



INTERNATIONAL BENCHMARKING REVIEW OF ECONOMICS

Briefing document: statistical overview and commentary

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(revised November 2008)

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ESRC International Benchmarking Review of Economics

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1 Summary of Key Points

1.1 *Research funding*

- Funding council research income totalled almost £20 million for 2007/8. This is lower than in some comparable disciplines, although it is related to the volume of activity in Economics (with some economists 'hidden' in business schools)
- The overall quality of research, as assessed in the Research Assessment Exercise 2001 was high, with the majority of Economics departments which submitted gaining one of the top three grades. However many institutions with Economics students did not enter RAE 2001 or submitted to the Business and Management Studies panel.
- Departments earned around £52 million of research income for 2000/1 – 2004/5, most of which came from public bodies. Five departments (out of 36) account for more than half of this.
- There is a fairly strong positive correlation between funding council research income and research income earned from other sources
- Economics has the largest allocation of ESRC quota studentships and the quality of candidates is good, but there remain some concerns about the supply of British postgraduates onto doctoral programmes. The recruitment crisis seems to be in abeyance for the moment though, with withdrawal rates declining rapidly.
- The ESRC funds active research projects in Economics totalling £43 million. Economics enjoys a relatively high success rate for ESRC grant applications.
- ESRC-funded projects include large and small research grants, research programmes and various fellowship schemes together with a few large research centres.

1.2 *Staff*

- There are around 1,500 FTE staff in Economics, making it similar in size to Sociology and Politics.
- Three-quarters of FTE staff are permanent. Only 7 per cent were on research-only contracts in 2005/6.
- 80% of FTE staff are in pre-1992 universities and numbers are concentrated in London and South East England.
- Most departments have 15 or less FTE staff, but most staff are in one of the larger departments.
- Less than 60% of staff are research active.
- There is no retirement-related recruitment crisis for Economics and numbers of young staff are relatively high. Amongst younger staff, non-UK nationals are in the majority.
- Women are under-represented in the profession, particularly at senior levels.

- UK economists are over-represented among the fellows of learned societies in the discipline, but are far short of the over-representation of US economists within this context.

1.3 *Students*

- Applications for undergraduate study are stable, with little change in overall demand, although there has been a shift towards overseas applicants. Quality is very good.
- Undergraduate numbers have grown slightly in recent years, based almost entirely on an increase in overseas students.
- Economics undergraduates are more likely to be male and slightly more likely to be middle-class than those in similar subjects, but they are also more likely to be from an ethnic minority background.
- Postgraduate numbers are in decline overall, although higher now than in 2002/3. Postgraduates are concentrated in a few institutions, although a large number of institutions each have a few students.
- Despite frequently expressed concerns, research student numbers are stable.

1.4 *Careers*

- Economics graduates are very slightly more likely to be unemployed than those in similar subjects six months after graduation
- Common ‘first destinations’ include business and finance, administrative and clerical work, management positions, clerking and cashier work. Over one-quarter continue to further study, either as a main activity or in combination with employment. Few progress immediately to higher degrees however.
- Around 60 per cent of PhD graduates in Economics enter academic careers as lecturers or researchers; the main alternative career is banking. EU PhDs are slightly more likely to enter academic employment.

1.5 *Overall*

- The statistical data gives the impression of a concentrated discipline, with good quality research but a smaller quantity of activity than in comparable disciplines.
- Demographically the discipline is fairly stable – student and staff numbers have changed little in recent years and women remain under-represented, although this is in the context of growth in the system as a whole.
- The main change of note is internationalisation: overseas staff and students make up a growing proportion of the whole.

2 About this document

The purpose of this briefing document is to provide background statistical information on Economics in UK higher education in support of the ESRC/RES international benchmarking review of the discipline.

Most academic research and a substantial amount of applied research in the subject is carried out in higher education institutions (HEIs). However there are also a range of other organisations which undertake economic research of some description, including prominent ‘think tanks’, government departments, lobby organisations such as the Confederation of British Industry and trade unions as well as large consulting and accounting firms. A few such organisations, particularly the Institute for Fiscal Studies, attract ESRC research funding from time-to-time; however in general there is no agreed method for identifying which independent research organisations, companies or state agencies might be classified as conducting economic research or of collating appropriate data about their staff, research income and so on. Data on these organisations is therefore not included in this briefing document, with the exception of details of ESRC research funding held by such organisations (currently only the Institute for Fiscal Studies, Institute of Employment Studies, National Institute for Economic and Social Research and the Policy Studies Institute). Although some research-active economists in such organisations will publish in scholarly journals, write monographs and so on, this is unlikely to have a substantial effect on the international standing of Economics as an academic discipline, although it will certainly have an impact on UK government.

It is worth considering too the intellectual sweep of Economics compared to other social sciences. With the possible exceptions of History and Sociology, there are few subjects which cover such a range of topics in economic and social life. As can be seen in the list of ESRC’s currently-funded projects at the end of this report, economists are engaged in researching an impressive array of areas. These include their ‘traditional’ concerns with markets, the performance of firms, econometric and statistical methods and economic behaviour, but also cover, *inter alia*, development, quality of life and happiness, religion, education, housing, the environment, health, inequality and trust. Given this catholic set of concerns, it is not possible in practice to draw impermeable disciplinary boundaries – research which might be considered ‘Economics’ occurs across social science departments (such as in business schools) and conversely other disciplines might lay claim to research which, by virtue of taking place in an Economics department is labelled ‘Economics’ (see also section 5 below). A pragmatic approach to classification has therefore been adopted in this briefing document, with ‘Economics’ taken to mean activity classified as such in the Research Assessment Exercise (i.e. under Unit of Assessment 38, ‘Economics and Econometrics’), by the ESRC (funded projects with the disciplinary classification ‘Economics’), or by the Higher Education Statistics Agency (HESA) and the Universities and Colleges Applications Service (UCAS) (subject code ‘L1’ Economics). This means that Economic History is generally not covered by the statistics in this report.

3 Research funding

3.1 'Core' research funding

A large element of research funding for Economics is provided through institutions' 'block' grant from their national funding council. This is one half of the UK's dual funding system, whereby support for research infrastructure and 'blue skies' research is channelled through the higher education funding councils and more targeted, prioritised and thematic research funding is provided on a competitive basis through the research councils.

The 'core' funding element has become increasingly selectively allocated over the past twenty years or so, based on periodic Research Assessment Exercises (RAEs). Departments were ranked on a seven-point scale in the 2001 RAE,¹ based on an evaluation of their research by an expert panel in each subject. Funding is directed, in the main, to those in the top three categories. Such departments tend to be concentrated in the pre-1992 university sector (none of the 30 departments which attained 4, 5 or 5* in 2001 in Economics and Econometrics were in 'new' universities). The 2008 RAE, which is to be the last in the current format, is ongoing at the point of writing with the publication of results expected no earlier than December 2008. The RAE is to be replaced by the Research Excellence Framework from 2014 which will involve heavier reliance on research metrics (such as citation indices, grant income, studentships etc), although social science subjects are expected to retain an element of peer review.

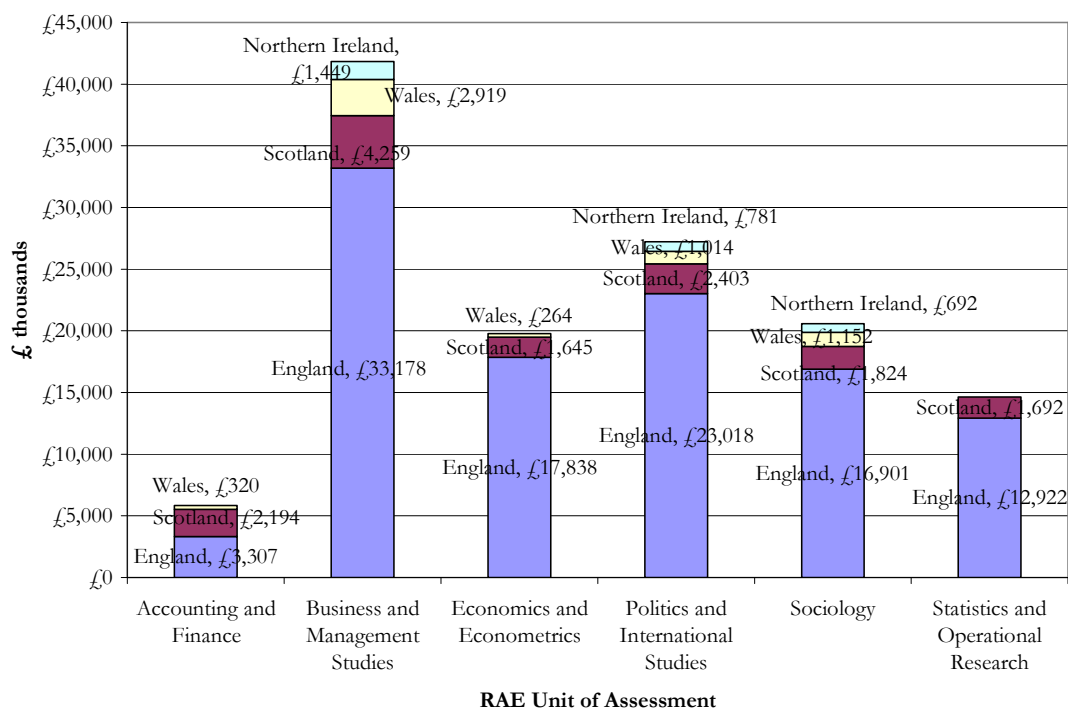
As a discipline, Economics does less well than its main comparators in terms of funding council support for its research. It attracts less funding overall than either Politics or Sociology and substantially less than Business and Management Studies despite having the same cost classification. There is no 'Quality Related' (QR) funding for Economics in Northern Ireland and only one institution in Wales (Swansea) attracts funding.

The QR funding model is essentially supply-side led: funding is driven largely by the 'volume' of research activity in a discipline and its relative quality in comparison to other subjects. This partly explains the very large QR income for Business and Management Studies, where there are many more academics than in Economics and Econometrics. Comparison on the basis of (weighted) QR unit-funding shows that in England, Economics and Econometrics attracts a little more QR income per capita than Sociology and Business and Management Studies and a little less than Politics, whereas in Scotland its unit –funding is higher than all its comparator subjects.

Analysis of the QR funding allocated to individual departments shows a concentration of funds in 5*-rated departments and those 5-rated departments with a high volume of activity. The 5*-rated LSE, for instance, has the highest QR income; but Oxford, which is rated 5, has a higher income than 5* departments at UCL, Warwick and Essex on account of having a larger volume of activity (research active staff plus an allowance for research fellows, assistants and doctoral students). By-and-large there is a correlation between the number of staff submitted to the RAE 2001 and the grade achieved (although this does not establish cause, of course).

¹ The grading scale is (lowest first) 1, 2, 3b, 3a, 4, 5 and 5*. The grade denotes the proportion of a department's research which is of national and/or international standing. The higher the rating, the higher the factor applied to a department's research funding. The scale will be replaced for the 2008 RAE with one which categorises each individual's output within a department according to a four-star rating system.

Figure 3.1: Quality-related funding council research income for selected social science disciplines by home nation, 2007/8

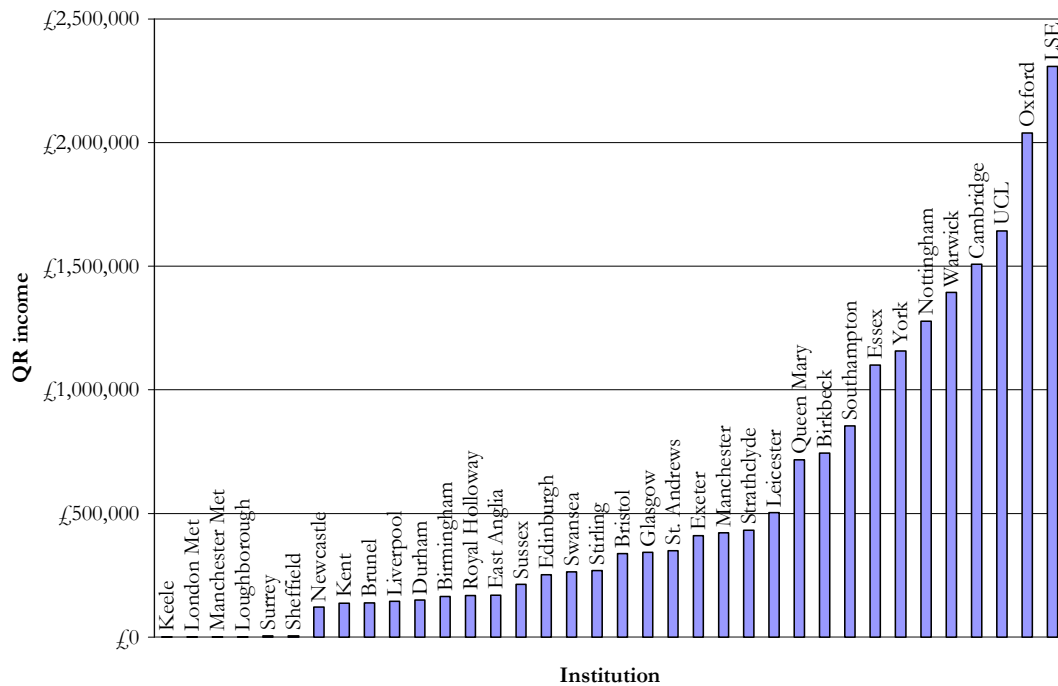


Sources: HEFCE, HEFCW, SFC, DELNI

To put these figures into context, it is worth briefly considering the ‘quality profile’ of Economics in comparison to similar disciplines from the 2001 RAE (see Figure 3.3). Although there are fewer departments in Economics than for comparable subjects, a higher proportion of Economics departments achieved grades of 4, 5 or 5* in RAE 2001² than in Business and Management Studies, Politics and Sociology. However it must be noted that a large number of departments offering full-time single honours undergraduate degrees in Economics did not submit to the Economics and Econometrics Unit of Assessment (UoA) in RAE 2001 (24 institutions in total, only ten of which were ‘new’ universities). This selectivity in submission to the RAE is confirmed by HESA staff statistics which show similar numbers of academic staff in each of Politics, Sociology and Economics. According to RAE evidence then, there is a concentration of high-quality research in a relatively small number of Economics departments in the UK, with research inactive departments either hidden from view through non-submission or, as seems more plausible, included in submissions to UoA 43 Business and Management Studies. Nearly all of the institutions offering single-honours Economics degrees which did not submit to UoA 38 Economics and Econometrics did submit to UoA 43. In some cases this means that sizeable numbers of economists are couched within UoA 43, such as at Lancaster, Leeds and Hull universities.

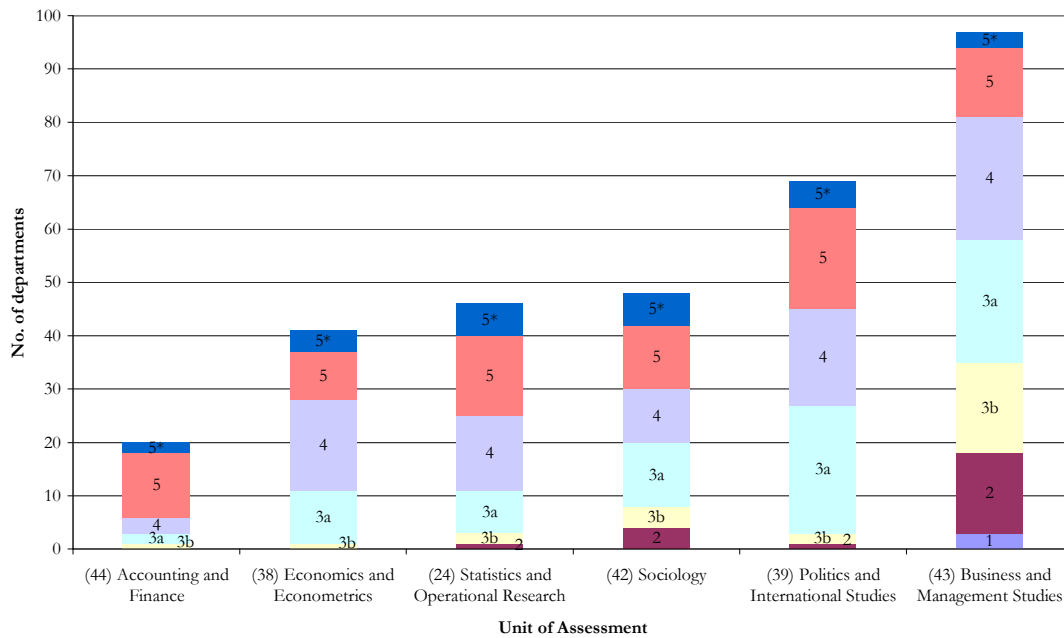
² From 2003/4 a small number of departments in each UoA rated 5* were designated as ‘the best 5*’ (or sometimes ‘6*’) and allocated additional funding. The criteria for selection was achieving 5* in each of the 2001 and 1996 RAEs. From 2004/5 departments which attained 5* in 2001 whilst increasing or maintaining the proportion of staff submitted were included too. There are two such departments in Economics and Econometrics (LSE and University College London); two in Accounting and Finance; two in Business and Management Studies; four in Politics and International Studies; six in Sociology; and five in Statistics and Operational Research). Only departments in England are affected eligible for this additional funding.

Figure 3.2: Quality-related funding council research income for Economics and Econometrics by institution, FY2007/8



Sources: HEFCE, HEFCW, SFC

Figure 3.3: Grading profile, RAE 2001



Source: www.hero.ac.uk/rae

3.2 Research grants from other sources

In addition to research funding from the national HE funding councils, Economics departments attract research income from various other sources, including the research councils, government bodies, charitable trusts and businesses, with some funding coming

from overseas. Obtaining information on these funding sources is not straightforward since HESA data on earned research income subsumes Economics in the broad category 'Social Studies'. Data collected as part of RAE 2001 provides a breakdown of research income for each submission, but the latest information available is for 1999 and data from the 2008 exercise is unlikely to be available before December 2008. Of course this also excludes departments which did not submit to the RAE, although in practice the research income of such centres is likely to be negligible.

4 ESRC-Funded Research in Economics

4.1 Funding for economists

The Council's current portfolio of research in Economics comprises 114 separate projects amounting to around £42.8 million.³ A breakdown of this activity is given in Table 4.1. Full details are provided in Appendix 2.⁴ As the table shows, the Council funds a range of different kinds of research activity in Economics. This includes:

- large research centres covering microeconomics, competition policy and economic performance.
- 'Responsive mode' grants to support the best ideas of Economists in the UK, with 'large' and 'small' grants offered.
- Various targeted programmes, addressing such themes as development, financial risk and public services.
- Fellowships are also offered for researchers at different career stages, from Postdoctoral fellowships for new PhD graduates through to Professorial Fellowships for senior academics.

Table 4.1: Current ESRC-funded research projects in Economics

Project type	No. of projects	Funding
Research centres	5	£19,921,648
Large research grant	1	£3,635,007
Programme fellowships	14	£3,138,862
Standard research grants	15	£2,655,282
Research group award	1	£2,415,347
Substantive research contracts	16	£2,329,185
Resource centre	1	£2,050,191
Small research grants	27	£1,827,631
Professorial fellowships	4	£1,453,779
Full research awards	8	£1,272,710
Research fellowships	4	£761,957
Programme Directorship	1	£631,116
Research related activity	5	£330,938
Postdoctoral fellowships	10	£326,812
First grant	1	£76,838
Collaborative research	1	£14,819
<i>Total</i>	<i>114</i>	<i>£42,842,122</i>

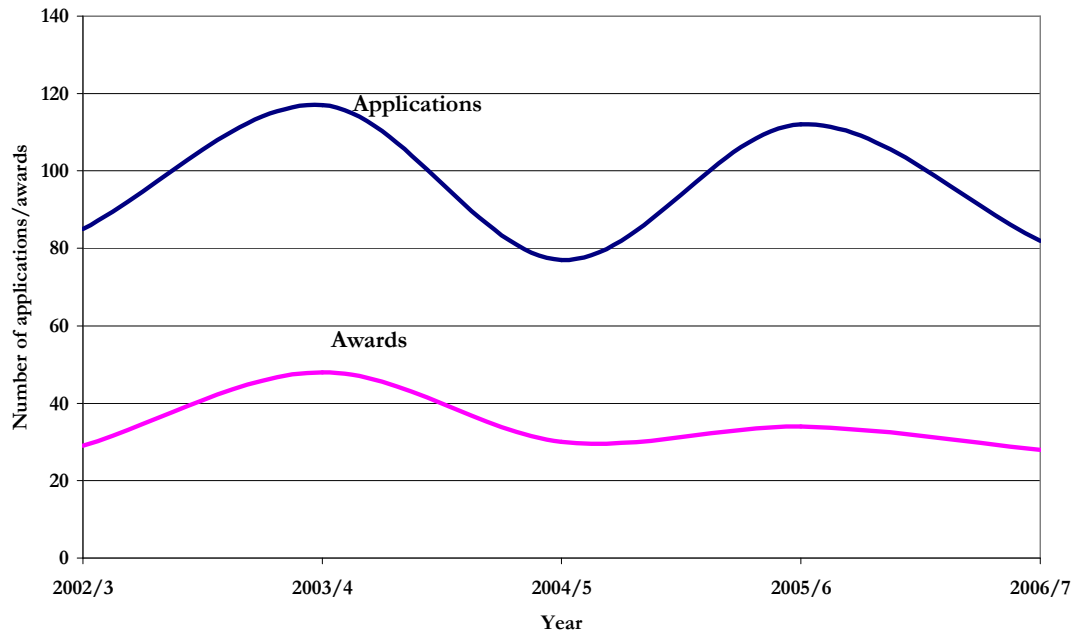
Source: ESRC Society Today

³ The current portfolio is defined as funded research activity in the category 'Economics' where the award had started but not been completed by the end of December 2007.

⁴ Panel members are also referred to the ESRC Society Today website (www.esrcsocietytoday.ac.uk) where a fully searchable database of ESRC awards in all subjects is available, giving details of awards and, where available, project outputs.

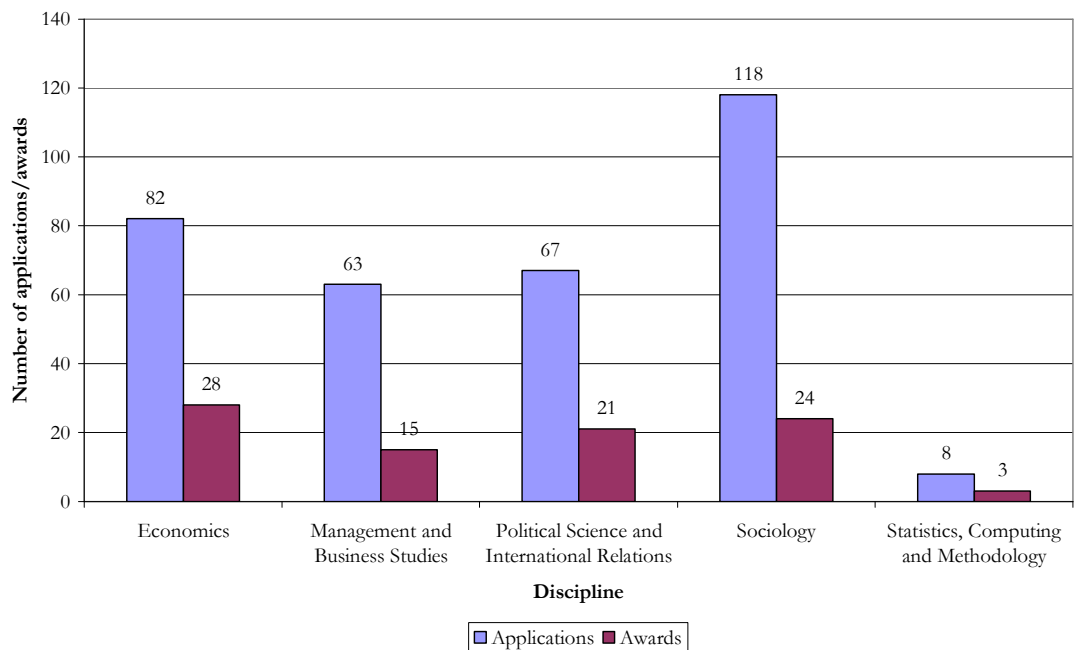
Many different institutions host funded projects, although at present only two post-1992 universities have an award. The Institute for Fiscal Studies holds eleven current awards. Those institutions attracting the most funding also tend to earn considerable research incomes from all sources, including QR: the LSE has fifteen current awards, for instance, the most of any single institution.

Figure 4.1: ESRC funding opportunities in Economics - applications and awards



Source: ESRC Society Today

Figure 4.2: ESRC funding opportunities – applications and awards by discipline, 2006/7



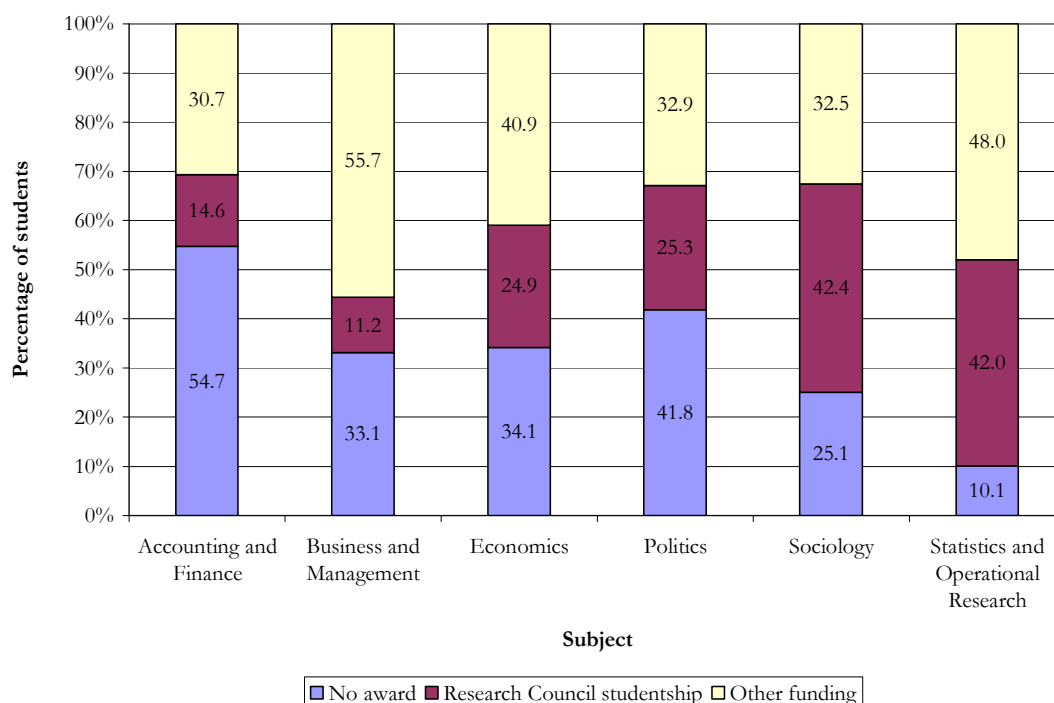
Source: ESRC Society Today

Success rates for ESRC grant applications in Economics have hovered around the 30 – 40 per cent mark for the last few years and compare reasonably favourably to other disciplines (see Figures 4.1 and 4.2).

4.2 Research Council Studentship Awards

Strictly speaking, studentship awards to Economics departments are not research income, since they are as much about research *training* as about original contributions to knowledge. However the number and pattern of such awards give some indication of how Economics fares in competition with other social science subjects in attracting support for PhD students and gives some indication of the health of demand for doctoral education in the discipline, about which concern has been expressed in recent years. Research council studentships offer tuition fees, a stipend of £12,600 plus research training support funds of £750 for full-time students (2007/8); from 2002 many research students have been supported for up to four years via a ‘1+3’ Masters + PhD arrangement. In response to a perceived shortage of suitable applicants, since October 2006 ESRC studentship holders in Economics have received an additional £3,000 stipend per annum. Research Council studentships thus represent the top end of support for doctoral students in Great Britain. However concern has been expressed about a shortage of well-qualified applicants for Economics doctorates in recent years, with careers in commerce and industry cited as far more attractive in terms of remuneration and working conditions than academia.

Figure 4.3: Major source of tuition fee support for FULL-TIME HOME research students, 2004/5



Source: HESA Student Record 2004/5

These concerns are borne out to some extent in the continuation rate for ESRC award holders in Economics as they move from the masters to PhD phase of their studies. ESRC data shows that Economics has consistently (2003 – 2006) had the highest withdrawal rate after the masters year amongst ESRC disciplines, although the situation

has improved markedly over time. In 2003, *46 per cent* of the Economics cohort withdrew after the first year. This dropped to 33 per cent in 2004, when Economics withdrawals represented half of the ESRC total. However the withdrawal rate continued to decline in 2005 (30 per cent) and 2006 (22 per cent), possibly as a result of the improved financial attractiveness of ESRC awards, but perhaps also because institutions themselves may be better at selecting students who intend to proceed to the doctorate rather than those who simply wish to publicly-fund a masters degree. ESRC statistics indicate that withdrawals are concentrated in certain institutions and that most students, somewhat tautologically, cited ‘not wanting to continue’ as their reason for withdrawal. In 2004 however almost half of the withdrawals were enforced by the institution as the students were considered too weak academically to proceed to a doctorate, although they had at least managed to achieve a masters degree.

The ESRC has recently migrated to a ‘quota’ system of allocating studentships, largely replacing the previous open competition. Economics was allocated 132 quota awards for 2006/7 and 2007/8, some thirteen per cent of the total awards.⁵ This is the largest individual subject allocation, Sociology and Business & Management are second and third with respective allocations of 109 and 104. Fourteen individual institutions and one consortium (covering eight Scottish universities) have a quota allocation, with the number of awards per institution ranging from two to eleven. None of the institutions are post-1992 universities and only one is Welsh (Cardiff).

Table 4.2: ESRC ‘open competition’ applications, offers and application grades, 2004 and 2005

Subject	2004			
	Applications	Offers	Offer rate	Grade A
Business and Management Studies	87	46	53%	74%
Economics	99	25	25%	79%
Politics and International Relations	147	25	17%	74%
Sociology	140	39	28%	56%
Statistics, Computing and Methodology	7	3	43%	67%
Subject	2005			
	Applications	Offers	Offer rate	Grade A
Business and Management Studies	85	38	45%	55%
Economics	95	22	23%	71%
Politics and International Relations	154	23	15%	52%
Sociology	138	28	20%	52%
Statistics, Computing and Methodology	1	1	100%	100%

Source: ESRC Society Today

Figure 4.3 shows that full-time Economics UK research students appear less likely than their counterparts in some other social science disciplines to hold a research council award. However they are about as likely to have any award as research students in Business and Management and more likely to have a research council award. Some

⁵ Excluding CASE studentships and other collaborative awards with government departments and other councils.

caution is needed in interpretation of these figures, since the HESA data on which it is based suggests that there were only around 50 full-time Economics students being supported by the ESRC in 2004/5, substantially fewer students than there were *new* awards available.

ESRC statistics on studentship success rates give further context, providing some crude indication of the level of demand and quality of applicants.⁶ Table 4.2 shows that demand for Economics studentships is on a par with similar disciplines and that the quality is high too.⁷ On this evidence, it would seem that there are sufficient high-quality candidates applying for ESRC studentships in Economics via the open competition, although this does not necessarily mean that institutions with quota allocations are able to recruit enough candidates of sufficient quality.

⁶ Assessing demand and applicant quality has become trickier now that the bulk of awards are made through the quota system with only a minority reserved for open competition.

⁷ Applications are marked by a panel of assessors comprising eminent academics from the relevant subject. Each is given a grade (A, B or C).

5 Staff Demographics

As Mills *et al* point out in the ESRC *Demographic Review of the UK Social Sciences*⁸, providing accurate staffing statistics for individual disciplines is difficult. This is not just because official statistics are aggregated into ‘Social Studies’ – statistics are available by RAE UoA. However those whose ‘home’ discipline is Economics (i.e. they are graduates in the subjects or otherwise consider themselves to be economists) are likely to be found in many other places than the ‘traditional’ Economics department.⁹ Many researchers who would identify as economists are based in business schools and were returned to RAE 2001 in the Business and Management Studies UoA. According to Mills *et al*, writing in 2006, “more than 800 Economists and a growing number of departments are now located in Business Schools.”¹⁰ There are several interdisciplinary areas in which traditional discipline boundaries are not helpful, many of which are likely to contain economists: area studies, development studies, planning, social policy and so on. Mills *et al* classify Economics as one of the largest ‘exporters’,¹¹ hence the UoA data is unlikely to give a ‘true’ approximation to the number of academic economists but it is nevertheless one of the best available sources of data. It may omit a few staff in certain institutions as there are fourteen institutions which include students studying Economics as part of their degree in their HESA return, but report no staff in RAE UoA 38; but there are also thirteen institutions with staff in UoA 38 but no students in Economics.

5.1 Recruitment and retention

Much attention, from both outside and within the discipline, has been directed at perceived recruitment difficulties for academic Economics. Difficulties in attracting able students to doctoral programmes, recruiting junior lecturers in competition with academic employers in the US and particularly in appointing high-calibre professors have all been discussed at length in the last decade or so. It appears increasingly to be the case that the academic profession in Economics relies on a supply of non-UK PhD students and staff. As it was mischievously (and hyperbolically) put to me by a professor of Economics in a UK university, UK Economics is rather like the Wimbledon tennis tournament: it takes place in Britain, it attracts global attention, but there are few British players involved! Of course whether this is seen as a threat or an opportunity is largely a political value judgement; the debate seems to be less about *quality* than *sustainability* of overseas recruitment and rising salary costs as supply dwindles. In practical terms it may mean a trade-off of economic expertise in UK domestic matters for international coverage.

Most commentators lay the blame for recruitment difficulties squarely with salary levels in academic Economics which compare poorly with what talented economists might earn elsewhere, be that in the UK civil service, in private firms or in US business schools.¹² In

⁸ Mills, D., Jepson, A., Coxon, A., Easterby-Smith, M., Hawkins, P. and J. Spencer (2006) *Demographic Review of the UK Social Sciences*. ESRC, Swindon.

⁹ Although the reverse is unlikely to be true: there will be few non-economists in Economics departments.

¹⁰ *Ibid*, p. 60.

¹¹ According to Mills *et al* (op. cit.) the major importing disciplines are Education, Business/Management, Planning and Social Policy; the major exporters are Economics, Anthropology and Sociology. They state that over half of those working in UK universities with higher degrees in Economics are not located in Economics departments.

¹² See for example the discussions in Mills *et al* (op. cit.), pp. 61 – 3 and Machin and Oswald (2000) UK Economics and the Future Supply of Academic Economists, *The Economic Journal*, 110 (464), pp. F334 – F349.

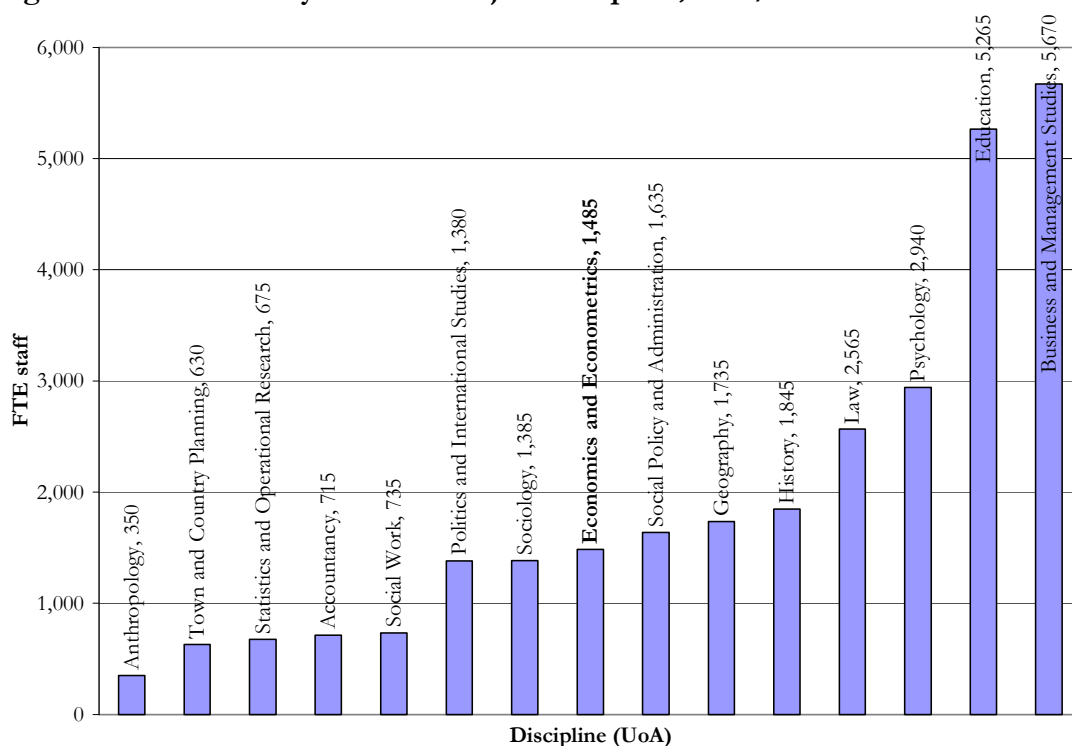
the global academic labour market the latter in particular exert a powerful draw, with 75 per cent of young economists in elite US universities having trained outside the USA.¹³

It is hardly surprising that economists are price-sensitive perhaps! But there is *some* evidence in what follows that the situation is improving – or at least not deteriorating. Recruitment and retention of PhD students to research council awards seems to be in cautious recovery and young staff are more numerous than in other disciplines.

5.2 Overall numbers

Overall staff FTEs in Economics are roughly the same as in several similar subjects. Economics is somewhat smaller than the largest social science subjects (Education and Business/Management) but certainly little different to most of the other subjects in the ‘research focused cluster’ of subjects identified by Mills *et al* and being around the same size as Politics/International Studies and Sociology. Staff numbers in 2005/6 (1,485) are slightly down on 2003/4 (1,530), but higher than in 2004/5 (1,440).

Figure 5.1: FTE staff by selected subject discipline, 2005/6



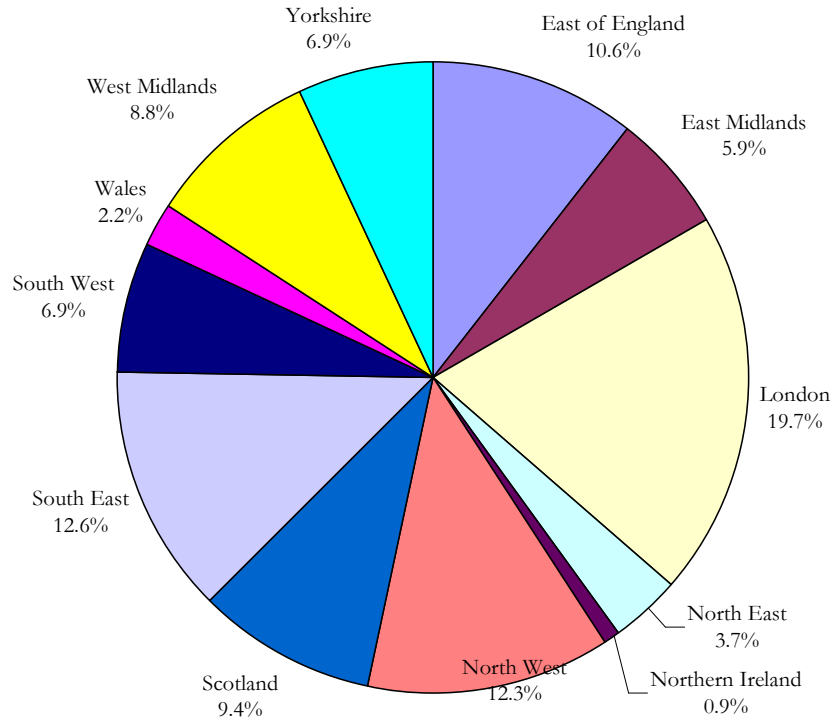
Source: HESA Staff Record 2005/6

Over three-quarters of FTE staff in Economics are permanent and the discipline is little different to similar social science subjects in this respect. The proportion of permanent staff in a discipline relates closely to the proportion of staff that are research-only (i.e. research assistants and similar), who are much more likely to be fixed-term than those engaged in teaching and research. Around 7 per cent of FTE staff in Economics were on

¹³ Ali, S., Carden, G., Culling, B., Hunter, R., Oswald, A. J., Owen, N., Ralsmark, H. and N. Snodgrass (2007) Elite Scientists and the Global Brain Drain. Paper presented at *World Universities Conference*, Shanghai, October 2007 and available at: <http://www2.warwick.ac.uk/fac/soc/economics/staff/faculty/oswald/warwickshanghai2007.pdf>. The authors conclude however that mobile scientists (including social scientists) are no more or less productive than non-mobile ones.

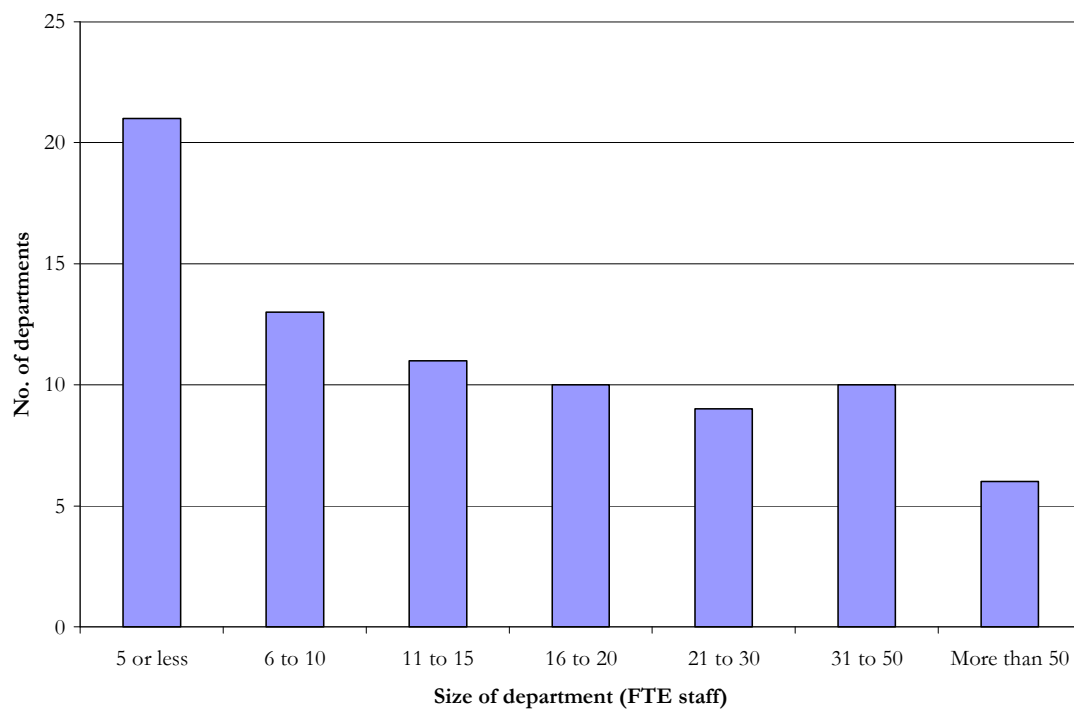
research-only contracts in 2005/6. This is quite low compared to other social science disciplines, although it may partly reflect the nature of research in the discipline which often involves secondary quantitative analysis of large datasets so unlike in (say) Anthropology, Geography or Sociology there is little need for research staff to undertake primary data collection.

Figure 5.2: Regional distribution of Economics staff FTEs 2005/6



Source: HESA Staff Record 2005/6

Figure 5.3: Size of UK Economics departments (in terms of staff FTE, 2005/6)



Source: HESA Staff Record 2005/6

Four-fifths of Economics staff FTEs reported to HESA in 2005/6 were located in pre-1992 universities. Staff were distributed across institutions in every region of the UK, but the largest single concentrations were in London, the South East and the North West (see Figure 5.2; excludes the Open University). Figure 5.3 shows that most departments contained 15 or fewer FTE staff. However about two-thirds of the FTE staff were in the larger departments (more than 20 staff). In other words, although there are a large number of departments, many of these are quite small and there is some degree of concentration of personnel. The largest departments measured using the HESA data are at University College London, Oxford, Essex and Manchester.

5.3 *Grade profile*

Roughly one-fifth of FTE staff in Economics are of professorial status or equivalent, with almost half being 'senior' (i.e. senior lecturer or above). This is comparable to similar subjects. Mills *et al* (op. cit., p. 21), using RAE 2001 data, calculate that about 57 per cent of Economics staff are research active, lower than Politics (79 per cent) and Sociology (63 per cent) but higher than Business and Management Studies (46 per cent). This is corroborated by the HESA data for 2005/6.

5.4 *Socio-demographic characteristics*

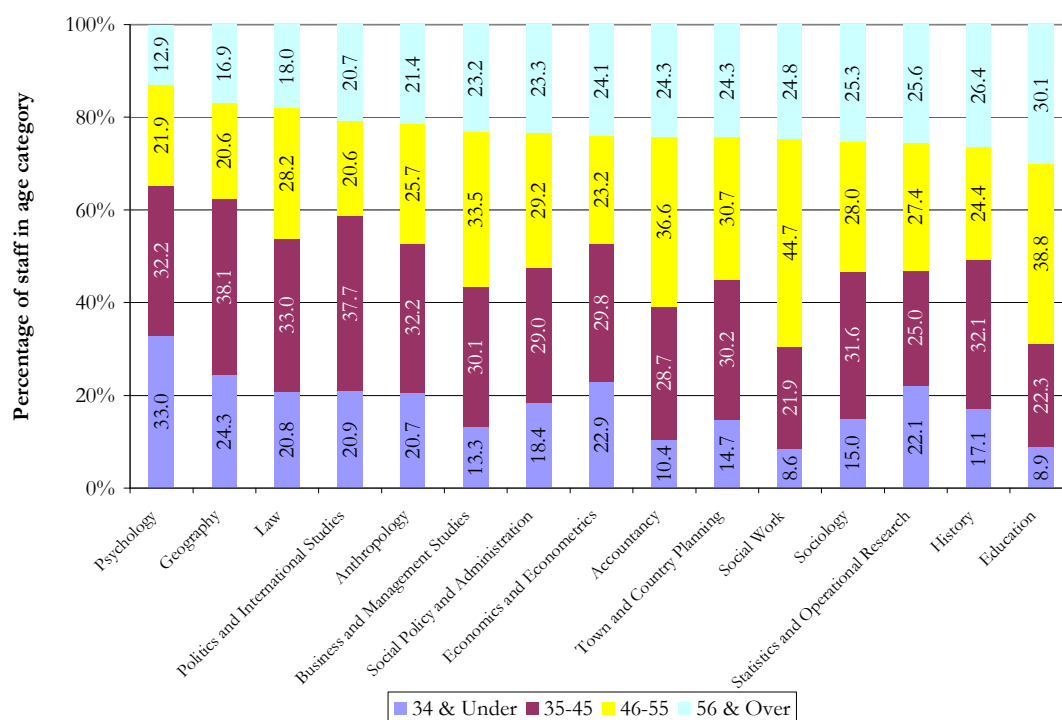
The age profile of social science disciplines has been a particular cause for concern, in part prompting the ESRC to instigate the research leading to publication of the *Demographic Review*; another factor was a possible increased reliance on non-UK nationals to fill academic vacancies. At the same time there has been concern from an equal opportunities perspective about under-representation of women and ethnic minorities among faculty, particularly at senior levels. Although these concerns affect higher education as a whole (and are not unique to the UK), the position of Economics in respect of gender equality and nationality/age was highlighted in the ESRC's *Demographic Review*. Since 1996 the Royal Economic Society has undertaken a biennial survey of academic economics focussing on the ethnic and gender balance of the discipline. HESA data provides information about the age, nationality and gender of academic staff, but alas no information on ethnic background.

The age profile of FTE staff in Economics indicates that the subject is probably safe from a retirements-related recruitment crisis. It has a relatively high proportion of staff under the age of 45 compared to many other social sciences, with a younger age profile than either Accountancy or Business and Management Studies. Almost one-quarter of Economics staff are aged 34 or under (see Figure 5.4). Although there has been concern about the future of the discipline based on PhD recruitment, this does not now appear to be borne out in the staff data.

As noted above, alongside attention on the difficulty on recruiting British PhD students has been anxiety about reliance on migrant academic labour in Economics. Figure 5.5 shows the nationality of academic staff in Economics. This confirms the view that there is increasing reliance on overseas staff at junior levels. A large majority of older staff are from the UK, but at younger ages this situation is reversed, with large numbers of staff from the EU and elsewhere. At present about 59 per cent of all staff in Economics are UK nationals, but if present trends continue, the profession will be minority UK national in the not-so-distant future. It is difficult to determine what effect this shift in nationality is having on the specifically *ethnic* diversity of the profession. RES survey findings suggest

around 18 per cent of staff are non-white (10 per cent of professors), with little recent change in composition.¹⁴ However non-response to the survey was an issue, which may affect the findings in this regard. Moreover, there will almost certainly be significant diversity within the ‘white’ category.

Figure 5.4: Age profile of staff in selected disciplines, 2005/6

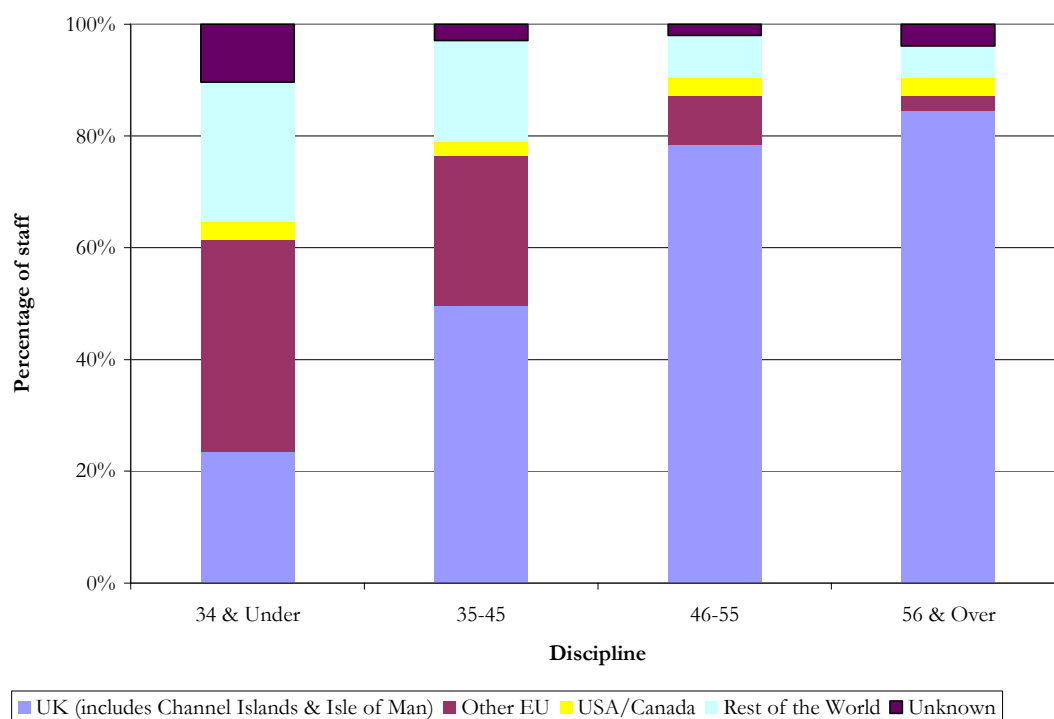


Source: HESA Staff Record 2005/6

Economics is unusual in the social sciences for being predominantly male. Standing at 22 per cent in 2005/6, female representation is the lowest among comparator disciplines (unless one includes Mathematics and Statistics), although it is not too short of Politics and International Studies (26 per cent) and History (30 per cent). However the position of women in Economics is highlighted as a problem by both the RES and the ESRC in the *Demographic Review*. The proportion of women decreases monotonically with age: among staff under 35, the male:female ratio is roughly 2:1; among 35 – 45 year-olds 3:1; 46 – 55 year olds 4:1 and among the over 55’s it reaches about 9:1. Controlling for age does not really account for women’s more severe under-representation among senior grades. Women comprise just short of half of researchers in Economics, over a quarter of lecturers, but only about one-sixth of senior lecturers and less than one-tenth of professors. Again, this pattern is not limited to Economics, but it does seem – in contrast to the general trend in higher education and a higher proportion of women among the Economics student body – peculiarly resistant to change. This report is not the place to speculate on the reasons for this, but is certainly worth noting that the gender imbalance could have implications for the nature and focus of research undertaken in the subject.

¹⁴ Georgiadis, A. and A. Manning (2007) *Royal Economic Society Survey on the Gender and Ethnic Balance of Academic Economics 2006*. Available at: <http://www.res.org.uk/society/RESWCReport2007.doc>

Figure 5.5: Nationality of Economics FTE staff 2005/6 by age group



Source: HESA Staff Record 2005/6

5.5 *Learned societies*

One indication of the esteem of individual academics is fellowship of a learned society. Two such international societies in Economics are the Econometric Society and the European Economics Association. Whilst the former has a narrow subject remit it has a global reach; the latter has a wider disciplinary reach but is obviously limited to Europe.

Following the 2006 elections to the Econometric Society, the UK's 35 Fellows comprised 8 per cent of the total, the largest single-country representation apart from the USA (which dwarfs all others with 305 fellows). France stands third with seventeen Fellows and Europe as a whole (excluding the UK) has 50. The Society awards a biennial academic prize, the Frisch Medal, for the best applied article submitted to its flagship journal *Econometrica*. In the past decade this has been awarded to UK-based economists twice.

Just under one-quarter of European Economics Association Fellows are UK-based, which is the largest proportion of any nation. The UK has 36 Fellows, France 16 and Germany, Italy and Spain 13 each. The EEA also awards a biennial prize, the Hicks-Tinbergen Medal for the outstanding article in its journal. It has not been awarded to a UK-based economist during the last decade.

The Nobel Prize in Economics, considered the most prestigious academic honour in the discipline,¹⁵ has only been awarded to a UK-based economist once in the past decade (Amartya Sen, Cambridge, 1998). The British economist Clive W. Granger shared the award in 2003, but he is based at the University of California, San Diego.

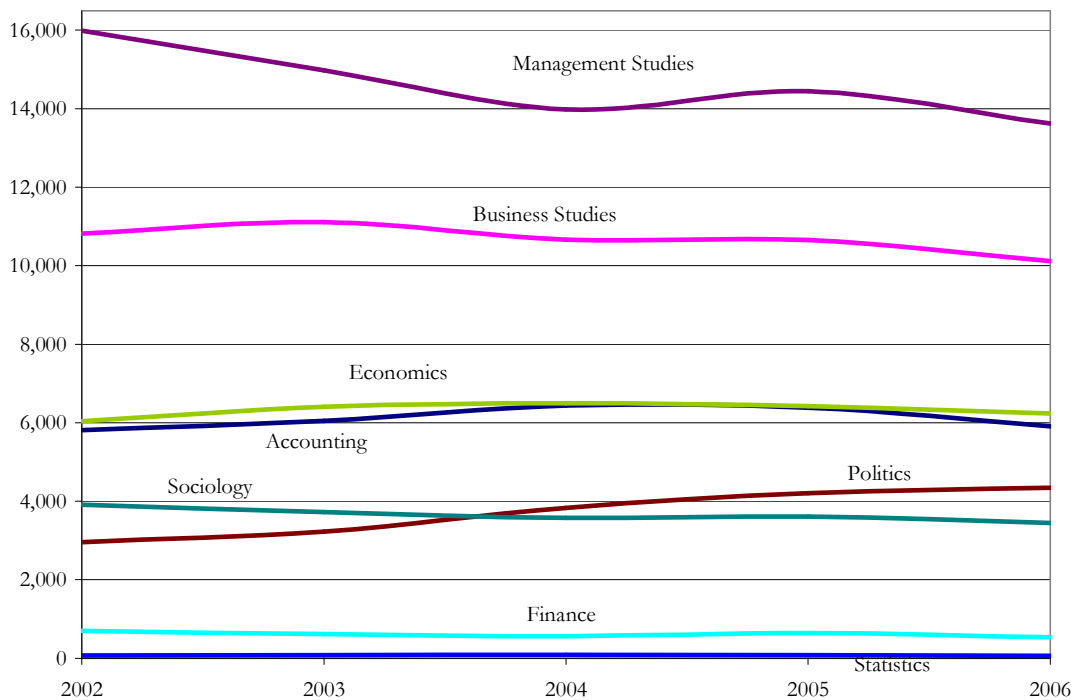
¹⁵ Another respected award in Economics is the John Bates Clark Medal, but only Americans are eligible for this award.

6 Students

6.1 Undergraduate applicants

UCAS lists 271 single honours Economics courses at nearly 70 institutions for 2008 entry, with hundreds more combinations of which Economics is an element. For 2006 entry, UCAS records approximately 6,250 applicants with a subject preference of Economics.¹⁶ This is more than Accounting (5,900), Politics (4,350), Sociology (3,450), Finance (550), Statistics and Operational Research (50); but less than Business Studies (10,000) and Management Studies (13,650). Since there were 5,300 applicants accepted to degree courses in Economics, it appears that the subject is slightly oversubscribed (supply exceeds demand), a more favourable position than most social science subjects. Overall in the UCAS scheme there were around 1.3 applicants for every place in 2006. About 850 Economics applicants were accepted through the ‘Clearing’ system, which is intended to place applicants who have not been offered a place through the ‘normal’ application cycle. This was a lower proportion than any of the other comparator subjects and slightly lower than the UCAS average.

Figure 6.1: Applicants via UCAS for selected subjects 2002 - 2006



Source: UCAS

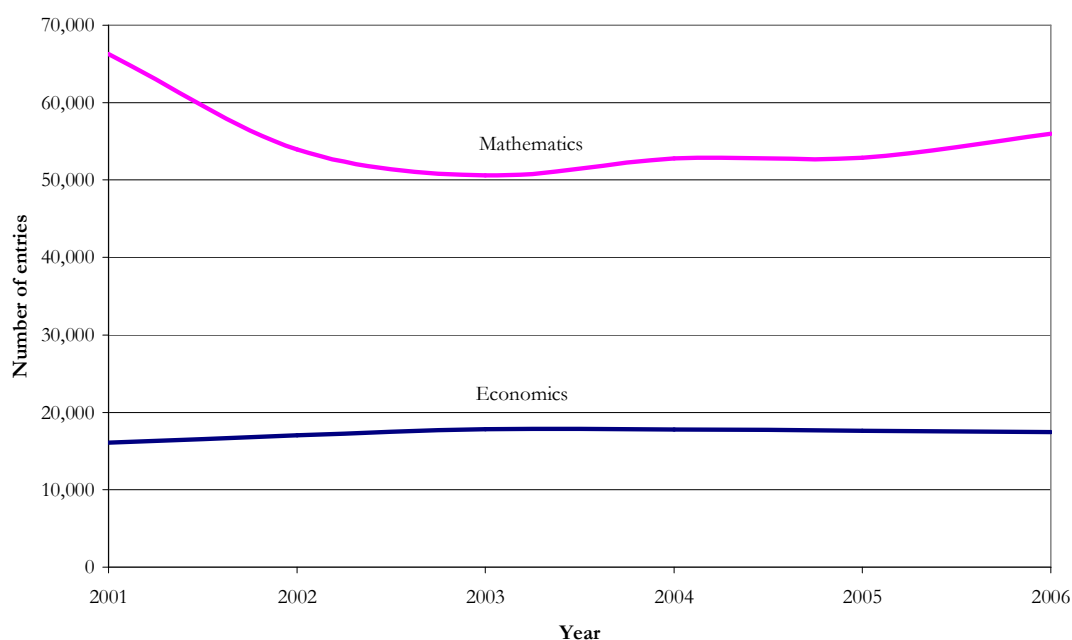
Economics has sustained its popularity in terms of applications received for full-time undergraduate study in recent years, with numbers fluctuating little over the period 2002 – 2006; Accounting has more-or-less tracked Economics in this regard. In contrast Management Studies and Business Studies have seen slight dips in popularity (albeit from a high starting point), with Sociology also showing a decline across the period. Of

¹⁶ It is difficult to record precisely the number of applications for Economics because each applicant can make up to five applications through the UCAS scheme, to a range of subjects if they wish— applications are therefore not equal to applicants. UCAS thus computes an applicant’s *preference*, based on their most common choices.

Economics' comparators, only Politics has grown in popularity in the last five years. The UCAS scheme as a whole grew by 10 per cent during the same period. These figures should be read with care however as they do not give a detailed understanding of changes in the popularity of the various subjects as part of combined degrees.

Figure 6.2 shows the *quality* of applicants to Economics degrees via UCAS measured using the UCAS 'tariff'. A tariff score is calculated by aggregating the scores for individual qualifications which an applicant possesses, such as AS and A2 qualifications, Scottish Highers, BTEC qualifications and others. Grade 'A' at A-level is equivalent to 120 tariff points; an 'E' grade is worth 40. Unlike previous systems for calculating A-level 'points', there is no maximum score. The tariff thus represents a somewhat crude measure of quality, but it does allow some comparison across subjects. Applicants to Economics courses are much better qualified than the average UCAS applicant and have higher tariff scores on average than those applying to all Economics' comparator subjects.

Figure 6.2: UK A-level entries to Economics and Mathematics, 2001 - 2006

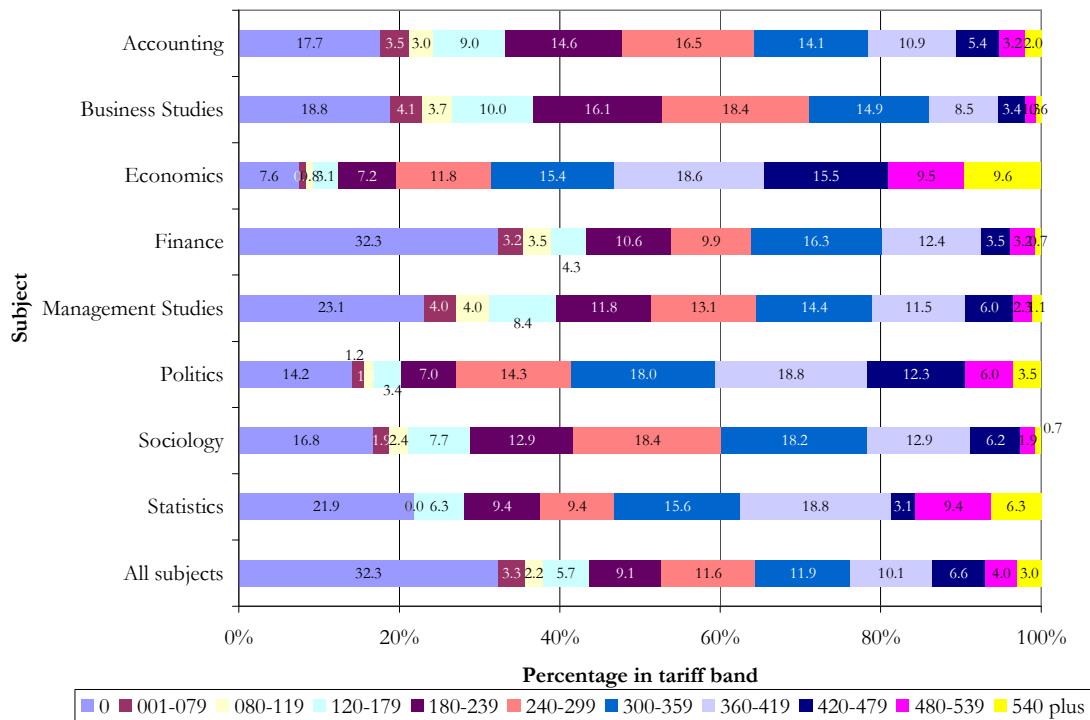


Source: Joint Qualifications Council (www.jcq.org.uk)

As one would expect, entry requirements are higher for degree courses at institutions with strong performance in research and lower at institutions with a teaching mission. To pick a few examples: LSE (RAE grade 5*) requires three 'A' grades at A2 level, including Mathematics; Oxford (5) has a similar requirement. Essex, which has a 5* rating for research requires 300 tariff points (equivalent to BBB at A2 level) but only GCSE Mathematics is required. At London Met (3a) the tariff requirement is 200 points (BB or CCD at A2), again with GCSE Mathematics; at Swansea it is 280 tariff points, with GCSE Maths. Manchester (4) requires grades AAB at A2, including Mathematics and preferably Economics, although this latter requirement is relatively unusual.

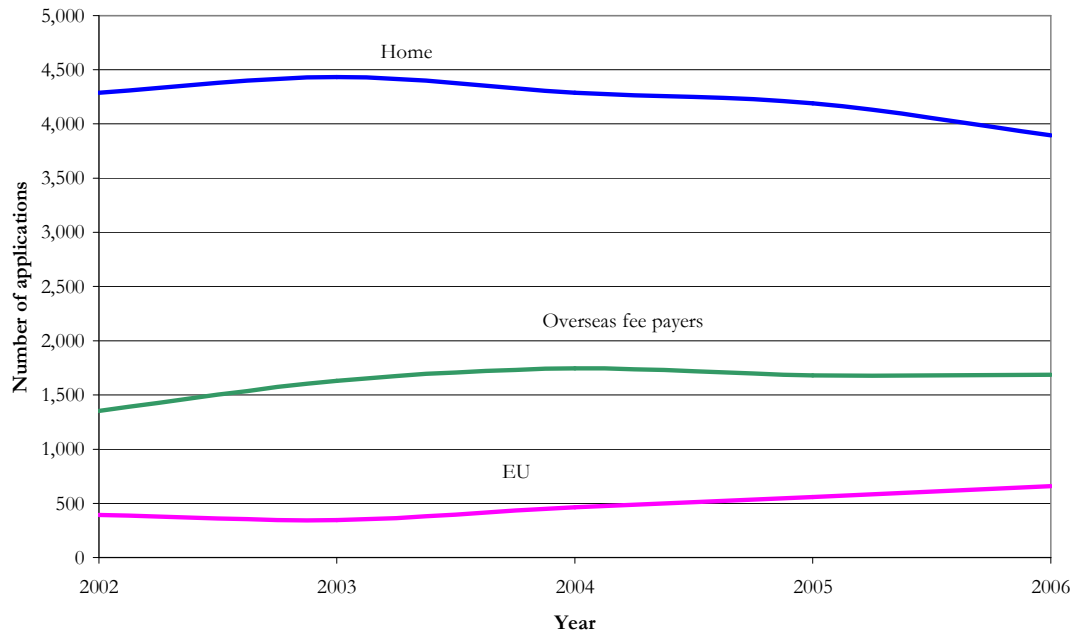
Writing in 2001, the head of a UK Economics department noted that despite the lucrative careers open to Economics graduates, demand for Economics degrees among

Figure 6.3: Tariff score of UCAS applicants to selected subjects, 2005 entry



Source: UCAS

Figure 6.4: Applicants for Economics via UCAS by domicile, 2002 - 2006



Source: UCAS

university applicants was static and A-level Economics numbers had collapsed.¹⁷ Part of this could be attributed to the rise of Business and Management Studies at A-level and in higher education. Similar concerns were also raised about the popularity of Mathematics

¹⁷ Dixon, H. (2001) A demand to supply sex appeal. *Times Higher Education Supplement*, 1 June 2001.

A-level and the consequences for undergraduate teaching as Economics made increasing technical demands of its students. Recent evidence (see Figure 6.2) however suggests that whilst there has not been a recovery of A-level Economics, nor has there been any further decline. Mathematics *has* seen a drop-off in candidates, but there are signs of a recovery, possibly associated with the availability of the subject at AS-level.

For 2006 entry, the ratio of male:female applicants for Economics was roughly 9:5. Ratios for other subjects were: Accounting 4:3; Business Studies 5:4; Finance 3:2; Management Studies 7:5; Politics 4:3; Sociology 1:3; and Statistics 2:1. The overall gender ratio for all UCAS undergraduate applicants was about 5:6. About 5 per cent of home Economics applicants (6 per cent of acceptances) were over 21 years of age in 2006.

According to UCAS for 2006 entry, Economics attracted 1,687 applications from overseas fee-payers, compared to 1,061 for Accounting, 1,024 for Business Studies, 212 for Finance, 2,950 for Management Studies, 553 for Politics, 121 for Sociology and 27 for Statistics. There were 1,183 overseas acceptances. In addition there were 659 applications for Economics from the European Union (426 accepted applicants). EU application numbers grew 66 per cent between 2002 and 2006; overseas applications grew by 25 per cent; and home applications *declined* by nine per cent. The relative growth in EU applications may be partly a consequence of the change in the countries included in the category 'EU' following the 2004 and 2007 enlargements of the Union.

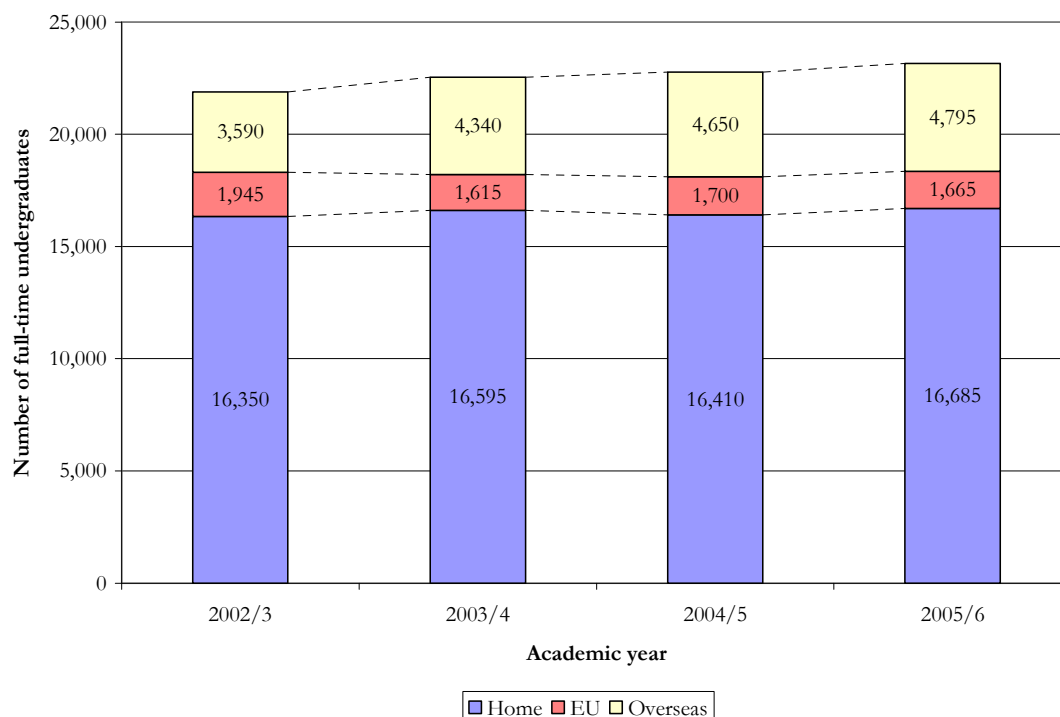
6.2 Undergraduate students¹⁸

There is a major drawback in interpreting student numbers provided by HESA in that they provide 'full person equivalents', not head counts. This means that two different students taking a joint honours degree in Economics will be equivalent in the figures to one person taking a single honours degree. Since Economics is a popular subject for combined or joint honours degrees, a headcount of those taking a course incorporating an element of Economics would give a larger population than the FPE figures suggest. However it is not possible, from publicly available information, to accurately determine how many students are studying joint honours or indeed what the most popular combinations are. However anecdotally, popular combinations include those with Politics, Philosophy, History, Business Studies, Accounting and Management Studies. Data on UK-domiciled Economics graduates in 2004/5 can be used to give a very crude picture of the distribution of students across different types of degree. This suggests a split of roughly 60/25/15 between single honours, joint honours and other types of combined degree.

In 2005/6 there were 23,145 full- and 1,425 part-time FPE undergraduates studying Economics. This makes Economics very slightly smaller than Politics and Sociology and very slightly larger than Accounting as an undergraduate subject, but only about one-half the size of Management Studies and one-quarter that of Business Studies. Full- and part-time Politics FPEs have grown by 6 per cent and 12 per cent respectively between 2002/3 and 2005/6. Overall growth in other Social Studies subjects over the same period was 13 per cent for full-time and 24 per cent for part-time study. Full-time FPEs in Business Studies have actually declined over this period. Economics undergraduate FPEs

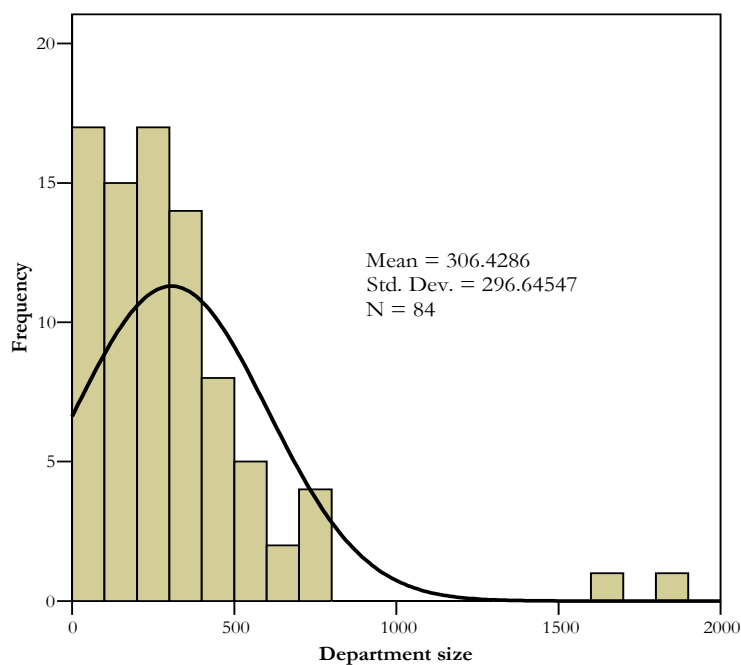
¹⁸ Data in sections 6.2 and 6.3 are obtained from the CD-ROM included with the Higher Education Statistics Agency's publication *Students in Higher Education Institutions* for 2002/3, 2003/4, 2004/5 and 2005/6. All HESA data reproduced in this report are subject to HESA's rounding strategy which is described in the note at the end of the document.

Figure 6.5: FPE¹⁹ full-time undergraduate Economics students, 2002/3 – 2005/6 by domicile



Source: HESA Student Record 2002/3 - 2005/6

Figure 6.6: Histogram of FPE Economics full-time first-degree undergraduates by department, 2005/6



Source: HESA (2007) *Students in Higher Education Institutions 2005/6*. Cheltenham: HESA.

¹⁹ Full-person-equivalent. HESA says in the notes to its published tables: “Analyses of subject information show Full Person Equivalents (FPE). These are derived by splitting student records between the different subjects that make up their qualification aim. Totals of FPE may differ slightly to counts of students due to rounding.”

have grown slightly among home students, substantially among overseas students but declined among EU students over the period 2002/3 to 2005/6. Overseas FPEs rose by one third in Economics between 2002/3 and 2005/6, more than twice the rate for undergraduate study as a whole. This rate of growth was not as rapid as for Politics, Sociology, Finance, Accounting or Management Studies, but in terms of absolute growth, only Business and Management Studies attracted a greater number of additional overseas full-time undergraduates. In 2005/6, FPE Economics students comprised about 1.9 per cent of all full-time undergraduates.

It is difficult to provide figures on the size of Economics departments as such because Economics undergraduates might be based in business schools or in other subjects where part of the student's activity is classified as Economics by HESA. The closest approximation is to list the number of FPE Economics undergraduates at each institution.²⁰ Most institutions with full-time Economics undergraduates have between 100 and 450 full-time first degree students. There are some institutions with less than 100 Economics undergraduates, but these are unlikely to have a department as such.

Table 6.1: Social class background of UK-domiciled Economics graduates, 2004/5 (where known)

National Statistics Socio-economic classification	Frequency	Percent	Cumulative Percent
1 Higher Managerial and Professional Occupations	1,020	25.4	25.4
2 Lower Managerial and Professional Occupations	1,280	32.0	57.4
3 Intermediate Occupations	505	12.6	70.0
4 Small Employers and Own Account Workers	180	4.6	74.6
5 Lower Supervisory and Technical Occupations	215	5.3	79.9
6 Semi-routine Occupations	270	6.8	86.7
7 Routine Occupations	95	2.3	89.0
8 Never Worked and Long-term Unemployed	~	0.0	89.0
Not classified	445	11.1	100.0
<i>Total</i>	<i>4,010</i>	<i>100.0</i>	

Source: HESA Student Record 2004/5

A large majority of first-year full-time Economics undergraduates were under 21 years of age in 2005/6: thirteen per cent were classed as 'mature' (over 21), slightly lower than Politics (fourteen per cent) and somewhat lower than Sociology (19 per cent), Accounting (22 per cent) and Business Studies (29 per cent). Most full-time Economics undergraduates in 2005/6 were male (67 per cent); this is unusual for a social science subject, with all other subjects in the HESA category 'Social Studies' having a female majority, except for Politics, although Accounting, Finance, Business Studies, Management Studies and Statistics are all male-majority subjects (overall, only 44 per cent of full-time undergraduates are male).

²⁰ It would be possible to first identify which institutions have a named department/school of Economics and then look at their undergraduate numbers. However this would of course exclude large Economics programmes based in business schools and could over-report the number of undergraduates in an Economics department where there is both an Economics department *and* a business school. Manchester is a case in point: HESA reports more than 1,800 FPE full-time undergraduates, but many of these are likely to be based in Manchester Business School since the University's website suggests the annual intake to single honours undergraduate degrees is around 250.

It is difficult to obtain data about the social class background of Economics undergraduates. Most of the publicly available data covers larger groupings of subject or relates only to institutions. Data on UK-domiciled Economics graduates in 2004/5 indicates that about 70 per cent were from the top three social classes. This makes it slightly more exclusive than the social sciences as a whole and some more exclusive than business studies subjects. Some caution must be exercised in interpreting these figures, since social class information is often missing (in 11 per cent of cases for Economics); and because graduates are a different group to *entrants*, there being differential attrition rates by social class.

Table 6.2: Ethnicity and gender of UK-domiciled Economics graduates, 2004/5 (where known)

Ethnicity	Male		Female		Total	
	freq	%	freq	%	freq	%
White	2,215	73.9	820	61.1	3,035	69.9
Black or Black British - Caribbean	15	0.5	5	0.5	25	0.5
Black or Black British - African	75	2.5	55	4.0	130	3.0
Other Black background	~	0.1	5	0.3	5	0.2
Asian or Asian British - Indian	330	11.1	215	16.1	545	12.6
Asian or Asian British - Pakistani	90	3.0	40	3.0	130	3.0
Asian or Asian British - Bangladeshi	25	0.9	30	2.1	55	1.3
Chinese	85	2.8	75	5.4	155	3.6
Other Asian background	60	2.0	40	3.0	100	2.3
Other including mixed	100	3.4	60	4.4	160	3.7
<i>Total</i>	<i>3,000</i>	<i>100.0</i>	<i>1,340</i>	<i>100.0</i>	<i>4,340</i>	<i>100.0</i>

Source: HESA Student Record 2004/5

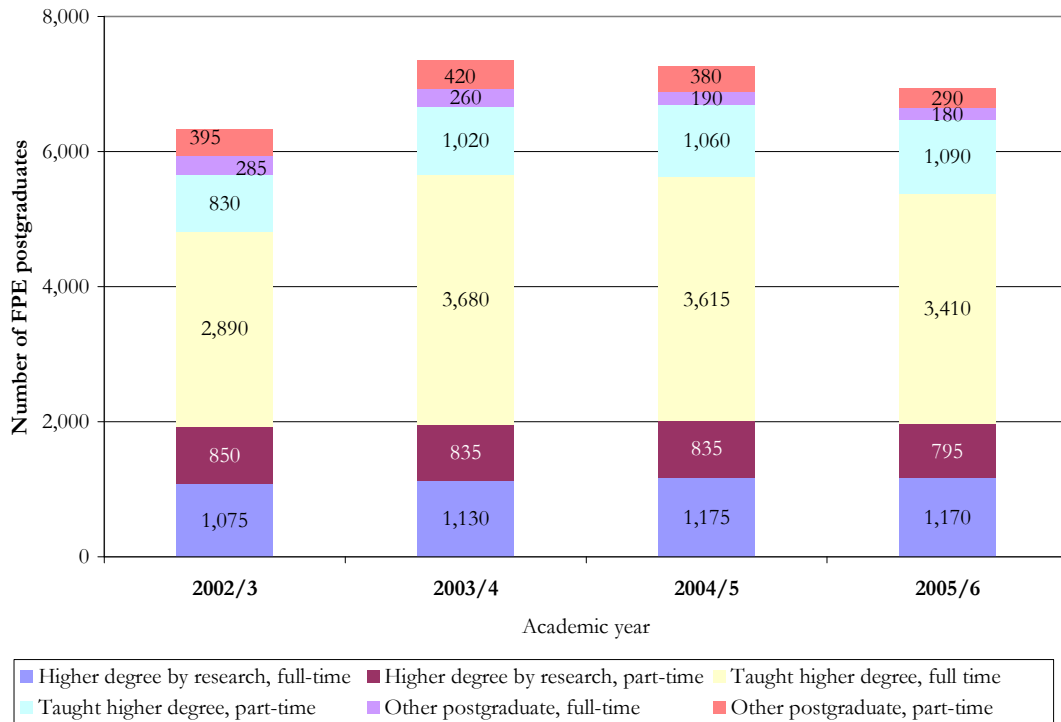
Table 6.2 shows that, particularly among women, ethnic minorities are very well-represented in Economics. Ethnic minority students are over-represented in higher education in comparison to the relevant age cohort but Economics has a particularly high proportion of non-white graduates, particularly from the Indian group.

6.3 Postgraduates

There are no national data available about numbers of applications for postgraduate programmes in Economics.

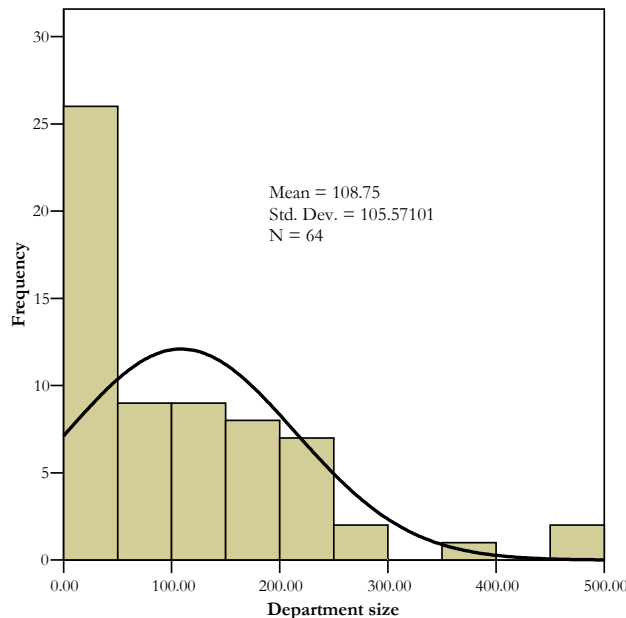
In 2005/6 there were 4,760 full-time and 2,175 part-time FPE postgraduate students in Economics. This makes Economics larger than Accounting, Sociology or Statistics at postgraduate level but smaller than Business Studies, Management Studies and Finance. Business and Management in particular have very large numbers of postgraduate students. Full- and part-time Economics FPEs have grown by 12 per cent and 5 per cent respectively between 2002/3 and 2005/6. Overall growth in other Social Studies subjects over the same period was 28 per cent for full-time and 17 per cent for part-time study. However as Figure 6.7 shows, growth occurred between 2002/3 and 2003/4, with the trend in the two years since being one of retrenchment. This pattern is consistent across home, EU and overseas students. In 2005/6, FPE Economics students comprised about 2 per cent of all full-time postgraduates.

Figure 6.7: FPE Postgraduate students in Economics by mode and level of study, 2002/3 – 2005/6



Source: HESA Student Record 2002/3 - 2005/6

Figure 6.8: Histogram of FPE Economics postgraduates by department, 2004/5



Source: HESA Student Record 2004/5

Figure 6.7 also shows the split of taught and research students in Economics. Most postgraduates in the subject are studying a taught higher degree with few studying an ‘other postgraduate’ qualification (largely certificates and diplomas). Research student numbers have hardly changed over the four-year period.

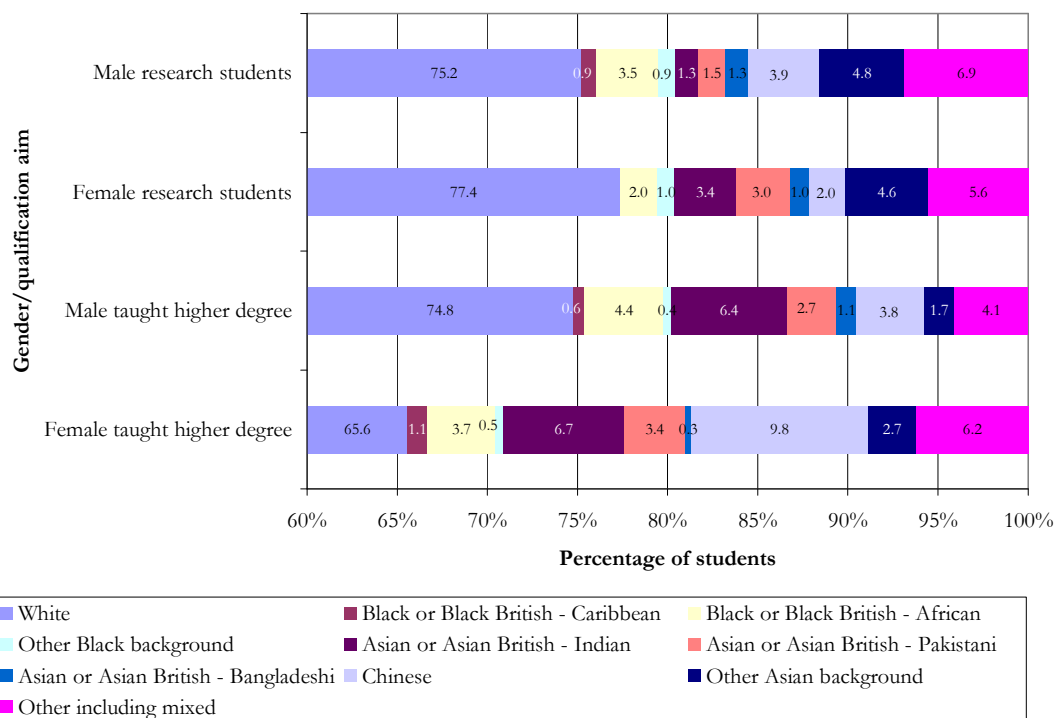
There are several institutions with large numbers of postgraduates in Economics. Oxford and York each have 450 or more, whereas Manchester, with the largest number of undergraduates in Economics, has only 150. On average, one in every five Economics students is a postgraduate, but at some institutions the proportion is much higher. Of the larger departments, Oxford, York, Sussex, Birkbeck and Glasgow have a high proportion of postgraduates, Nottingham and Warwick are about average and Manchester, Leicester and Royal Holloway are examples of institutions with a low proportion of postgraduates. Some institutions with reasonably-sized undergraduate cohorts in Economics have no postgraduates.

Research students in Economics are concentrated in relatively few institutions. The largest numbers (among home students, for 2004/5) are found at Oxford, Cambridge, Birkbeck and the LSE, the four of whom host fully one-quarter of the total. However 57 institutions have at least one research student in Economics and 28 have 5 or more.

The proportion of postgraduates who are male (58 per cent) is lower than at undergraduate level (67 per cent). However among home postgraduates (2004/5), 70 per cent of research students are male, as are 66 per cent of taught higher degree students.

No social class data is available on Economics postgraduate students. However ethnicity data for 2004/5 shows that female home taught higher degree students are much more likely to be from an ethnic minority group than other postgraduate students, with the proportion of students of Black African heritage being much higher in this category. In general, research students are more likely to be white than taught higher degree students.

Figure 6.9: Ethnicity of UK-domiciled postgraduates by gender and qualification aim



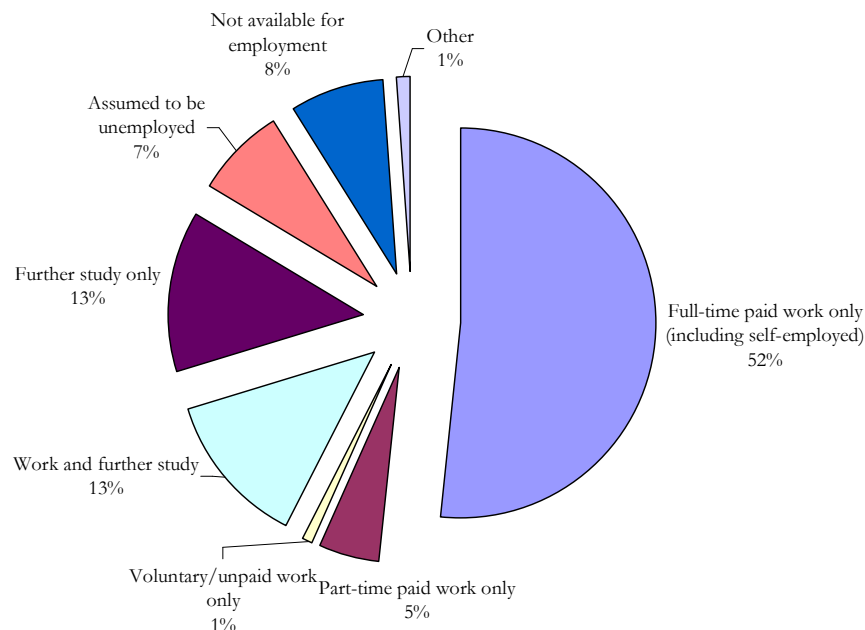
Source: HESA Student Record 2004/5

7 Careers

7.1 First degree graduates²¹

Most UK-domiciled Economics graduates obtain employment or enter further study (or both) within six months of their graduation. Around 7 per cent are assumed to be unemployed; in 2004/5 Economics graduates were only very slightly more likely to be unemployed than graduates in other social science subjects and graduates as a whole. Graduates find employment in a range of occupations. In 2004/5, the most popular employment categories for Economics graduates were 'business and financial professionals and associate professionals' (36 per cent); 'commercial, industrial and public sector managers' (14 per cent); 'other clerical and secretarial occupations' (13 per cent); 'numerical clerks and cashiers' (10 per cent); and 'retail, catering, waiting and bar staff' (6 per cent). This shows something of a split between 'professional' graduate jobs and non-graduate destinations. Such a division is not uncommon across other social sciences. Of course other factors affect graduate employability, including degree classification, institution attended and a range of socio-demographic characteristics.²²

Figure 7.1: Destination of UK-domiciled Economics graduates 2004/5, where known



Source: HESA Destination of Leavers from Higher Education 2004/5

Of 4,480 UK-domiciled graduates going on to further study in 2004/5, only 10 entered a doctorate (largely because the masters research training year is now the dominant route); 435 took a taught higher degree; 30 entered teacher training and 475 entered other kinds of study (which could include professional accountancy or legal training).

²¹ For further information on this subject, see the *Future Prospects* website at: http://www.prospects.ac.uk/cms/ShowPage/Home_page/What_do_graduates_do_2006/charts_and_tables_pages/pleXeLamL?subject_id=10

²² For further information see: Brennan, J. and T. Shah (2003) *Access to What? Converting Educational Opportunity into Employment Opportunity*. London: The Open University Centre for Higher Education Research and Information.

This ‘first destination’ data is limited in that it provides a snapshot at a very early point in a graduate’s career of their employment situation. A longitudinal study of graduate outcomes has been introduced by HESA, but the results are not available at the time of writing. An alternative is provided by research on the financial returns to different first degrees. Using data from the Labour Force Survey, O’Leary and Sloane²³ estimate that Economics graduates enjoy a return (in terms of wages) which places the subject eighth for men and fourteenth for women out of 25 disciplines (Accountancy is ranked first for both sexes).

Nevertheless, employers have raised concerns about the skillset of graduate economists, particularly ‘employability’ (meaning general skills such as communication, punctuality and self-presentation) and to a lesser extent application of economic knowledge to real-world situations and abstraction of complex ideas for non-specialists. Research commissioned by the RES and the Higher Education Academy Economics Network²⁴ corroborated these views to some extent, with particular shortfalls in graduates’ knowledge compared to employer expectations. However the skills and knowledge stipulated by employers were well matched to the ‘benchmark statement’ developed by the Economics Network as a guide to the curriculum and standards expected of a first degree in Economics.

7.2 *PhD graduates*

Research indicates that the majority of social science PhD holders move into academic employment. However an increasing minority pursue other career options outside of university teaching and research: a recent report (to which the panel is referred for further detail) found around 40 per cent working in non-academic settings.²⁵ A similar analysis of 2004 PhD graduates in social sciences found around 34 per cent in non-academic jobs.²⁶

Data on Economics PhD graduates for 2005/6 indicates that approximately 60 responded to HESA’s Destinations of Leavers from Higher Education survey.²⁷ Of those, 86 per cent were in full-time employment, five per cent in part-time paid employment, three per cent self-employed and five per cent unemployed, unavailable for work or doing something else. The proportion in full-time employment is similar to that seen for PhDs in Accounting, Business, Finance and Management in the same period, but higher than Politics or Sociology. Three-fifths of the graduates were employed in higher education; fifteen per cent were in banking, with the remainder sprinkled across several industrial sectors, including both private and public employers. Economics PhDs were certainly no less likely than those in the comparator disciplines to be working in higher education.

²³ O’Leary, N. C. and P. J. Sloane (2005) The return to a university education in Great Britain. *National Institute Economic Review*, 193 (1), pp. 75 – 89.

²⁴ O’Doherty, R., Street, D. and C. Webber (2007) *The Skills and Knowledge of a Graduate Economist: Findings of a survey conducted on behalf of the Royal Economic Society and the Economics Network*. University of the West of England, Bristol. Available at: <http://www.economicsnetwork.ac.uk/projects/employability2007full.pdf>

²⁵ Purcell, K. and P. Elias (2006) *The employment of social science PhDs in academic and non-academic jobs: research skills and postgraduate training*. Swindon: ESRC.

²⁶ UK Grad Programme (2004) *What do PhDs do? 2004 analysis of the first destinations for PhD graduates*. Cambridge: Graduate Prospects.

²⁷ Since the numbers are small, care should be taken about the weight placed on differences between disciplines and stability across time.

As for job titles, the largest professions were professors/lecturers/university teachers (29 per cent), researchers (27 per cent) and economists (seventeen per cent). A range of other job titles were listed, including business analyst, finance and investment analyst, public service associate professional, senior official, solicitor, journalist and more esoterically, veterinarian and fork-lift truck driver!

The survey does not include students ordinarily domiciled outside of the EU. Comparing those graduating with a PhD from a UK higher education institution, EU PhDs are slightly more likely to be in full-time employment and working in academic roles.

8 Concluding comments

Taking as a whole the indicators and statistics presented about UK Economics, the overall impression is one of a relatively small and concentrated discipline showing high quality in terms of research output and student intake, but stasis in terms of growth (at a time when higher education in the UK generally has continued to expand). There is some confirmation of trends identified by economists and others concerned about the health of the discipline – namely that the main demographic change has been a shift in the internal composition of the staff and student body towards non-UK nationals, largely as a result of recruitment difficulties brought on by labour market conditions. However whether this constitutes grounds for pessimism is really a value judgement (it certainly doesn't hinder Economics in the US, where there is a larger 'brain gain' of migrant academic talent). Economics has not suffered the continued retrenchment seen in other quantitative subjects (notably in Physics); seen in this context, research quality and recruitment have held up well – the glass is perhaps half full.

APPENDIX 1

RAE grade and quality related research income for Unit of Assessment 38 – Economics and Econometrics by institution, 2007/8

Institution	RAE 2001 Grade	QR
Birkbeck College	5	£744,138
University of Birmingham	4	£162,842
University of Bristol	4	£337,898
Brunel University	4	£138,761
University of Cambridge	5	£1,508,574
University of Durham	4	£149,763
University of East Anglia	4	£169,417
University of Edinburgh	4	£252,120
University of Essex	5*	£1,100,190
University of Exeter	5	£411,042
University of Glasgow	4	£343,243
Keele University	3a	£920
University of Kent	4	£136,605
University of Leicester	5	£503,697
University of Liverpool	4	£144,921
London Metropolitan University	3a	£920
London School of Economics & Political Science	5*	£2,307,499
Loughborough University	3a	£2,301
The University of Manchester	4	£420,852
Manchester Metropolitan University	3a	£920
University of Newcastle	4	£121,753
University of Nottingham	5	£1,278,443
University of Oxford	5	£2,039,944
Queen Mary, University of London	5	£716,585
Royal Holloway, University of London	4	£168,205
University of Sheffield	3a	£4,602
University of Southampton	5	£853,099
University of St. Andrews	4	£349,317
University of Stirling	4	£268,450
University of Strathclyde	4	£432,336
University of Surrey	3a	£4,142
University of Sussex	4	£214,015
University of Wales, Swansea	4	£264,403
University College London	5*	£1,643,307
University of Warwick	5*	£1,395,086
University of York	5	£1,157,169
<i>Total</i>		£19,747,479

Sources: HEFCE, HEFCW, DELNI, SFC

APPENDIX 2

Full details of current ESRC-funded projects in Economics

Type of award/Title	Institution	Award holder	Date	Amount
<i>Collaborative research</i>				
Emerging markets	City University	Prof. K. Phylaktis	January 2006 – June 2008	£14,819
<i>First grant</i>				
Research on Non-linear Time Series Models: stationary, nonstationary, and volatility models	London School of Economics & Political Science	Dr. M. Seo	September 2006 – August 2008	£76,838
<i>Full research awards</i>				
Scottish Graduate Programme in Economics PhD Training Sequence	University of Strathclyde	Prof. R. Wright	November 2006 – October 2009	£107,914
The Royal Economic Society Summer School	University of Birmingham	Prof. P. Sinclair	April 2007 – April 2010	£64,127
The Overall Impact of HEIs on Regional Economies in the UK	University of Strathclyde	Prof. P. McGregor	July 2007 – June 2010	£458,875
Investigating business-university innovation linkages	Institute for Fiscal Studies	Ms. H. Simpson	May 2007 – April 2008	£47,083
Impact of Economics and Quality of Life on Graduate Flows and Subsequent Innovative Capacity of Cities in the UK	Institute for Employment Studies	Dr. M. Cowling	March 2007 – February 2008	£44,371
Advanced Postgraduate Training in Finance	University of Exeter	Prof. I. Tonks	December 2005 – January 2008	£61,078
PLASC/NPD User's Group	University of Bristol	Prof. S. Burgess	October 2005 – October 2008	£54,486
Oxford E-social Science (OeSS) Project: Ethical, Legal and Institutional Dynamics of Grid-Enabled E-Sciences	University of Oxford	Prof. W. Dutton	October 2005 – September 2008	£434,776
<i>Postdoctoral fellowships</i>				
The costs and governance of contracting with NGOs on a large scale for the provision of HIV prevention services	London School of Hygiene & Tropical Medicine	Dr. L. Guinness	July 2007 – March 2011	£137,040
Institutions and Economic Policy in the Developing World	London School of Economics & Political Science	Mr. G. Leon	November 2007 – October 2009	£160,269
Nonlinear Interest Rate Forecasting using High Frequency Data	The University of Manchester	Dr. E. Bataa	October 2007 – September 2009	£135,200
Trade Unions and Globalisation	University of Nottingham	Dr. P. Bastos	October 2007 – September 2008	£65,064
Financial Development in Southeast Asia: Sources and Effectiveness	University of Leicester	Dr. G. James	September 2007 – August 2009	£130,761
Trade, Worker Dislocation and Compensation	University of Nottingham	Miss J. Silva	June 2007 – May 2009	£115,608
Economic Growth, Institutions and Financial Development: Dynamic Panel Data Estimation in a Simultaneous	University of Leicester	Dr. S. Torres Ledezma	April 2007 – March 2009	£125,976
Conditional Cash Transfers, Risk, Savings and Investments	University College London	Dr. M. Rubio Codina	January 2007 – December 2008	£149,508

Type of award/Title	Institution	Award holder	Date	Amount
Consumer Protection Policy and Competition	University of Oxford	Dr. C. Wilson	October 2006 – September 2008	£152,396
Social epidemiology for HIV prevention in developing countries	London School of Hygiene & Tropical Medicine	Dr. J. Hargreaves	October 2006 – September 2008	£174,416
<i>Professorial fellowships</i>				
Reconciling Normative and Behavioural Economics	University of East Anglia	Prof. R. Sugden	January 2006 – March 2009	£361,151
Wellbeing and Economics	University of Warwick	Prof. A. Oswald	January 2007 – December 2009	£228,932
Political Economy, Incentives and Accountability	London School of Economics & Political Science	Prof. T. Besley	October 2006 – September 2009	£238,854
Credit and Insurance Markets Imperfections, the Process of Development and Long Run Poverty: The Case of Human Capital	University College London	Prof. O. Attanasio	January 2006 – September 2009	£624,842
<i>Programme Directorship</i>				
Appointment of Programme Director for World Economy and Finance Programme	Birkbeck College	Prof. J. Driffill	March 2004 – February 2009	£631,116
<i>Programme fellowships</i>				
Globalisation, innovation and productivity: international evidence and implications for policy	Institute for Fiscal Studies	Prof. R. Griffith	July 2007 – June 2010	£212,743
Religion and Childhood Death in India	University of Bristol	Dr. S. Bhalotra	May 2007 – February 2009	£99,461
Infrastructure and Development: Evidence from India and East Africa	London School of Economics & Political Science	Dr. R. Burgess	January 2007 – December 2009	£193,595
Public services: international comparison of responsiveness using anchoring vignettes	University of York	Dr. N. Rice	November 2006 – May 2009	£229,774
Factor Endowments, Biased Technological Change, Wages and Poverty Reduction	Imperial College London	Prof. C. Thirtle	November 2006 – October 2008	£233,093
Legal and Economic Aspects of Sovereign Debt Default: The Argentina Case	University of Warwick	Dr. A. Dhillon	October 2006 – October 2008	£133,427
Open Economy Models: An Empirical Investigation	Cardiff University	Prof. A. Minford	October 2006 – September 2008	£207,909
Exploring the impact of public services on quality of life indicators	University of York	Dr. R. Jacobs	October 2006 – September 2008	£121,841
The New International Division of Labour	London School of Economics & Political Science	Dr. H. Overman	October 2006 – September 2008	£298,669
Copy of Home Ownership, Housing Collateral and Aggregate Fluctuations	London School of Economics & Political Science	Dr. A. Michaelides	September 2006 – August 2009	£254,415
Financial Contagion: An Experimental Analysis	University College London	Dr. A. Guarino	June 2006 – June 2009	£114,171
Human development and poverty reduction in developing countries	Institute for Fiscal Studies	Prof. O. Attanasio	June 2006 – May 2009	£621,257

Type of award/Title	Institution	Award holder	Date	Amount
Population Change, Demographic Uncertainty and Financial Risk	National Institute of Economic and Social Research	Dr. M. Weale	May 2006 – August 2008	
Designing Monetary Policy for Developed and Developing Countries	London School of Economics & Political Science	Dr. G. Benigno	April 2006 – March 2008	£205,064
<i>Research fellowships</i>				
Microeconomic Analysis of Aspects of Individual Behaviour	University College London	Dr. V. Lechene	January 2007 – December 2009	£283,732
Economics of ITQ Markets	University of Portsmouth	Mr. A. Hatcher	October 2006 – September 2008	£132,970
Econometric analysis of hyperinflation data	University of Oxford	Dr. B. Nielsen	July 2006 – June 2009	£236,792
Parents, peers, schools and the intergenerational transmission of disadvantage	University of Warwick	Dr. P. Bingley	April 2006 – March 2008	£108,463
<i>Research centres</i>				
Centre for Economic Learning and Social Evolution (ELSE)	University College London	Prof. C. Hayes, Dr. R. M. Seymour, Prof. T. Borghers, Prof. S. Huck and Prof. D. Shanks	October 2005 – September 2010	£3,084,239
The Centre for Microdata Methods and Practice (CPP)	Institute for Fiscal Studies	Prof. A. Chesher	July 2007 – June 2012	£3,162,176
Centre for Economic Performance (CEP)	London School of Economics & Political Science	Prof. J. Van Reenen	October 2005 – September 2010	£5,137,036
Centre for Microeconomic Analysis of Public Policy (CMAPP)	Institute for Fiscal Studies	Prof. R. Blundell	April 2005 – September 2010	£5,339,891
Centre for Competition Policy	University of East Anglia	Prof. C. Waddams	September 2004 – August 2009	£3,198,306
<i>Large research grant</i>				
An examination of the impact of family socio-economic status on outcomes in late childhood and adolescence.	University of Bristol	Prof. P. Gregg	April 2007 – March 2012	£3,635,007
<i>Small research grants</i>				
Experimental tests of economic and psychological theories of the household	Royal Holloway, University of London	Prof. A. Munro	February 2007 – February 2008	£57,555
Natural resources, Politics and Economic Development	London School of Economics & Political Science	Prof. F. Caselli	November 2007 – October 2008	£81,234
The Importance of Accounting for Composition Effects When Studying Changes in Wage Inequality	Institute for Fiscal Studies	Dr. P. Carneiro	October 2007 – September 2009	£88,527
Workplace diversity and employee well-being in Britain: WERS2004 based analysis	Policy Studies Institute	Dr. G. Haile	October 2007 – September 2008	£52,850
The neuroscience of conventions and norms (Society, Social Behaviour, and the Neurosciences highlight notice)	University of Exeter	Prof. F. Guala	September 2007 – February 2009	£81,460

Type of award/Title	Institution	Award holder	Date	Amount
How do different exchange rate regimes affect foreign direct investment flows?	Oxford Brookes University	Prof. G. De Vita	September 2007 – August 2008	£40,900
Why some people choose to be leaders: The emergence of leadership in groups and organizations	University of Kent	Dr. E. Cartwright	July 2007 – June 2009	£81,657
Patent Litigation and Takeovers	University of Bristol	Prof. I. Uck Park	June 2007 – May 2009	£81,107
Crime and mental wellbeing	University College London	Dr. F. Cornaglia	May 2007 – April 2009	£81,436
Graduate Earnings, overeducation and labour market performance	Swansea University	Prof. P. Sloane	April 2007 – April 2009	£78,624
Reservation wages: Unemployment and job search: A microeconomic analysis	University of Sheffield	Dr. K. Taylor	March 2007 – April 2008	£81,387
People's Trust: A Survey-based Experiment	University of Essex	Prof. J. Ermisch	March 2007 – January 2008	£81,160
Long-term effects of divorce legislation on children	University of Sheffield	Dr. T. Viitanen	February 2007 – September 2008	£74,784
The Impacts of Parental Behaviour on Birth Weight	University of Essex	Dr. E. Del Bono	February 2007 – July 2008	£65,213
Entrepreneurial Performance	University of Aberdeen	Prof. H. Hvide	February 2007 – July 2009	£82,324
Estimating the social consequences of the decriminalisation of drugs on crime, accidents and educational achievements.	University College London	Dr. I. Rasul	February 2007 – July 2008	£73,430
Social Connections, Sorting and the Productivity of Teams: Evidence from Combined Personnel and Survey Data	London School of Economics & Political Science	Dr. O. Bandiera	January 2007 – June 2008	£80,305
New methods for forecasting inflation and its sub-components: Applications to the UK, USA and South Africa	University of Oxford	Dr. J. Aron	December 2006 – March 2008	£80,998
Adoption dynamics in network industries: A theoretical investigation under asymmetric information	University of Bristol	Prof. I. Uck Park	October 2006 – September 2008	£80,489
Theory of Religion: Linking Individual Beliefs, Rituals, and Group Cohesion	London School of Economics & Political Science	Dr. G. Levy	October 2006 – September 2008	£79,335
The Relative Importance of Nature, Nurture and Peer Effects on Adult Outcomes	Institute of Education	Dr. D. Hawkes	September 2006 – May 2008	£40,663
Search and the development of competition in UK electricity supply	University of Warwick	Prof. M. Waterson	June 2006 – June 2008	£47,686
Intertemporal Labour Supply in an Implicit Contract Model: An International Comparison of Micro Data Estimates	University of Leeds	Dr. K. Reilly	May 2006 – April 2009	£60,795
Gender and careers in science - do institutions matter?	University of East Anglia	Dr. S. J. Connolly	April 2006 – February 2008	£35,747
Subjects' Elicited Beliefs and their Actions in Strategic Situations	University of York	Dr. M. Costa-Gomes	March 2006 – September 2008	£46,635
State Dependence, Unobserved Heterogeneity and Female Labor Supply Behavior	University of Southampton	Prof. R. M. Sauer	February 2006 – February 2009	£44,701
Adult Mortality and its Long-Run Impact on Households in Tanzania	University of Oxford	Prof. S. Dercon	February 2005 – January 2008	£46,629

Type of award/Title	Institution	Award holder	Date	Amount
<i>Standard research grants</i>				
Nonparametric Methods for Empirical Finance and Microeconometrics	London School of Economics & Political Science	Prof. O. Linton	September 2007 – September 2009	£255,735
The Willingness to Pay for Innovative Consumer Products	Institute for Fiscal Studies	Prof. I. Crawford	September 2007 – January 2008	£16,487
Qualitative Business Survey Data: An Assessment based on a Micro-Comparison with Quantitative Data	National Institute of Economic and Social Research	Dr. J. Mitchell	May 2007 – April 2009	£232,828
Conditional Independence, Noncausality and International Market Links: A Realized Measure Approach	Imperial College London	Dr. W. Distaso	March 2007 – February 2009	£321,051
Time-Varying Quantiles	University of Cambridge	Prof. A. Harvey	October 2006 – November 2008	£83,203
Automatic Tests of Model Specification	University of Oxford	Prof. D. Hendry	October 2006 – September 2008	£222,387
Semiparametric Methods in Spatial Econometrics	London School of Economics & Political Science	Prof. P. Robinson	October 2006 – September 2009	£187,111
Multinational companies, taxation and welfare: an investigation using micro data	University of Oxford	Prof. M. Devereux	September 2006 – August 2008	£198,876
Evaluation and design of in-work benefits in dynamic economies: A GE approach	Institute for Fiscal Studies	Dr. M. Costa-Dias	March 2006 – September 2009	£247,002
Nurse Labour Markets: Preferences for pecuniary and non-pecuniary rewards	University of Aberdeen	Dr. D. Skatun	December 2005 – November 2008	£116,505
Housing expenditures and household welfare	Institute for Fiscal Studies	Dr. L. Nesheim	December 2005 – April 2008	£121,027
Product Market Competition, Technology and Productivity	Institute for Fiscal Studies	Prof. R. Griffith	October 2005 – September 2010	£182,814
The Political Economy of Pro-Poor Adjustment Policies	University of Cambridge	Prof. S. Honkapohja	September 2005 – August 2008	£215,768
Advancing Programme Evaluation Methods	Institute for Fiscal Studies	Prof. H. Ichimura	September 2004 – February 2008	£147,716
UK Core Contribution for the Luxembourg Income Study Project	London School of Economics & Political Science	Prof. F. Cowell	May 2004 – April 2009	£106,772
<i>Research related activity</i>				
Network of Industrial Economics	University of Warwick	Prof. M. Waterson	September 2006 – September 2008	£15,503
Seminars in Accounting, Finance and Economics (SAFE)	University of Strathclyde	Dr. J. Smith	September 2006 – August 2008	£15,444

Type of award/Title	Institution	Award holder	Date	Amount
Nonlinear Economics and Finance Research Community	Keele University	Prof. C. Milas	November 2006 – November 2008	£15,423
Entrepreneurship Policy	University of Durham	Prof. S. Parker	September 2006 – September 2008	£15,361
Giving to Development	University of Southampton	Prof. J. Micklewright	January 2006 – December 2008	£269,207
<i>Resource centre</i>				
ESDS International	The University of Manchester	Mr. K. Cole	October 2007 – September 2012	£2,050,191
<i>Substantive research contracts</i>				
Royal Economic Society's Easter School in Econometrics	Nuffield College, Oxford	Prof N. Shephard	April 2003 – May 2008	£75,453
An empirical general equilibrium analysis of the factors that govern the extent of energy rebound effects in the UK economy	University of Strathclyde	Dr. K. Turner	October 2007 – September 2010	£193,613
The Economics of Health and Family	University of Oxford	Dr. M. Karlsson	October 2007 – September 2010	£139,848
An Empirical Reassessment of the New Keynesian Phillips Curve and Monetary Policy Rules	University of Surrey	Dr. V. Gabriel	September 2007 – August 2008	£38,630
A Life-course approach to ageing	Medical Research Council	Prof. D. Kuh	January 2007 – January 2008	£20,367
Herding in Financial Markets	University of Cambridge	Dr. H. Sabourian	October 2005 – September 2008	£89,620
National and International Aspects of Financial Development	University of Leicester	Prof. P. Demetriades	October 2005 – June 2008	£215,722
Reinstating Fiscal Policy as a Stabilisation Device	University of Glasgow	Prof. C. Leith	October 2005 – September 2008	£153,912
The Political Economy of Pro-Poor Adjustment Policies	University of Sheffield	Prof. P. Mosley	September 2005 – March 2009	£210,377
Risk Sharing and Contingent Debt	London Business School	Dr. A. J. Scott	August 2005 – February 2009	£155,783
Moral Hazard, Political Economy, Behavioural Approaches in International Finance	University of Warwick	Dr. L. Zhang	August 2005 – August 2008	£151,036
Law, Finance and Development	University of Cambridge	Prof. S. Deakin	August 2005 – July 2008	£204,231
Risk, Shocks, Growth and Poverty: Evidence from Long-Term Household Panel Data	University of Oxford	Prof. S. Dercon	July 2005 – June 2008	£162,928
Stability of the Global Financial System: Regulation and Policy Response	London School of Economics & Political Science	Prof. H. Shin	April 2005 – March 2008	£228,723
Weak Property Rights: Financial Markets and Development	University of Birmingham	Prof. J. Dutta	April 2005 – March 2008	£57,002
Managing Macroeconomic Risks in Developing Countries: Policies and Institutions	University of Oxford	Prof. P. Collier	April 2005 – March 2008	£231,940

Type of award/Title	Institution	Award holder	Date	Amount
<i>Research Group award</i>				
Cambridge Research Group on Economic Policy Analysis of Sustainable Energy	University of Cambridge	Prof. D. Newbery	October 2005 – September 2010	£2,415,347

Source: ESRC Society Today

Note on representation of numbers

Data sourced from the Higher Education Statistics Agency is subject to their rounding strategy, which they describe as follows:

“Due to the provisions of the Data Protection Act 1998 and the Human Rights Act 1998, HESA implements a strategy in published and released tabulations designed to prevent the disclosure of personal information about any individual. These tabulations are derived from the HESA non-statutory populations¹ and may differ slightly from those published by related statutory bodies. This strategy involves rounding all numbers to the nearest 5. A summary of this strategy is as follows:

- 0, 1, 2 are rounded to 0
- All other numbers are rounded to the nearest multiple of 5

“So for example 3 is represented as 5, 22 is represented as 20, 3286 is represented as 3285 while 0, 20, 55, 3510 remain unchanged.

“This rounding strategy is also applied to total figures; the consequence of which is that the sum of numbers in each row or column will rarely match the total shown precisely. Note that subject level data calculated by apportionment will also be rounded in accordance with this strategy.

“Average values, proportions and FTE values prepared by HESA will not be affected by the above strategy, and will be calculated on precise raw numbers. However, percentages calculated on populations which contain 52 or fewer individuals will be suppressed and represented as ‘.’ as will averages based on populations of 7 or fewer.”

Acknowledgements

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