

Is Economics the right choice for you?

What do economists do anyway?

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*BEA**

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* This presentation express the views of the author and not necessarily those of the U.S. Bureau of Economic Analysis, or the U.S. Department of Commerce.

Economics: The study of the choices people make to satisfy their wants and needs

1. **People have unlimited wants but resources are limited**
2. **This creates many conflicts and problems**
3. **Economists think about what are the best rules and incentives so people can make the most with the least**
4. **How? Usually by letting people look out for themselves by trading in markets**
5. **But at times markets don't work well or are not fair**

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Summarizing:

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Excuses? No! We say trade offs and Economics is not an exact science!

Choosing your career like an economist

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► Start preparing now

1. Take "difficult" courses: more choices later
2. Play a sport & get used to lose: no biggie, just practice more and win some
3. Explore: have fun

How can you solve an economic problem?

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Economists design incentives to get our goals the best way we can within our limitations!

Examples of economic problems

Meaningful questions with no easy or right answer!

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 1. No, that's a bad idea. We should let the market work because ..
 2. Yes, it should. Ok, but how? By not letting doctors charge a lot? By having the government pay doctors directly but making visits free for people?
- ▶ When people lose their job, should the government help by giving them money for some time or not?

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 1. No, that's a bad idea because ..
 2. Yes, it should. Ok, but for how long? How much money?
 3. Can the government help in a different way?
- ▶ Should there be a market to sell and buy kidneys for transplants?
 1. No, that's a bad idea because ..
 2. Yes, it should. What are the risks? What are the benefits?

Economist also think a lot about money

Different kinds of currencies:

1. Cigarettes?
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3. Dollars?
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If I were to pay you the equivalent of 10\$ in any of the currencies above, which one would you prefer?

And about prices

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- ▶ When prices go up? Is money more or less valuable?

Hyperinflation

What can I use as paperwall?

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Money is worthless in Germany during the Hyperinflation of 1923-1924. Here it is used to paper the walls.

UNSPECIFIED - CIRCA 1923: Money is worthless in Germany during the Hyperinflation of 1923-1924. Here it is used to paper the walls.
(Photo by Universal History Archive/Getty Images)



Money! Lots of Money!

Hyperinflation

Do you want to get paid in money or in food?

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500,000,000 Reichsmark banknote.

500,000,000 Reichsmark banknote; Germany, 1923. The Reichsmark was devalued in when the Weimar Republic, German government, printed notes to underpin the economy, leading to Hyperinflation, following the Ruhr crisis. (Photo by Universal History Archive/Universal Images Group via Getty Images)



A 500 million bill! Worth almost nothing!

How do YouTubers make money? And how much do they usually make?

- ▶ From advertising, paid subscriptions, and merchandise
- ▶ For 1,000 views per day, you could earn about \$120 per month
- ▶ A YouTuber with 1 million subscribers makes \$60,000 a year

Many professions make more than \$60,000 a year more easily!

<https://www.bls.gov/ooh/occupation-finder.htm> Back

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Keep your options open: have a backup plan

- ▶ I loved and was very good at basketball growing up!
 1. I played in the Spanish junior national team
 2. I even played professionally for a year
- ▶ But do a lot of people love women's basketball?
- ▶ What if I get injured?

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Annual wages with a college degree:

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Back

Do you need to major in Economics to be an Economist?

Not necessarily

- ▶ Have a taste of Econ courses as one of your core subjects

Follow your interests, don't marry a major!

- ▶ Today, math, statistics, and programming are a must

Put a good effort! It will pay off along the road

- ▶ Talk to others and dive deep

Make it work for *you* and enjoy the process

My choices

Can I really do this?

- ▶ I loved learning so I decided to do a Ph.D. abroad

In which university?

- ▶ Being a minority for the first time ...

A female, a foreigner, a poor English speaker

- ▶ ... but not feeling or acting like one, **you define yourself!**

1. I built new relationships based on other similarities
2. I practiced optimism
3. I worked really hard

- ▶ Things got tough and I failed one of my qualifying exams

I reviewed my choices and decided to persist

A glimpse at my career

1. My first job and a joint decision: *CBO*, DC 2004-2006
2. My passion (teaching Econ to others and trying to answer hard questions)/A lower salary/A tenure-track job: *Towson University*, Baltimore 2006-2014
3. Adapting to changes in life/Another pay cut: *Lehman College*, NY 2014-2015
4. More changes/Hard work/Good professional relationships/Karma: Back to *CBO*, DC 2015-2017
5. Taking risks and failing/Money as the only reward: *Board of Governors*, DC 2017-2019
6. Rekindling my passion (producing good economic data and helping by trying to answer useful questions): *BEA*, DC 2019 on