

THE ECONOMY OF EVERYTHING:

*WHY YOU NEED A PHD
IN ECONOMICS*

The Department of Economics at Southern Methodist University (SMU) is highly ranked among economics departments in the United States and offers comprehensive coverage of the major fields in modern economics.

For more than 55 years the department has prepared PhD candidates for careers as economists in both academic and non-academic positions.

If your passion to decipher issues ranging from supply and demand to public policy to inflation to international trade is driving you to consider a doctoral degree, this guide will help you understand SMU's unique approach to the study of economics and prepare you to apply to our PhD program with confidence.



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How to Become an Economist: PhD Required



As a PhD economist, you'll have the skills to analyze real-world economic data with rigorous statistical techniques, critically assess the economic implications of public policy, and understand the complex relationships behind key macroeconomic variables like GDP growth, interest rates, and inflation.

PhD economists have a wide range of skills. They are not only fluent in math and statistics but also have very strong communication and problem-solving skills.

Becoming an economist means you have developed and honed the *statistical and data skills* as well as the *critical problem-solving skills* necessary to analyze a wide variety of situations.

Gaining this level of expertise doesn't happen overnight and requires completing a rigorous educational program at the doctoral level. As our world continues to change, it's now more important than ever to earn a degree that truly reflects your knowledge and comprehension of economics before pursuing an advanced career track.

Though a bachelor's or master's degree in Economics can prepare you for various entry-level and mid-level careers in analytics or research positions, a PhD in Economics is required for individuals seeking advanced careers in academia, think tanks, research organizations or government agencies.

What Is an Economist & What Do They Do?



Economists move the levers of modern society. They study how producers and consumers decide what to produce and consume, how an economy creates wealth for its population and how economic policies redistribute wealth between countries and between people within a country.

Economics is at the heart of nearly everything in the modern world. Though their work is often with numbers and data sets, economists' findings can create change in meaningful ways in all sectors of business, industry, and government.

Using their extensive quantitative and analytical training, economists study various kinds of data and [make predictions to answer questions](#) like

- How supply and demand influence the prices of goods and services,
- Will government policies have their intended effects or will they have unintended consequences
- Why do market booms and busts occur,
- And which incentives drive individuals making economic and financial decisions.



FAQ: What Kind of Education Do Economists Need?

DO YOU NEED A BACHELOR'S DEGREE IN ECONOMICS TO BECOME AN ECONOMIST?

Majoring in Economics as an undergraduate isn't required to pursue a PhD in Economics. What's more important is that you have a strong quantitative background in mathematics, statistics, and probability.

Some skills and abilities you'll need to succeed in an Economics PhD program include:

- Strong analytical proficiency
- Critical thinking comprehension
- Adaptable communication skills
- Excellent research and writing capabilities

CAN I GET A PHD IN ECONOMICS WITHOUT A MASTER'S DEGREE?

Most students entering the PhD in Economics program at SMU have a master's degree, but it's not a requirement — about 30% of each cohort is made up of students coming to the program directly from undergraduate study.

If you don't feel like your undergraduate degree prepared you for a doctoral program, a master's could help. In fact, some Economics master's degree programs are designed specifically to prepare students with insufficient economics or quantitative backgrounds for PhD-level study.



Is a PhD in Economics Worth The Cost?



Pursuing a PhD in economics is a big investment. It will take 5 or 6 years. And, even though you will have a full tuition waiver and a stipend to cover your cost of living, you have also given up wages while earning a graduate degree. This leads many students to question whether an advanced degree in Economics is worth it.

Regardless of the degree you choose to pursue, economics professionals have a bright career outlook — the [U.S. Bureau of Labor Statistics](#) predicts 13% job growth from 2020 to 2030, faster than the national average for all other occupations.

But advanced economics degrees open the door to jobs that require advanced qualifications and the higher salaries that come with these jobs. According to [Payscale.com](#), a [Master of Science \(MS\) in Economics](#) earns degree holders an average annual base salary of \$82,000. For those with a PhD in Economics, the average annual salary increases to \$110,000.

When choosing a degree path, future economists *shouldn't* just question whether their graduate degree will lead to gainful employment, but rather **WHICH** degree will provide the best return on their investment.



CALCULATING ROI: MASTER'S VS. PHD IN ECONOMICS

As a potential economics PhD student, you're likely familiar with the term return on investment or ROI — the ratio used to calculate the efficiency of an investment or compare the efficiency of several different investments.

Though there's no cut and dry way to determine the [value of a graduate degree](#), there are some important numbers and factors to consider when determining which degree will be most valuable to you.

The type of job you want, the school you attend, the degree you pursue, your program length and available financial assistance all affect the overall return on investment of a graduate degree.

The most important factor to consider first is the type of job you want. Most of the time, a Master's degree opens the door to more advanced positions in the same types of job

you can get with a Bachelor's degree. But, a PhD degree opens the door to jobs in the private sector, academia, government, think tanks and international organizations that require a PhD. Remember, on average, a PhD economist has a 34% higher salary than a Master's economist.

Next, you need to consider cost. Economics PhD students, including our SMU students, have a full tuition waiver and a stipend to cover living costs. So, the only cost is lost wages from the job you would otherwise have. On the other hand, an Economics Masters degree takes 2 years or less but the [average cost of a master's degree](#) in the U.S. is \$66,340.

You need to weigh up these costs and benefits to know the return on investment for you of pursuing an advanced degree in economics.

Want to know more about graduate funding opportunities at SMU?

 [Learn how the Moody School of Graduate and Advanced Studies is reducing financial barriers to earning a graduate degree thanks to a \\$100 million commitment from the Moody Foundation.](#)



Should You Get Your PhD in Economics in the U.S.?

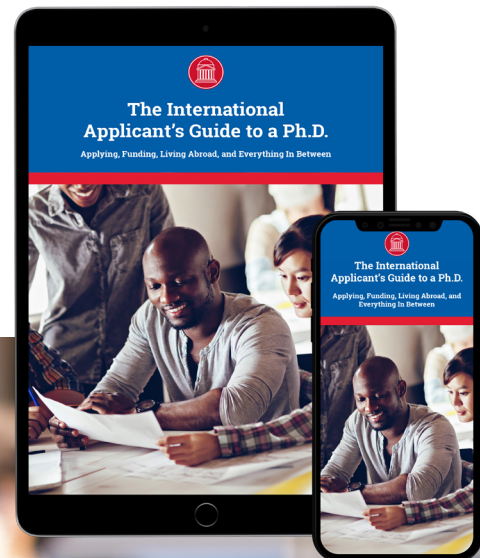
At SMU, we know that we work best when we work together and are committed to nurturing an environment that is inclusive and respectful of all.

As you research graduate school options, you may be wondering if there are any benefits to pursuing a PhD in Economics in the United States, as opposed to another country.

If you're considering earning your economics PhD as an international student in the U.S., you probably have some questions and maybe even a few concerns.

[The International Applicant's Guide to a PhD](#) is your resource for information about choosing and applying to a PhD program; financing your degree; navigating housing and living in the U.S., and finding resources at SMU that can help you do all of these things successfully.

 **Get the tools you need to be a successful international PhD applicant — DOWNLOAD THE GUIDE NOW!**



What Can I Do with a PhD in Economics?



Earning a PhD in Economics means you have completed the highest level of education in the discipline, thereby creating nearly unlimited opportunities for any job in a related field.

Economics PhDs specialize in areas like labor economics, macroeconomics, industrial organization, or international economics and pursue careers within that specialization. For example, institutions like the World Trade Organization (WTO) — the international trade body — the International Monetary Fund (IMF) or the World Bank might seek to hire economists who have specialized in international economics. The Federal Reserve Bank system hires lots of PhD macroeconomists. Government agencies like the Federal Trade Commission hire PhD economists specializing in industrial organization. The Census Bureau hires lots of PhD economists specializing in fields like labor economics.



These complex, high-profile positions are often found in the corporate sector or government and frequently involve exploring regulatory, strategic or public policies.



In addition to jobs in government and industry, [academic economists](#) play leading roles in the development of new ideas in economics and hold faculty positions in a variety of academic settings.

Industry Profile for Economists

The need for candidates with extensive economic knowledge and an upper-level understanding of quantitative analysis continues to grow as the government and private corporations seek to understand international competition, predict consumer behaviors and apply analysis to a rapidly changing global environment.

INDUSTRIES WITH THE HIGHEST LEVELS OF EMPLOYMENT IN ECONOMICS

Nearly every entity relies on economists in some way to help research and advise, optimize results, interpret data and recommend solutions. Some of the top industries that employ economists include:

- Federal and state governments
- Management, scientific and technical consulting services
- Scientific research and development firms
- Finance and insurance companies

TOP PAYING INDUSTRIES For Economists

Federal government	\$119,590
Finance and insurance companies	\$118,290
Management, scientific and technical consulting services	\$110,630
Scientific research and development firms	\$109,670
State government	\$70,280

How to Get a Doctorate in Economics: The Econ PhD Program at SMU

The PhD program in Economics at SMU is the oldest PhD program at the university and has been providing students with rigorous training in a broad range of fundamental methodologies for conducting economic research for more than 55 years.

With a low student-to-faculty ratio in a relatively small program, the Economics PhD program at SMU allows for an open and friendly environment, careful supervision, quality contact time with faculty and individualized mentoring that can't be matched elsewhere.

ECONOMICS
PHD PROGRAM

**Longest
standing PhD
program at SMU**

**55+
years**

DEPARTMENT RESEARCH

A foundation of high-quality theoretical training is essential for success in any field of economics. As a PhD candidate, you'll have the opportunity to participate in research that encompasses a wide number of fields, including

- Macroeconomics and economic growth
- International and urban economics
- Applied microeconomics and econometrics
- Microeconomic theory
- Experimental and behavioral economics



MENTORSHIP

The relatively small size of our incoming classes mean that we develop a close relationship with our students and maintain those relationships with our alumni. A key strength of the department is our ability to support and mentor students and help them grow from students to researchers. Often, these faculty-student relationships turn into co-authoring relationships as colleagues.

Aditi Sengupta '11

Aditi completed her PhD under the supervision of Professor Santanu Roy in 2011 and joined the Department of Economics at Auburn University located in Auburn, Alabama. She received tenure and was promoted to Associate Professor in Fall 2018.



"SMU's PhD program in Economics and especially my advisor trained me meticulously and extensively to survive and navigate through the complicated and challenging world of academia in every possible sense. I recognize this more so as I meet more and more graduates from other PhD programs."



Ian McDonough '14

Ian completed his PhD under the supervision of Professor Daniel Millimet in 2014 and joined the Department of Economics at the University of Nevada, Las Vegas, in Fall 2014. He received tenure and was promoted to Associate Professor in Fall 2019 and is also the S.J. Hall Faculty Fellow.

"My time at SMU pursuing a PhD were some of the best years of my life. The program was rigorous while at the same time very rewarding. The training and access to elite faculty and relevant ideas are second to none. The lectures are small and very personal, and the culture in the department is one of wanting to see students succeed. As well, the one-on-one mentorship has proven invaluable now that I am on the other side.

I owe more than I can ever repay to the department and faculty at SMU, especially Prof. Daniel Millimet. I was fortunate to call him my advisor during graduate school and even more fortunate now to call him a friend."

Scholarships, Assistantships & Funding

There are many opportunities for funding your PhD within the SMU Economics Department, including fellowships, grants and assistantships.

All of our PhD students receive a full tuition waiver and, typically, all of our students also receive health insurance and an annual stipend to cover their living costs.

Funded through the [Bush Institute-SMU Economic Growth Initiative](#), a collaboration between the George W. Bush Institute and the economics department, George W. Bush PhD Fellowships are designed to attract and support world-class scholars as PhD students.

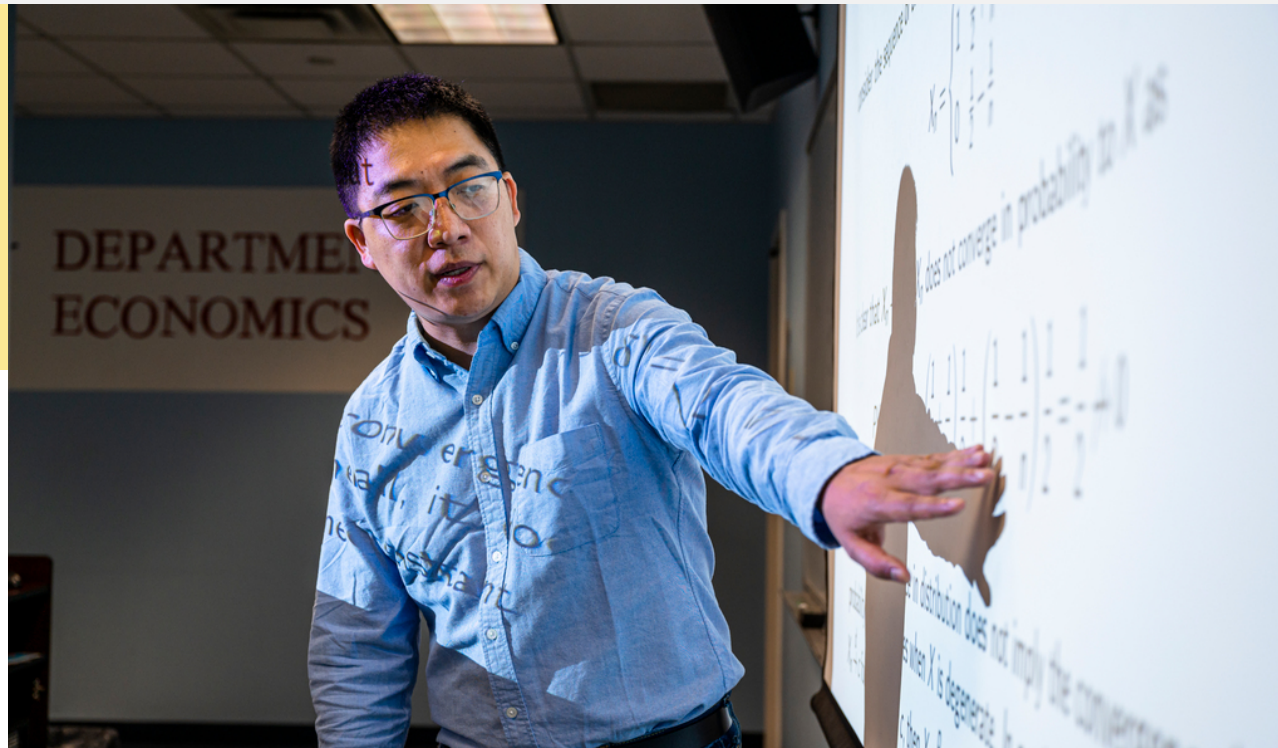


Additionally, SMU's Moody Graduate School recognizes outstanding PhD students through three fellowships awarded at the time of admission to students who show great promise for academic success:

- University PhD Fellowships enhance departmental teaching or research awards;
- Mustang Fellowships promote diversity of perspective in our graduate community;
- Moody Fellowships foster academic excellence and advanced research at the doctoral level.

EXPLORE GRADUATE FUNDING AT SMU

Admission Requirements



As a general rule, **a bachelor's degree in economics is not required**, as the program is open to students from other fields such as mathematics, statistics, and engineering. However, it is strongly recommended that students have taken the equivalent of at least 12 US credit hours of economics courses including intermediate microeconomics, intermediate macroeconomics, and econometrics.

Students are required to demonstrate a high level of mathematical and statistical proficiency. Students can do this through the quantitative part of the GRE (currently, the GRE is optional). Students can also demonstrate proficiency through university-level courses. It is strongly recommended that students have taken multivariate calculus and linear algebra. It is highly recommended that students have taken probability and statistics as well as real analysis. It is recommended that students have taken differential equations.

 [Learn more about the Economics PhD Program, including admissions requirements, program length and how to apply.](#)

Become an Economist With a PhD from SMU



You're ready to leave your mark on the world, and a PhD in Economics from SMU will provide you with the skills necessary to launch your career as an economist. Whether you're interested in using statistical techniques to analyze economic data or pursuing a research career in academia, you'll be prepared thanks to the foundation you build here.

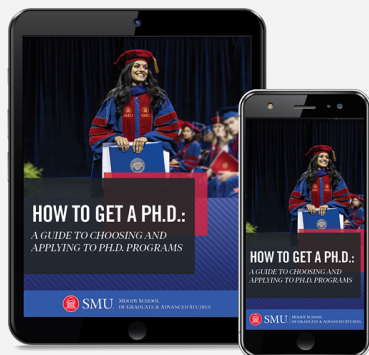
If you're ready to apply or want to know more about faculty, research and funding opportunities, we're excited to help you find your place at SMU.

[REQUEST MORE INFORMATION](#)

[APPLY NOW](#)

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WANT MORE GRADUATE SCHOOL ADVICE OR INFORMATION?



[How to Get a Ph.D.: A Guide to Choosing and Applying to Ph.D. Programs](#)



[Introducing the Moody School of Graduate and Advanced Studies](#)



[The Graduate Student's Guide to Living in Dallas](#)

[EXPLORE OUR GRADUATE SCHOOL RESOURCE LIBRARY](#)