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 as 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.
  - **Salary Premium: How much more with Economics?**
  - **Women**
  - **Men**

![Salary Premium Chart]

- **Psychology**
- **All Bachelor**
- **Political Science**
- **Sociology**
- **History**

30.00%  22.50%  15.00%  7.50%  0.00%
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

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

More Information:

• University of Calgary Calendar: http://www.ucalgary.ca/pubs/calendar/current/index.htm
• Undergraduate Student Advisor in Economics: econundergrad@ucalgary.ca