



# 1. Outline

- Why economics?
- Economics at university
- My own journey
- Some things I've picked up
- Some issues I'm working on now
- Further reading
- Q&A

## 2. What's so great about economics?

1. It's about everything: good economists develop skills that they can use to solve a wide variety of problems and **improve people's lives**
2. It opens up a huge range of **career options**: economics consistently features near the top of the rankings both for **employability** and **pay**
3. An ideal subject for **all-rounders**: it's for people interested in politics, history, social change, health, the environment... not just maths geeks!

### 3. Favourite parts of my job(s)

1. Reacting to **data** and **fast-moving events** and interpreting their implications for the economy and financial markets
2. Applying a toolbox of economic skills and concepts to solve a wide variety of '**real world**' **problems** (e.g. '**no-win no-fee**' agreements in legal services)
3. Communicating potentially difficult economic concepts to non-economists, including politicians, investors and the general public

## 4. Inside an economist's brain

- The importance of **incentives**
- Opportunity costs and trade offs
- Externalities and public goods
- Information gaps and transaction costs
- Supply, demand and **the price mechanism**
- The importance of **expectations** and uncertainty
- Comparative advantage and other **gains from trade**



## 5. Do you need to study economics at university?

- Not necessarily...
- ‘Economist’ is not a legally ‘protected title’, unlike ‘Doctor’ or ‘solicitor’, so anyone can claim to be one!
- I know some who did a different first degree, then a post-graduate degree in Economics, and even a few with no academic qualification in Economics at all
- But the **usual way in** is a first degree in Economics, or a joint honours degree with a related subject
- Degree **apprenticeships** are an excellent option

## 6. How much maths do you need?

- Most universities now require **A-level Maths**, though there are exceptions for “BA” degrees, which tend to be less mathematical than “BSc” programmes
- Basic **numeracy** is essential – you have to be comfortable with numbers and mathematical concepts (for example, understand the difference between the ‘*price level*’ and the ‘*rate of inflation*’)
- But the amount of *serious* maths you need as an economist **depends on the job you do**
- I have hardly used any!

## 7. Example: Trump's reciprocal tariffs (sound maths, but bad economics)

$$\Delta\tau_i = \frac{x_i - m_i}{\varepsilon * \phi * m_i}.$$

$\tau$  = tariff rate on country i

$x$  = exports to country i

$m$  = imports from country i

$\varepsilon$  = price elasticity of import demand (set at 4 – too high)

$\phi$  = pass-through from tariffs to import prices (0.25 – too low)

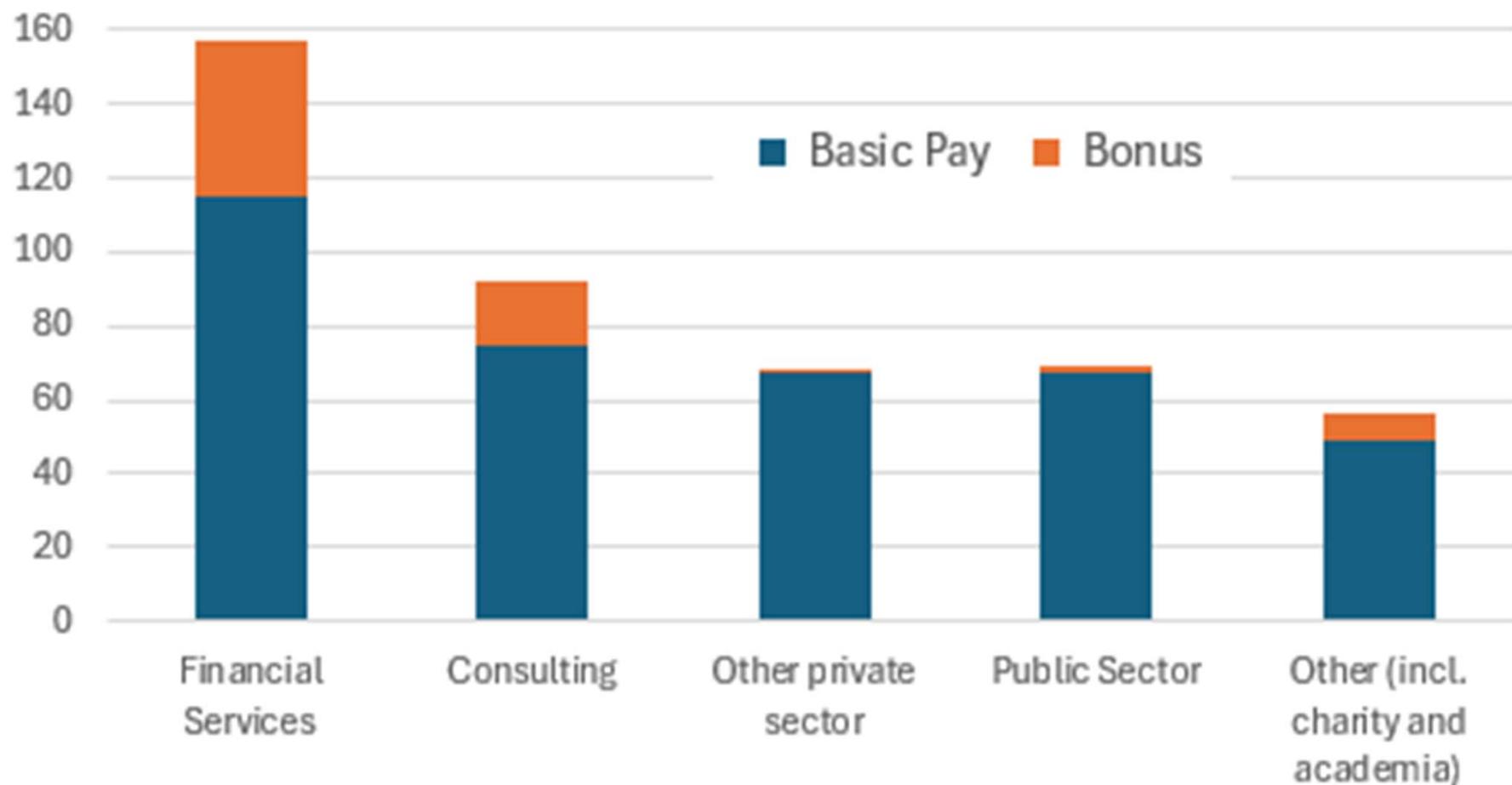


## 8. Do you need an advanced degree?

- Some employers expect a **Masters degree** in Economics, but this partly depends on the quality of your first degree
- Some employers will sponsor you do a Masters, usually part time and ‘on the job’
- Only a few employers expect a **PhD**, typically for more academic roles, or for jobs in multinational organisations (such as the IMF or OECD) and some big investment banks
- I have a Masters, but no PhD

## 9. “Show me the money...”

SPE Salary Survey 2024 - £ thousands



## 10. Financial services

- Can be very **exciting**, challenging and rewarding: it's fun making economics relevant to financial markets
- Can earn lots of **money**, but at a price: long hours, high pressure (short timescales)
- Economist roles not necessarily high status: often seen as a cost centre, rather a profit generator
- Lots of **other financial services jobs** where economics is useful, e.g. equity or fixed income analysts, sales, trading, fund management...

## 11. Other sectors

- Government Economic Service (GES), BoE
- Consultancies – usually ‘micro’, sometimes ‘macro’ or focused on financial markets
- Industry and commerce, e.g. risk assessment, corporate planning, sales & marketing
- Charities, think tanks etc. (**increasingly important**) (IEA, IFS, Resolution Foundation...)
- Teaching/academia
- Journalism

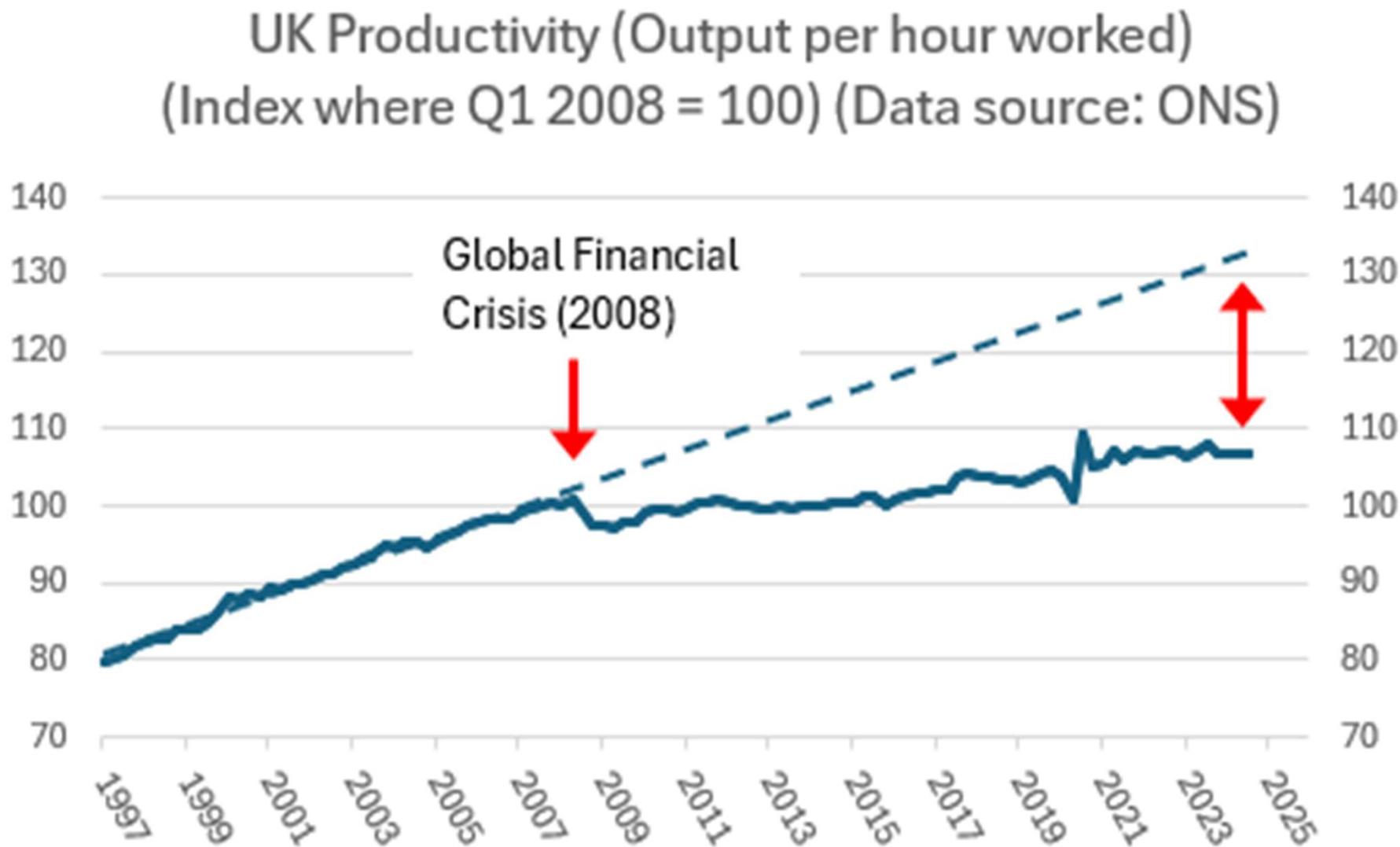
## 12. My own career(s)

1. 'A' levels Maths, French, Physics; BA (Economics)
2. Government Economic Service (early 20s) (**HMT**)  
Sponsored to do a Masters in Economics.
3. City (late 20s, early 30s) (**HSBC, Nikko, StanChart**)
4. Consultancy (late 30s, 40s) (**Capital Economics**)
5. Thinktanks (early 50s) (**IEA**)
6. All of the above, plus teaching, writing and media  
(mid 50s... ?)

## 13. Some things I've picked up

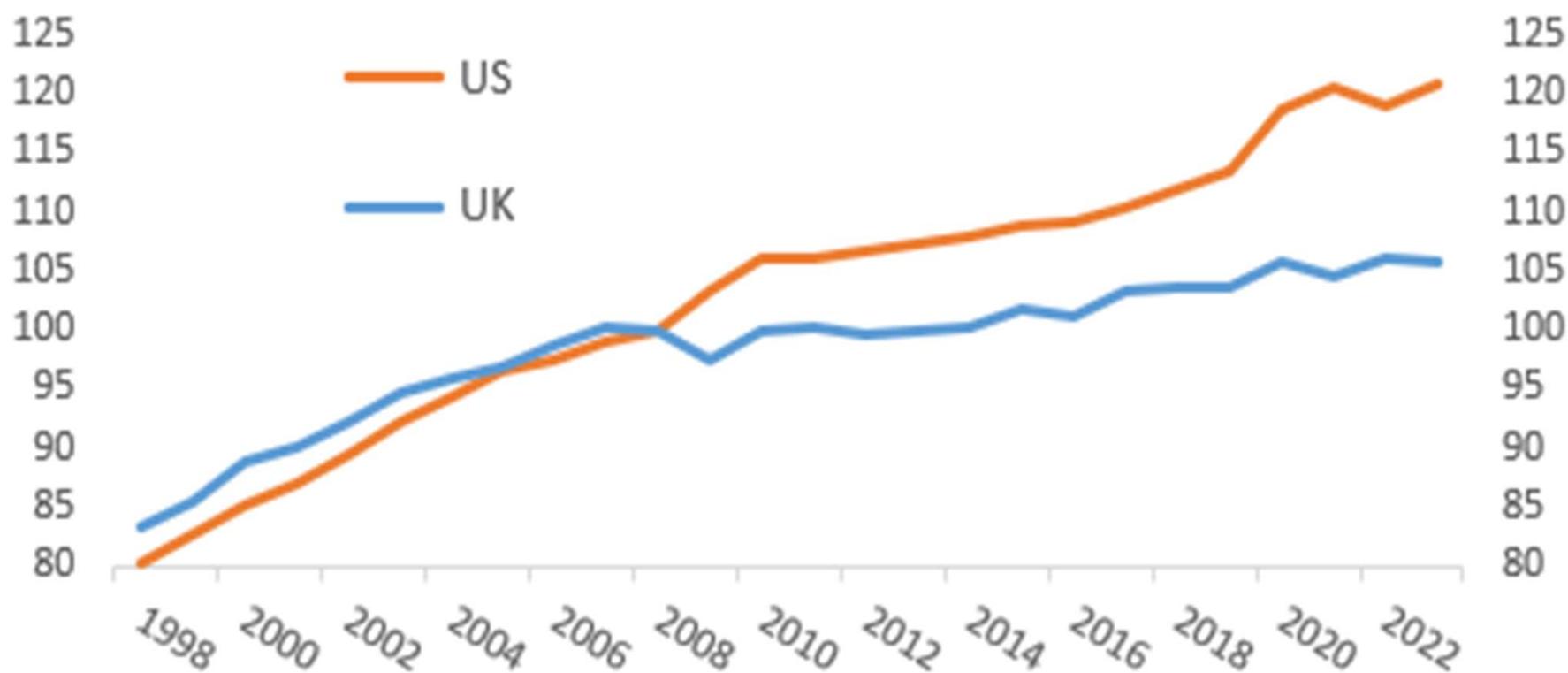
1. Scepticism about **economic models**
2. How traders think (ERM exit)
3. The challenges of cost-benefit analysis (**Covid**)
4. A strong belief in a **smaller government!**
5. The ability to tell stories with **charts...**

## 14. The UK productivity puzzle (version 1)



## 15. The UK productivity puzzle (version 2)

Output per hour worked  
(Indices where 2008 = 100) (Data source: OECD)



## 16. Some issues I'm working on now

1. Are President Trump's **tariffs** actually working?
2. Why is **productivity** so poor in the public sector?
3. Should the **two-child benefit cap** be scrapped?
4. What else should the Chancellor do in the **Budget**?
5. Why has the '**graduate premium**' fallen?



## 17. Useful resources

- <https://economistjobs.com>

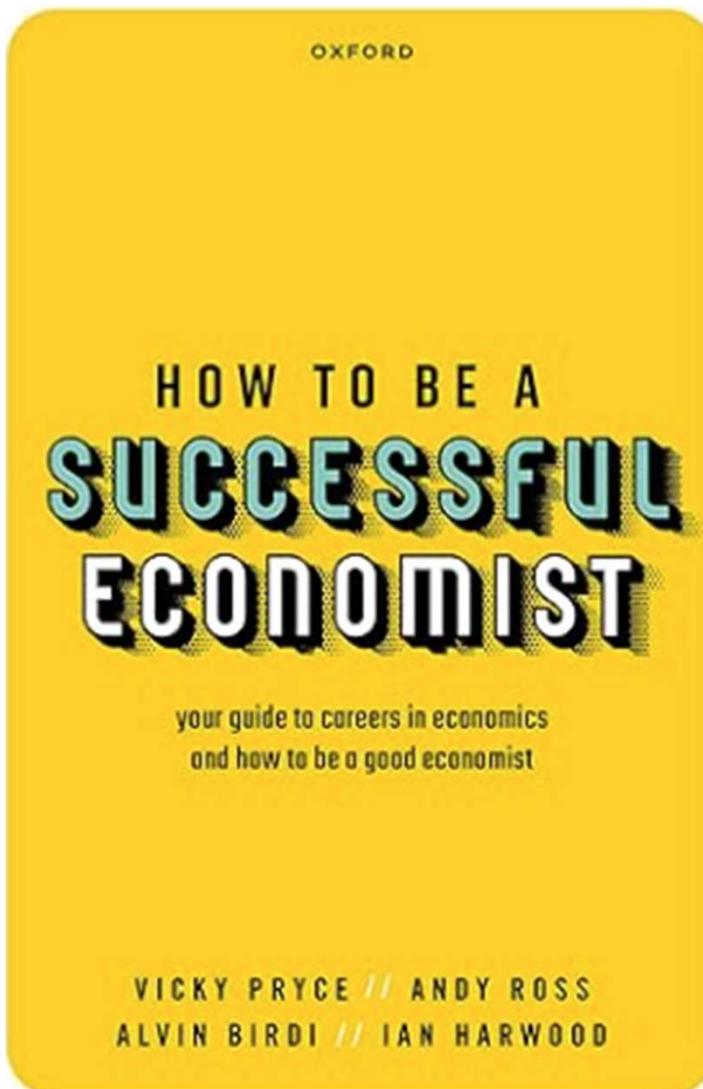


- <https://jobs.economist.com>



- Read around the subject – e.g. The Economist magazine, Financial Times, thinktanks in your areas of interest, top newspaper columnists (I like David Smith and, especially, Gillian Tett), blogs etc

# 18. Recommended book - and a film!



## 19. A positive note to end

- No longer many standard careers, or ‘**jobs for life**’
- New working practices, incl. WFH and **WFB!**
- Economics now more diverse (incl. more **women**)
- Different jobs at different stages of life
- Even a portfolio of different jobs at same time
- Key takeaway: you can be more relaxed about what you do now/next, **no need for a ‘life plan’**
- Also, don’t worry too much about maths: **take the options that you enjoy**

# Any questions?