

## What is Economics?

- Implications of scarcity
  - Life has historically been—and for many still is—nasty, brutish, and short; for others, unprecedented affluence.
  - Scarcity means choices have to be made by individuals and society.
  - Individuals have to make choices:
    - Every choice has an opportunity cost.
  - Society has to also make choices:
    - What gets produced?
    - How does it get produced?
    - Who gets what is produced?
- Economics is the study of how individuals and society respond to scarcity
  - How to make an optimal choice, e.g. maximize profits?
    - Foundation for accounting, corporate strategy, finance, and marketing.
  - How well do different institutions manage scarcity?
- Markets and Governments
  - Pros and cons of using markets to organize economic activity:
    - Original decentralized communication mechanism.
    - Prices signal value and transmit information.
  - Role of government:
    - Enabling institutions (property rights, contracts, money) and restrictions on trade.
    - Allocation of the legal monopoly on coercion and limits on government (rule of law).

## Economists are Problem Solvers

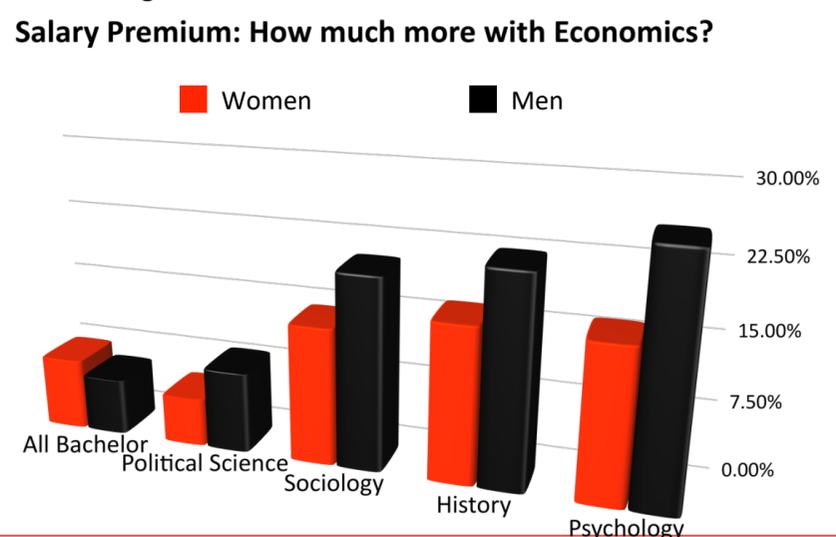
- Policy
  - What can be done about homelessness?
  - What is the difference between cap and trade and taxing carbon emissions and does it matter?
  - Should I be allowed to sell a kidney?
  - Why is medicare like the centrally planned economy of the Soviet Union and is the outcome going to be the same?
  - What are the consequences of a 50%+ marginal tax rate on the 1%?
  - Do governments create jobs?
  - Why and how did Canada benefit from NAFTA?
  - How should environmental concerns be incorporated into reviews of new pipelines or their expansion?
  - Should Alberta have a sales tax?
  - What are the effects of a \$15 an hour minimum wage and does it help the poor?
  - What factors explain the average salary differences between men and women with the same education?
- Business
  - How should a ride-sharing service prices adjust with demand?
  - Should Google charge licensing fees for Android?
  - Why are there Apple and Stihl stores, but not Samsung stores?
  - Should the NHL have territorial restrictions on team location?
  - Why would AT&T acquire Time-Warner?

## Economic Majors Toolbox

- Economic theory
  - Predicts how choices will be made based on self interest.
- Statistics and econometrics
  - Test predicted directional response.
  - Measure magnitude of responses.
- Apply theory and econometrics to create new knowledge
  - Research is problem solving.
  - Assess implication of developments and proposed changes.
  - Communicate results.
- Knowledge base
  - When and why markets work well.
  - When and why government intervention is required.
  - Understanding of economic history and effects of different institutions.
- Fields of Economics
  - Public finance
  - Regulation, competition policy, and strategy
  - International trade and development
  - Environmental economics
  - Resource and energy economics
  - Behavioural and experimental economics
  - Managerial economics
  - Monetary and fiscal policy

## Employment Opportunities

- Develop expertise at UCalgary
  - Concentration in Applied Energy Economics
  - Summer Internship in Regulatory Economics
  - Honours and graduate school in Economics
- Foundation for further training
  - Law
  - Chartered Financial Analyst and/or MBA
  - Public Policy
- Survey of UCalgary graduates in Economics
  - First year after graduation: **\$56,000**
  - Five years after graduation: **\$77,000**
  - **92%** of students employed within a year of graduation.
- Stats Canada (2016)
  - Average salaries: \$78,000 (W) and \$105,000 (M).
    - Highest Social Sciences and Humanities Salaries.



# What will I do with a BA in Economics?

## A day in the life

Economists work in many different industries and environments — most often, they:

- **Use economic theory to determine effects.**
- **Collect, analyze and interpret data.**
- **Test and advise** on government policies and corporate strategy.
- **Evaluate** past and present issues and **forecast** future trends.
- **Communicate their discoveries** to many different stakeholders and decision makers, including senior management, government, the public, and the press.

## Careers with an Honours Degree

- **Our graduates are valued and recruited by the best graduate programs in Canada.**
  - UBC, Toronto, Queen's, Western
  - Funding can be extensive (\$35,000/year)
  - MA salaries \$93,000 (W) and \$127,000 (M)
- **London School of Economics**
  - KPMG-UK in London (Competition Policy)
  - Oxera in Berlin (Competition Policy)
  - London Economics in London (Space Infrastructure)
- **Barcelona Graduate School of Economics**
  - Compass Lexicon in Brussels (Competition Policy)

*In September 2017, we reached out to our alumni to ask what they were up to a few months after graduation — here's some of what they told us:*

### The companies they work for and the titles on their business cards

Agrium Inc.	Accounting analyst
Altus Group	Actuarial analyst
ATCO Electricity	Banking specialist
Axiom Foreign Exchange	Business development analyst
Brion Energy	Commodity program analyst
Canadian Western Bank	Consultant
Cenovus Energy Inc.	Data analyst
City of Calgary	Data manager
Deloitte	Economic analyst
Enbridge Pipelines Inc.	Energy market analyst
General Electric	Financial advisor
Global Affairs Canada	Foreign exchange analyst
Golder Associates	Investment banking analyst
Government of Alberta,	Investor relations associate
HSBC Bank	Personal insurance advisor
Morneau Shepell	Portfolio administrator
Palantir Economic Solutions	Project controls analyst
Precision Drilling	Property tax analyst
Royal Bank of Canada	Real estate analyst
Shell Canada	Regulatory analyst
SunLife	Research analyst
TD Canada Trust	Revenue and pricing analyst
TransAlta	Risk management analyst
TransCanada Corporation	Supply chain/procurement coordinator
WestJet Airlines	Underwriter

### More Information:

- **University of Calgary Calendar:** <http://www.ucalgary.ca/pubs/calendar/current/index.htm>
- **Undergraduate Student Advisor in Economics:** [econundergrad@ucalgary.ca](mailto:econundergrad@ucalgary.ca)