



Pursuing and Using a Graduate Degree in Economics

Description:

(Taken from the American Economic Association website: <http://www.aeaweb.org/gradstudents>)

The Ph.D. is the most advanced degree in the field of economics and is generally considered a research degree. Earning a Ph.D. typically takes several years of post-baccalaureate study, including advanced courses in microeconomics, macroeconomics, quantitative analysis, and econometrics, followed by courses in the student's field of specialization. The fields of specialization are classified by the *Journal of Economic Literature* (see [AEAWeb](#) and Econlit for a list and description). Offerings and strengths of faculty by field differ according to Ph.D. program. Most programs require students to pass one or more examinations (often called preliminary, qualifying, or core examinations) before they are allowed to continue their Ph.D. studies by taking courses in their fields of specialization. After all coursework is completed, students develop a research plan for a doctoral dissertation. In many Ph.D. programs, the proposed research path is the subject of an oral examination before the research path is approved. The Ph.D. is awarded after successful defense of the doctoral dissertation, usually during a final oral examination.

The Master's degree in economics can be viewed either as a terminal degree or as additional preparation (beyond the baccalaureate degree) for more advanced study. In some cases, a Master's degree is routinely awarded after completion of a designated phase of a Ph.D. program. Earning a Master's degree in economics typically requires two years of post-baccalaureate study, generally including courses in microeconomics, macroeconomics, quantitative analysis, and econometrics. Terminal Master's degree requirements generally include completion of a Master's thesis.

Career Paths and Opportunities

(Taken from the American Economic Association website: <http://www.aeaweb.org/gradstudents>)

Individuals with graduate degrees in economics pursue a wide variety of careers, including:

- Government (e.g., the [Federal Reserve Board of Governors](#), the Federal Deposit Insurance Corporation, the Federal Trade Commission, the Centers for Disease Control, the General Accounting Office)
- Academia (e.g., universities, four-year colleges, community colleges, and technical colleges)
- Business/Industry (e.g., credit agencies, banks, consulting firms, brokerage firms)
- International Organizations (e.g., the World Bank, the International Monetary Fund)
- Research Organizations (e.g., Rand, the National Bureau of Economic Research)

For more career resources, please see the last page of this document.

For compensation information:

- The Center for Business and Economic Research at the University of Arkansas conducts an annual "[Survey of the Labor Market for New Ph.D. Hires in Economics](#)."
- The American Economic Association publishes results of its [Universal Academic Questionnaire](#) in each May issue of the *American Economic Review*.
- The Bureau of Labor Statistics publishes information on economists in the [Occupational Outlook Handbook](#).

The Application Process:

(Taken from the American Economic Association website: <http://www.aeaweb.org/gradstudents/>)

Students from a wide variety of backgrounds earn graduate degrees in economics. This includes economics and non-economics majors, those with and without prior graduate training, and those with and without prior economics employment experience. To decide which program is the best fit, potential students should examine their own qualifications (including their GRE scores, their GPA, and their mathematical preparation) as well as the methodological approach, fields of specialization, predominant ideology, size of program, program culture (cooperative, competitive, etc.), typical time-to-degree, required examinations, financial aid, emphasis on mathematics, job prospects, and location of the programs to which they apply. For those who wish to pursue academic careers, the availability of training in teaching methods during graduate school may also be a consideration. Some applicants find it useful to contact students at their target programs to find out about current students' perceptions and experiences. When choosing a program, it may be unwise to choose a program because of a specific faculty member, since faculty tend to be fairly mobile during their careers.

One criterion by which admissions committees gauge applicants' qualifications is the GRE exam. Research by Stock, Finegan, and Siegfried ([Stock, Wendy A., T. Aldrich Finegan, and John J. Siegfried. 2006. "Attrition in Economics Ph.D. Programs." *American Economic Review*, 96 \(2\), pp. 458-466](#)) reveals that the average GRE quantitative score was 772 (out of a possible 800, which translates to 161 on the most recent GRE quantitative scale), and the average GRE verbal score was 562 (which translates to 157 on the most recent GRE verbal scale) for the entering Ph.D. class of 2002.

Application Timeline:

The American Economic Association suggests a timeline to follow. You will find it here.

<http://www.aeaweb.org/gradstudents/Timeline.php>

Recommended Courses to Take as an Undergraduate:

If you are considering graduate study in economics you need at the very least:

- 3 semesters of calculus
- 1 semester of linear algebra

Recommended:

- MATH 3310, 5310 (Real Analysis)
- MATH 3100 (Probability)
- ECON 4720 (Econometrics)

Other useful classes to consider:

- MATH 3255 (Ordinary Differential Equations)
- MATH 5770 (Topology)

For a taste of a graduate microeconomics course:

- ECON 7010

Graduate real analysis:

- MATH 7310 and 7320

To get a sense of what economic research involves, consider the *Distinguished Majors* Program in economics in your 4th year: It requires a seminar class (ECON 4990) in the fall and a written thesis (due in April) in the spring.

For students applying to competitive economics graduate programs, a double major in mathematics and economics is a common choice; most of our students who attend the highest-ranked graduate programs have followed this path and typically completed the graduate preparation concentration in math. However, others may have majored, not in math, but in economics and philosophy, with plenty of math on the side.

For more information about mathematical preparation please see the American Economic Association's webpage on this topic at http://www.aeaweb.org/gradstudents/Mathematical_Preparation.php.

Career Resources:

- The following two websites publish job market information and job openings for economists: <http://econjobmarket.org/> and http://www.ssrn.com/update/ern/ernjob/ern_job.html.
- The [AEA's JOE](#) offers a list of jobs opening within the field of economics.

- The [National Association for Business Economists](#) provides extensive career information for business economics.
- [Econ-Jobs.com](#) lists current job openings in the field.
- The [Chronicle of Higher Education](#) provides a directory of job openings for economists. To view, select “Discipline/Field” under the “Browse Jobs by” category.
- [Inomics](#) includes a search engine for job openings for economists, including extensive opportunities outside the U.S.
- [USA.gov](#) provides a search tool for government jobs. Type "economist jobs" on the main usa.gov page.
- The [Bureau of Labor Statistics Occupational Outlook Handbook](#) provides a description of economists’ careers and salaries.
- [www.walras.org](#) lists job openings for Ph.D.s in economics and related fields.
- Candidates on the job market can keep up with [Economics Job Market Rumors](#) on the web.

For accredited graduate programs in Economics and various rankings see the AEA’s link here <http://www.aeaweb.org/gradstudents/Rankings.php>.

Advice from Economics Faculty

- 1 – [The Making of an Economist, Redux](#), by David Colander. A must-read if you are considering graduate school
- 2 – If you want a terminal master’s degree, apply to a specific terminal master’s degree program in economics. You will be insufficiently prepared for your next career move if you drop a Ph.D. program after being awarded your master’s.
- 3 – An economics graduate degree is a math degree. There is lots of math.
- 4 – Be certain you want a graduate degree in economics rather than a public policy degree. Be sure you know the difference when considering your options.

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