



ECONOMIST JOBS AND CAREERS: WHAT ECONOMISTS DO

The field of economics rewards creative and curious thinkers. Economic analysis is based on certain assumptions; the ability to identify and challenge them is critical to the success of an economist. Economists study data and statistics in order to spot trends in economic activity, economic confidence levels, and consumer attitudes. They assess this information, come to conclusions, and make recommendations about ways to improve the efficiency of a system or take advantage of trends as they begin. While economists were previously relegated to the academic and government communities, they are now finding employ in significant numbers throughout the private sector. The number of privately owned economic consulting firms has grown by about 150 percent over the last six years, to reach about 5,000 as of this writing. These firms offer advice to and predict economic scenarios for individuals and large corporations, and occasionally act as consultants to branches of the government. However, universities and research groups remain the largest employers of economists, followed by the government.

"I love being an economist. I get to see the future--or what we think it's going to be," raved one economist. High levels of satisfaction are found throughout this field, which encourages discussion, detailed examination, and lively disagreement. Economists work closely with each other and share ideas (non-confidential ideas, anyway) fairly easily, which leads to a strong sense of community within the profession. The scant 8 percent who find themselves dissatisfied with economics report that the most aggravating thing about the profession is its theoretical nature. One ex-partner of a private advertising and economics firm wrote, "It's all numbers which assume perfect market behavior. People don't work that way. The don't buy according to their optimal strategy--they buy because they feel like it." The lack of a clear-cut relationship between theoretical modeling and reality eats away at some economists' belief in what they do.

The daily routine of each economist is determined by the specialty chosen. Financial economists meet with members of Wall Street firms and government officials to predict the movement and pace of global financial markets. International economists may spend as much as 30% of their time traveling and 40% of the time on the phone researching current trends in foreign economic systems (for this subgroup, language skills are important). Other fields include agricultural economics, labor economics, and law and economics.

How to Become an Economist

Graduates with bachelor's degrees in economics find entry-level positions in which their primary responsibilities are the collection, assimilation and preparation of data. For positions with greater responsibility, such as those in teaching or government, a master's degree or Ph.D. is required. The more quantitative course requirements of the economics major--statistics, regression analysis, and econometrics--form the core of business life, but at the same time, those who are comfortable with the written or spoken word have a significantly higher rate of advancement and overall job satisfaction than those who are not. Applicants should be comfortable with computers, numbers, and long academic papers.

The ability to distinguish yourself from other economists is key, but can be difficult, especially within a particular company's or industry's accepted economic assumptions. Creative thinkers and those who have taken cross-discipline course loads, such as philosophy or marketing, seem to find it easier to break from the pack and propose new, interesting additions to the economic canon. Technological breakthroughs bring countless new possibilities to economic analysis for economists to explore and present.

Careers Related to Being an Economist

Economists who leave the profession find a wide range of careers open to them. Their statistical and mathematical skills make them well-suited for careers as statisticians, bankers, stockbrokers, options traders, equity research analysts, and any other profession that requires systems modeling. Their research and writing skills allow them to become financial journalists, research analysts, academics in other fields, and administrative managers.

Past And Future

Adam Smith, the father of economics, came up with the theory of supply and demand. John Maynard Keynes, with his theories on unemployment and the system of economic sponsorship, was one of the first modern economists to garner international fame. In post W.W.II economies, the role of economists has been recognized as valuable by all governments and numerous industries in the financial sector.

In the future, computer modeling will help economists formulate their economic visions for a wide variety of clients, including third-world countries and multinational corporations. Private industries should hire approximately 30 percent more economists over the next five to ten years, mostly in urban centers, particularly Washington, New York, and Los Angeles (for economists specializing in the analysis of Pacific Rim economies).

Quality of Life

Two Years Out

Economists who pursue graduate degrees often work while still in school, so these first few years pass at a frenzied pace. For the first few months in the working world, economists learn the assumptions and models used by the hiring company. Tasks focus on computer modeling, report writing, and working as part of larger, highly supervised research teams. Salaries are low. Projects usually have strict deadlines, so expect some weekend work. Economists in academia start out as assistant professors, lecturing, grading papers, and teaching sections.

Five Years Out

Nearly 30 percent of those who began five years ago have either returned to school to pursue higher degrees in economics or to get out of the field altogether (in many cases, to become bankers). Since most private consulting firms employ fewer than fifty people, those who stay can rise rapidly. Successful economists are team leaders, managing large research projects, working with clients, and reviewing materials prepared by junior associates. Academics, now teaching their own seminars, are likely to have shifted among universities to those with strong opportunities for advancement and are publishing papers and articles other than thesis material.

Ten Years Out

By this point, economists have significant client experience, strong managerial skills, and an ability to deliver promised services. Over 25 percent of ten-year veterans start their own consulting firms. Others shift careers slightly and become in-house employees at banks, brokerage houses, or other types of financial consulting firms (usually at the vice-presidential level or higher). Academics are now full professors, publishing articles, working with graduate students, and angling politically within the field; extra-university awards and consulting agreements become significant.

Professional Profile

# of people in profession:	51,000
% male:	85
% female:	15
average hours per week:	40

Professionals Read

The Economist

Economic Review

Quarterly Report (Bureau of Labor statistics)

Books, Films and TV Shows Featuring the Profession

The Economist

Game Theory

Policy Analysis

Major Employers

Federal Reserve	Department of Commerce
20th & C Street, NW	14th Street and Constitution Avenue
Washington, DC 20551	Washington, DC 20230

Tel: 202-452-3000 Tel: 202-482-2000

You'll Have Contact With

Bankers

Government Officials

Researchers

Statisticians

Major Associations

National Association of Business Economists	American Economic Association
1233 20th Street, NW	2014 Broadway
Suite 505	Suite 305
Washington, DC 20036	Nashville, TN 37203
Tel: 202-463-6223	Tel: 615-322-2595

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