AUT

A FUTURE IN **ECONOMICS**

WHAT IS A CAREER IN ECONOMICS LIKE?

Economics provides valuable insights into how the world is shaped by choices and human behaviour. Accordingly, it is a social science as well as a business discipline. If you are inquisitive about people, organisations and world affairs, then economics offers a range of rewarding career paths, whether you are passionate about running your own business or being a social entrepreneur, or want a career in the private, public or the non-governmental organisations (NGO) sector.

The discipline of economics is founded on three fundamental bodies of knowledge: microeconomics, macroeconomics and econometrics.

These three areas help provide answers to some of the most pressing problems facing the world, such as increasing inequality, climate change, and the social challenges of big data. Governments and NGOs employ economists to address these critical issues.

Microeconomics analyses the behaviour of individuals, households and companies. Microeconomists are employed to undertake market analysis, to develop pricing policies, to advise on the most efficient design of organisations and production processes, or on business strategy. In the public sector, local and central government agencies employ microeconomists to design and administer market and other regulations, or to develop public policy.

Macroeconomics examines the economy as a whole, from a national or international viewpoint. Financial institutions and large corporates employ macroeconomists to analyse or forecast the behaviour of economic indicators, such as inflation, interest rates, employment and business confidence, and to study their impact on business conditions. Exporters employ trade economists to identify new market opportunities and to manage exchange rate risk.

Econometrics provides the tools for analysing economic and social data. Econometricians use mathematical modelling and empirical analysis to inform the decision-making of firms and government agencies. Such skills are in high demand across a range of sectors. The ability to visualise and process data is essential to many jobs performed by economists.

Are you logical, analytical and fascinated by human behaviour? Do you love finding patterns in data or grappling with complex public policy issues? If so, then a career in economics could be just what you're looking for.

KEY CONCEPTS AND TRENDS

The rise of data analytics
Data analytics (DA) is the practice of examining complex data with the purpose of drawing conclusions about that information. Data analytics is used by firms and governmental organisations to make better business decisions. With more organisations collecting big data, economics professionals need the skills to evaluate and provide meaningful conclusions (Data Analytics for Business is a strong minor alongside economics in this area).

Harnessing behavioural insights
Increasingly, insights from psychology are being used to enrich the economic models used by firms and governments. It is important for businesses to understand how emotions and cognitive biases shape behaviour in markets. Government agencies are also seeking this broader perspective from economists designing or implementing public policy (a blend of economics, psychology and marketing courses would be useful for these roles.)

Raising the bar on impact evaluation
How will an increase in the minimum wage affect average incomes and employment? What will happen to sales volumes and revenue as a result of introducing a price-matching guarantee? Public and private organisations need to evaluate, as accurately as possible, the impact of their own policy innovations and/or various shocks to their market. Modern 'policy evaluation' uses sophisticated statistical techniques implemented through a variety of software packages. These techniques allow economists to distinguish causal from coincidental effects, and to quantify the magnitude of policy impact.

Technological change and future workplaces
The pace of technological change has accelerated over recent decades. This has potential implications for how businesses will function in the future, and how workers will need to adapt to changing workplace environments. Government policies will need to deal with the wide array of consequences of technological change in future workplaces. Economics provides the conceptual lens through which these changes and their implications can be anticipated and understood (Entrepreneurship and Innovation would be a strong minor alongside economics in this area).

WORK SETTINGS

Economics offers an extraordinary variety of career paths.

Economists may work:

- For themselves as business owners or social entrepreneurs
- For financial institutions, eg banks and insurance companies
- For large corporates, including telecom companies, pharmaceutical companies and large retailers, eg The Warehouse Group
- For public sector organisations such as councils, hospitals, the Reserve Bank, and other government ministries
- For economic consulting firms
- For non-profits, NGOs and other social enterprises.

CAREER ROLE EXAMPLES

Economic consultant – develops solutions for organisations seeking new economic opportunities, assesses the economic viability of new investments, or addresses organisational problems. Clients include industry, finance, healthcare, the government etc.

Business operations and strategy – examines demand and competition in markets, identifies market trends and opportunities. Helps optimise pricing and production strategies. Manages business logistics, eg stock flows, inventories. Could be in a large firm, a financial institution or a consultancy.

Data analyst – uses econometrics to analyse data to support business decision-making. Forecasts market variables for a business, a government agency or a financial institution.

Credit analyst – conducts microeconomic analyses of prospective clients to assess the risks involved with loaning funds to those people or businesses. This might be within any number of financial institutions.

Business journalist – uses oral and written communication skills and a solid knowledge of economics to explain complex concepts in plain language to make the world of economics and commerce understandable to the average person.

Policy and regulation advisor – advises on legislative change, regulation design and other government interventions to address social problems or advance public policy goals. Works for government regulators, including councils, to design and manage market regulations, or regulated industries, such as the energy and pharmaceutical sectors to lobby government and develop business strategies.

SKILLS AND KNOWLEDGE

Job relevant skills

- Economic perspective on environmental, ethical, social issues
- Demonstrate strong data analysis skills for decision-making
- Ability to provide optimal pricing strategies
- Strong analytical thinking and problem solving skills
- Strengths in strategy-making for business and social enterprise

Job-relevant knowledge of:

- How markets work and government operates
- The impact of global affairs, personally and economically
- Data processing and presentations
- The macroeconomic environment
- The regulatory environment
- Consumer behaviour and pricing

PERSONAL QUALITIES

- Inquisitive about people
- Strong written and verbal communication skills
- Ability to collaborate with a wide range of people and organisations on world affairs
- Enjoy working with data
- Want to make a difference

SALARY GUIDE

	Salary (per year)
Economic graduate starting salary range	$55,000-$70,000 (depending on company, location, bonuses, size)
With 3-5 years' (or more) experience	$80,000-$120,000+ (depending on role, experience, bonuses etc)

This information was accurate at time of publication (early 2024), and should only be used as a guideline.

Keep up to date with salary data by visiting these websites:

Prosple Graduate Salary Guide
nz.prosple.com/on-the-job/whats-the-average-graduate-salary-in-new-zealand

Careers NZ
careers.govt.nz/job-hunting/whats-happening-in-the-job-market/salary-guide

CollegeGrad
collegegrad.co.nz

Payscale
payscale.com

Absolute IT Job Market & Salary Report
absoluteit.co.nz/industry-reports/it-job-market-salary-report-2023

THE AUT APPROACH

All AUT economics students take part in workplace experience in their final year of study.

This is usually a supervised work placement in an organisation of the student's choice, eg a commercial business, not-for-profit organisation, or entrepreneurial venture. Some students do a supervised research project instead. Workplace experience can be done in New Zealand or overseas.

Recent placements include Auckland Council, Goldman Sachs, KPMG, Spark, ASB, and The Warehouse Group.

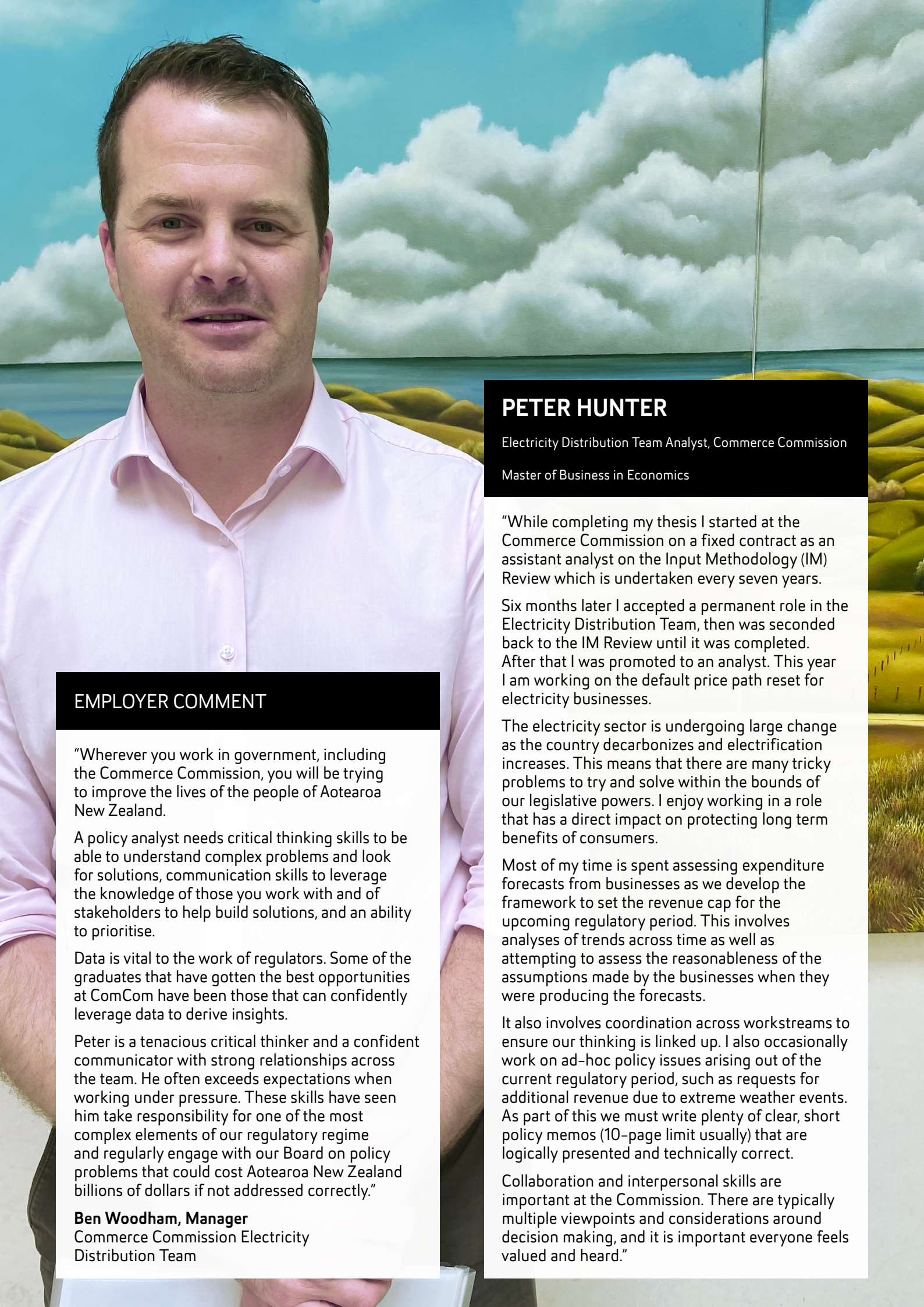
The Economics major is offered through the Bachelor of Business (BBus) and the Bachelor of Arts (BA).

FURTHER STUDY OPTIONS

Postgraduate options in economics include a postgraduate certificate and diploma, honours, and PhD programmes.

BBus students who are planning to continue to postgraduate study are encouraged to consider the capstone project to meet level 7 core requirements. For the summer intake, the School of Economics runs a team-based version of this project, with students working together on a common research theme. Supplementary workshops and guest lectures on research-related skills are part of this course.

Research specialisations include microeconomics, macroeconomics, econometrics, industrial organisation, international trade, economic history, environmental economics and natural resources, development economics, public economics, health economics, labour economics and public policy.



PETER HUNTER

Electricity Distribution Team Analyst, Commerce Commission

Master of Business in Economics

"While completing my thesis I started at the Commerce Commission on a fixed contract as an assistant analyst on the Input Methodology (IM) Review which is undertaken every seven years.

Six months later I accepted a permanent role in the Electricity Distribution Team, then was seconded back to the IM Review until it was completed. After that I was promoted to an analyst. This year I am working on the default price path reset for electricity businesses.

The electricity sector is undergoing large change as the country decarbonizes and electrification increases. This means that there are many tricky problems to try and solve within the bounds of our legislative powers. I enjoy working in a role that has a direct impact on protecting long term benefits of consumers.

Most of my time is spent assessing expenditure forecasts from businesses as we develop the framework to set the revenue cap for the upcoming regulatory period. This involves analyses of trends across time as well as attempting to assess the reasonableness of the assumptions made by the businesses when they were producing the forecasts.

It also involves coordination across workstreams to ensure our thinking is linked up. I also occasionally work on ad-hoc policy issues arising out of the current regulatory period, such as requests for additional revenue due to extreme weather events. As part of this we must write plenty of clear, short policy memos (10-page limit usually) that are logically presented and technically correct.

Collaboration and interpersonal skills are important at the Commission. There are typically multiple viewpoints and considerations around decision making, and it is important everyone feels valued and heard."

EMPLOYER COMMENT

"Wherever you work in government, including the Commerce Commission, you will be trying to improve the lives of the people of Aotearoa New Zealand.

A policy analyst needs critical thinking skills to be able to understand complex problems and look for solutions, communication skills to leverage the knowledge of those you work with and of stakeholders to help build solutions, and an ability to prioritise.

Data is vital to the work of regulators. Some of the graduates that have gotten the best opportunities at ComCom have been those that can confidently leverage data to derive insights.

Peter is a tenacious critical thinker and a confident communicator with strong relationships across the team. He often exceeds expectations when working under pressure. These skills have seen him take responsibility for one of the most complex elements of our regulatory regime and regularly engage with our Board on policy problems that could cost Aotearoa New Zealand billions of dollars if not addressed correctly."

Ben Woodham, Manager
Commerce Commission Electricity Distribution Team

USEFUL WEBSITES

New Zealand Association of Economists (NZAE)
nzae.org.nz

National Association for Business Economics (NABE)
nabe.com

Financial Services Institute of Australasia (FINSIA)
finsia.com

New Zealand Institute of Economic Research (NZIER)
nzier.org.nz

Centre for Social Data Analytics (CSDA)
csda.aut.ac.nz

New Zealand Banking Association (NZBA)
nzba.org.nz

FURTHER INFORMATION

For more information on studying economics and the Bachelor of Business, visit aut.ac.nz/economics

For other Future Career Sheets visit aut.ac.nz/careersheets

EMPLOYABILITY & CAREERS
For employability and career support, AUT students can book an appointment through elab.aut.ac.nz
@AUTEmployabilityandCareers

FUTURE STUDENTS
Contact the Future Student Advisory team for more information: aut.ac.nz/enquire
futurestudents@aut.ac.nz
@FutureStudentsofAUT

CURRENT AUT STUDENTS
Contact the Student Hub Advisors team for more information: 0800 AUT UNI (0800 288 864)
aut.ac.nz/enquire | studenthub@aut.ac.nz

STUDY LOCATION – CITY CAMPUS
55 Wellesley Street East, Auckland Central

The information contained in this career sheet is correct at time of printing, early 2024.

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