

What economists do

Julian Jessop

September 2025

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?

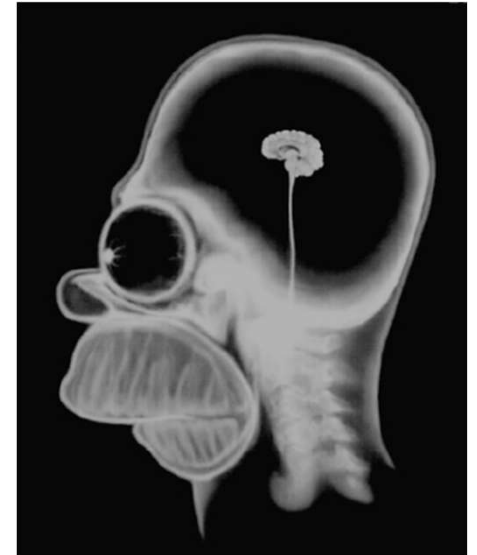
1. It's about everything: good economists develop skills that they can use to solve a wide variety of problems and **improve people's lives**
2. It opens up a huge range of **career options**: economics consistently features near the top of the rankings both for **employability** and **pay**
3. An ideal 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)

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

τ = tariff rate on country i

x = exports to country i

m = imports from country i

ε = price elasticity of import demand (set at 4 – too high)

ϕ = pass-through from tariffs to import prices (0.25 – too low)

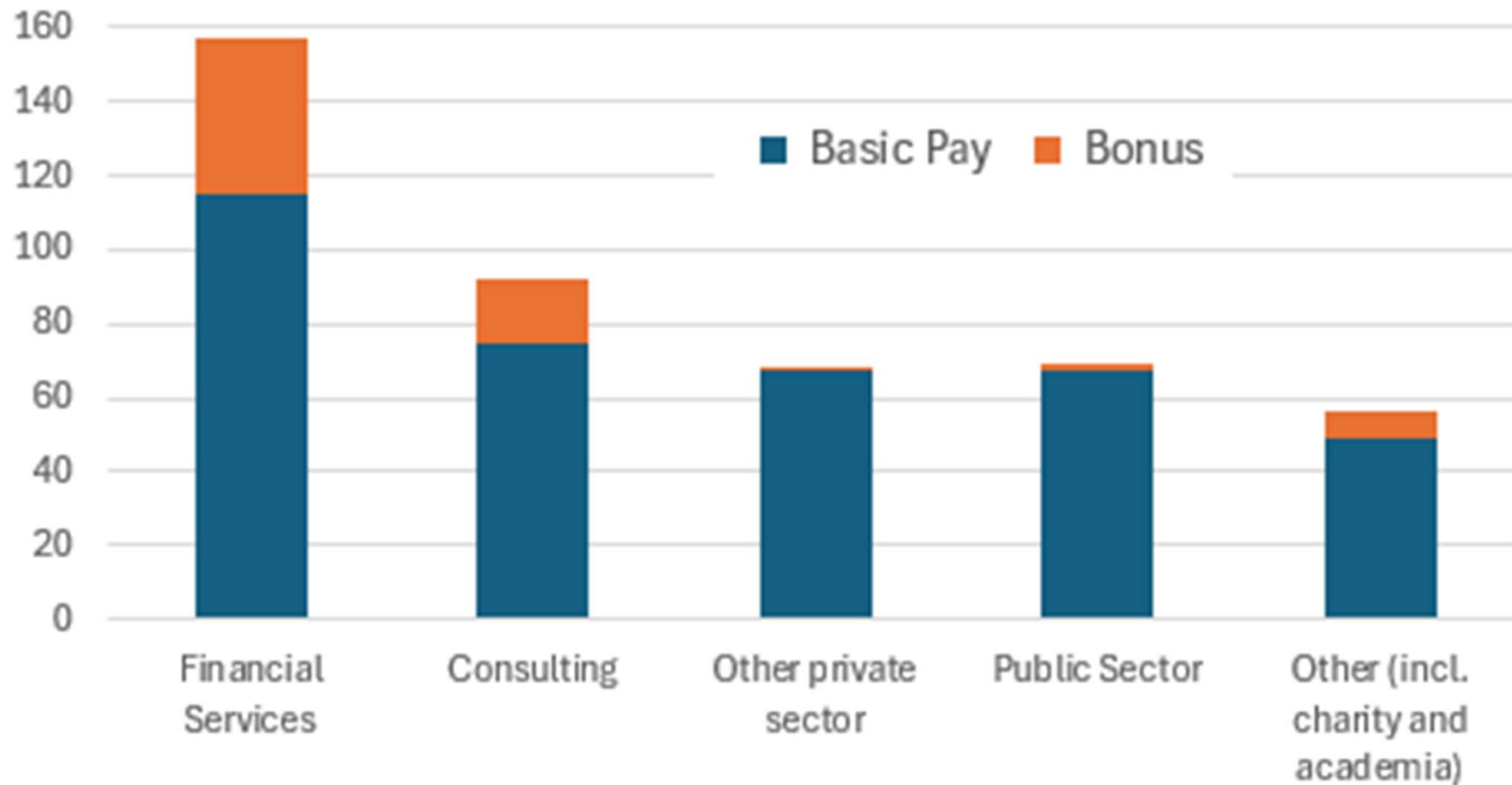


8. Do you need an advanced degree?

- 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...**

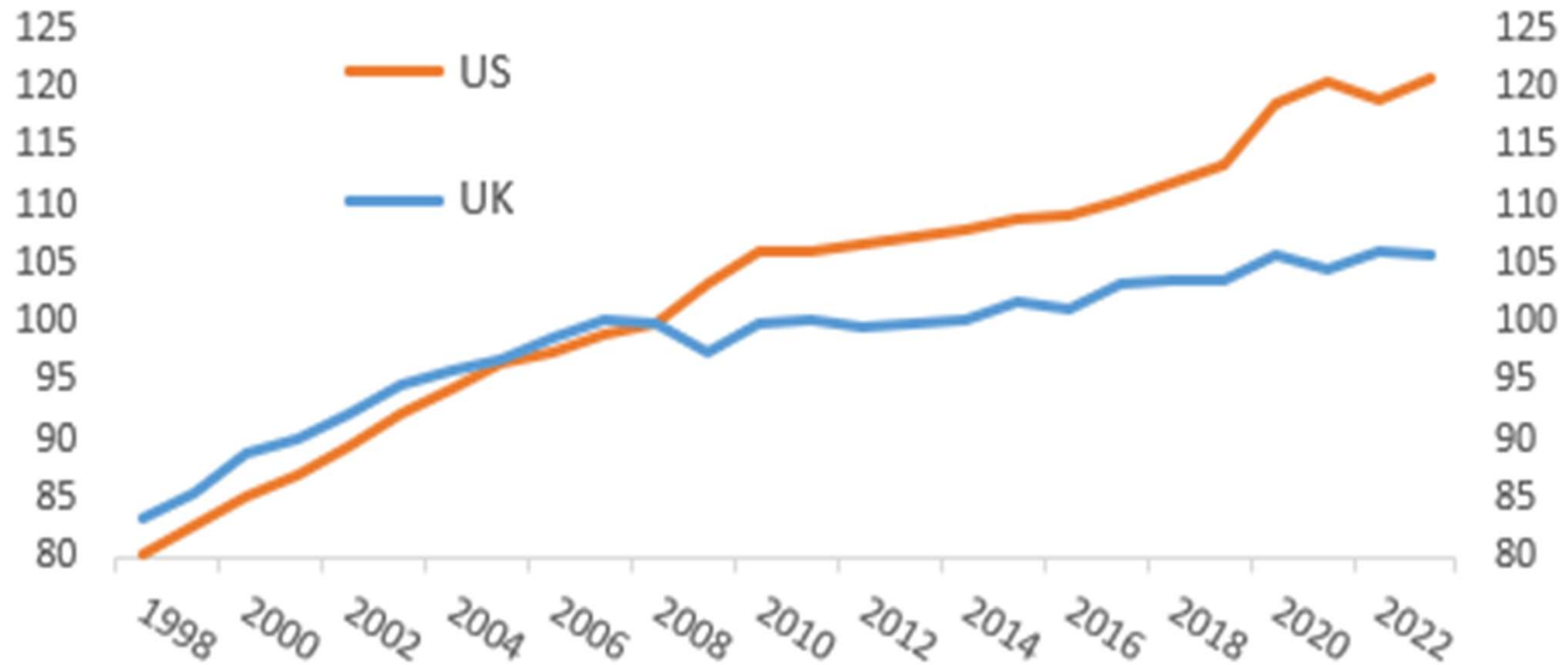
14. The UK productivity puzzle (version 1)

UK Productivity (Output per hour worked)
(Index where Q1 2008 = 100) (Data source: ONS)



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>

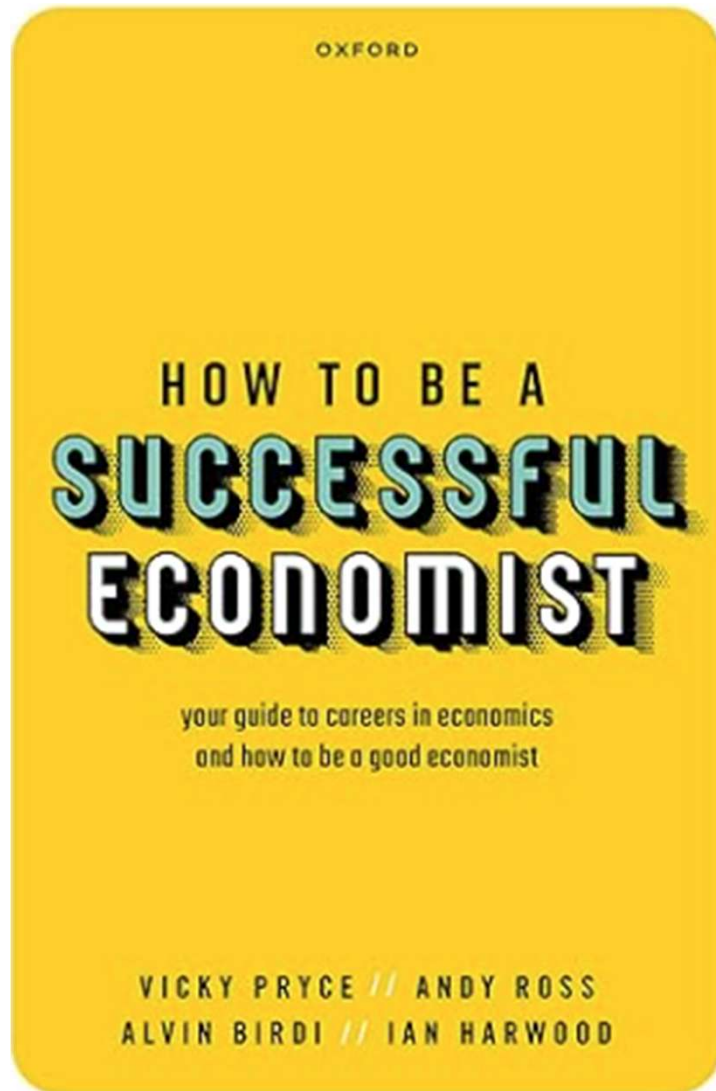


- <https://jobs.economist.com>



- 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?