

Report on the Inclusion of Finance in General Education Group III
Senate Ad Hoc Committee
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Introduction

This Ad Hoc Committee, consisting of a departmental representative from each discipline (that elected to participate in this process) in General Education Group III, was formed by the Faculty Senate to assess the merits of the proposal to include Finance as a Social Science discipline in General Education Group IIIB. This report summarizes the Committee's findings and provides a recommendation on the inclusion of Finance in General Education Group IIIB.

Summary of Findings

Evidence was presented both for and against the inclusion of Finance as a Social Science:

FOR: There is evidence that Finance is a Social Science. Historically, Finance evolved out of Microeconomics (<http://bit.ly/1JpXHuU>). This heritage is reflected by the fact that both nationally and internationally, many universities (e.g. Princeton) still house Finance courses within Economics departments. The academic work conducted in Finance is often associated and identified with Economics and the broader Social Sciences. For example, at least twelve Nobel laureates in Economics have received their prizes for work in Finance and/or Financial markets. The American Finance Association (the flagship association for Finance and the publisher of *Journal of Finance* (the top journal in Finance) is a member of the Allied Social Sciences Association (ASSA). Moreover, the *Social*

Sciences Citation Index includes more than 200 Finance and Business journals. Finally, no less an authority than the Library of Congress classifies Finance as a sub-category (HG) under the general Social Science Classification category (H). This shows that in regard to history, taxonomy, and affiliation, there is evidence supporting Finance as a Social Science discipline.

There is a precedent within the USM for including Finance in General Education. At UMCP, a personal finance course (offered by the Department of Family Science) meets the “scholarship and practice” requirement, a category described on their website as follows: “As indicated in Transforming General Education, this new fourth area [of the distributive study category of General Education] reinforces and enhances learning in the humanities, natural sciences, history, and **social sciences** with courses that put these areas of learning into practice.” (**emphasis added**)

AGAINST: The evidence that Finance is considered a social science is by no means conclusive. In a national context, the very fact that Finance has separated itself from Economics suggests that there are key differences between the two academic disciplines. In the *Salisbury University Undergraduate and Graduate Catalog 2014-2016*, the two disciplines are described as “the study of the factors determining our material living standards. It involves analysis of human values and behavior, the operations of public and private institutions, the limitations of technology and natural resources, and the legal-political framework within which all are required to operate” (Economics, p. 182) and “the art and science of making decisions involving money in a variety of contexts. People study finance to learn how to allocate their scarce resources over time under conditions of uncertainty utilizing the financial system (i.e., financial markets and institutions) as well as economic organizations (i.e., corporations and governments) with the goal of wealth maximization (Finance, p. 183).” While these definitions are but one attempt to describe the two disciplines, they do show an important distinction in focus and thus, self-identification.

Another important consideration is the treatment of Finance within the University System of Maryland. Having examined the undergraduate curriculum at Bowie State, Coppin State, Frostburg State, Towson, UB, UMBC, UMCP, UMES, and UMUC (Univ of Maryland, Baltimore and UMCES were excluded as they only offer graduate programs), none of these USM institutions offer courses from their Finance departments (all but UMBC had one) in their General Education program. The committee did not attempt to discern the reason for this system-wide omission.

Recommendation to Senate

The ad-hoc committee recognizes that some areas of Finance can be taught so that they are topically relevant to students seeking an education in the Social Sciences. Therefore, courses from Finance should be given due consideration by the University Curriculum Committee when submitted for inclusion as a Social Science under General Education IIIB. We see no compelling reason to prohibit Finance from *proposing* courses to the UCC for inclusion in General Education IIIB. The

committee believes the UCC should judge the merits of such proposals on a case-by-case basis. Finally, for the sake of educational breadth and diversity, the committee recommends that students should not be able to take both an Economics course (e.g. ECON 150) and a Finance course (e.g. FINA 104) to satisfy both General Education categories IIIB and IIIC. In other words, the description of General Education IIIB should be modified (in bold) to read:

*Select one course from the following areas: Anthropology, Conflict Analysis and Dispute Resolution, Economics **or Finance**, Human Geography, Political Science, Psychology, Sociology, HONR 112 (if in the Honors Program)*