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Economics Job Market Report 2012

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I. EXECUTIVE SUMMARY

The INOMICS Job Market Survey was conducted to create an overview of current trends in the global job market for economists. The unique findings of the survey have been used to compile the “Economics Job Market Report 2012”, with respondents comprising economists and recruiters from more than 70 countries. The Report presents in-depth information on the current state of salaries for economists, important factors affecting decisions of both candidates and recruiters in the economics job market and the popularity of fields of specialization of the respondents. Based on the data collected it

was also possible to create correlations between the range of salaries and education, years of work experience, institution types and current positions. The focus of the Report is on the academic job market. The majority of recruiters who took part in the survey represent Universities (87 percent) and Research Institutes or Think Tanks (12 percent). The majority of economists who participated in the survey hold advanced academic degrees: more than 90 percent of the respondents have at least a Master’s degree and more than 50 percent of all respondents have a completed PhD.

INOMICS is a global platform for academics and professionals in economics and finance. It includes a web portal, an extensive blog network, multiple social media channels and a popular email alert service, through which users and visitors can search for relevant jobs, courses, conferences, papers, and institutions. INOMICS has been an integral part of the online economics community since 1998.

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Key Findings of the INOMICS Job Market Report

Average Salaries and Salary Growth (In US\$)

- Average annual income of economists with less than 1 year of experience is \$18,000, \$29,000 for professionals with 1 to 3 years of experience and \$38,000 for economists with 3 to 10 years of experience. Economists with over 10 years of experience earn on average \$54,000 a year.
- While economists experience a considerable salary hike when they pass the thresholds of 1 and 3 years of work experience, annual salaries seem to remain mostly unchanged until economists obtain 10 years of work experience.
- The salary is largely dependent on the type of employer, academic degree, years of experience and geographical location.

Value of Academic Degrees

- Educational requirements in the academic job market for economists are very high: a PhD is required for the majority of open positions.
- PhD holders have the highest income among economists in academia: 88 percent of the economists with an annual income above \$75,000 hold a PhD.
- The annual income of economists with a Bachelor's degree does not exceed \$45,000.
- The value of a PhD in the economics job market in academia is higher than the value of an MBA.

Key Findings of the INOMICS Job Market Report

Preferences of Economists

- Time allowed to conduct research and the reputation of an institution are the most important factors that economists take into consideration when they look for a job.
- Salary was only rated third among the top priorities for economists when applying for a job
- Teaching opportunities and the geographical location of a position are the least important factors for economists to consider.

Preferences of Employers

- Communication skills are considered by recruiters to be more important than quantitative skills.
- The majority of recruiters would prefer international than national applicants for the open positions.
- A relevant degree and research experience were indicated as the top priority for recruiters when assessing candidates.

Demand for Economists by Fields of Specialization

- The fields of specialization currently most in demand in the economics job market are International Economics, Economic Development, Technological Change and Economic Development & Growth.
- The majority of economists work and study (or studied) areas related to Macroeconomics and Monetary Economics.
- The majority of students in economics stay in the same field of specialization upon entering employment: only 30 percent of economists work in a different field than the one they studied.

II. METHODOLOGY

The INOMICS Survey was conducted via an online questionnaire, which was placed on the INOMICS website (inomics.com) and circulated via social media channels. INOMICS is an online platform for professionals in economics and finance, which attracts over 50,000 visitors per month from all over the globe. The questionnaire was offered to all INOMICS visitors who have an educational and/or professional background in economics and to INOMICS customers who are interested in employing economists. The Survey was completed by 411 individuals in total. Out of all the respondents, 355 stated that they had an educational and/or professional background in economics. This group of respondents is referred to as “economists” in this Report. 56 respondents

reported that organizations they represent recently had open positions for economists. As these respondents represent organizations interested in employing economists, they are referred to in this Report as “recruiters”. Economists and recruiters were offered different sets of questions with regard to the current job market for economists.

The findings from the INOMICS survey are split into two parts in this Report: Part III (Economists: Economics Job Market Outlook) covers findings from data that was collected from Economists, and Part IV (Recruiters: Economics Job Market Outlook) presents findings from the data that was collected from Recruiters.



III. Economists: Economics Job Market Outlook

1. Economists: Profile of Respondents

a. Demographics

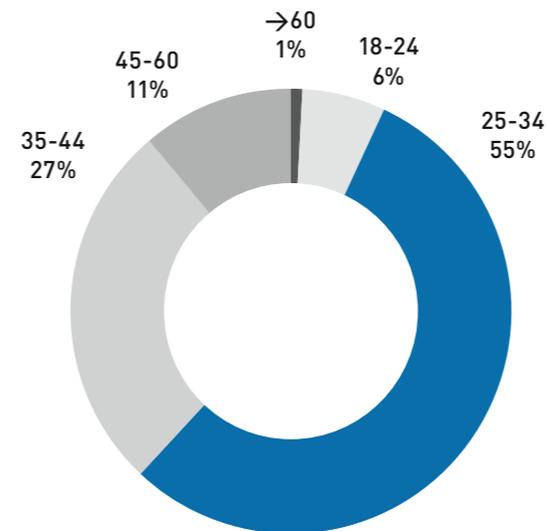
Age Groups

The INOMICS survey was completed by economists of all ages from 18 and up. However, the majority of respondents (82 percent) was between 25 and 44 years old. Figure 1 demonstrates the age groups of the respondents.

Countries of Residence

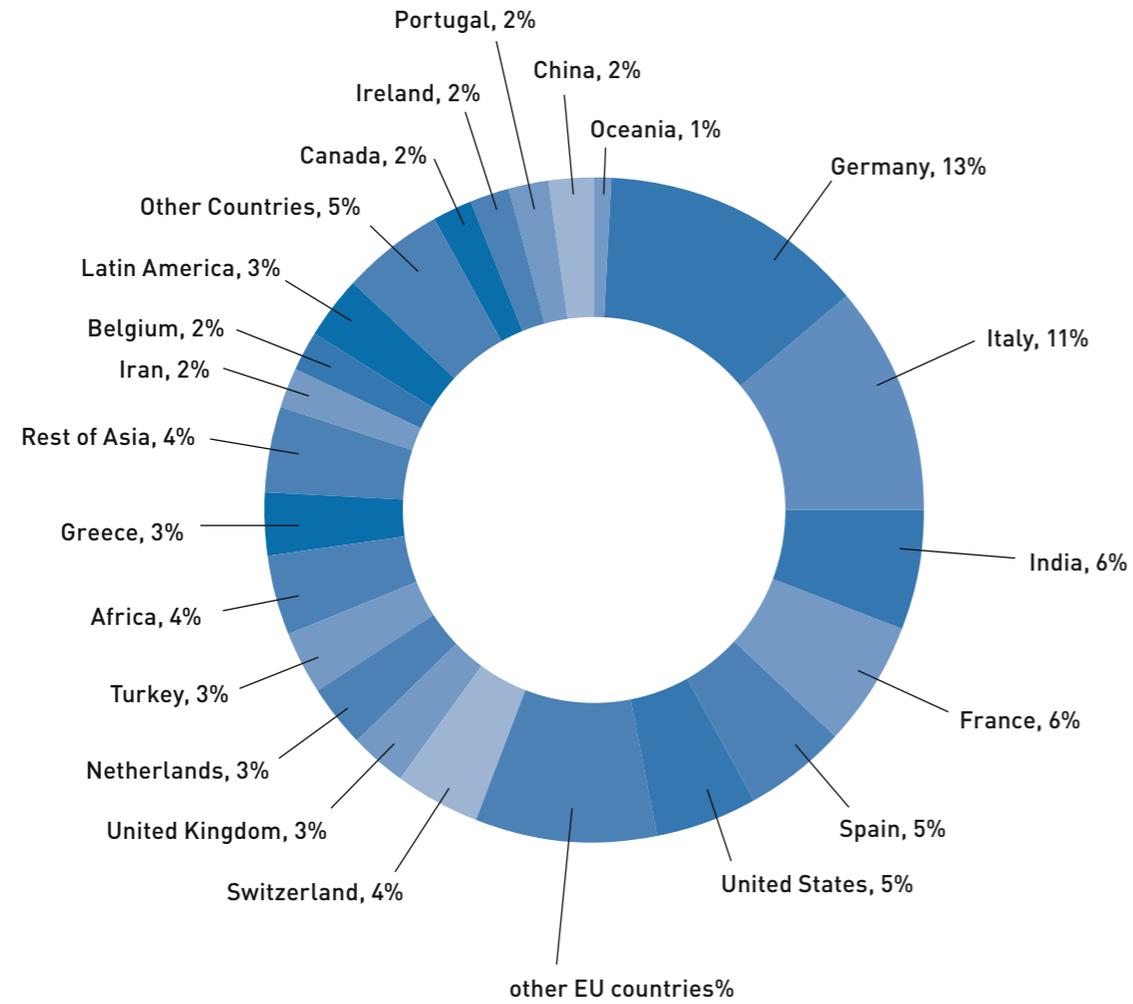
The Survey was completed by economists from 68 countries. Figure 2 shows the geographical distribution of the respondents. 63 percent of the respondents currently live in Europe. Other significant groups are economists based in India (6 percent), the United States (5 percent), Turkey (3 percent), China (2 percent), Iran (2 percent) and Canada (2 percent). Other regions are represented as follows: Rest of Asia - 4 percent, Africa - 4 percent, Latin America - 3 percent, Australia and New Zealand - 1 percent. 5 percent indicated other countries as their place of residence.

Figure 1. Age Groups of the Respondents



b. Professional Profile

Figure 2. Countries of Residence of Respondents

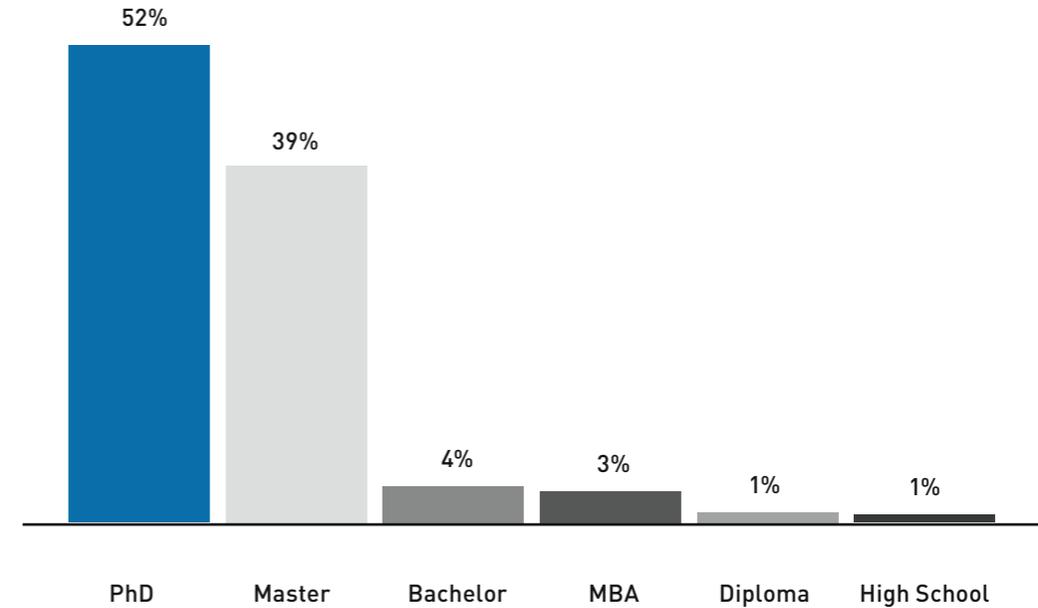


Completed Academic Degrees

Figure 3 shows graphically the highest completed degree of the economists who took part in the survey. About 90 percent of the respondents reported that they had at least a Master's degree, whereas 52 percent of the survey participants have a completed PhD, and 39 percent have a completed Master's degree.

4 percent of the respondents hold an MBA degree and 4 percent have a Bachelor's degree. About 1 percent of the survey participants have Diploma or Honors degree. Less than 1 percent of the visitors only completed High School.

Figure 3. Completed Academic Degrees of Respondents

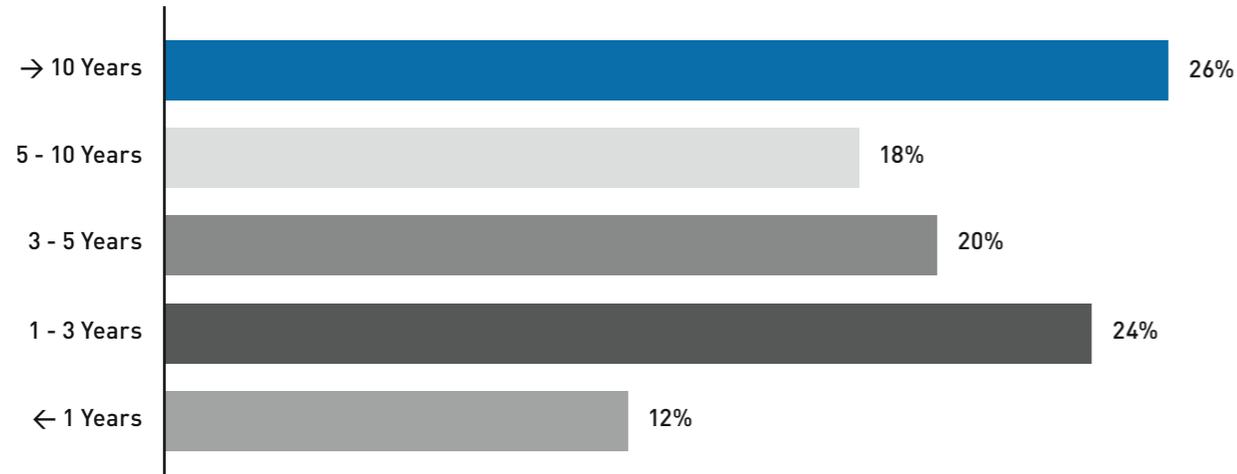


Work Experience

The INOMICS survey respondents represent economists with a broad range of work experience levels, including students, established professionals and

senior economists with over 10 years of professional experience. Figure 4 shows the breakdown of work experience (see Figure 4).

Figure 4. Work Experience of Respondents

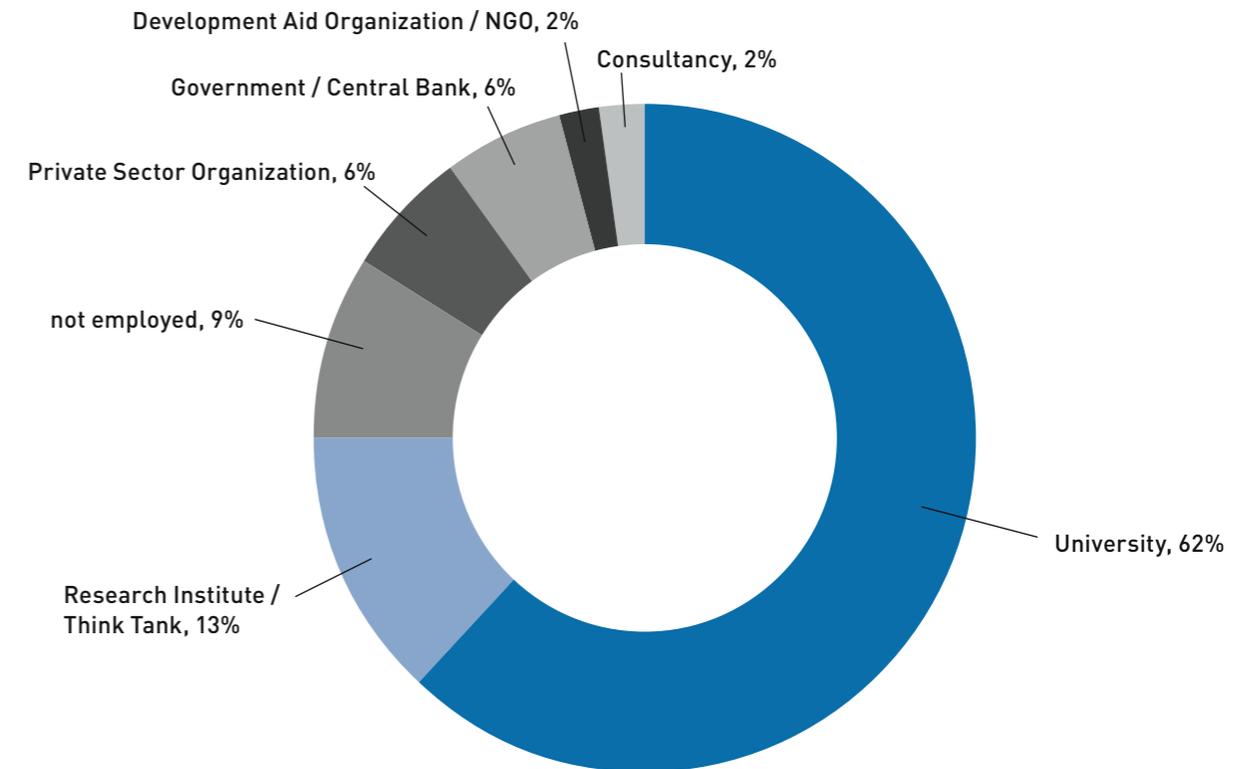


Types of Employers

The respondents of the survey form a useful representation of the academic job market for economists (see Figure 5). The majority of the economists that took part in the survey are employed at universities (62 percent) followed by research institutes or think

tanks (13 percent) with only 6 percent employed in private sector organizations. 9 percent of the respondents reported being unemployed, however this number includes those who are enrolled in full-time studies and not working at the same time.

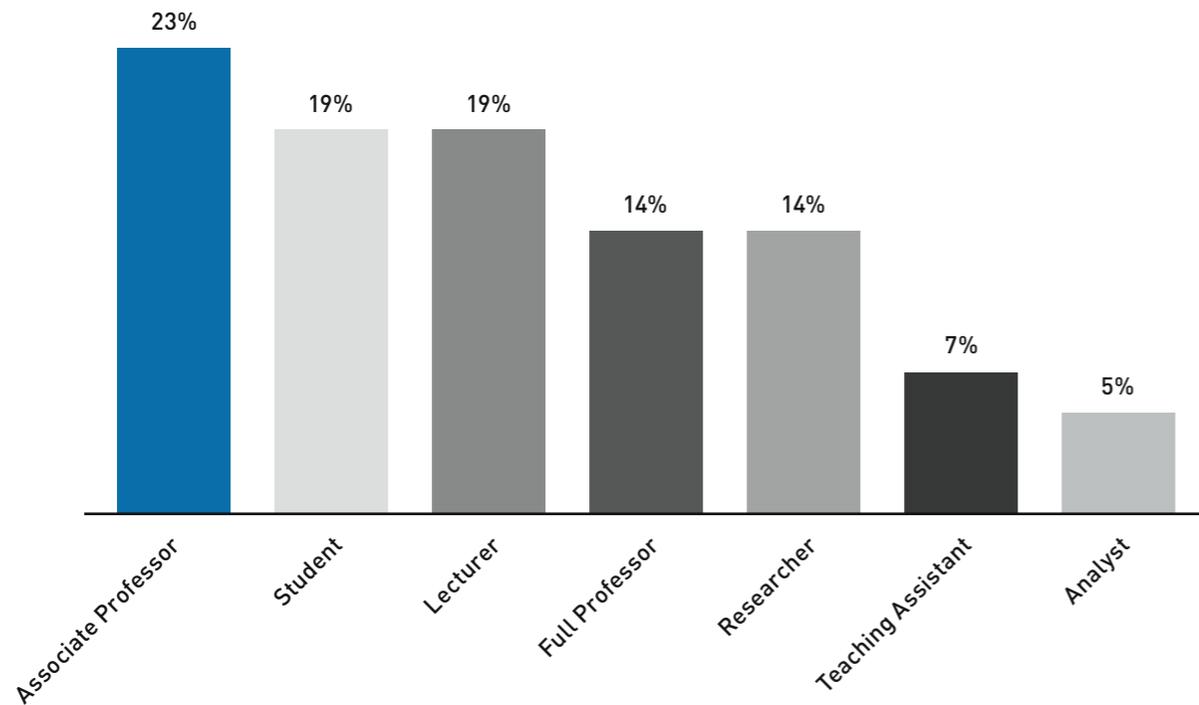
Figure 5. Employers of Respondents



Positions

As figure 6 shows, the majority of the INOMICS Survey respondents hold positions in academia at different seniority levels. Researchers and analysts account for 19 percent of the survey participants. 19 percent of the INOMICS Survey respondents are students.

Figure 6. Positions of Respondents

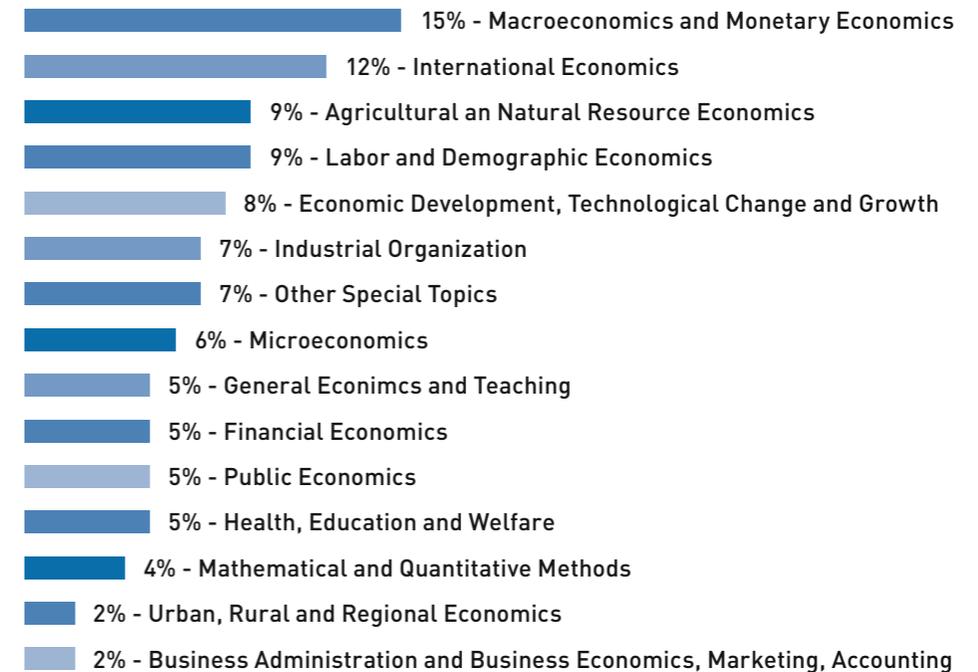


c. Fields of Specialization

Fields of Specialization Studied

The fields of specialization most studied by respondents are Macroeconomics and Monetary Economics (15 percent), whereas only 6 percent specialize in Microeconomics. Other popular fields of specialization include International Economics (12 percent); Agricultural & Natural Resource Economics (9 percent); Labor & Demographic Economics (9 percent); Economic Development and Technological Change & Growth (8 percent). The broad field of Business Administration, Business Economics, Marketing & Accounting only accounts for 2 percent. The declared majors of the survey participants are demonstrated in Figure 7 in further detail.

Figure 7. Fields of Specialization Studied



Fields of Specialization at Work

The majority of respondents work in areas related to Macroeconomics and Monetary Economics (15 percent). Among other popular fields of employment specialization are International Economics (10 percent), Agricultural & Natural Resource Economics (9 percent) and Labor & Demographic Economics (9 percent).

Many other areas of specialization were mentioned by the economists replying to the survey, but appeared to be of a much more niche nature, each being offered by 5 percent or less of respondents (see Figure 8).

Figure 8. Fields of Specialization at Work



2. Economists: Perspectives of the Economics Job Market

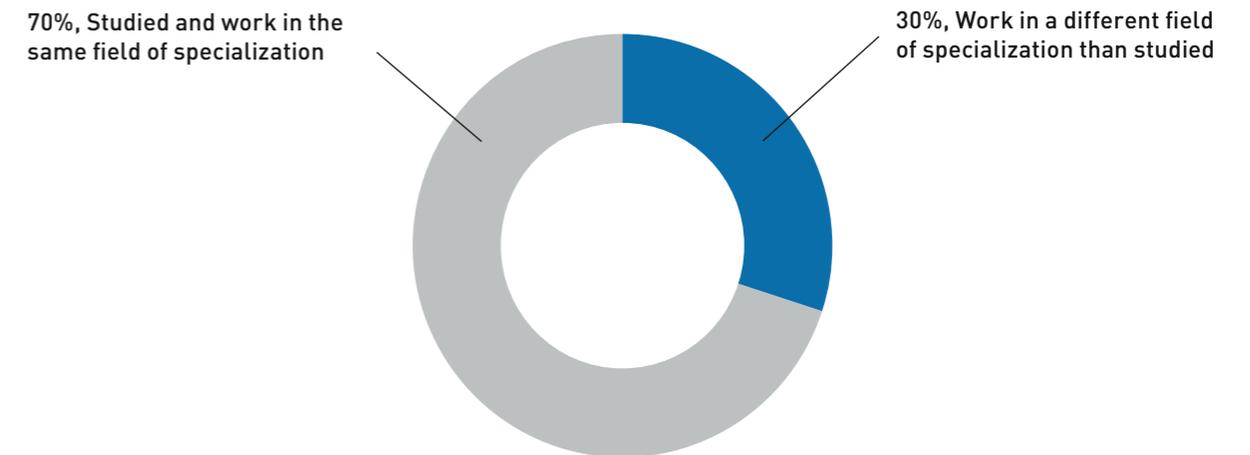
a. Fields of Specialization of Respondents: Studies vs Work

Level of Mobility Between Different Fields of Specialization

The survey results suggest that the majority of students of economics tend to stay within their field of specialization upon entering employment. Only 30 percent of economists work in a different field of

specialization than their education, whereas 70 percent continue working in the same field of specialization in which they obtained their degrees (see Figure 9).

Figure 9. Mobility Within Fields of Specialization

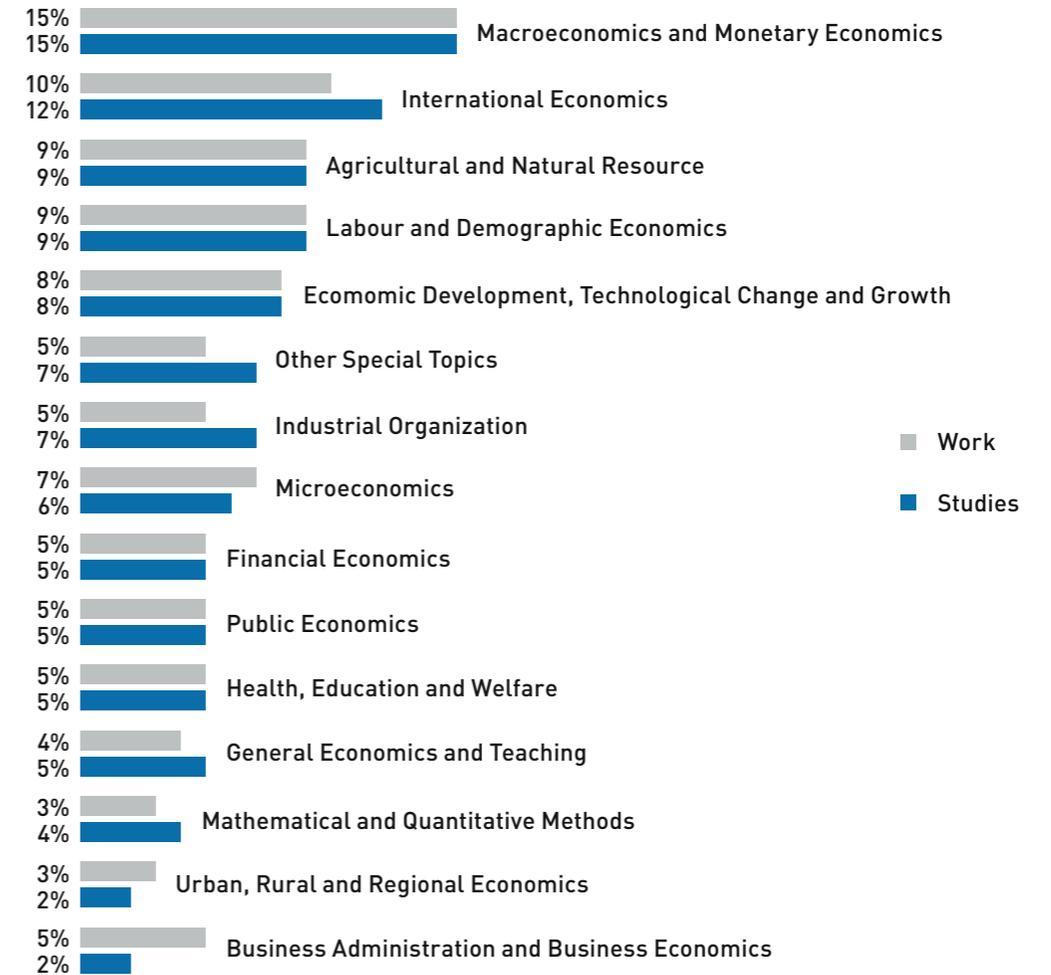


Mobility Between Fields of Specialization Broken Down by Field

The general trend varies between fields of specialization. Figure 10 shows comparative data about subject areas taken at university and fields of specialization at work. The number of economists who studied Macroeconomics and Monetary Economics, for example, matches the number of economists working in the same field (15 percent) and remains the most popular field of specialization, both during studies

and once employed. A significant number of economists who studied International Economics or Industrial Organization, on the other hand, tend to switch to different areas of specialization when entering employment, with 12 percent of respondents having studied International Economics but only 10 percent working in the same field.

Figure 10. Fields of Specialization: Studies vs Work



b. Preferences of Economists in the Job Market

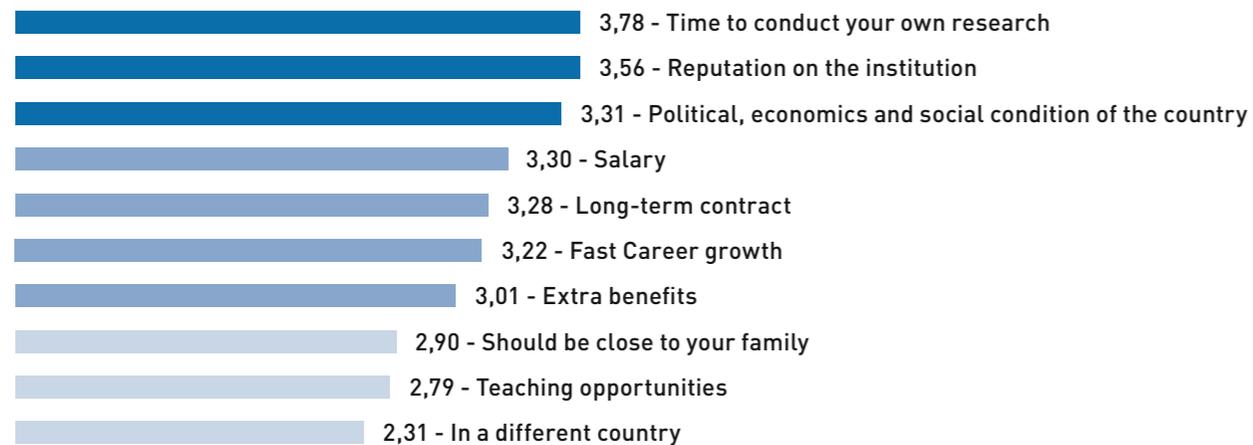
Important Factors for Economists When Choosing a Job

According to the responses, economists feel that the two most important factors when considering a job offer are time to conduct their own research and the reputation of the institution. Salary was - perhaps surprisingly - only rated fourth.

The geographical location of the job, as well as teaching opportunities in the job were indicated as the least important factors among the options given (Figure 11).

Long-term contracts, salary, as well as political, economic and social conditions in the country of the assignment are equally important for economists, but were positioned below the first two factors. Extra benefits fall even lower among priorities.

Figure 11. Important Factors for Economists When Choosing a Job
(Average score 1 to 5, where 5 is extremely important and 1 is not important at all)



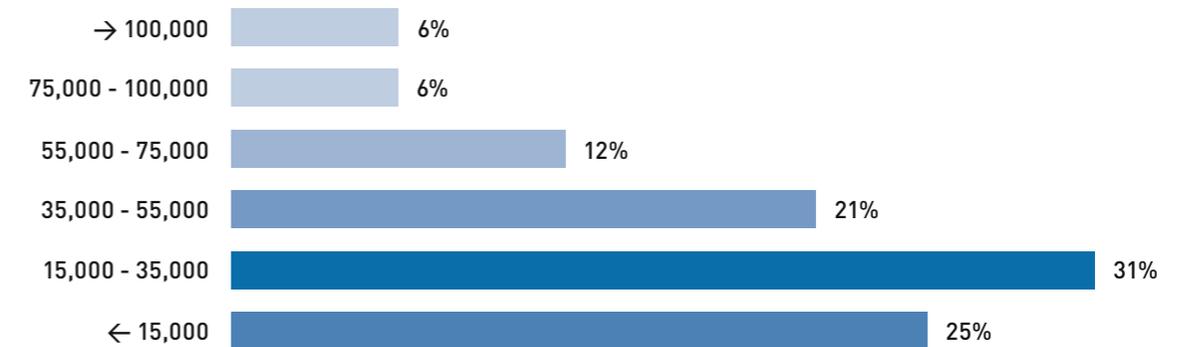
c. Salaries of Economists: Average Salaries and Income Distribution

General Overview of Salaries: Average Income of Economists

Economists who took part in the INOMICS Survey were asked to share information on their annual income (gross) at present. Based on the data collected it was possible to calculate average annual salaries for economists (see Figure 12), as well as income distribution by position, years of work experience, completed academic degree and type of institution where respondents are employed.

Slightly more than 50 percent of the respondents have an annual income below \$35,000, within which 25 percent reported that their annual income is below \$15,000. 33 percent of the respondents are in what might be termed “the middle range”, earning between \$35,000 and \$75,000 a year, while 12 percent of the economists who took part in the survey have what could be considered high annual incomes with annual earnings above \$75,000.

Figure 12. Income Distribution for the Respondents (annually, gross, US\$)



¹ All the numbers are in US\$, annually, gross. The respondents could indicate the range of their salaries within the following categories: (1) below 15,000 US\$, (2) 15,000-25,000 US\$, (3) 25,000-35,000 US\$, (4) 35,000-45,000 US\$, (5) 45,000-55,000 US\$, (6) 55,000-65,000 US\$, (7) 65,000-75,000 US\$, (8) 75,000-85,000 US\$, (9) 85,000-95,000 US\$, (10) 95,000-100,000 US\$, (11) above 100,000 US\$.

Experience: Income Distribution and Average Income

Not surprisingly, the level of income for the majority of economists is proportional to the number of years of work experience (see Figure 13). For example, over 50 percent of the respondents with less than one year of work experience have an annual income of less than \$15,000. \$65,000 was reported to be the highest annual income for economists with less than one year of experience. Income can be seen to rise quickly as experience is gained: 40 percent of eco-

nomists with one to three years of experience have an annual salary above \$35,000, compared to only 10 percent of economists with less than one year of experience in the same salary range. The number increases to 66 percent for economists with more than ten years of experience, with 25 percent of economists in this experience category having an annual income above \$75,000.

Figure 13. Income and Work Experience of Economists (annually, US\$)

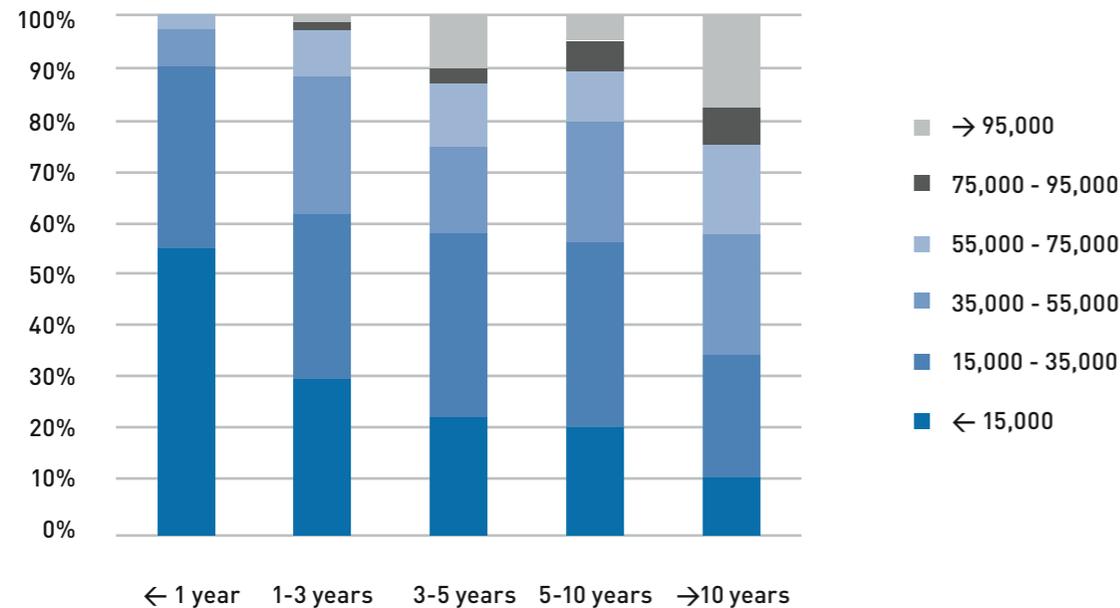
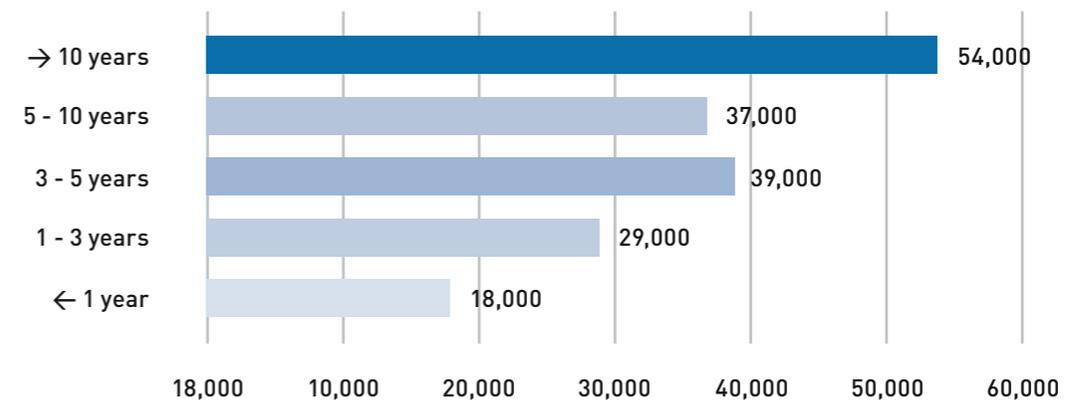


Figure 14 illustrates the average income of respondents by work-experience. Data shows that while economists experience a considerable increase in income when they pass the thresholds first of one year and then three years of experience (a hike of about \$10,000 in both cases), there is little if any change in annual income for economists between their third and tenth year of work experience. The dramatic salary hike occurs for economists with over ten years of experience (almost \$20,000 difference

in average annual income). Surprisingly, according to the survey data, the average income of economists with five to ten years of experience is slightly lower than the average income of economists who have between 3 and 5 years of experience: \$37,000 and \$39,000 respectively. This apparent anomaly might be explained by the relatively small sample group and by the geographical spread (and therefore regional income disparities) of the respondents.

Figure 14. Average Income of Economists as per Years of Work Experience (annually, US\$)

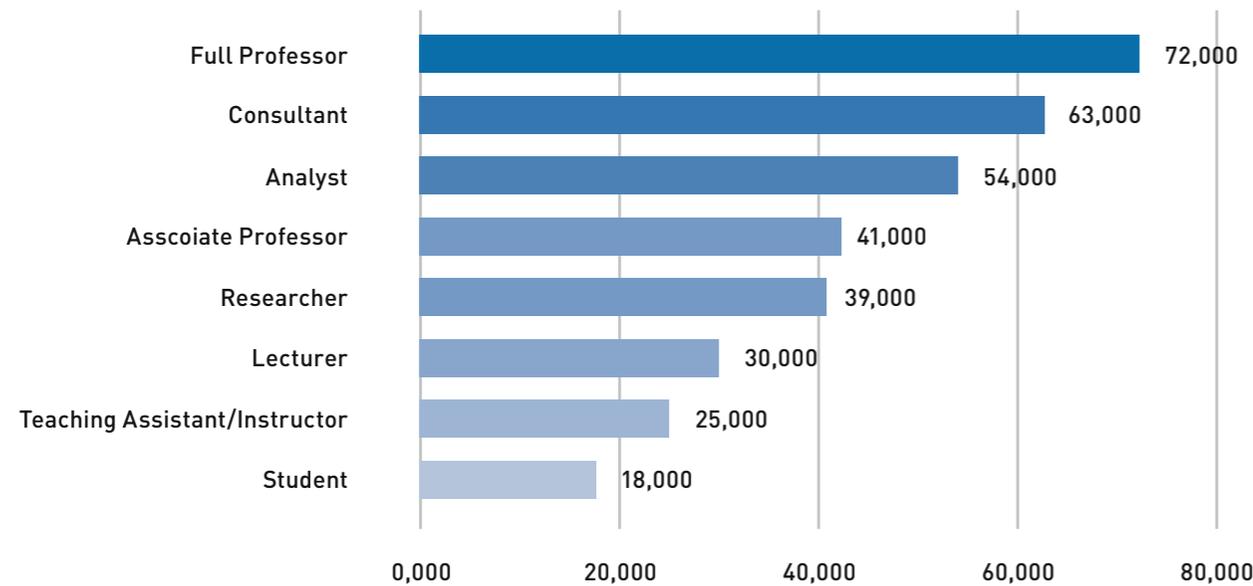


Positions: Income Distribution and Average Income

As expected, salaries of economists vary by position, according to the level of seniority. The average annual income (see Figure 15) of respondents who described themselves as Students is \$18,000, with those describing themselves as Teaching Assistants or Instructors earning on average \$25,000. Lecturers typically earn \$30,000, with Researchers and

Associate Professors both having a similar average annual income: \$39,000 and \$40,000 respectively. According to the data provided by the survey respondents, positions with the highest annual income are Analyst (\$54,000 per annum on average), Consultant (\$63,000 per annum on average) and Full Professor (\$72,000 per annum on average).

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



Based on the answers from the respondents it was also possible to create an overview of the income distribution and disparities for different types of positions (see Figure 16). Here it is worth bearing in mind that disparities in income for the same type of positions

may reflect the wide geographical spread of the respondents. All the answers were considered equally, without adjustment for the country of employment, so as to give as accurately as possible an international representation.

Figure 16. Income Distribution of the Respondents as per Position

Student	The annual income of students varied between no income at all and \$65,000. However, there is no clear indication whether the respondents who indicated themselves as students were also employed at the same time, which may have contributed to this considerable income disparity.
Teaching Assistant / Instructor	Most Teaching Assistants and Instructors earn less than \$35,000 a year, with the reported maximum annual salary of \$75,000.
Lecturer, Analyst	Lecturers and Analysts fall either into an income category below \$55,000 a year, or into a category with a high income over \$85,000 a year.
Researcher	Economists who hold positions as researchers are represented within all the categories of income level.
Associate Professor, Full Professor	Professor salary levels range enormously from \$15,000 to over \$100,000, although by far the biggest percentage earns between \$75,000 and \$85,000 a year, which may, as a result, be considered the "typical" salary for a senior academic position.
Consultant	The majority of consultants fall within the highest earning categories (→\$65,000 a year).

Academic Degrees: Income Distribution and Average Income

Focusing on income distribution reveals quite a predictable spread of salary differences for holders of higher academic degrees:

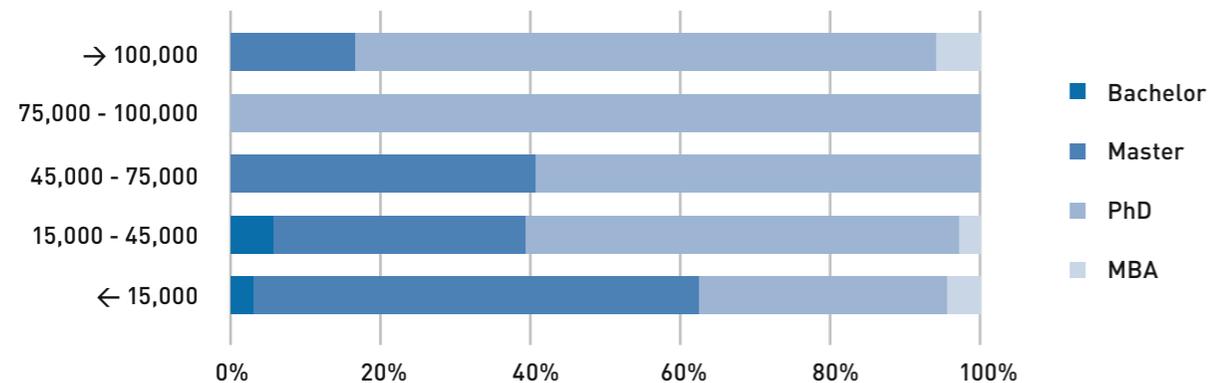
- Bachelor holders do not earn more than \$45,000 a year.
- Respondents with a PhD typically earn considerably more and are represented in all income categories. The fact that they are also included in the lower earning categories can in many cases

be linked to geographical location. However, almost all of the economists whose annual income is above \$75,000 hold a PhD (88 percent), suggesting, as expected, the value of this level of qualification in the job market.

- Surprisingly, the majority of respondents with an MBA do not fall into the highest income category.

Detailed income distribution by degree is presented in Figure 17.

Figure 17. Income Distribution of the Respondents as per Degree (annually, US\$)

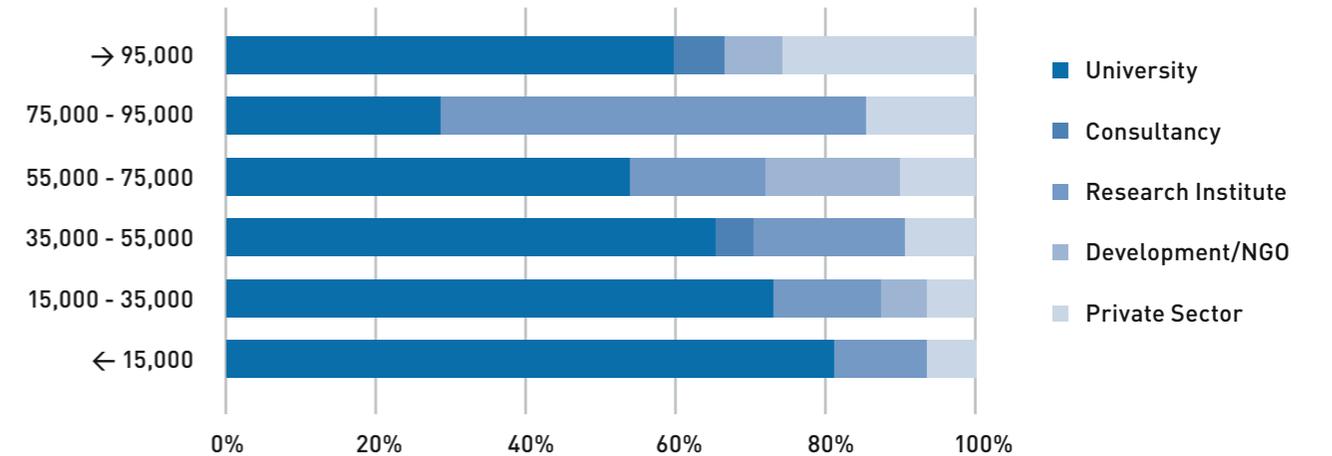


Sectors: Income Distribution

The types of Employers were divided into five categories: University, Consultancy, Research Institute, Development/NGO, Private Sector. Respondents employed in Universities, Research Institutes and in the Private Sector are represented across all income

categories. Economists employed in consultancies, however, reported their salaries to be in either the mid-range (\$35,000 to \$55,000 a year), or in the higher income category (more than \$100,000 a year).

Figure18. Income Distribution of Economists per Sector





IV. Recruiters: Economics Job Market Outlook

1. Recruiters: Profile of Respondents

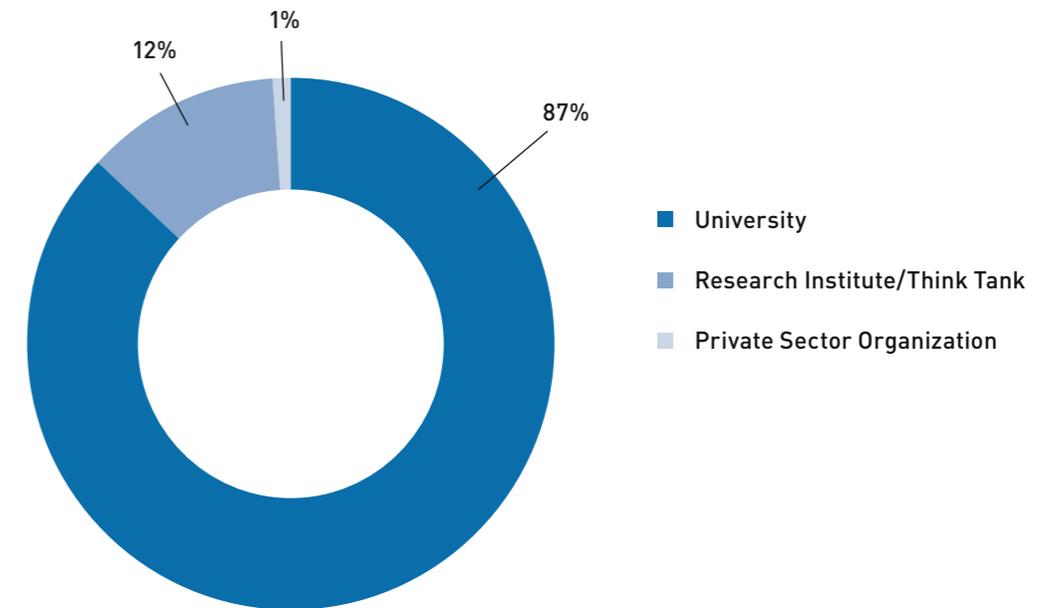
a. Demographic and Professional Profile of Respondents

Types of Institutions Represented by Recruiters

Of the survey respondents, 14 percent indicated that they were a representative of an organization interested in employing economists. In this report, this group of respondents is referred to as Recruiters. Responses from the recruiters offer, above all, an accurate

reflection of the academic job market, with the majority representing universities (87 percent) and the remainder representing Research Institutes/Think Tanks (12 percent) and Private-Sector organizations (1 percent) (see Figure 19).

Figure 19. Institutions Represented by Recruiters

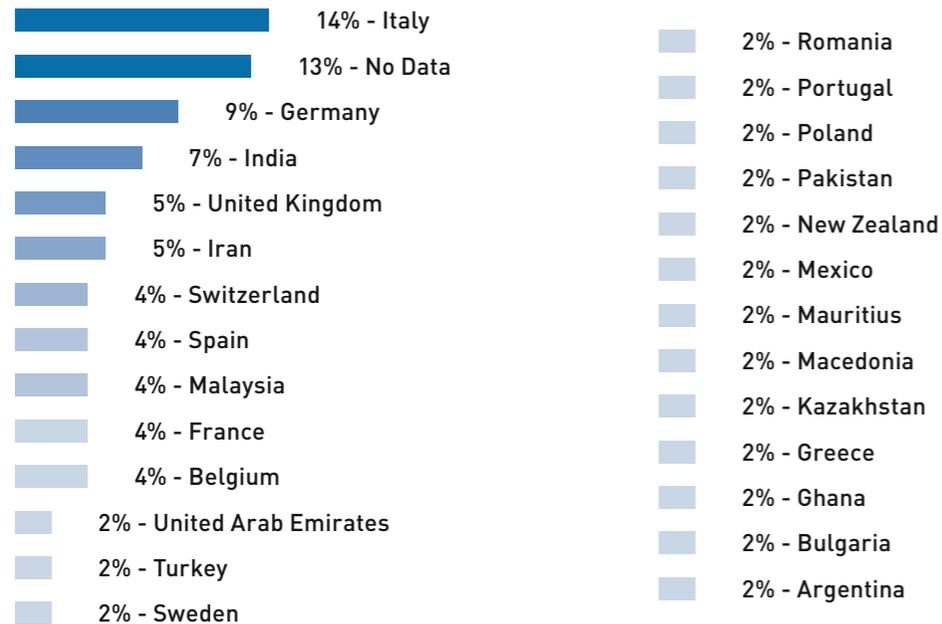


Countries of Residence

Recruiters who took part in the survey represent 28 countries in total from all over the world. The most represented countries are Italy (14 percent), Germany (9 percent), India (7 percent), UK (5 percent), Iran (5 percent). Switzerland, Spain, Malaysia, France and Belgium account for 4 percent of the respondents each. Other countries are equally represented by

2 percent of the respondents each. These countries include: United Arab Emirates, Turkey, Sweden, Romania, Portugal, Poland, Pakistan, New Zealand, Mexico, Mauritius, Macedonia, Kazakhstan, Greece, Ghana, Bulgaria, Argentina. 13 percent of the Recruiters did not indicate their country of residence.

Figure 20. Countries Represented by Recruiters



2. Recruiters: Perspectives of the Economics Job Market

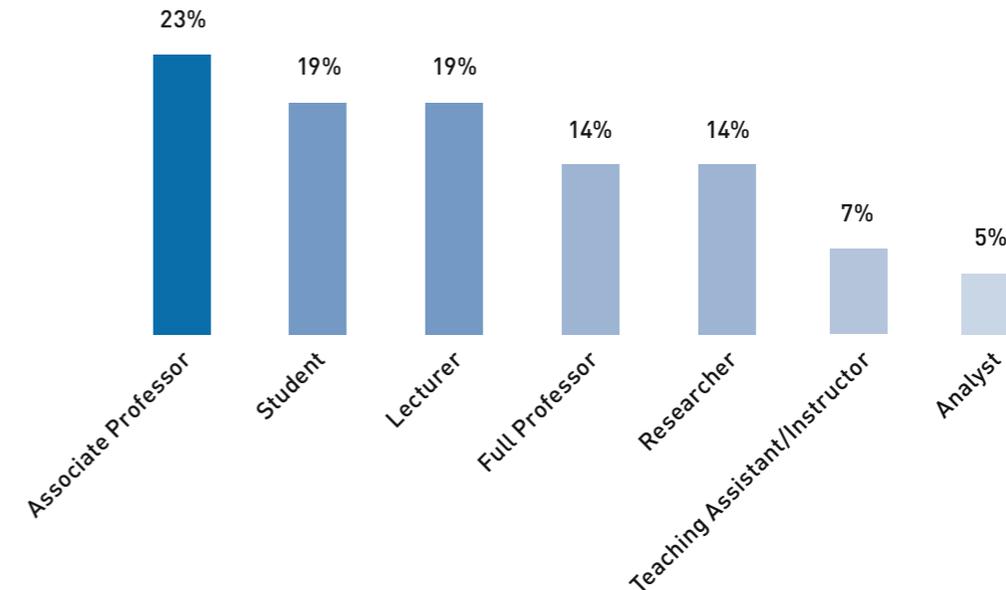
a. Latest Trends in the Economics Job Market: Demand and Salaries

Latest Open Positions for Economists

Recruiters were asked to describe the latest open position for economists in their organizations. The description included the name of the open position, minimum education requirements, minimum years of work experience, the field of specialization according to JEL code and the salary range. It was considered more representative of the current job market situation to ask each recruiter only about a single recent position, rather than to attempt to factor in other factors like time, size of organization etc.

According to the respondents, the greatest demand is for senior economists, with 37 percent seeking Full Professors or Associate Professors (see Figure 21). A considerable amount of positions are for students (19 percent), lecturers (19 percent) and researchers (14 percent).

Figure 21. Latest Open Positions for Economists

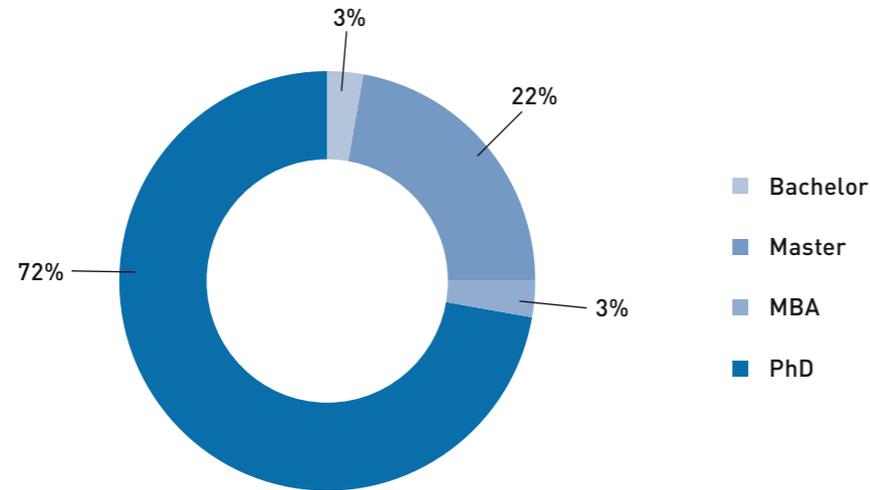


Minimum Education Requirements

The data suggest that education requirements in the academic job market for economists are very high: 72 percent of all reported open positions required a completed PhD, whereas 22 percent of respondents

stated that a Masters Degree is the basic requirement for the open position. Figure 22 shows graphically the percentage of open positions for candidates with different levels of academic degrees.

Figure 22. Minimum Education Requirements for the Latest Open Positions for Economists

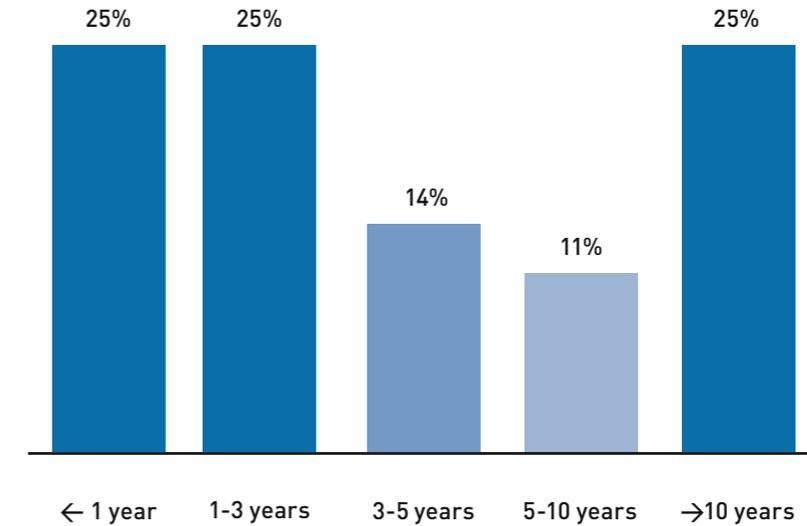


Minimum Work Experience Requirements

Recruiters were asked to indicate how many years of experience were required to apply for the latest position in their respective organization (see Figure 23). Reflecting the seniority level distribution of open

positions (see figure 21), there is a demand for economists at all stages of their careers, including young professionals with less than 1 year of experience

Figure 23. Minimum Work Experience Requirements for Open Positions for Economists



Fields of Specialization in Demand

Open positions were classified by recruiters according to their field of specialization by JEL Code. The fields of specialization most in demand are International Economics (14 percent), Economic Development, Techno-

logical Change and Growth (11 percent), and Labor and Demographic Economics (11 percent). All other areas of specialization were in less demand or were classified under other special topics (see Figure 24).

Figure 24. Latest Open Positions for Economists: Fields of Specialization



If we compare this data with Figure 7 (majors of respondents) we can see that while the majority of economists specialized in Macroeconomics and Mo-

netary Economics (15 percent) during their current or previous studies, only 8 percent of open positions are in the same field, rated 6th among the most

demand fields of specializations. A similar trend, but on a smaller scale was identified for Agricultural and Natural Resource Economics, where the propor-

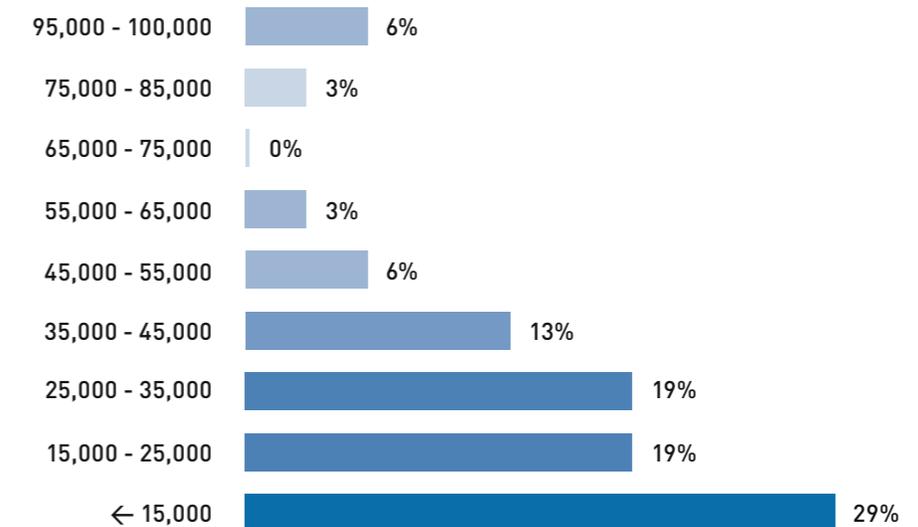
tion of economists with majors in this discipline is higher than the proportion of the open positions.

Range of Salaries

Recruiters who participated in the survey were asked about the salary offered for the latest open position in their organization (see Figure 25). More than a half of open positions were in the lowest salary range: with 29 percent of the recruiters reporting an offered sala-

ry lower than \$15,000 per year. 38 percent stated that the offered salary range was between \$15,000 and \$35,000 annually and only 9 percent of the positions were reported to offer annual salaries over 75,000 US\$.

Figure 25. Salaries for the Latest Open Positions for Economists (annually, gross, US\$)



b. Preferences of Employers When Choosing a Candidate

The Most Important Factors When Choosing a Candidate

Recruiters were asked to rate a set of factors according to how much they affect their final decision in choosing an applicant for a job. Factors were rated according to their likely importance in choosing a future employee (in the context of the academic economics job market). Figure 26 shows these factors, ordered from the most important to the least important. The most important qualification is a relevant degree.

Research experience and communication skills are the second and third most important factors respectively. Interestingly, communication skills were rated more important than quantitative skills, suggesting that interpersonal skills are considered to be at least equally important as professional skills. Awards/distinctions and experience in the private sector were reported to be the least important qualifications.

Figure 26. Important Factors When Choosing a Candidate
(Average score 1 to 5, where 5 is extremely important and 1 is not important at all)

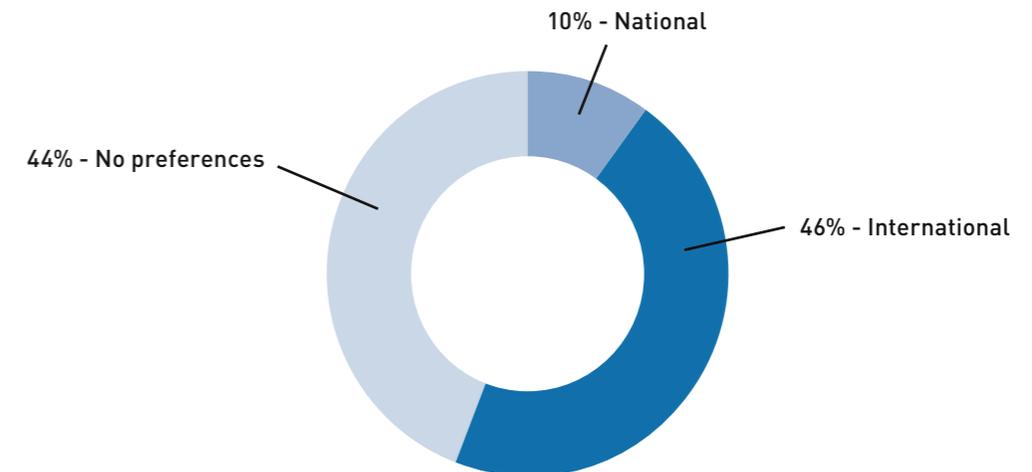


Geographic Preferences of Recruiting Institutions (National vs International Applicants)

Among the other important factors taken into consideration while choosing a candidate was the country of residence of the applicant. The recruiters who participated in the survey were asked if they would prefer an international applicant or a national applicant for the position in question (see Figure 27).

Findings suggest that the academic job market for economists is globally oriented. According to the respondents, 46 percent of recruiters would give preference to international applicants over national ones: only 10 percent of recruiters would prefer national candidates.

Figure 27. Geographic Preferences of Recruiting Institutions (National vs International Applicants)





V. Concluding Remarks

The INOMICS Job Report findings identifies some of the current trends in the academic job market for economists. Data from economists and recruiters from over 70 countries demonstrate that the market can be considered truly global, with a high level of geographical mobility often sought by jobseekers in the field.

To reflect the global nature of the market, average incomes were drawn without correlation to the geographical location of the respondents. Instead, findings are given for the annual salaries of economists according to their position, years of experience and the type of institution they are employed at. An advanced level of education was reported to be one of the most important prerequisites for economists to advance their career and earnings in the academic job market: all economists in the highest income category hold a PhD.

The Report outlines preferences of both economists and recruiters in the job market. Interpersonal skills were rated more important than quantitative skills by recruiters and, together with a relevant degree

and research experience, were indicated as among the most important qualifications for candidates in the academic economics job market. Economists ranked time to conduct their own research and the reputation of the institution as the most important factors to take into consideration when choosing a job, with salary being rated fourth.

Even though the average income of economists is proportional to the seniority level of positions and years of experience, a considerable salary increase only occurs between the 1st and the 3rd year of work experience and then again typically after around 10 years of employment.

The key findings of the 2012 report will be used for the trend analysis to be drawn in next year's INOMICS Job Market Report, due for release in Autumn 2013.

If you are interested in purchasing a hard copy of the 2012 INOMICS Report, please contact us at **media@inomics.com**

