

# INOMICS®



## Economics Job Market Report 2013 USA and Canada

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# What is INOMICS? A foreword

Since 1998 **INOMICS** has been providing recruiters and academic institutions in the economics job market with an effective platform to find candidates for their open professional and student positions. In turn, INOMICS has been offering students and professionals the most exhaustive online resource for their future academic career choices.

In the 15 years that we have been online, we have succeeded in accumulating a unique audience of niche professionals in economics and finance, as well as a unique network of academic, research and private sector institutions interested in recruiting professionals and students in this field. Through feedback from our users and clients, we know how important it is to have enough information about the job market to take the right career decisions and build recruiting strategies. To gather even deeper insights into the market and to make this information available for INOMICS users, last year we launched our first annual Economics Job Market Survey.

As a truly international resource, with visitors using our platform from over a hundred countries, we recognize that there are significant differences between job markets in specific regional contexts. For this reason, this year we have split our general study into eight regional reports, in addition to the **Worldwide Economics Job Market Report 2013**.

We hope that the information presented in this study and in the other regional reports will support economists in making informed career and professional decisions, regardless of their country of residence, educational level or work experience and will provide recruiters with necessary insights into the current state of the job market. If you have any suggestions or comments about this study, please feel free to get in touch with the INOMICS team and we will be happy to assist you with any queries.

Kind regards,  
Andreas Hoffmann,  
*CEO, INOMICS GmbH*

# I. Methodology

The Economics Job Market Survey 2013 was conducted through an online questionnaire between April and June 2013, which was placed on the INOMICS website, a global online platform for professionals in economics and finance with more than 100,000 visits a month from 120 countries worldwide. In addition, the questionnaire was circulated through social media channels and was emailed to academic professionals in selected academic institutions. The data collected was used to compile the Economics Job Market Report 2013 - North America (EJMR 2013 - North America) as well as 7 other [Regional Reports](#), and the [Worldwide Economics Job Market Report 2013](#).

In total, 349 economists from the USA and Canada took part in this survey. Two different sets of questions were designed to gain a perspective of the economics job market from

the point of view of both job market candidates and recruiters. Respondents who indicated that they were involved in the recruiting process of their organization were offered one set of questions about their latest open positions, their preferences as employers and about the application and selection processes. Economists who indicated that they were not involved in the recruiting process of their organizations were asked a different set of questions concerning their professional status, salaries, specialization and preferences in the work place. As a result, the Report is split into two parts:

- (I) [Economists: Economics Job Market Outlook](#)
- (II) [Recruiters: Economics Job Market Outlook](#)

*To download other Regional Reports please visit [this](#) page.*

## II. Key Findings

### Fields of Specialization:

#### Supply, Demand & Mobility

**Supply & Demand:** Macroeconomics & Monetary Economics is the most popular field of specialization among economists in North America. There is also demand in the economics job market for academics with broad backgrounds (23% of all open positions are not looking for specialists).

**Mobility:** 40% of economists change their specialization when they enter employment after their studies.

#### International Mobility of Economists

The job market in North America is open to foreign students and professionals, in comparison to other regions, with about 40% of economists coming from different countries.

For information about other regions see [INOMICS Regional Reports](#).

### Preferences of Economists

#### in the Job Market

Economists in North America consider a friendly working environment to be of the greatest importance when choosing a job, followed by reputation of the institution and flexible working hours. Salary is rated fourth. Geographical location and teaching opportunities are generally considered low in importance when applying for a position.

#### Top Employers

##### among Economics Students

Almost half of the economics students who participated in the survey (49%) named universities as their preferred type of future employer. Students aiming to work for private companies account for 22%, which is the highest rate internationally.

### Value of Academic Degrees

PhD and MBA degree holders in the USA and Canada on average earn much more than economists with just a Master's or a Bachelor's degree. In general, there is a strong correlation between the level of academic degree and salary growth; the ratio of economists with a high salary (more than 55,000 US\$ per year) increases with respect to degree level.

### Salaries

#### Average Salaries & Regional Comparison:

As a rule, incomes of economists increase gradually as they develop in their professional careers both in academic and non-academic fields. In the USA, the salaries are very high by international standards, starting from the lowest professorship rank (Assistant Professor). Average salaries offered for Assistant Professor positions are 28% higher in the USA than in Canada. However, it is worth noting that Canadian Associate Professor salaries correlate with those of Full Professors. Salaries offered for non-academic positions in Canada are, on average, 25%

higher than those in the USA. The average annual income of Full Professors is almost the same in both countries.

#### Salaries for Currently Open Positions:

Salaries for open positions are spread across all salary ranges, but mostly exceeding 55,000 US\$ per year. The highest salaries are offered for Full Professor and Researcher positions.

### Demand for Economists in the Job Market

**Level of Open Positions:** The vast majority (67%) of recent open jobs in academic fields are entry-level (Assistant Professor).

**Education Requirements:** Educational requirements for economists are extremely high: 94% of open positions require a completed PhD, which suggests that in the academic field obtaining a PhD is a must.

**Work Experience Requirements:** Surprisingly, 68% of all open positions do not require substantial working experience and candidates with less than 1 year of post-graduation experience can apply.

## Preferences of Employers when Choosing a Candidate

**Selection Criteria:** The most important criteria when choosing candidates for open positions are a relevant degree and good recommendations. Communications skills are valued higher than quantitative skills (the latter are only ranked fifth).

**Geographical Factors:** As mentioned before, North America is an open market and 85% of all open positions have no preference over nationality of the candidate. Only 14% of recruiters stated they would prefer a national candidate.

## Selection Process

**Number of Applicants:** Competition in the economics job market in Canada and the USA is rather high with 50-150 applicants for each position. Assistant Professor open positions have an average of 190 applicants.

**Interview Techniques:** Almost 90% of economic organizations in North America require an online/written application followed by a traditional interview. Many applicants have to go through interviews at the annual ASSA meetings (60% of all open positions require this). Group and behavioral interviews are also a common technique.



# III. Economists: Economics Job Market Outlook

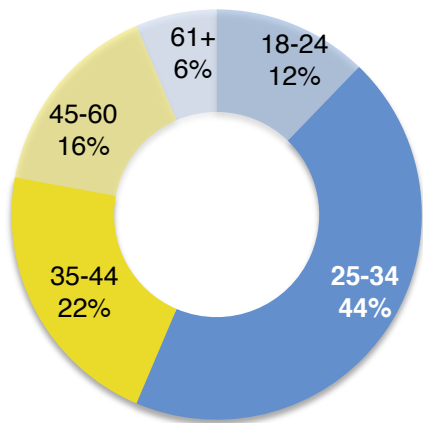
## 1. Economists: Profiles of Respondents

### a. Demographics

214 respondents from Canada and the USA participated in this part of the questionnaire. In

Figures 1 to 3 you can see a brief socio-demographic profile of the respondents.

**Figure 1. Age Groups of Respondents**



**Figure 2. Gender of Respondents**

Male	62%
Female	38%

**Figure 3. Countries of Residence of Respondents**

Canada	54	25%
USA	160	75%

b. Professional Profile

Completed Academic Degrees & Work Experience

Respondents were asked about their highest completed academic degrees. The numbers from North America are very similar to the **worldwide trend** with more than 70% of survey participants holding at least a Master's degree and with 40% of all respondents holding a PhD title.

Our survey represents economists at different stages of their career, equally focusing on young professionals with less than 3 years of experience (44%) and experienced staff who have worked more than 5 years (49%).

Figure 4. Completed Academic Degrees of Respondents

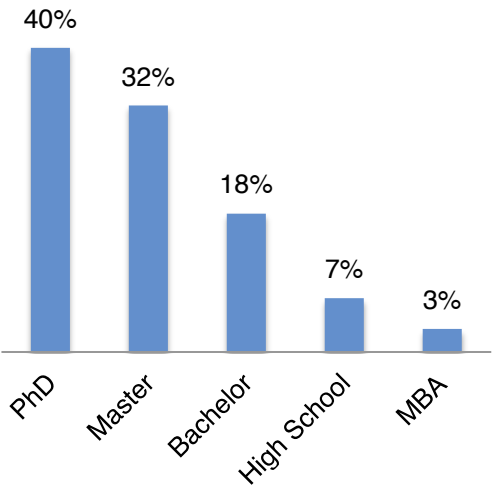
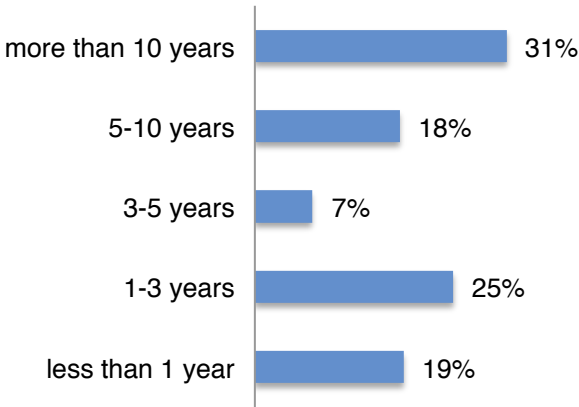


Figure 5. Work Experience of Respondents

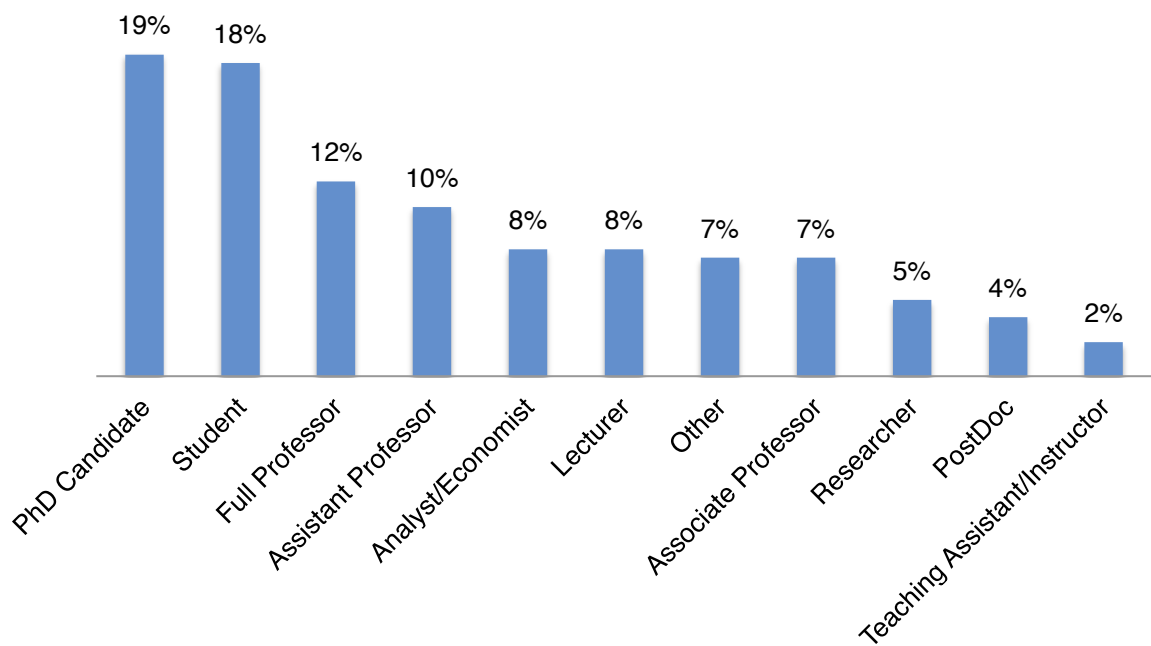


**Types of Employers & Positions**

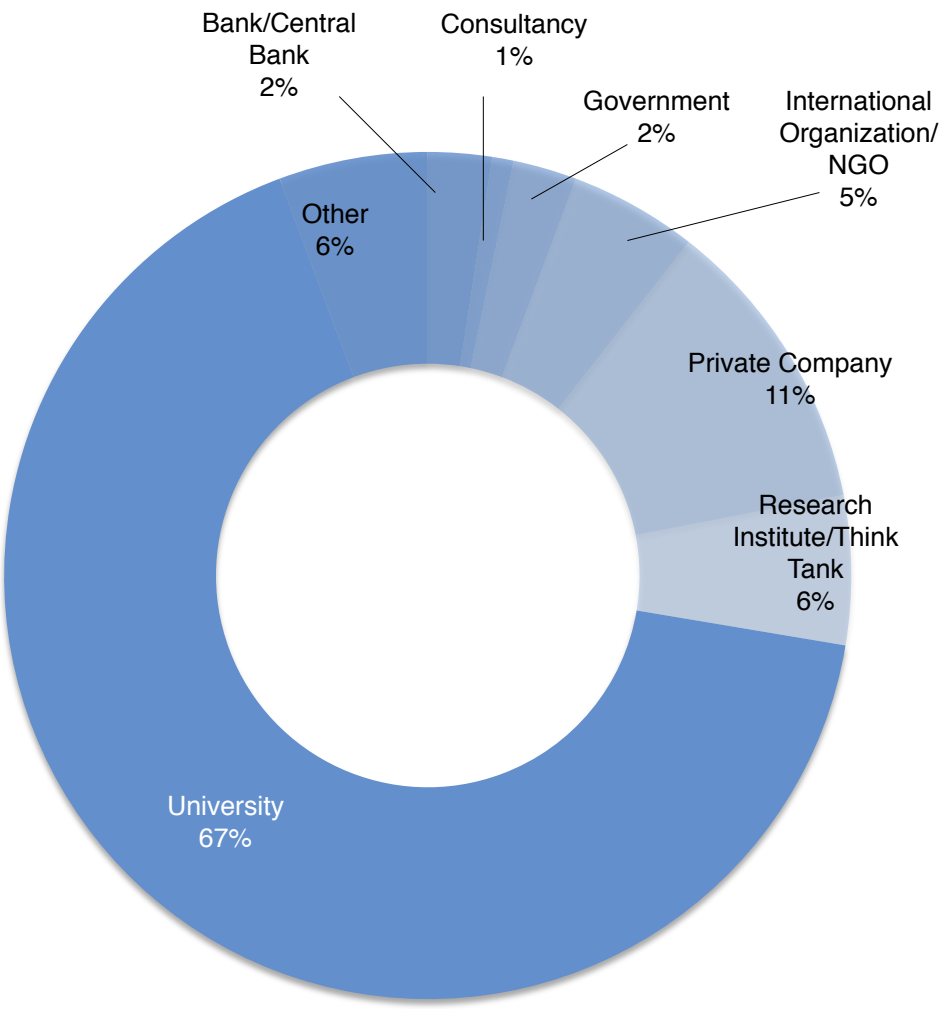
Employed respondents were asked about what type of organizations they belong to, with the answers indicated below in Figure 7. The vast majority (67%) represent the academic job market and are employed at a university.

37% of the respondents indicated they are still studying, either to earn a PhD or a Master's/Bachelor's degree. Other positions of survey participants are indicated in Figure 6.

**Figure 6. Positions of Respondents**



**Figure 7. Employers of Respondents**



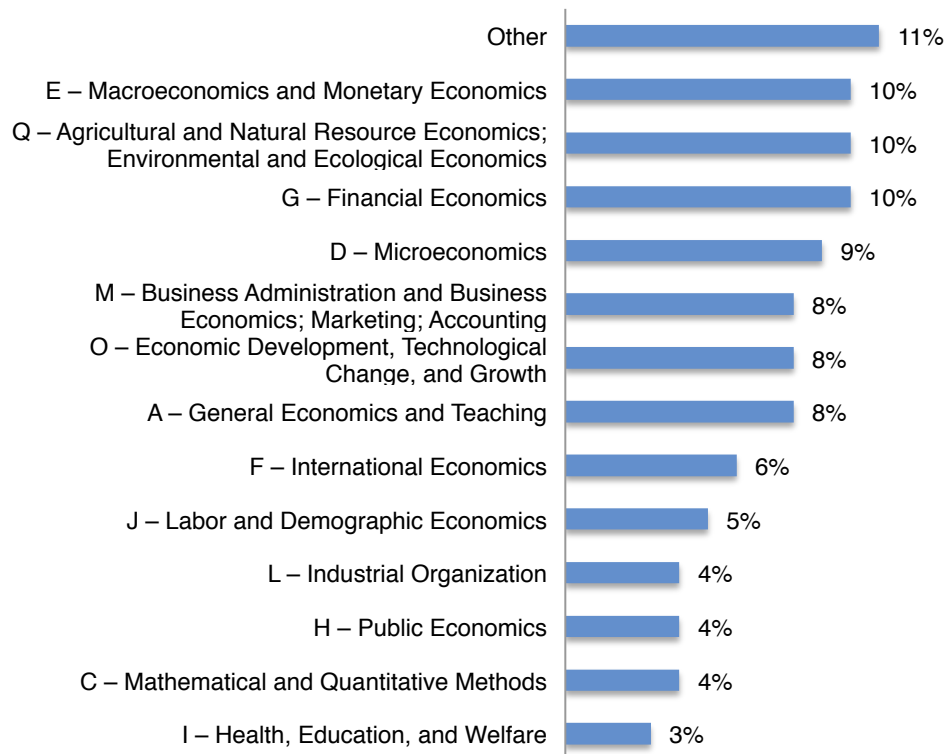
### c. Fields of Specialization

#### Fields of Specialization Studied

Figure 8 displays the fields of specialization of the respondents during their studies. Macroeconomics & Monetary Economics, Agricultural & Natural Resource Economics

and Financial Economics proved to be the most popular among economists in the USA and Canada (each studied by 10% of the respondents)

**Figure 8. Fields of Specialization Studied by Respondents (JEL Codes)**



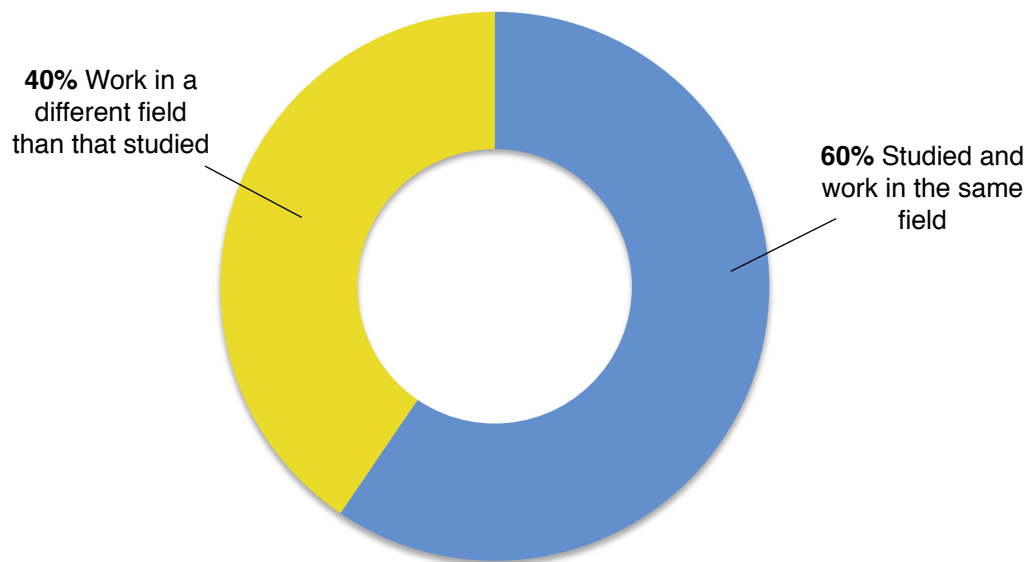
## 2. Economists: Perspectives of the Economics Job Market

### a. Level of Mobility of Respondents: Professionally and Geographically

Many economists in North America work in a different field than that studied (40% of the respondents), which suggests that it is

common for economists to switch between fields when they enter or advance in their careers.

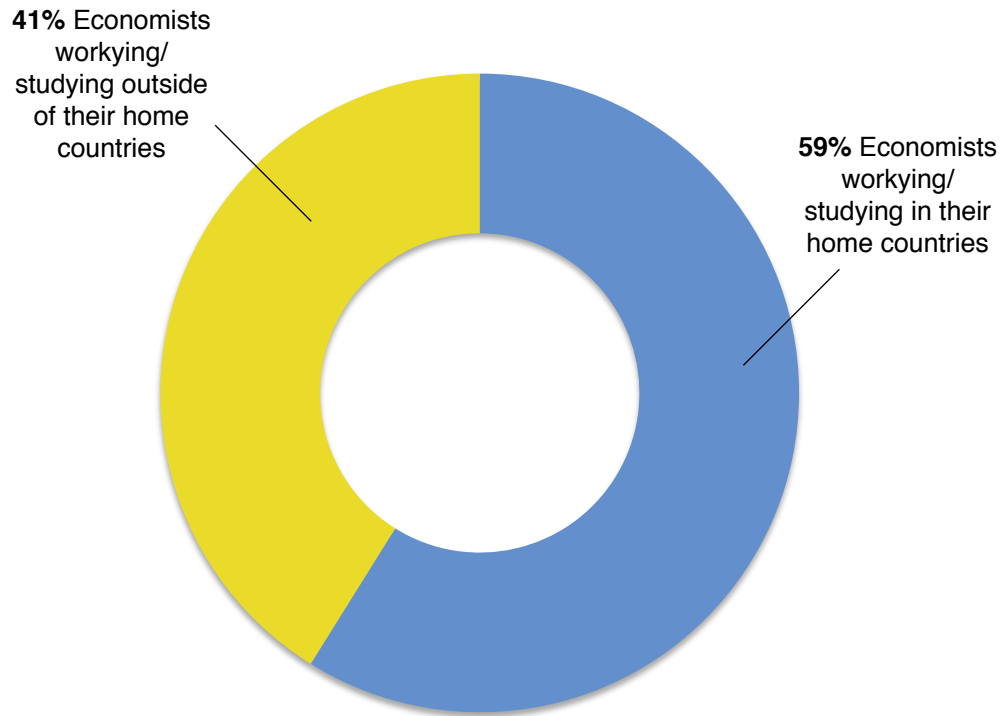
**Figure 9. Mobility Within Fields of Specialization**



The proportion of foreign economists in the USA and Canada, on average 40%, is one of the largest in the world (please compare to

**other regional reports**). Many economists have moved to the region from China, India, Mexico, Portugal, Germany and Russia.

**Figure 10. International Economists vs. Domestic Economists**



## b. Preferences of Economists in the Job Market

### Important Factors for Economists When Choosing a Job

As in the majority of countries, a friendly working environment is considered to be the most important factor for economists when choosing a job. Reputation of the institution is

rated second in the USA and Canada. All the factors listed by their importance can be seen in Figure 11.

**Figure 11. Important Factors for Economists When Choosing a Job**  
(Average score 1 to 4, where 4 is extremely important and 1 is not important at all)

Friendly working environment	3,20
Reputation of the institution	3,13
Flexible working hours/work-life balance	3,01
Salary	3,00
Long-term contract	2,99
Political, economical & social condition of the country (if abroad)	2,94
Time to conduct your own research	2,91
Fast career growth	2,88
Social impact of the project	2,78
Proximity to your family/home town	2,51
Extra benefits	2,44
Teaching opportunities	2,34
Should be in a different country	1,52

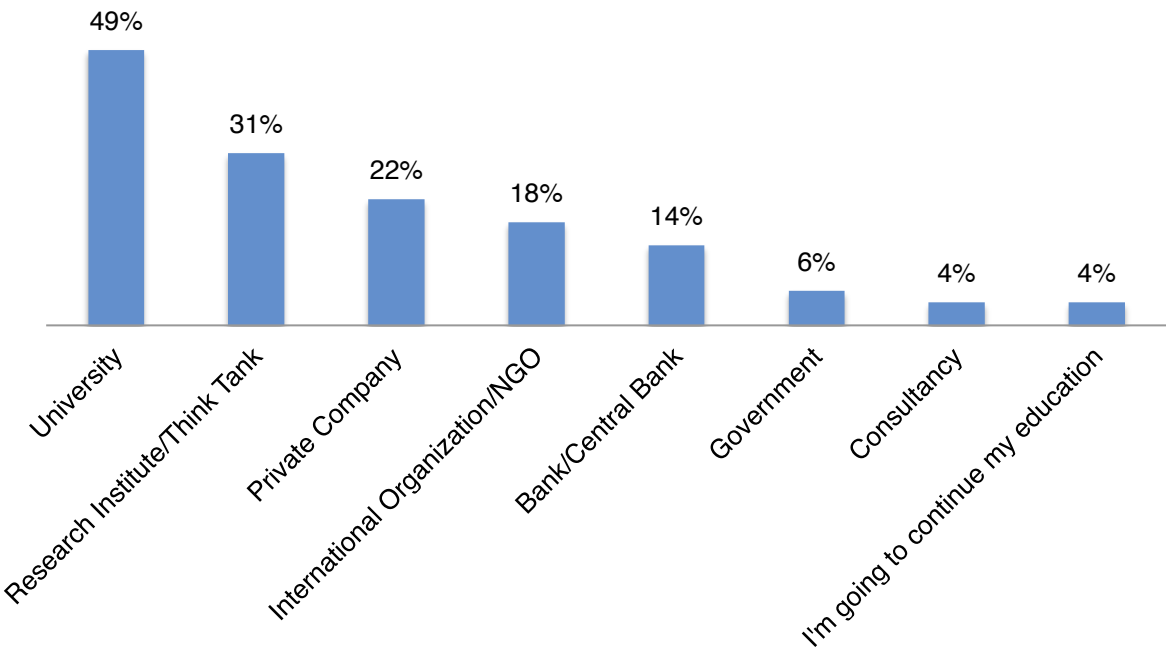


**Preferred Employers of Economics Graduates**

Respondents who were still studying when completing the survey were asked where they wanted to work after graduation. Almost half of the respondents (49%) stated they want to get a job at a university and hence work in the

academic field. It is worth noting that this number may include those intending to pursue a PhD in a university environment. Another 4% of respondents indicated they want to continue education.

**Figure 12. Top Types of Employers for Economics Graduates**



## c. Salaries of Economists: Average Salaries and Income Distribution

### General Overview of Salaries: Average Income of Economists

Respondents to the INOMICS survey were asked to share information about their annual income within given salary ranges. The income level is generally high in North America, with almost a third of the respondents (28%)

earning more than 95,000 US\$ per year. To see the income of North American economists in comparison to other regions and countries, see the [Worldwide Report](#) here.

### Experience: Income Distribution

Wages increase gradually with experience gained: after working for 5 years only 17% of the respondents are still in a low salary range (less than 35,000 US\$ per year). Another

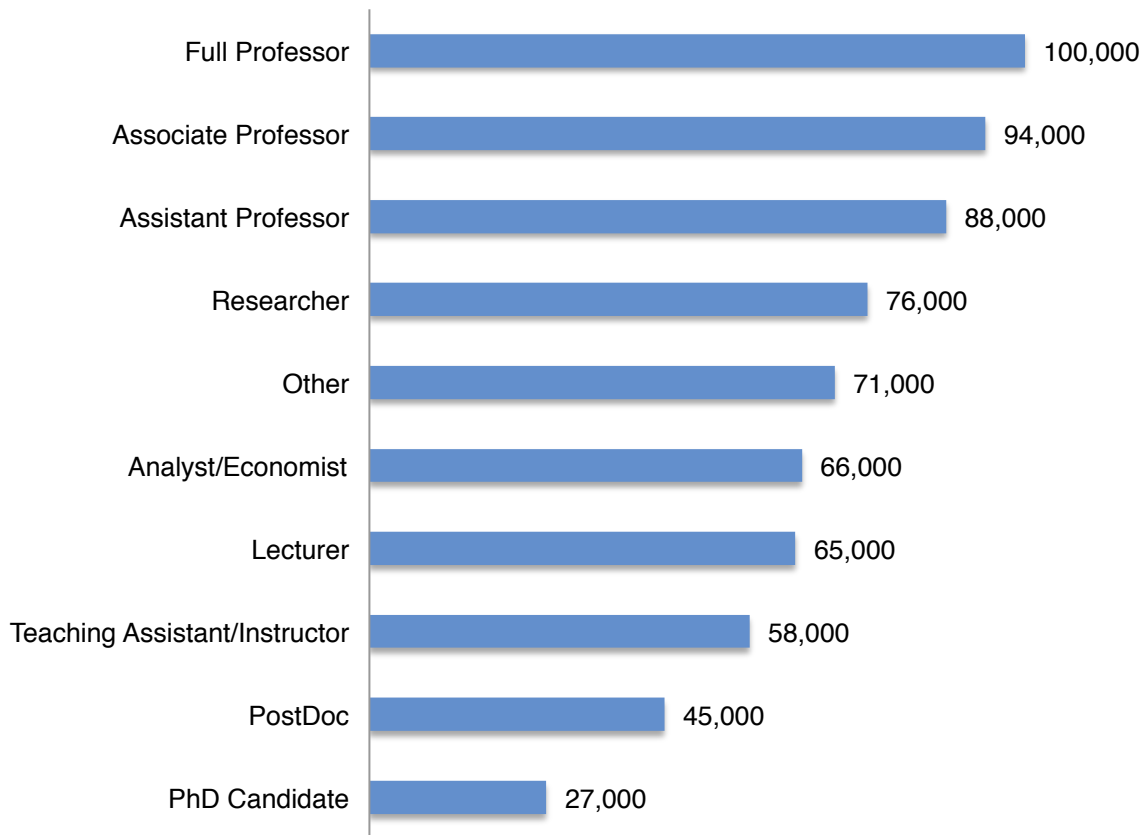
observation is that two thirds (66%) of respondents with more than 10 years of experience earn more than 95,000 US\$ per year.

### Positions: Average Income

Figure 15 suggests that Professors in the USA and Canada earn significantly more than people in any other academic position: i.e. upwards from 88,000 US\$ per year on average

starting with Assistant Professor positions. A more detailed description of average salaries by position and by country breakdown can be found in Figure 15.

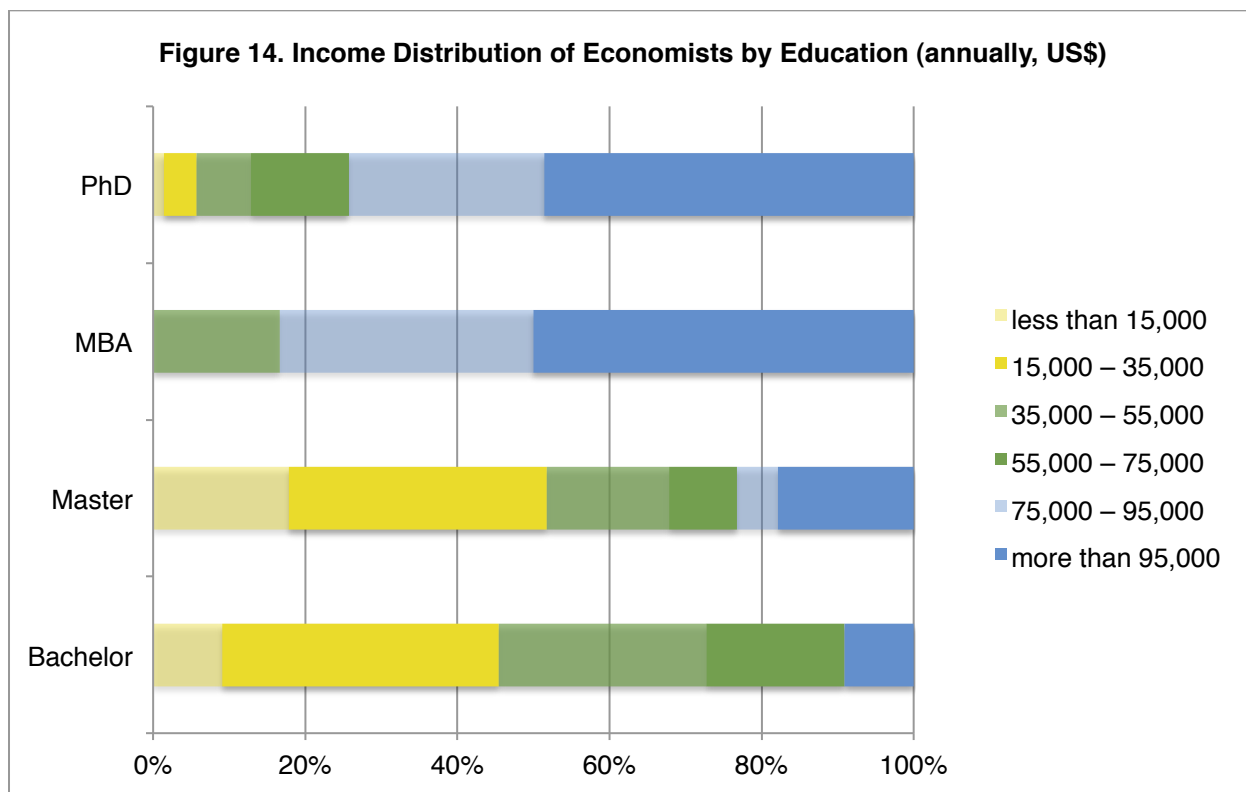
**Figure 13. Average Income of Economists by Position (annually, US\$)**



## Academic Degree: Income Distribution

As can be observed [worldwide](#), salaries are strongly correlated with the academic degrees obtained. Less than 6% of the respondents with a PhD title fall in the lowest salary bracket

(less than 35,000 US\$ per year). The ratio of economists earning more that 95,000 US\$ per year increases significantly for MBA and PhD holders.



**Regional Comparison: Average Income of Economists by Position**

Average salaries for certain positions in both the USA and Canada can be seen in Figure 15. Clear differences can be observed for some positions (Assistant and Associate Professor, Analyst/Economist).

**Figure 15. Average Income of Economists by Position and Country (annually, US\$)**

	USA	Canada
Full Professor	102,000	99,000
Assistant Professor	90,000	65,000
Associate Professor	85,000	105,000
Researcher	78,000	73,000
Other	69,000	105,000
Analyst/Economist	63,000	85,000
Lecturer	59,000	77,000
Teaching Assistant/Instructor	58,000	n/a
PostDoc	45,000	n/a
PhD Candidate	27,000	25,000

# IV. Recruiters: Economics Job Market Outlook

## 1. Recruiters: Profiles of Respondents

135 respondents from Canada and the USA took part in this section of the survey, of which just over three quarters are from the United States.

**Figure 16. Countries Represented by Recruiters**

Canada	23%
USA	77%

As can be seen in Figure 17, the majority (95%) represent universities. This can be explained by the academic user base of INOMICS. Moreover, professors, researchers and academics from various universities were invited to participate in the survey.

**Figure 17. Institutions Represented by Recruiters**

University	95%
Government	2%
Bank/Central Bank	1%
Private Company	1%
International Organization/NGO	1%

## 2. Recruiters: Perspectives of the Economic Job Market

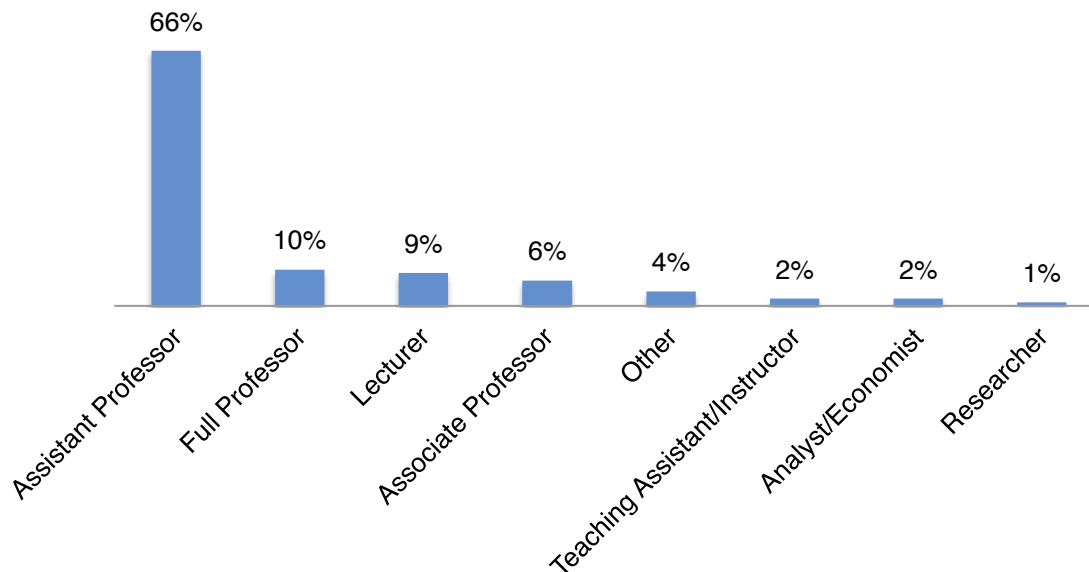
### a. Latest Trends in the Economics Job Market: Demand and Salaries

#### Latest Open Positions for Economists

Recruiters were asked to describe the latest open position in their organization. An Assistant Professor position is the most frequently named by the respondents (67%).

This suggests that currently there is high demand for entry-level economists in academia in North America.

Figure 18. Latest Open Positions for Economists

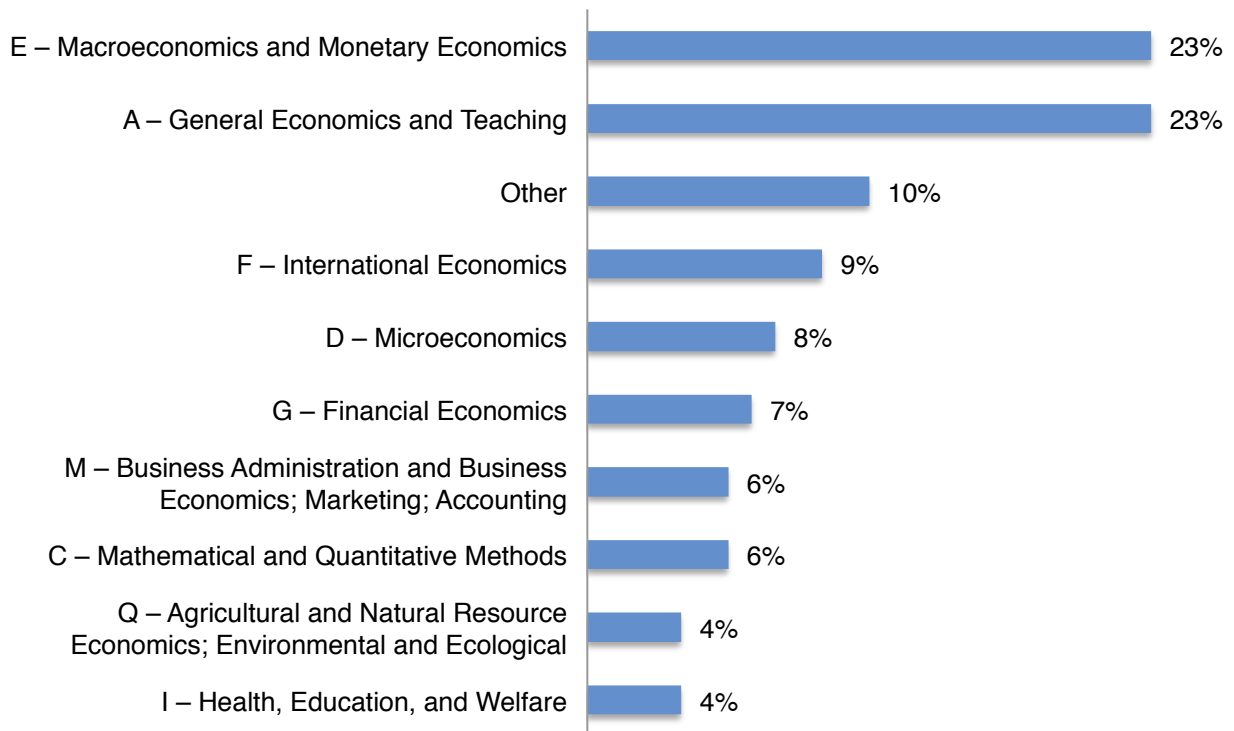


## Fields of Specialization

Macroeconomics and General Economics & Teaching are equally popular among recruiters, each being mentioned by 23% as sought after in candidates. These figures

match those for supply (studied fields of specialization in Figure 8) and support the idea that there is demand for broad specialists.

**Figure 19. Latest Open Positions for Economists: Fields of Specialization**





**Minimum Education & Work Experience Requirements**

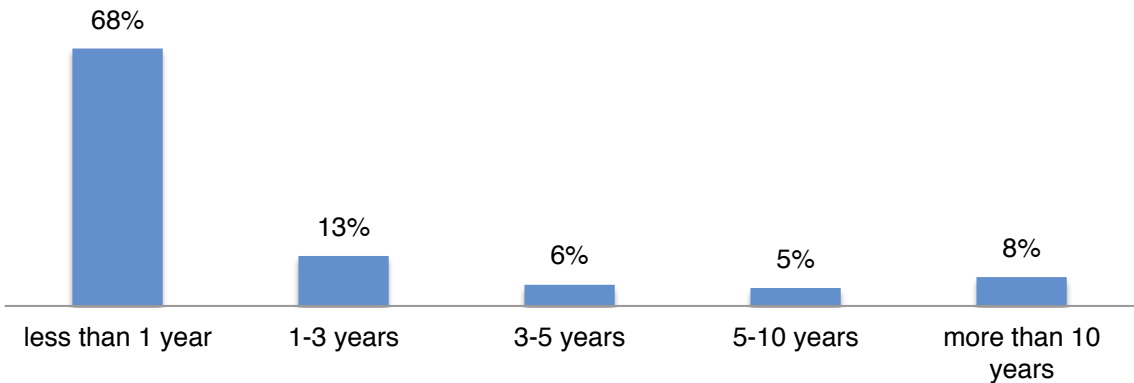
The majority of open positions require a completed PhD degree (94%), which confirms the value of high academic qualifications in the academic job market for economists.

On the other hand, 68% of all open positions do not require much working experience and are open for candidates with less than 1 year of experience. It is worth noting that many employers seem not to include experience gained during a PhD program as work experience.

**Figure 20. Minimum Education Requirements for the Latest Open Positions for Economists**

PhD	94%
Master	5%
Bachelor	1%

**Figure 21. Minimum Work Experience Requirements for Open Positions for Economists**

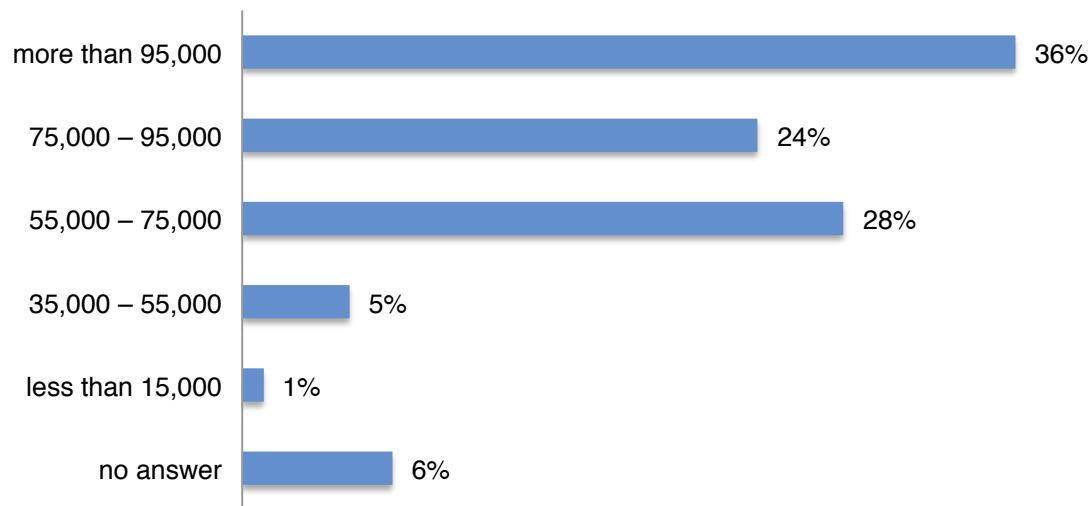


**Range of Salaries and Average Salaries by Position**

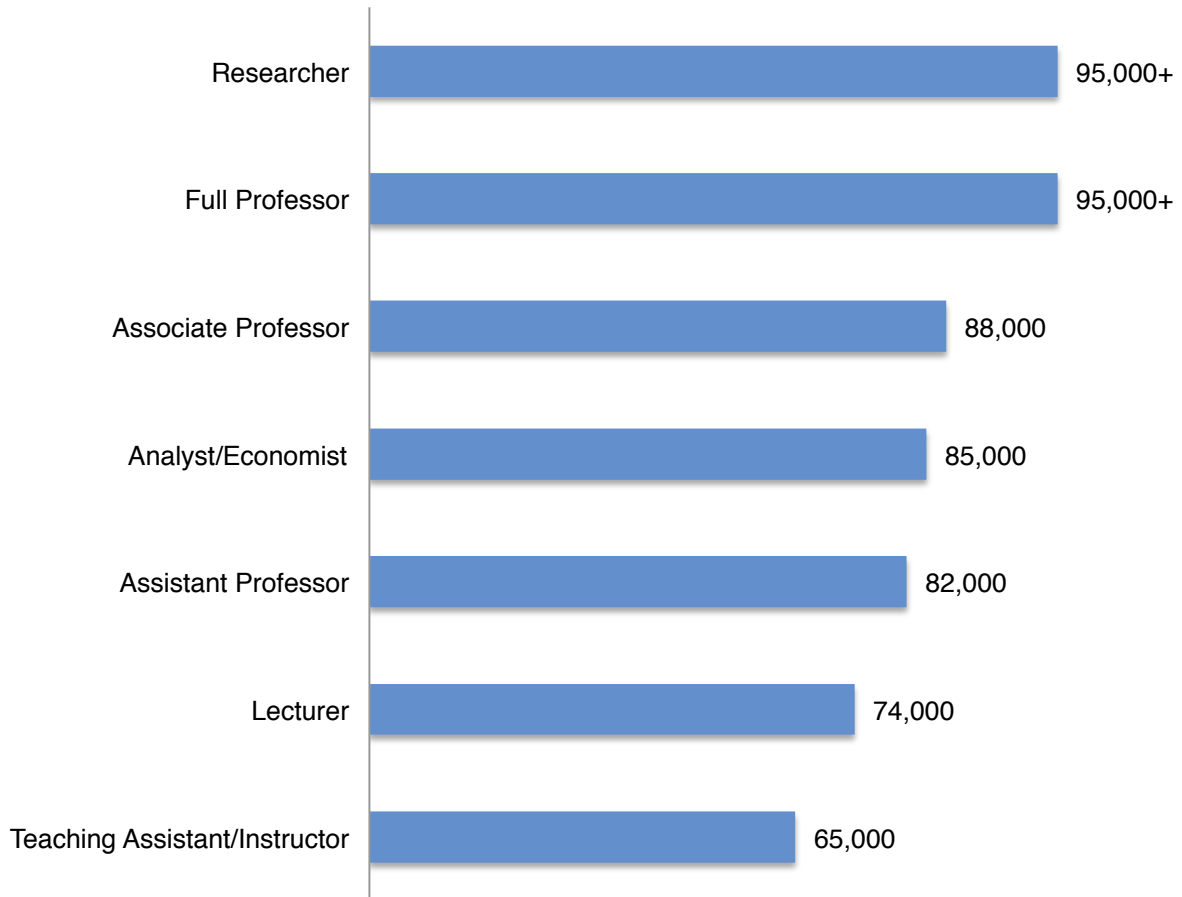
Salaries offered for the latest open positions in North America are high, especially compared to **other countries**: 60% of all open positions offer salaries above 75,000 US\$ per year and another 28% of open positions offer 55,000-

75,000 US\$ per year.  
The highest salaries are for Full Professor and Researcher positions, with over 95,000 US\$ per year on average.

**Figure 22. Salaries for the Latest Open Positions for Economists  
(annually, gross, US\$)**



**Figure 23. Average salaries for the Latest Open Positions for Economists  
by Position (annually, gross, US\$)**



b. Preferences of Employers when Choosing a Candidate

The Most Important Factors when Choosing a Candidate & Geographic Preferences of Recruiting Institutions (Regional vs. International Applicants)

Recruiters were asked to rate the most important factors for their decision when choosing a candidate. Confirming the low experience requirements identified in the previous section, a relevant degree and good recommendations were given the highest importance. In accordance with the [worldwide trend](#), communication skills are more

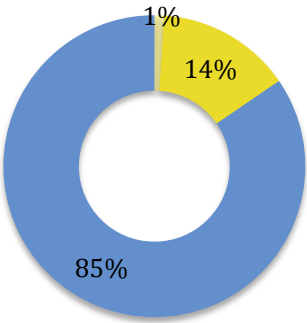
important than quantitative skills. Only 14% of all open positions specifically require a national candidate, and 85% of recruiters do not have any preference, which indicates that the economics job market in the USA and Canada is open for international candidates.

**Figure 24. Important Factors when Choosing a Candidate**  
(Average score 1 to 4, where 4 is extremely important and 1 is not important at all)

Relevant degree	3,90
Good recommendations	3,63
Communication skills	3,41
Research experience	3,32
Quantitative skills	3,30
Experience at a reputable institution	2,90
Degree from a top university	2,64
Awards and distinctions	2,15
Experience in the private sector	1,30

**Figure 25. Geographic Preferences of Recruiting Institutions**  
(National vs International Applicants)

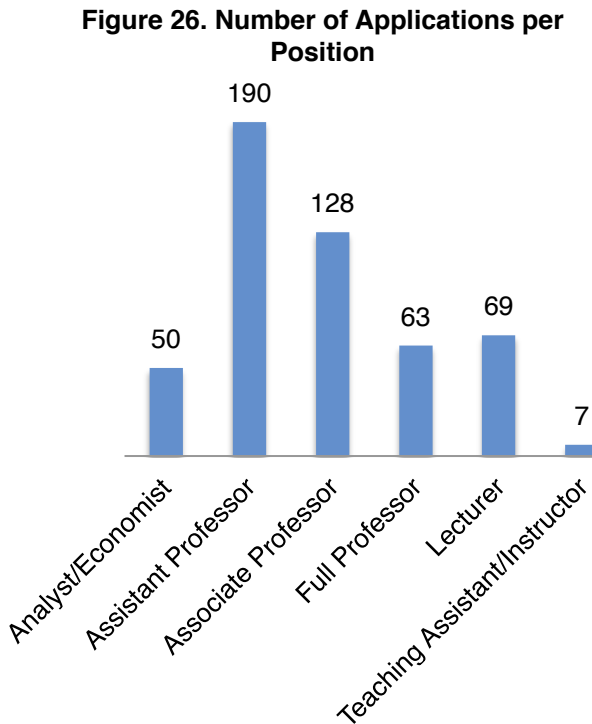
■ International ■ National ■ No preference



a. Selection Process

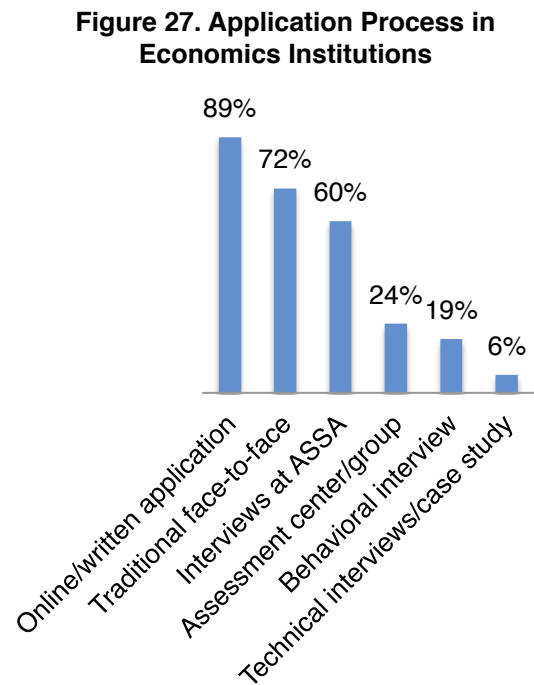
Number of Applications per Position

The number of applicants per position ranged from 3 to 700, with the highest competition for Assistant Professor and Associate Professor positions. The average amount of applications for different positions can be found in Figure 26.



Interviews

Figure 27 shows the techniques that are most used in the application and selection process in Canada and the USA. In North America 60% of all open positions include interviews at the annual ASSA meetings in the selection process.



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