

Economics

Course 14

Would you like to be U.S. secretary of state or secretary of the treasury? A member of the President's Council of Economic Advisors? A CEO of a major firm? How about a member of Congress? A university president or professor? A lawyer or a good businessperson? Then you may be interested to know that people who have held all of these positions started off with degrees from the MIT Department of Economics.

Economics at MIT

Economics is concerned with understanding the performance of the entire economy in terms of economic growth, investment, unemployment, inflation, and the distribution of income. The field is also concerned with answering questions about the ways individuals and firms interact to determine consumption, savings, the amount of time that people work, prices, investment, technological innovation, and profits. Economists study the effects of government policies on the economy's total output, inflation, foreign trade, unemployment, and income distribution. They also examine national and international markets in detail, studying the effects that regulations, taxes, and subsidies will have under certain conditions. With about 40 undergraduate majors in each graduating class, the Department of Economics retains an intimacy characteristic of many smaller colleges. By offering about 25 different subjects each year, the department is able to provide the diverse course selection found at many larger universities to both the students who major in economics and the approximately 2,000 students who take economics courses as electives.

Undergraduate Program

After taking the principles of micro- and macroeconomics subjects, students can take subjects in intermediate micro and macro, economics of education, international trade and finance, development economics, health economics, industrial organization, labor economics, environmental economics, energy economics, and public finance. Students can further

expand their choice of classes through cross-registration at Harvard and Wellesley or a year abroad at Cambridge University. MIT offers an SB degree in economics as well as the PhD degree. Therefore, both undergraduate- and graduate-level subjects are available to MIT undergraduates. All undergraduates may elect to minor in a designated area of the Humanities, Arts, and Social Sciences (HASS). The minor program requires students to complete six subjects in a given field from a curriculum arranged into at least three levels (tiers), expressing different degrees of sophistication in the articulation and resolution of intellectual problems. Students electing a minor in economics can sample a wider range of subjects without undertaking the in-depth commitment of a major. Students who complete the minor in economics will satisfy the HASS concentration requirement in economics. They will also have the Minor in Economics specified on their transcript.

Research

Faculty research is intense and varied. Some of the areas of investigation include social security reform, competition in the telecommunications industry, regulatory and structural reform in the electricity sector, the economics of AIDS in developing countries, unemployment in Western Europe, macroeconomic policy and inflation, incentive problems and their impact on the structure of organizations, and the design of savings incentives. There are many opportunities for work outside the classroom both for pay and for credit through the Undergraduate Research Opportunities Program (UROP).

Extracurricular activities for students interested in economics include the Undergraduate Economics Association (UEA), which helps with curriculum changes, course development, and the open house for prospective majors. The UEA also sponsors faculty lectures, conducts seminars on career development, and holds several social gatherings during the academic year.

Post-Baccalaureate Opportunities

The undergraduate major in economics prepares students for a variety of careers. About 20 percent enter a graduate program in economics or finance. A small number each year enter law school. Business and public policy are the most popular choices for post-graduate study, although most students pursue these options after a few years of employment in business or consulting.

Students graduating with an SB in economics are very successful in finding positions in business, government, consulting, and non-profit organizations. Some of the organizations that have employed MIT economics majors in the recent past include the World Bank, the Federal Reserve Bank of Boston, the Federal Reserve Board of Governors, Charles River Associates, McKinsey & Co., Mitchell Madison, NERA, Citicorp, Fidelity, Goldman Sachs, J.P. Morgan, Lehman

Brothers, Morgan Stanley, and Salomon Brothers.

Contact Information

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More information is also available on the web at

<http://economics.mit.edu>.

The MIT Course Catalog contains further information on the Institute, including all graduate and undergraduate courses and programs. Please visit the MIT Course Catalog website for more details at

<http://web.mit.edu/catalog/index.html>.

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