

Economics

What is economics all about?
And where can it take you?

A guide for students, parents and teachers

Produced by the
Women in Economics Network
Australia

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WEN

Women in
Economics Network

ESA

The Economic Society
of Australia

What is the usefulness of studying economics?

"In our world, most of the problems that we have – environmental problems, wars, our ageing population, inequality in health outcomes, global poverty, the rise of populism – are rooted in economics. If you understand economics, you can be not just an observer, but a participant in dealing with those challenges"



Studying economics equips you with a toolkit to understand the world around you.

Economics focuses on human behaviour. Economists are interested in figuring out what incentivises people to behave the way they do.

This leads us to explore fundamental questions about everyday life:

How do people make choices? How do businesses make decisions? How do we manage our resources? What policy actions should the government take? How can we make society fairer? What changes are happening in society that affect our wellbeing?

But economics is more than just understanding the world – it gives you tools to help *improve* the world.

By analysing information and testing the impact of policies, the job of economists is to come up with solutions to tackle real world problems, improve society and enhance people's quality of life.



Even if you don't pursue a career in this field, economics gives you skills and knowledge that will be useful in many other jobs and in your life in general. Studying economics provides you with valuable knowledge to understand human behaviour, to manage projects, to understand how our economy operates, and to make sense of government policy.

This will equip you with the ability to make smarter decisions in your everyday life – as a consumer, as an investor, even as a student now deciding on your career pathways. Knowledge of economics will help you make more informed decisions as a voter. It will equip you to participate in wider debates in the community about politics, government, business and many important issues that influence our lives.



Economics is about wellbeing

"Economics is one of the best careers to give you the skills and knowledge to help society and to make the world a better place" Associate Professor Duygu Yengin



When asked to think about economics, many people think about the stockmarket, interest rates, exchange rates, taxes and trade. These things are important parts of the economy – but there is much more.

At the heart of economics is the question of how to preserve and improve people's wellbeing.

Economists collect information to figure out what factors matter for people's quality of life and design ways to make people's lives better.

Economists know that a person's wellbeing doesn't just depend on financial factors, such as money and jobs, but a spectrum of many factors. This includes physical and mental health, safety and security, quality of relationships, education, mobility, and belonging to the community.

Wellbeing also depends on sustainably managing our natural resources and the environment, and designing institutions that create a well-functioning society. Economics explores all of these factors.



Economists work alongside governments, regulators, businesses, community groups, academia, the media and the general public.

You could be providing consultancy advice to businesses, designing policy for government, conducting independent research as an academic, or helping not-for-profits and community groups to identify the best ways to reach their goals.

A major event that takes place each year is the announcement of the government's budget. The budget spells out how the government plans to spend its money, collect its revenue, and manage the economy. Economists have the skills to carefully analyse how the budget will affect the wellbeing of Australians.

Becoming an economist means you can participate in these important policy debates and decisions.



Economists aim to answer a wide range of real-life problems that matter for wellbeing...

What skills will our workforce need in the future?

What's the best way to support childhood development?

How can we improve educational opportunities for all students in school?

How do we provide fair access to healthcare for everyone in society?



How can we improve housing affordability?

What's the best way to help households in financial distress?

How can we provide better support for people with disabilities?

How can we deliver better services for mental health?

How can we close the gender pay gap?

How can we alleviate poverty and homelessness?

How do we support migrants to fully participate in society?

What works to combat gambling, addiction and domestic violence?



How can we better manage our natural resources?

How can we tackle pollution and climate change?

How do we support our regional communities to thrive?

How do we lift poor countries out of poverty?

How do we overcome bias in decision-making?

What will be the impact of technology on jobs in the future?

What's the best way to spark new inventions and innovation?

How can economics be used to manage global crises and natural disasters?

As you can tell, the list of questions for economists to explore is endless...



What will I learn in economics?

"Economics gives you a way about thinking about problems – which you can then apply in so many different ways" Michelle Meyers



Economics will teach you useful concepts that can be applied across a wide range of scenarios in everyday life. Concepts such as trade-offs, opportunity cost, marginal decision-making, utility, constraints, cognitive biases, and distinguishing between correlation and causality. This will build your toolkit to "think like an economist".

These concepts will help you understand everyday features of our economy such as supermarket prices, the banking system, jobs and unemployment, taxes, the housing market, interest rates, budget deficits, and exchange rates.

These economic tools can also be applied to whole lot of issues that you probably don't associate with economics – issues like the environment, mental health, poverty, discrimination, crime, violence, gambling, addictions, childcare, migration, refuges, artificial intelligence, technological change, sports, culture, art, tourism, even the dynamics of marriage, divorce and relationships.



Now is a really exciting time to be studying economics. New fields of economics are evolving such as

- **neuroeconomics** which combines economics with neuroscience
- **behavioural economics** which combines economics with psychology
- **experimental economics** which uses techniques from medical science, such as laboratory experiments and 'randomised control trials', to test which policy approaches works best

The Nobel Prize in Economics in 2019 was awarded to three economists who have been applying experimental economics to tackle the issue of poverty. One of these Nobel Prize recipients was Professor Esther Duflo, who became the youngest ever recipient of the Nobel Prize in Economics, and only the second woman to receive this honour after Elinor Ostrom was awarded the prize in 2009.

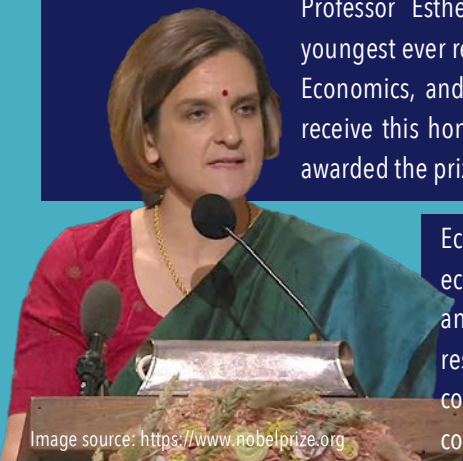


Image source: <https://www.nobelprize.org>

As **climate change** becomes an increasingly important issue for our world, you'll discover that many of the tools that can incentivise businesses to cut carbon emissions, and manage our natural resources more sustainably, can be found in economics.

Economics will teach you the importance of **evidence-based policy**. When economists provide policy advice, their recommendations must be based on an intensive analysis of "what works". This involves conducting thorough research, analysing data, designing and evaluating policy, and communicating the results. Becoming an economist means you can join this community of people creating this valuable pool of knowledge for society.

What attributes will make me well suited to economics?

"Economics is empowering. And if you are using that for good, that's going to get the best for society"
Professor Gigi Foster

Having an interest in **human behaviour** will make economics interesting and exciting for you. After all, economics is all about studying people, and how they make decisions and respond to incentives. An interest in **psychology**, and a curiosity in how the human mind works, would serve you well in economics.



Economists need to be clear **communicators**. You need to be able to clearly and factually explain your analysis and logic, especially if you want policymakers to pay attention to your recommendations! If you have an aptitude for writing, this skill will come in very useful in economics.

Economists use **maths** to look for patterns in data, to forecast economic conditions, and to design and evaluate policies. The use of maths techniques in economics is known as 'econometrics'. If you have an aptitude for maths, **problem solving** or coding during school, you'll probably do well at economics. At the same time, remember that you'll strengthen these skills throughout your studies. Often it's only when you apply a mathematical in your own work, that you'll truly discover how useful it is.

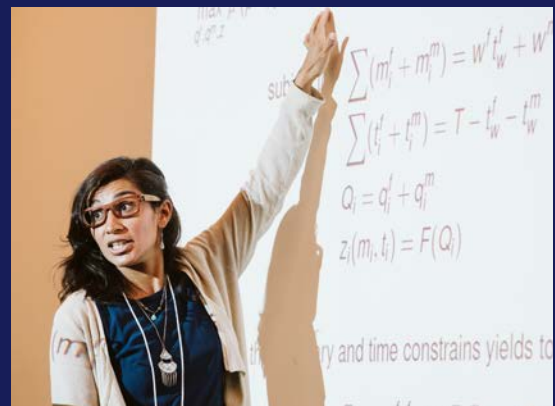


If you have a general interest in the **news**, **current affairs**, **politics** and **government**, that's a great indication that you're likely to enjoy economics. Many of the issues that are debated in politics, and reported in the news, revolve around economics.



Economics involves a lot of **teamwork**. Most of the time, you'll be working jointly on a project with other people. Each person will bring different skills, ideas and perspectives to the project. Economic analysis and policymaking needs this diversity of viewpoints. When you complete a project as part of your team, this is also one of the most rewarding aspects of working in economics.

An interest in **philosophy**, **political science** or **history** will complement your studies in economics. While economists work with data and facts to make sense of what is happening in the world, a background knowledge of schools of ideological thought can make you better at understanding policy in practice.



Although it might seem like economists focus a lot on money, most economists are motivated by **altruism** and striving to use their skills and knowledge to make a positive difference to the world. We believe that this is an important ingredient for a rewarding career in any field!



Where can I find a job in economics?

"I love my job, I love being an economist" Michelle Meyers

"I'm happy to come to work each morning!" Guilia Specchia



Economists' analytical skills are useful across a range of jobs. This means you'll find economists in all sorts of organisations.

You can be quite mobile as an economist. Many economists build their experience by moving across departments, companies and sectors throughout their careers.



Economics is highly complementary to many other fields of study including law, political science, public policy and administration, international relations, psychology, sociology, philosophy, communications, environmental science, engineering, mathematics, finance, accounting, management, marketing and commerce. Combining economics with other fields of study can enhance your jobs options and help you stand out from other candidates.



In the private sector you'll find economists in consultancy firms, commercial and investment banks, energy companies, and in many other types of private firms. Economists can work in "think tank" organisations which provide their own analysis on economic issues.

In the public sector you'll find economists in many government organisations at national and state/territory level. This includes Treasury and the Prime Minister's or Premier's office, as well as departments with responsibility for trade and foreign affairs, jobs, communications, natural resources, transport, social security and innovation policy. Agencies that contribute to economic policy and regulation in Australia include the Parliamentary Budget Office, the Reserve Bank of Australia, the Productivity Commission, the Australian Competition and Consumer Commission, and the Behavioural Economics Team Australia. Just to name a few!

In the media, journalists who report on politics, current affairs, and economics issues often have studied economics. You can work for a specialist publication such as *The Economist* or for one of the many generalist outlets.

In academia you'll find economists undertaking research and teaching in university economic departments, as well as in business schools, social science departments, and multi-disciplinary research centres.

In the education sector, you can channel your love for economics into teaching and curriculum design.



Economists work in global agencies such as the Asia Pacific Economic Co-operation (APEC), International Monetary Fund (IMF), Organisation for Economic Cooperation and Development (OECD), United Nations, World Economic Forum, World Bank and the World Trade Organization (WTO). You can also work for a not-for-profit organisation, whether in your local community, at a national level, or internationally.



Jobs for economists are advertised in all major job platforms and specialist outlets such as APS Jobs, Inomics and EconJobs. Often employers offer graduate programs and internships.

Should I do Honours?

An Honours degree in Economics will not only enrich your skills with this extra year of study, but also boost your job prospects, as some employers only look for Honours graduates or higher.

In your Honours year, most programs require you to complete a research thesis. This is an opportunity to explore a topic that sparks your interest. Discuss ideas with your lecturers during your undergraduate studies and find an advisor who specialises in the topic you'd like to pursue.

Even if it's too early to think about Honours, it is important to be aware that many universities require you to undertake prerequisite subjects to be eligible for Honours. Find out this information early on so that you can keep this option open.

To find out more

- Check out WEN's video "*Economics - Understand the World Around You*", available online at: <https://www.youtube.com/watch?v=AtOU-DAVch0>
- Find out more about job prospects from the Australian Government Job Outlook: <https://joboutlook.gov.au>
- Members of WEN would be more than happy to share their study and career experiences with you. You can contact us at admin@wen.org.au
- Follow WEN's activities on our [website](#), [Facebook](#), [LinkedIn](#) and [Twitter @WomenEconAU](#)

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Looking for economists to come and speak at your career events?



WEN is passionate about informing and inspiring students. If you're a teacher or career advisor planning a career event at your school or university, we would be delighted to arrange for our economists to come and speak to your students.

WEN hosts several student events in our events calendar. Please reach out to the WEN Committee in your state or territory to find out what events they have planned.



About this booklet

This booklet was created by members of the Women in Economics Network (WEN) who are now working as professional economists and educators in Australia.

We are motivated to share our experiences because we remember what it was like to be a student trying to decide on your subjects. We wanted to share information that we wish someone had given us!

Whichever path you choose, we wish you all the best with your future studies and career.

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