



# What makes studying economics exciting?

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**J**ust how hot are you? Hotness, it turns out, is economically relevant, useful, and quantifiable.

There is a wage premium on being really, really good looking, and it's about 12%. Say there are two of us going for the same job, and this job starts off paying €50,000, with room to bargain. Let's say you are very good looking, and I look average. We are equally qualified and experienced. When we apply for the job, you, the really good looking one, will not only get the job ahead of me, you will earn 12% more than me, each year, over your working life. If we both work for 40 years, I'll earn €2 million. Through compounding, you'll earn €4.6 million. And you'll be hotter.

Economics studies the conditions under which we make the decisions we make in life: from how much to work, how many children to have, who to marry, and who to work for, all the way to the wealth of nations, and the linkages between them, the causes of war, and the consequence of peace.

Economics is a fundamentally quantitative discipline, meaning we try to find numbers and logical arguments to answer the questions we pose, like the wage premium on being uber-hot. Economics isn't a science, but it asks science-like questions, and seeks science-like answers. Economics is also rooted in history and the study of how we got here. Economics has its own language, and at UL, we'll teach you to speak fluently.

There are three main bits to economics, and you'll learn them all at UL.

First, we have macroeconomics. Macro is Greek for 'big'. Macroeconomics takes a

systems view of the entire economy.

Macroeconomics asks questions like, what is the best way to eliminate unemployment?

How can we make the economy grow?

How should we reduce inequality and make people better off? How should we

balance the government's current budget

deficit? Should we

tax people more to

give them better

public services, or let

them choose the best

private services they

can afford? Second,

we have microeco-

nomics. No prizes for

what 'micro' means.

Microeconomics

studies individual de-

cidings, from defining

the best set of con-

sumption choices you

can make, to how

you allocate your

work and leisure

time, to deciding

what makes you hap-

piest. Microeco-

nomics studies how people actually behave,

and how they might ideally behave.

Thirdly, we have econometrics: model

building and measurement. Economists

spend a lot of time building models, which

are simplified stories with a causal structure.

For example, if we doubled your income

tomorrow, how much more stuff would

you buy? Would you spend it all, or save

some? It turns out most people would save

around 30%, and spend around 70% of that

increase.

Models help economists ask questions of

use to society using real world data. It turns

out that the skills you'll learn in data gathering,

collection, empirical analysis and report

writing through our Bachelor of Business

Studies **degree**, the largest business

**degree** in the country, are highly prized.

Relative to Arts **graduates**, business studies

**graduates** earn a 5% premium, just starting

out. And that's without factoring in your

hotness.

What makes studying economics at **UL**

exciting? The chance to find out more

about the world by learning a set of tools

you can use to get a good job. See you in

September.

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