A History of the Economics and Finance Department at Middle Tennessee State University

A Chronology

Middle Tennessee State Normal School began its first term in September 1911 offering a four-year high school and a two-year teacher preparation program; no courses in economics were included. However, by the fall term of 1913, the first economics courses were offered at the institution. Three courses were listed in the annual bulletin: Elementary Economics I and Principles of Economics II and III.¹

Professor A. Max Souby, a graduate of Vanderbilt with graduate study at the University of Chicago, taught the first offerings. His courses involved discussion of topical issues of the day, but there was no mention of economic theory. However, a 1918 course description that could easily have been written today stated that the courses involved “a careful study of economic theory accompanied by an attempt to make application of this theory to present-day economics problems.”² The Principles courses were open only to students in the normal program (preparing to become teachers) and those in agriculture and home economics.

For a number of years through the early 1930s, economics was included among courses in the History Department, later the Department of History and Social Sciences; in 1933 it was one of at least four disciplines included in the Department of Social Science.³ There was even a period in the 1920s when economics courses actually were

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2 Middle Tennessee State Normal School Bulletin, Vol. VII, No. 1, 1918-1919 (June 1918), pp. 8, 31. This course description was likely written by Professor Van Lieu Minor, a graduate of the University of Michigan with graduate study at Michigan and the University of Chicago.
3 State Teachers College, Murfreesboro, Bulletin, Vol. 0, No. 1 (July 1933), p. 73.
listed as history courses. That situation lasted until 1927 when economics and geography were listed as social sciences.

When Middle Tennessee State College became Middle Tennessee State University in 1965, a new School of Business and Industry included an equally new Department of Economics and Finance. The first dean of the School of Business and Industry was Dr. Firman Cunningham, a member of the economics faculty. The new Department of Economics and Finance was chaired by Dr. Robert L. Martin and included six other faculty members: Cunningham, Bobby N. Corcoran, Hans Mueller, Louis Patton, Jesse Raines, and Ellinor Tolli.

In 1972, a reorganization of the university resulted in a name change from the School of Business and Industry to the School of Business and Economics. In 1975, the arrival of a new dean led to still another renaming to simply the School of Business. The following academic year saw an internal reshuffling: “business finance” courses and faculty were added to the Department of Economics and Finance, and statistics courses were moved from this department to the Department of Accounting. Beginning in the 1980s, the University and the department experienced a spurt in enrollment that has continued to this day with few interruptions. The School of Business became the College of Business in 1991 and finally the Jennings A. Jones College of Business in 2001.

The 1980s saw a number of important changes in the department. First, in 1981 the Tommy T. Martin Chair of Insurance was created in the name of a highly respected insurance professional of the area. Dr. Kenneth Hollman was appointed as the first chair holder and remains in that position. Since its founding, the program has thrived with numerous scholarships funded by area insurance professionals. The Gamma Iota Sigma
insurance fraternity chapter has been recognized as one of the nation’s best chapters almost every academic year since 1984-1985.

In 1983, area financial service companies and executives helped create a funded chair of finance, and in 1986 it was named the Jack O. Weatherford Chair of Finance in honor of one of middle Tennessee’s most distinguished bankers, who also helped establish the chair. The first chair holder was Dr. John T. Lee, who joined the department in 1984. When Dr. Lee became department chair in 1991, the current chair holder, Dr. Bill Ford, a former president of the Federal Reserve Bank of Atlanta, took that position. The Weatherford Chair administers five scholarship programs.

A Distinguished Graduate

In the spring semester of 1940, James McGill Buchanan, Jr., the most distinguished economics student and graduate of the institution, completed his Bachelor of Arts degree with majors in social science, mathematics, and English. After serving in the U.S. Navy during World War II, he enrolled at the University of Chicago to earn a Ph.D. in Economics. During his distinguished academic career at a number of universities including the University of Virginia, Virginia Tech, and George Mason University, he was one of the founders of the field of Public Choice economics. He has published more than 40 books and hundreds of scholarly articles, continuing his research into his 90s. In 1986, he was awarded the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel. Today he is recognized on the MTSU campus by the Buchanan Scholars program in the University Honors College and the Buchanan Family Reading Room in the Walker Library.
A Distinguished Faculty Member

In the fall semester of 1969, a young man joined the department faculty as he completed his Ph.D. in economics at Vanderbilt University. He taught here through the spring semester of 1972, when he left to return to his native Bangladesh. Muhammad Yunus then went on to create a unique financial institution called the Grameen Bank, which engages in what is termed microfinance. At its simplest, the bank makes loans of very small amounts, often no more than $20, to people, usually women, operating small business enterprises. The concept was so successful and innovative that Dr. Yunus and the Grameen Bank were awarded the Nobel Peace Prize in 2006. The announcement of the award read:

Muhammad Yunus has shown himself to be a leader who has managed to translate visions into practical action for the benefit of millions of people, not only in Bangladesh, but also in many other countries. Loans to poor people without any financial security had appeared to be an impossible idea. From modest beginnings three decades ago, Yunus has, first and foremost through Grameen Bank, developed microcredit into an ever more important instrument in the struggle against poverty.4

On an initiative by Professor Emeritus Kiyoshi Kawahito, the department has recently begun a “Yunus Program…to inspire students, faculty members, administrators, and alumni, as well as leaders in the mid-south region of the U.S., to study the life and

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philosophy of Dr. Muhammad Yunus and to join him and his global partners in efforts to eradicate economic poverty and reduce social problems in the world.  

The Curriculum

Today’s students may select from degree programs in economics, business finance, financial services, insurance, and real estate. Economics majors may receive a Bachelor of Business Administration or Bachelor of Science degree through the College of Liberal Arts.

The first graduate courses in economics were offered in 1952 as part of a minor in a Master of Arts with a major in Social Science. An M.A., as well as a Master of Arts in Teaching degree, in Economics and Finance was first offered in 1968. Today, in addition to bachelor’s degrees, a Master of Arts degree is offered in economics and the combined disciplines. In addition, a concentration in economics is offered in the Master of Business Administration degree program.

One casualty in the graduate program was the Master of Arts in Finance, which was lost in the mid-1980s. However, graduate education in the department expanded in 1980 with the addition of a Doctor of Arts (D.A.) degree in Economics. The D.A. became recognized as an alternative to the Ph.D. in the 1970s for those preferring a teaching-oriented degree as opposed to a research-oriented degree, as the Ph.D. was represented. Early in his tenure at the University, then MTSU President Melvin Scarlett championed the D.A. program. As department chair in the late 1970s, Dr. Barbara Haskew led the efforts to bring the D.A. program in economics into existence. The first D.A. graduate,

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Gary Logan Fulks, completed his degree in 1983.\(^8\) Approximately 30 graduates of the MTSU program took jobs around the country and the world with remarkable success. However, D.A. programs gradually lost favor in the academic community and largely disappeared. Although discussion about a transition from the D.A. to a Ph.D. began in the late 1990s, approval by the Tennessee Higher Education Commission was not achieved until 2002. The leaders in this effort were Dr. Duane Graddy, Dr. Joachim Zietz, and department chair Dr. John Lee. As a result, in 2003 the D.A. was phased out, to be replaced by a Ph.D. program in economics. The first Ph.D. was awarded in 2005 to Prathibha Joshi, now an Associate Professor at Gordon College in Barnesville, Georgia. The program has produced about 20 Ph.D. graduates, almost all of whom have gone on to jobs in academia and government.

**Department Outreach**

Part of the mission of the University, the college, and the department is public service: utilizing the professional skills of the faculty to provide service to the broader community. Typically, that means providing consulting and research services to businesses, government agencies, and non-profit organizations. It may also mean serving on university, college, or department committees. Faculty members are evaluated in part on their public service contributions. For those reasons, the department has a long history of service in middle Tennessee, the state, and even nationally and internationally.

A principal agent for accomplishing the public service mission has been the Business and Economic Research Center (BERC), which has been closely allied with the Department of Economics and Finance. The Business Research Center was created in

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\(^8\) Dr. Fulks was the head of the Department of Management, College of Business, David Lipscomb University, Nashville, TN. He died in September 2006. ([http://www.lipscomb.edu](http://www.lipscomb.edu), retrieved 11/30/2010)
1970 with Dr. Douglas Hodo as director. The office then assigned to the center was located in the “New Classroom Building,” today called Peck Hall, in room PH 1002, which has also served as a janitor’s closet.

Over the years, the mission of the center has evolved. Today, it “supports the public service activities of MTSU’s College of Business.” It offers research, workshops, and seminars to those in the community desiring assistance in understanding the economy and business climate, whether in its local, regional, or international dimensions, of the state of Tennessee, emphasizing in particular middle Tennessee. The center maintains significant regional, national, and international databases and issues several regular publications featuring business and economic information, all available online. The center also provides research resources for the MTSU community.

In 1974, the third director, Dr. Paul T. Hendershot, also a member of the economics faculty, changed the name to the Business and Economic Research Center (BERC). Dr. Hendershot initiated the publication of *Tennessee’s Business* in September 1974 as a bi-monthly, one-color magazine. Today *Tennessee’s Business* is an electronic publication with a target audience of the whole state and beyond that “provides an exchange of ideas in the fields of economics and business among businesspersons, academicians, and government officials.” The magazine has won awards from the Association for University Business and Economic Research (AUBER) for excellence on four occasions.

Initiated with the aid of a grant from the U.S. Department of Education in 1994-1995, the quarterly newsletter *Global Commerce* examines Tennessee’s involvement in the world economy, focusing on issues of international trade and foreign investment. It
contains articles on international economic and business trends of concern to Tennessee and on Tennessee business activities abroad. It also contains a running summary of the state’s balance of trade. In 2003, *Global Commerce* also won the AUBER Award of Excellence in Publications.

A newer electronic publication, *Tennessee Housing Market*, tracks the state’s housing market in light of the financial crisis of the past decade. The publication’s audience consists primarily of bankers and realtors but includes journalists, academics, businesspersons, and the general public as well.

BERC directors since 1982 have included Dr. Gary Hall, Dr. Horace Johns, Dr. Reuben Kyle, Dr. Albert E. DePrince, Jr., and Dr. David Penn, currently serving in the position. All but Dr. Johns have been tenured members of the Economics and Finance faculty.

Another initiative of the department is the *Center for Economic Education*, which had its origins in the mid-1970s. With assistance from a statewide organization headquartered at the University of Tennessee–Knoxville, funds were raised to operate the center. Jerre Haskew, longtime banker and husband of then department chair Barbara Haskew, played and the Nashville-based investment firm J.C. Bradford & Company major roles in raising funds. Headed by Professor Bobby Corcoran, the center brought Tennessee schoolteachers to the MTSU campus to help them prepare to teach economics in primary and secondary schools. Today the center is headed by Dr. Robert Blair, Department of Business Communications and Entrepreneurship. Another outreach program of the center was the *Stock Market Game*, sponsored by the National Association of Security Dealers, today known as the Securities Industry and Financial
Markets Association (SIFMA). At its peak, the game involved hundreds of teams and many students, mainly elementary and high school students across the state of Tennessee. Today’s computer technology requires less direct involvement by MTSU, but the game continues to be an integral part of the center.

The Economic Outlook Conference each fall has become a popular and anticipated regional event. Although early efforts were made to initiate a conference, Dean Barbara Haskew was a primary influence in hosting the conference on a continuing basis in the late 1980s. The conference is sponsored by the Business and Economic Research Center and the Weatherford Chair with support from area businesses.

Many individual faculty members perform a wide variety of public service activities in addition to those mentioned above. For example, Dr. Ford is a frequent commentator on economic conditions and monetary policy in the national news media. Dr. Albert DePrince provides economic forecasts of national and state economic conditions to the Tennessee state government. Professor Emerita Barbara Haskew serves as a federal arbitrator in labor-management disputes. Dr. Franklin Michello is the faculty sponsor for the student Financial Management Association (FMA), which meets actively and takes an annual trip to visit a leading financial institution. BERC Director Dr. David Penn gives many public talks on regional, state, and national economic conditions.

At the beginning of the centennial year, the department includes 24 full-time and four temporary faculty members as well as 22 graduate assistants. These faculty members serve more than 300 finance majors and 80-plus economics majors. The quality of both faculty and students has never been higher, and the future for the department appears to be bright.
Economics and Finance Department Chairs, 1965-present:

Dr. Robert L. Martin, 1965-1966 to 1966-1967
Dr. Firman Cunningham, Acting Chair 1967-1968 and 1970-1971
Dr. Barbara S. Haskew, 1975-1976 to 1979-1980
Dr. Duane B. Graddy, Acting Chair 1980-1981
Dr. B.W. Balch, 1981-1982 to 1983-1984
Dr. Charles Baum, 2008-2009 to present