTITUTIONS: N/A

1.120L DIVERSITY AND ACCESS: Women and minorities are significantly under-represented in the financial services sector of the economy regionally and nationally. The proposed degree will provide access to affordable and high quality graduate study to members of diverse and under-represented groups. MTSU plans to pair the program's graduate assistantships with the Access and Diversity Fellowships to recruit highly qualified individuals from populations traditionally under-represented in the field of finance.

1.1.20M ASSESSMENT/EVALUATION AND ACCREDITATION: The Association to Advance Collegiate Schools of Business (AACSB) reaffirmation is on a five-year cycle and the Jennings Jones College of Business accreditation was reaffirmed in spring 2011. The Finance MS program will be included in the next AACSB review, expected in 2016.

1.1.200 EXTERNAL JUDGMENT: External review of the proposed program was conducted during an institution site visit on August 14, 2014. Dr. Richard Smith, Professor of Finance and Department Chair at the University of California, Riverside served as the external reviewer. He stated that the proposed program had several strengths that included responsiveness to market need and a substantial alumni network for referring students as well as employing program graduates.

Dr. Smith recommended approval of the proposed MS Finance program for the following reasons: "evident need for well-qualified finance professionals in the region and the demonstrated ability of the faculty of the Jennings A. Jones College of Business faculty to appropriately prepare graduates of the program for professional employment in finance."

1.1.20P COST/BENEFIT: The proposed Master's program will be funded through additional tuition revenues generated by the program and no institutional reallocation of funds is necessary for program implantation.

1.1.30 POST APPROVAL MONITORING: An annual performance review of the proposed program will be conducted for the first five years following program approval. The review will be based on benchmarks established in the approved proposal. At the end of this period, the campus, governing board and Commission staff will perform a summative evaluation. The benchmarks include, but are not limited to, enrollment and graduation, program cost, progress toward accreditation and other metrics set by the institution and agreed upon by governing board and Commission staff. If benchmarks are not met during the monitoring period, the Commission may recommend that the governing board terminate the program. If additional time is needed and requested by the governing board, the Commission may choose to extend the monitoring period.