



RESERVE BANK OF AUSTRALIA

Where Have All The Economics Students Gone?

Insights from Recent RBA Research

Emma Chow

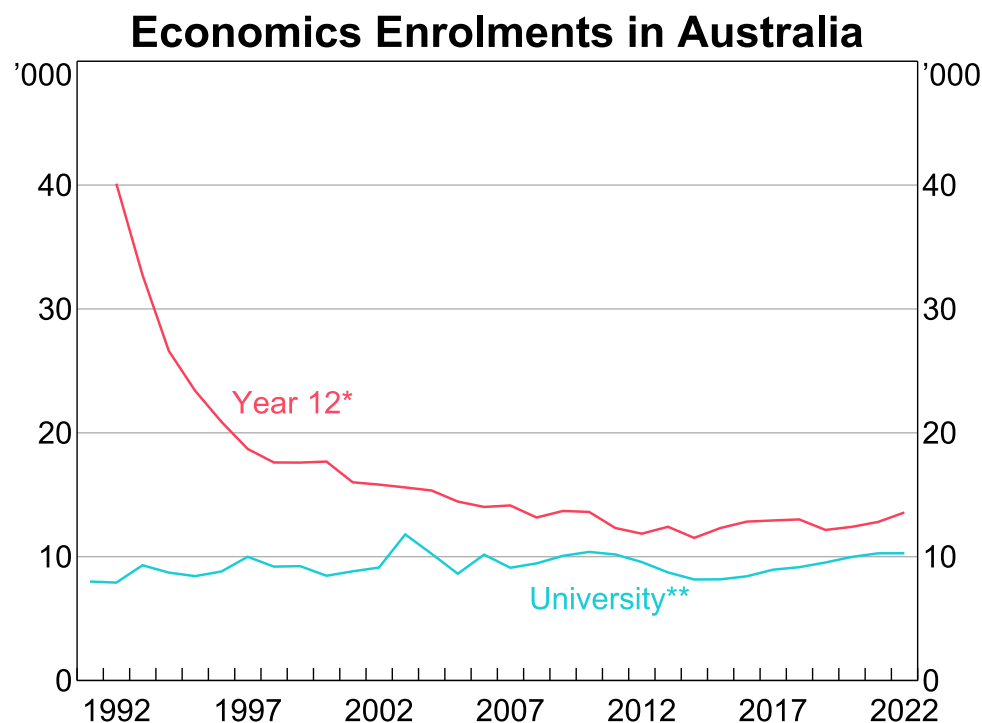
Economist, Public Education Team

Reserve Bank of Australia (RBA)

Outline:

- Motivation
- Data
- Results
- Implications for promoting the study of economics

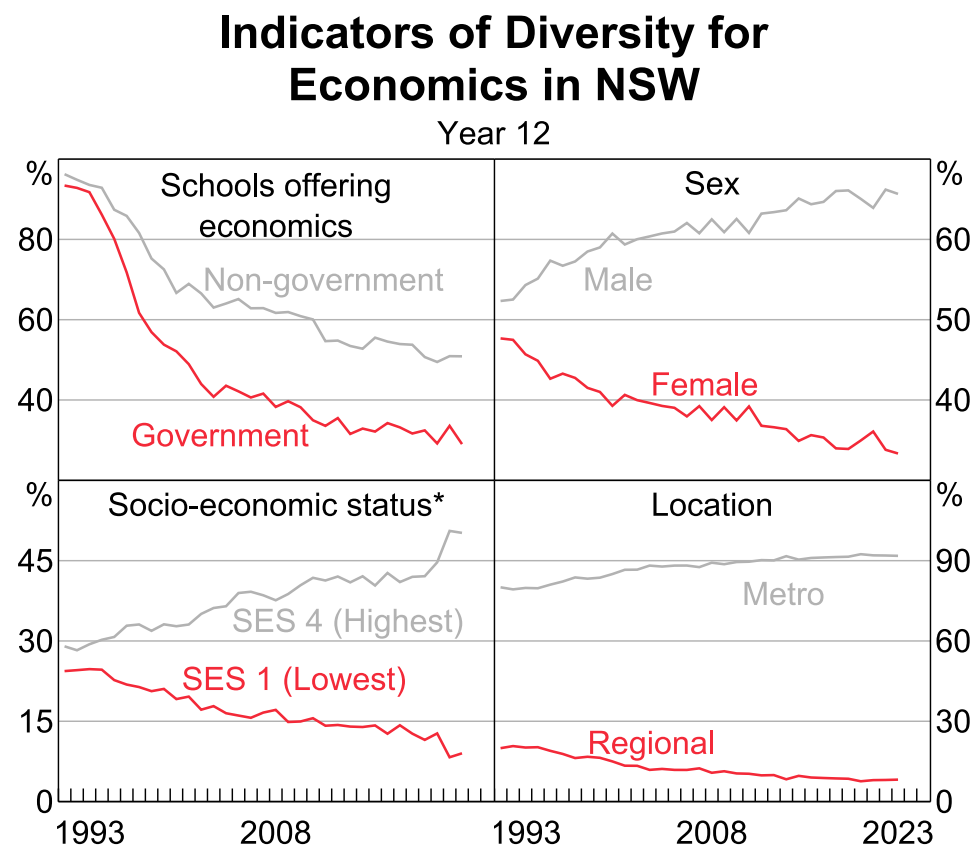
Economics enrolments have fallen over the past three decades, alongside a decline in gender and socio-economic diversity



* Data from New South Wales, Queensland and Western Australia included from 1992, South Australia included from 1993 and Victoria included from 1995.

** Undergraduate and postgraduate students; excludes Macquarie University.

Sources: DET; NESA; QCAA; RBA; SACE Board; SCSA; VCAA.



* Quartiles defined by NSW Education Standards Authority.

Sources: NESA; RBA.

Bulletin – January 2025 | Australian Economy

Where Have All the Economics Students Gone?

30 January 2025

Emma Chow ^(*)

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 education



OPINION

Want more economics students? Drop the obsession with maths

February 3, 2025 – 5:15am



Ross Gittins
Economics Editor

Back to top

Why students are shunning economics, 'the dismal science'



Alireza Ghaffarian thought studying economics would be the key to opening up a career in corporate finance, so he signed up for a double degree in economics and actuarial science.

— Opinion

Ross Gittins' rebuke of economics today is wrong, silly and offensive

The relevant commentator is right that economics has changed. For the better. Economics has become more focused on real-world problems.

Richard Holden
Economics professor



OPINION

Maths or no maths? Ross Gittins and Richard Holden both have it wrong



Mille Murrel
Economics Writer

February 14, 2025 – 5:00am

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John Simon
Economics (Economics) Manager

Cruspy old man complains that economics is too rigorous, logically consistent, and transparent about its assumptions. Oh, and maths is hard. If Ross Gittins was accurately talking about what economics is really like he might be worth listening to. But instead he's just painting a caricature and being insulting. Worse, he is drawing a caricature based on what it was like "when I were a lad". Ross seems to have missed the credibility revolution in economics <https://fiskal.org/gittins/>.

Whether having lots of maths in high school economics is the best way to attract future economists is an important question. But starting from such flawed assumptions about what economics actually involves, as Ross does, means that any conclusions he reaches are fatally flawed.

<https://fiskal.org/gittins/>



Want more economics students? Drop obsession with maths



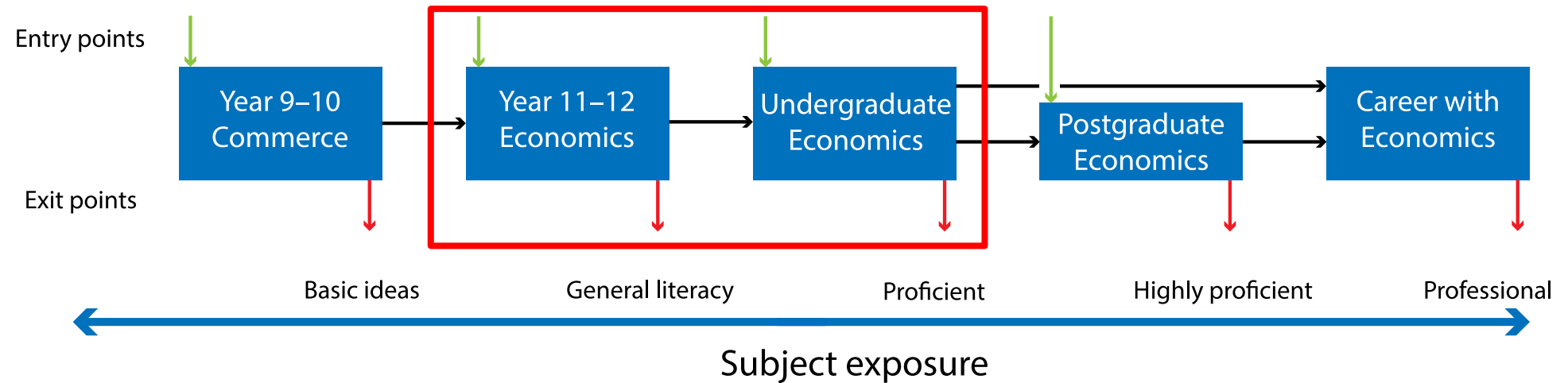
Diana Mousina
Deputy Chief Economist at AMP

Bring back economics students!



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Research question: What are students choosing to study at university, if not economics?

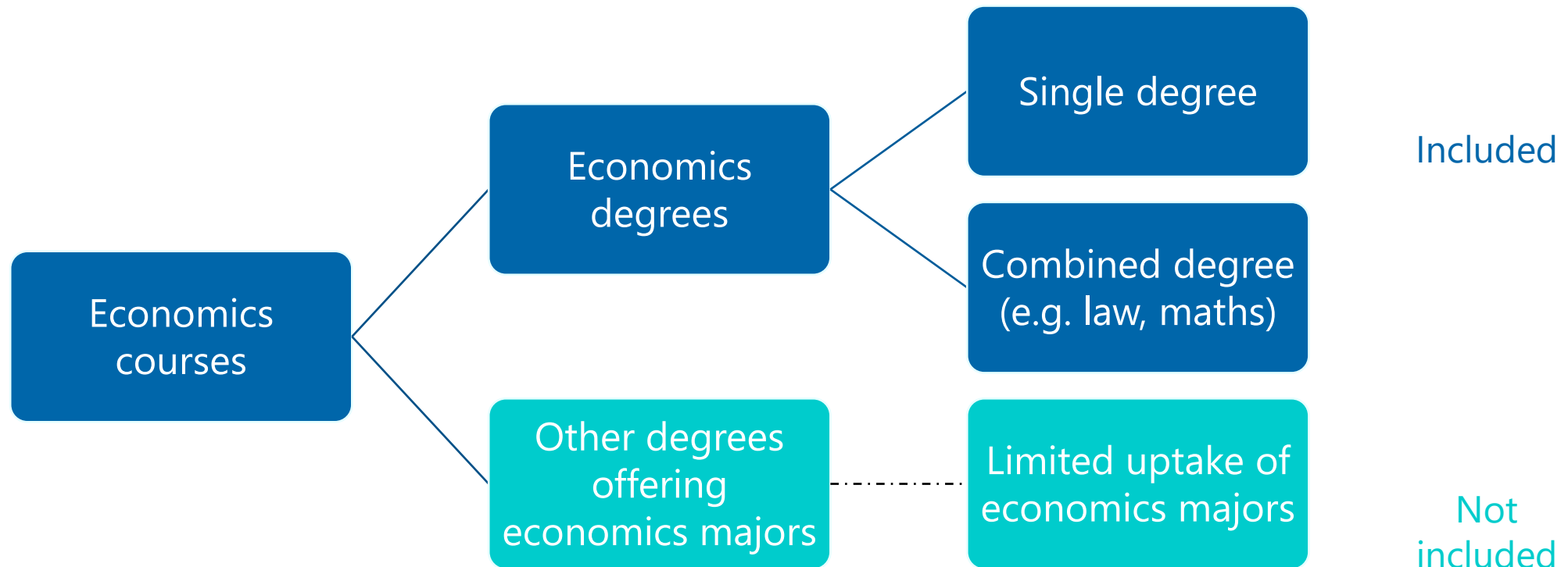


Data overview

- Microdata from **Universities Admissions Centre (UAC)**:
 - UAC processes student admissions to most universities in NSW and the ACT
 - Covers students that finish the High School Certificate (HSC) from 1999 to 2023
- Rich dataset:
 - De-identified unit-record
 - Full (unordered) list of course preferences
 - Demographic characteristics
 - Year 12 performance and subjects

What counts as an economics course?

No data on majors, only courses

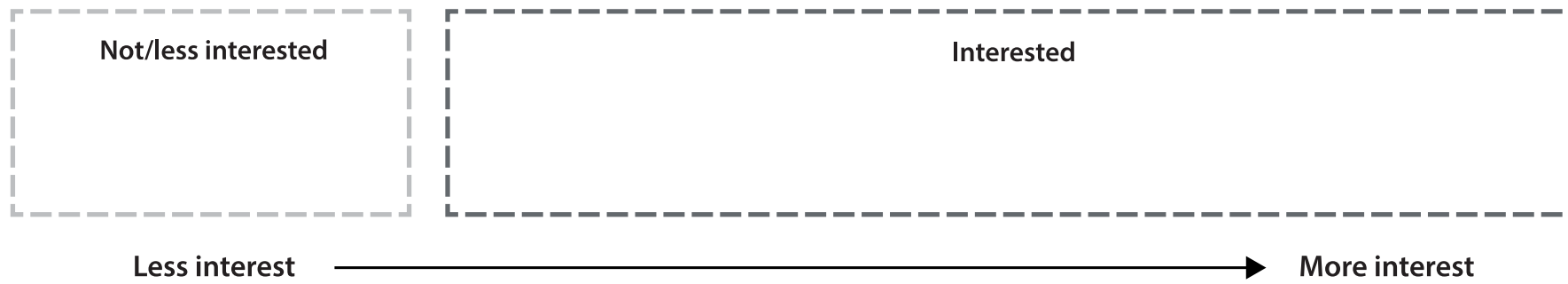


The university admissions process

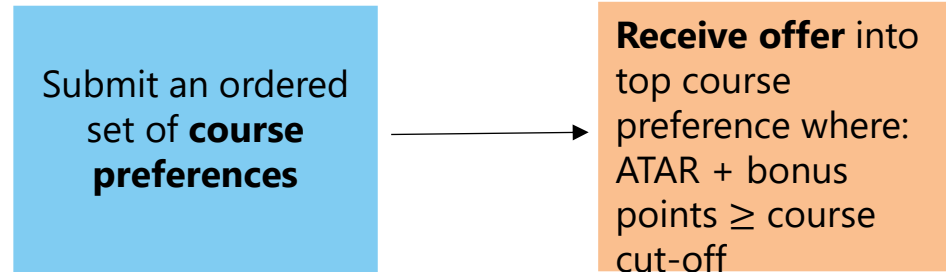
Submit an ordered
set of **course
preferences**



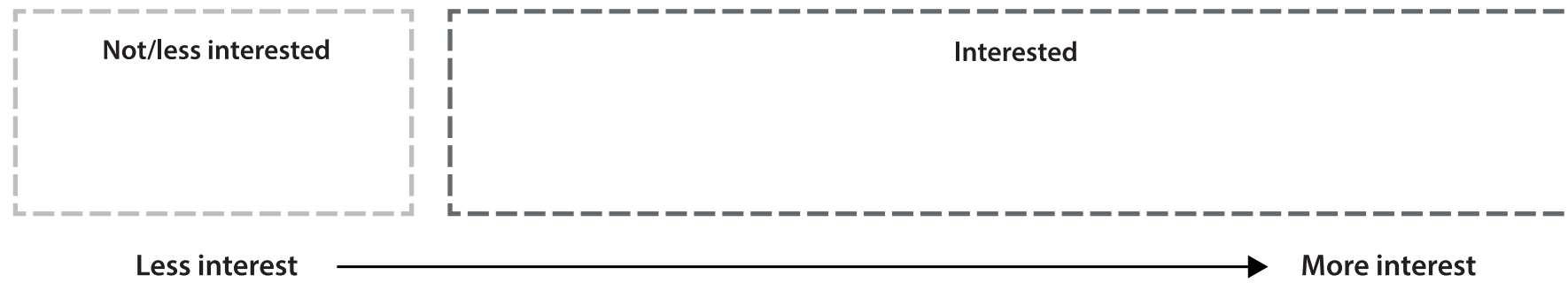
Students' interest in a university course



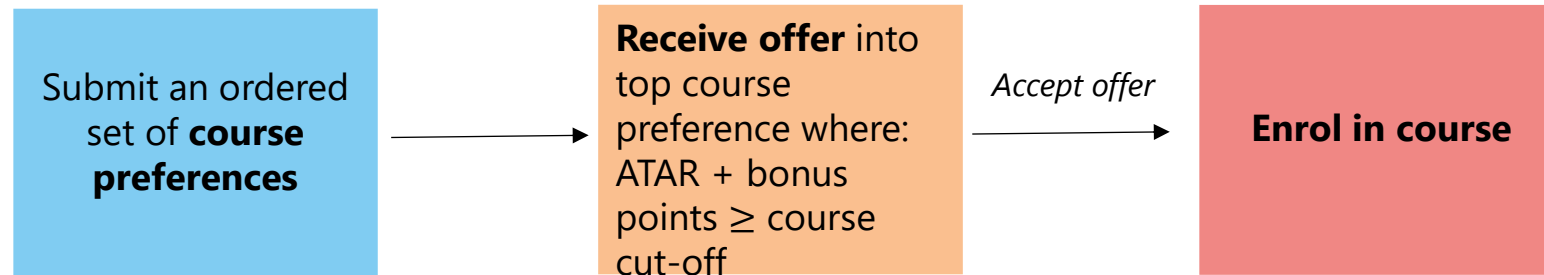
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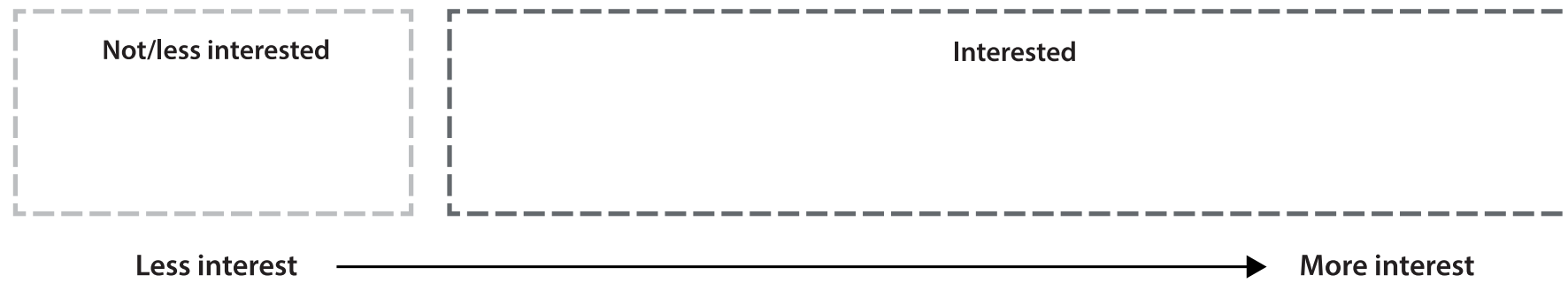
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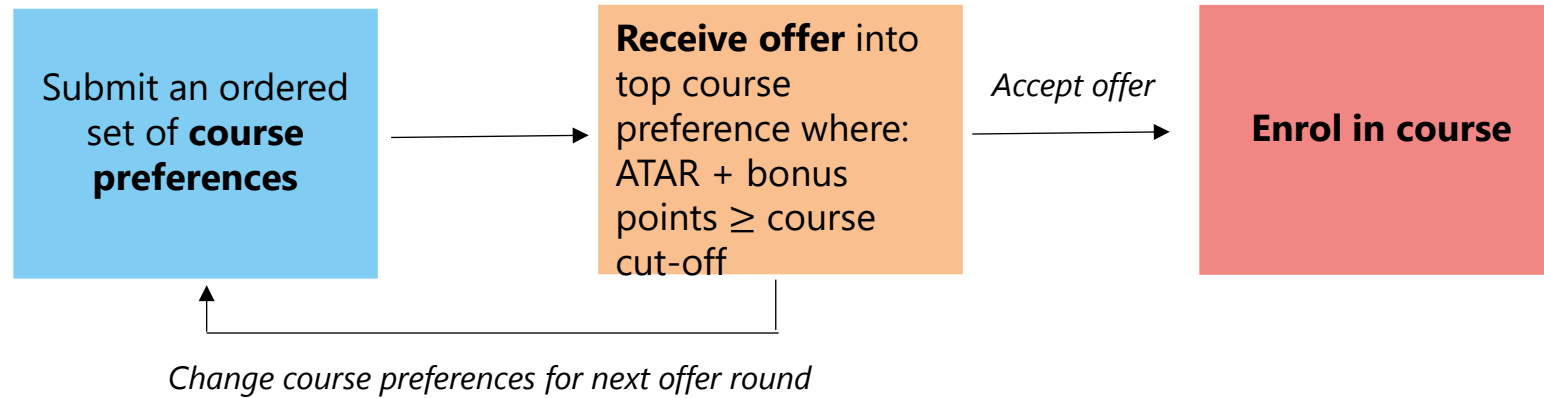
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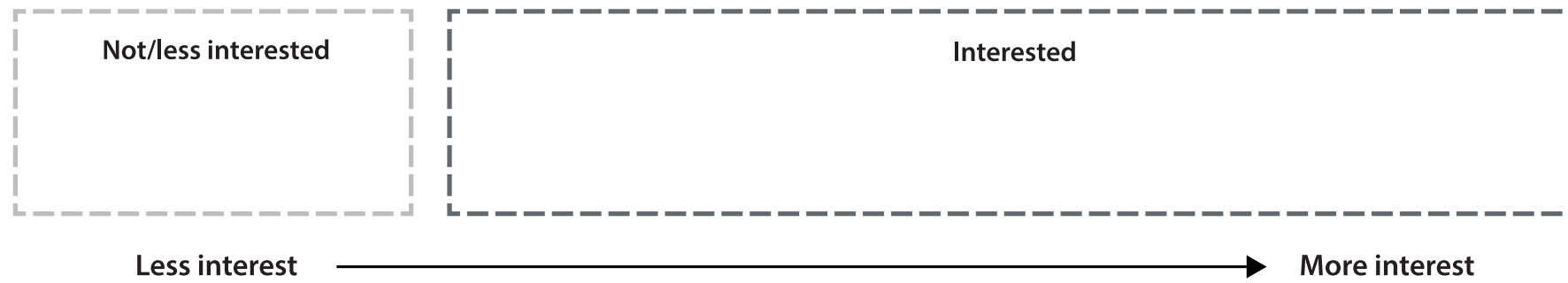
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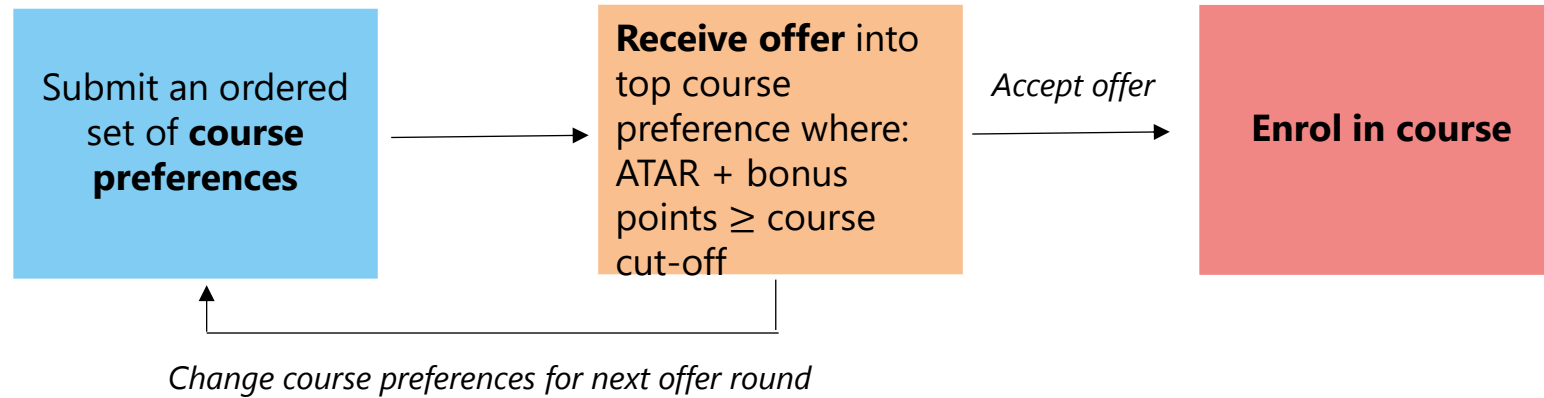
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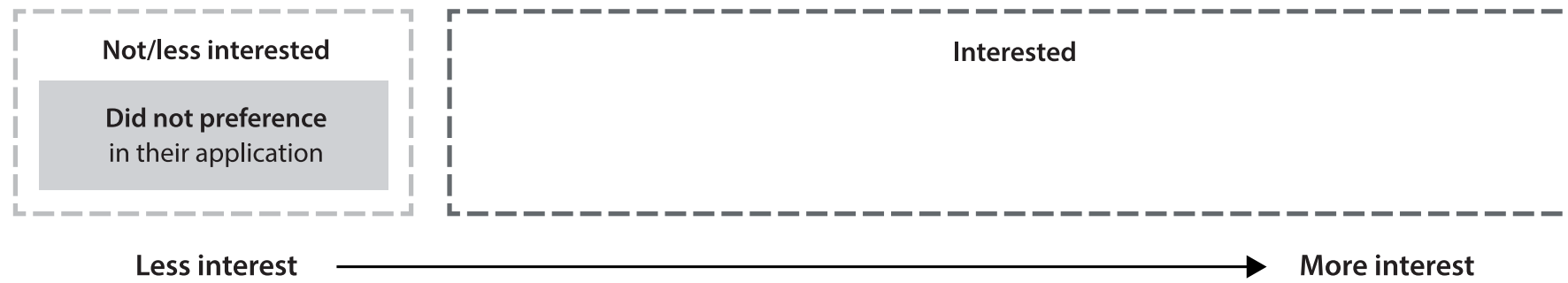
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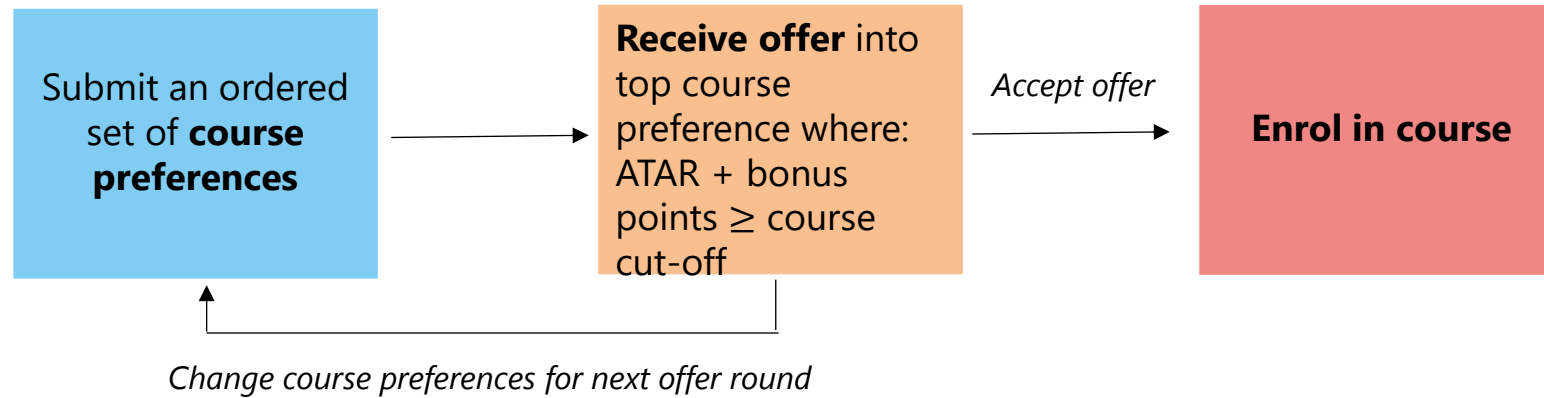
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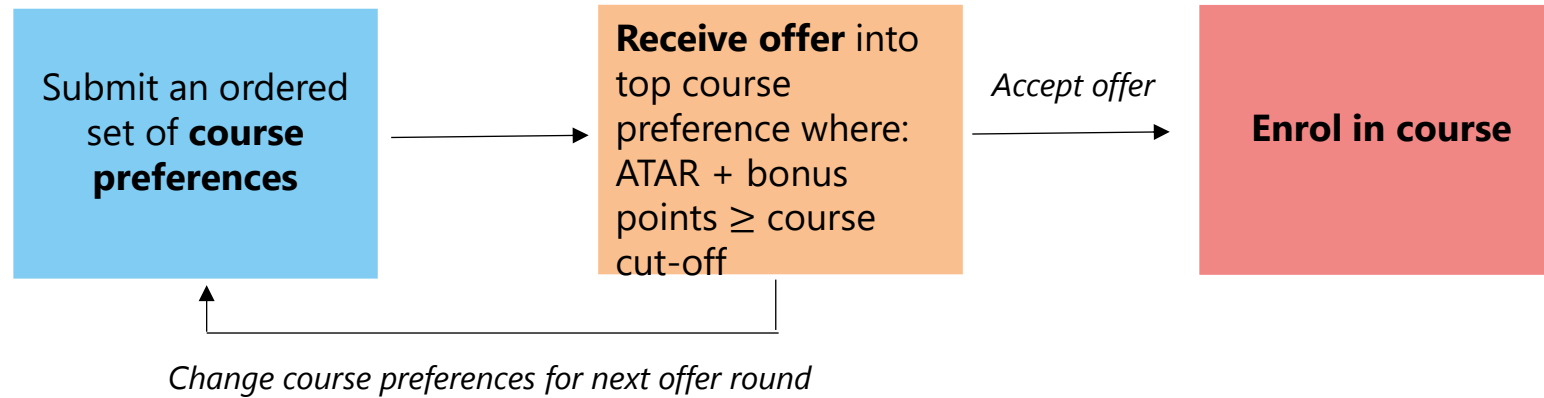
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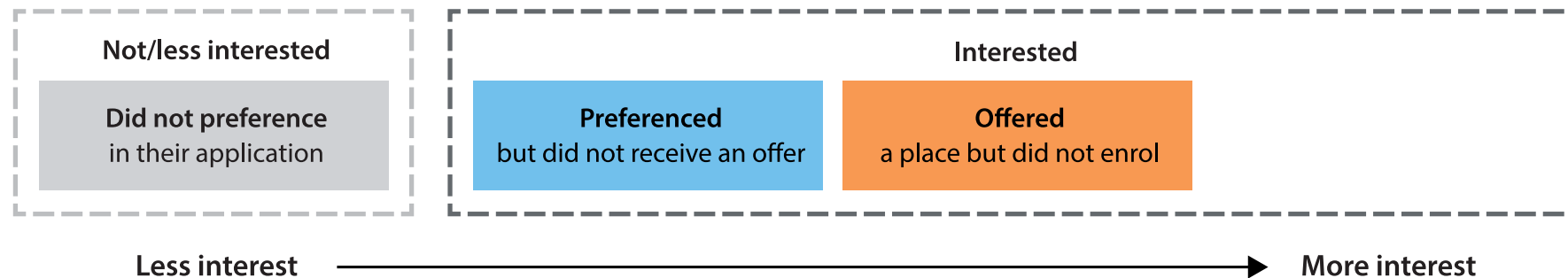
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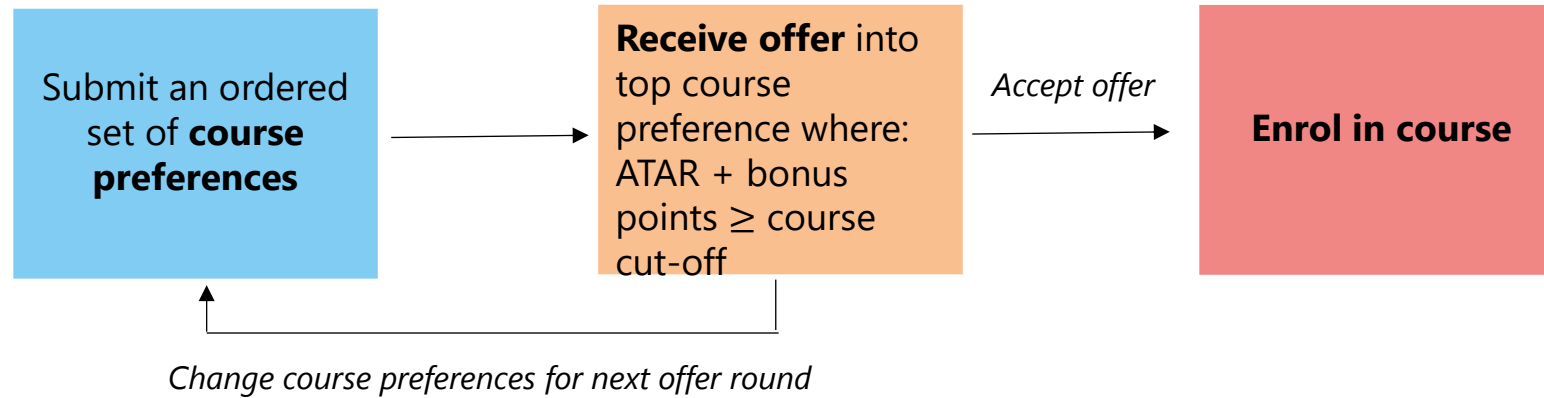
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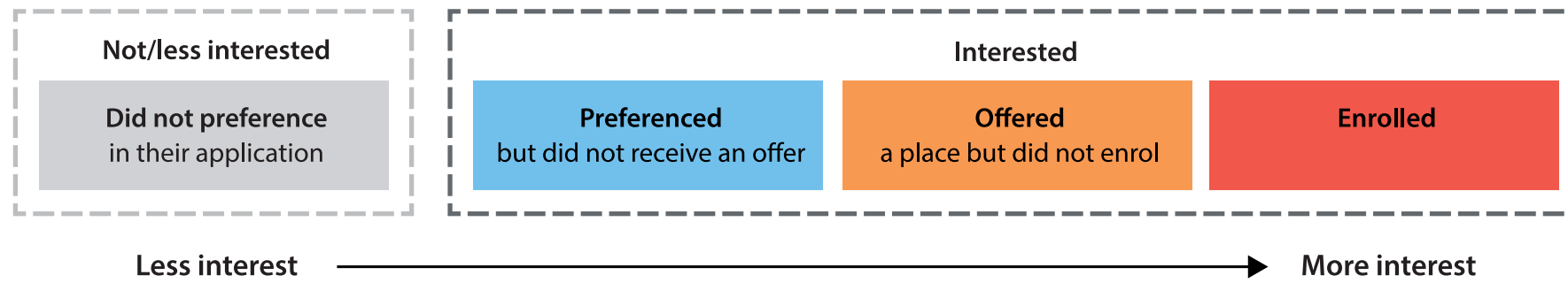
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The university admissions process



Students' interest in a university course



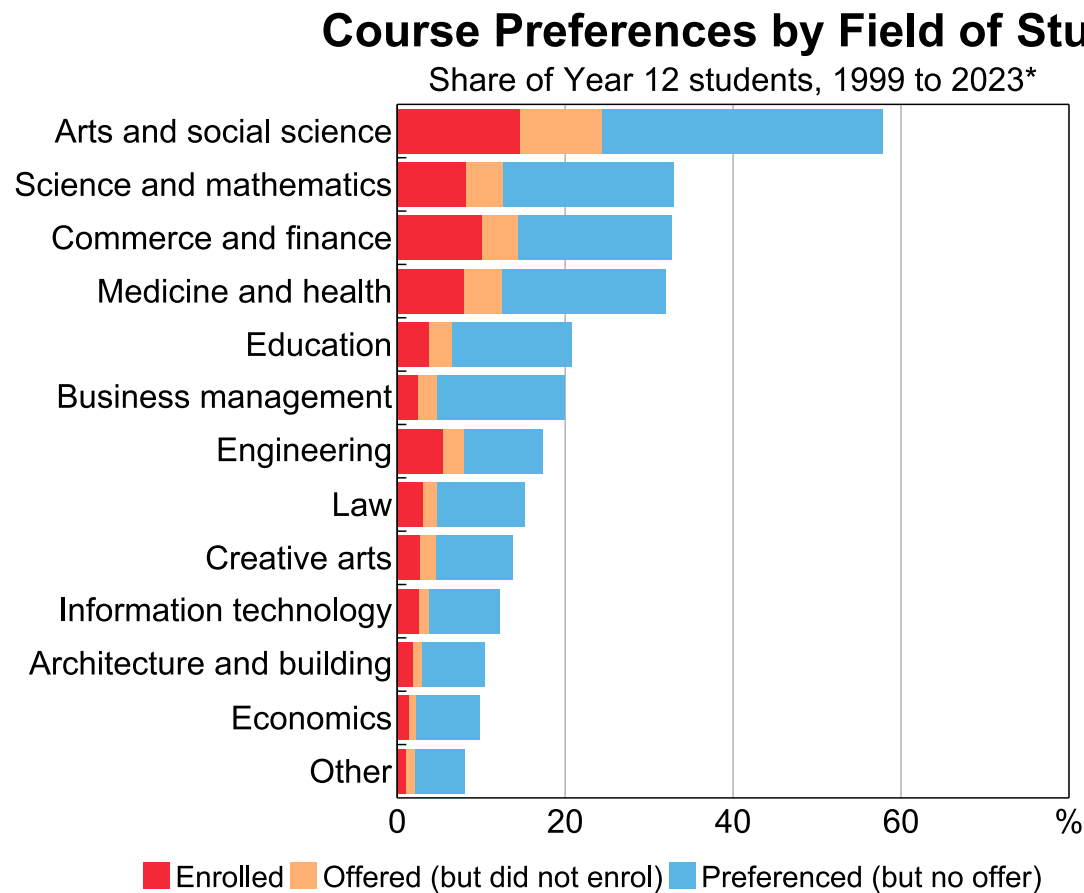


1

Interest in fields of study

Which courses do students preference in their applications?

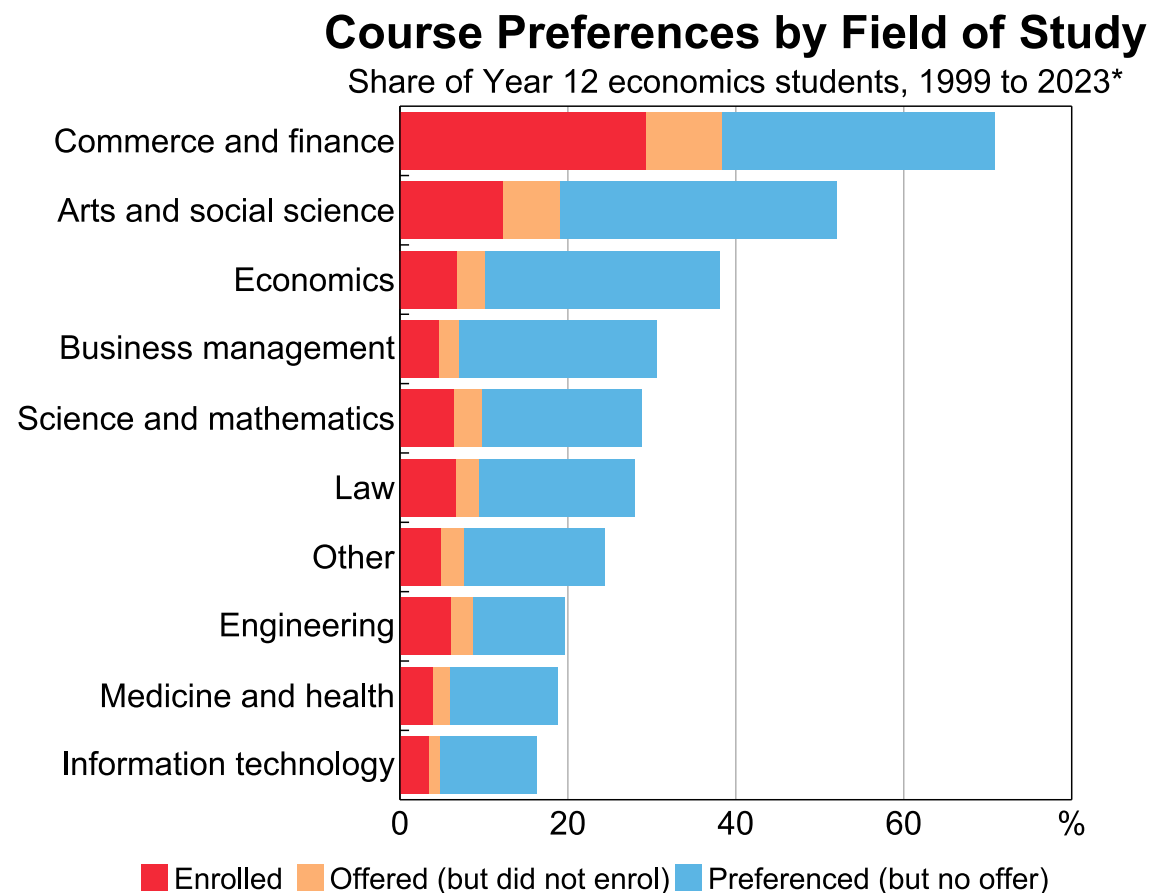
Around 10 per cent of Year 12 students included an economics course among their preferences



* Year 12 students applying through UAC. Some applicants did not enrol in a course. Double degrees count towards two fields of study.

Sources: RBA; UAC.

While Year 12 economics students show a stronger interest in studying economics, commerce is by far the most popular choice



* Year 12 economics students applying through UAC. Some applicants did not enrol in a course. Double degrees count towards two fields of study.

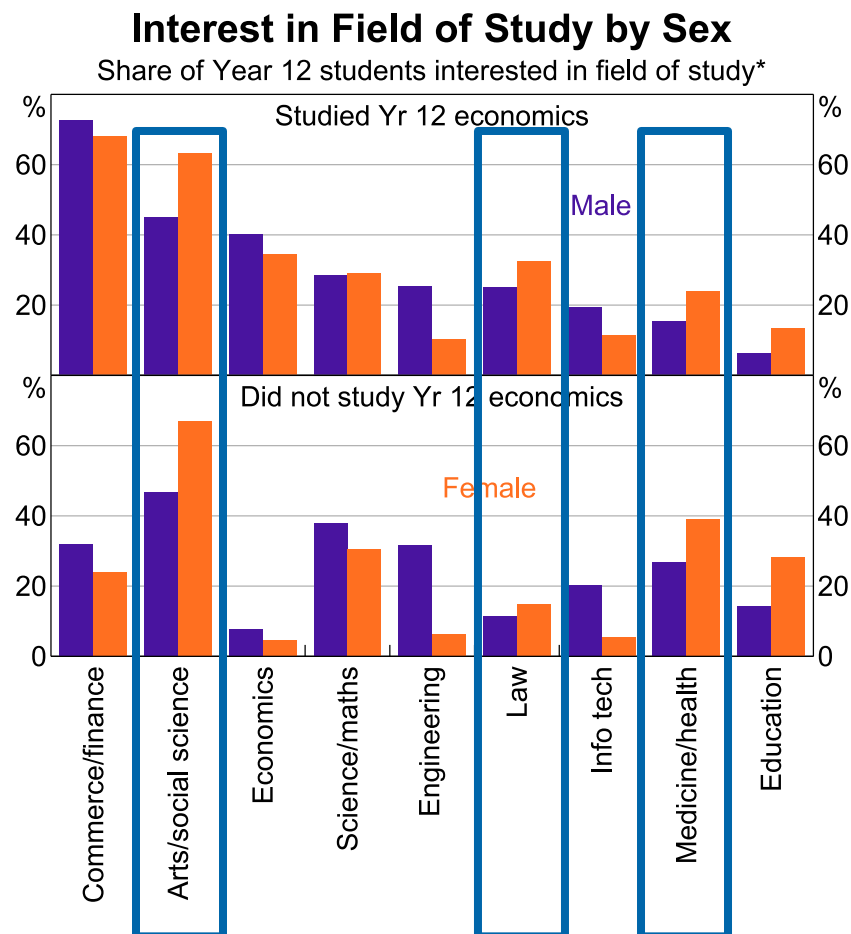
Sources: RBA; UAC.



2

How does interest in fields of study vary by demographic characteristics?

Female economics students are less likely than their male peers to preference an economics course...



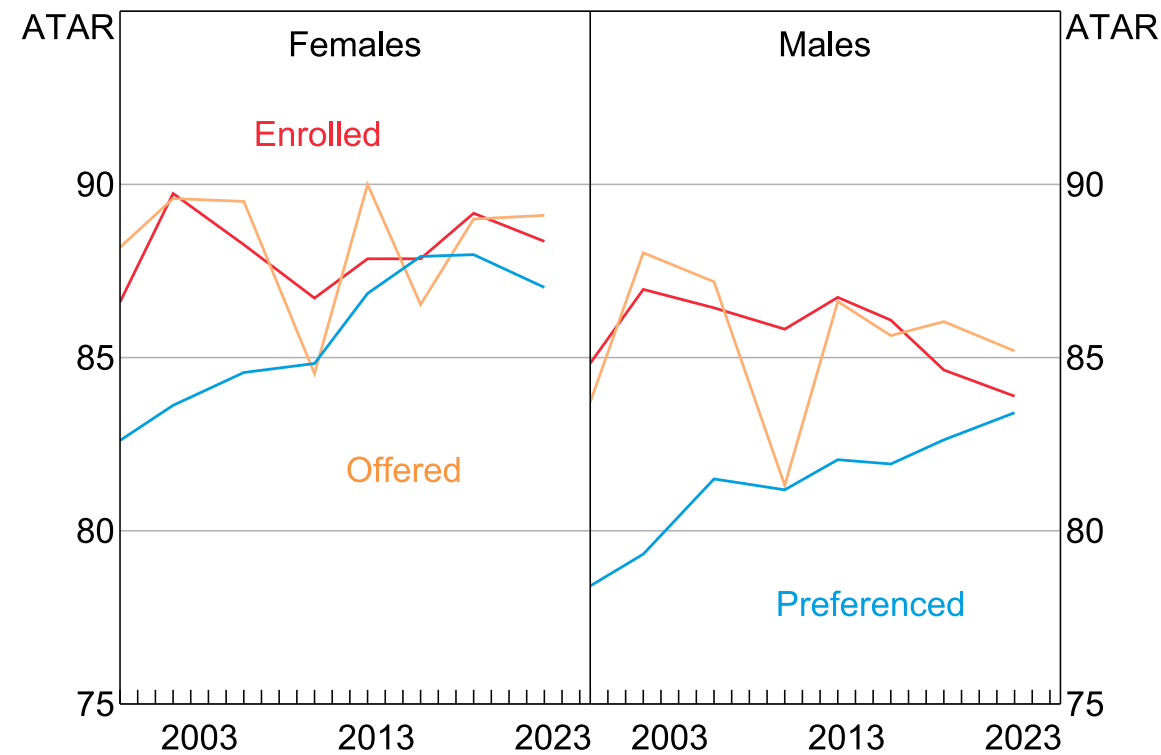
* Interest defined as those who enrolled in, were offered or preferenced a field of study. From 1999 to 2023.

Sources: RBA; UAC.

... despite outperforming their male peers, highlighting an 'interest' gap

ATAR for Students Interested in Economics*

Mean; among applicants who studied economics in year 12



* Interest defined as those who enrolled in, were offered or preferred economics.

Sources: RBA; UAC.

Students who are interested in economics or commerce tend to be male or from advantaged socio-economic groups

Probability of Student Interest in Field of Study

Logit model, average marginal effects

	Economics	Commerce and finance	Engineering	Science and mathematics	Information technology	Medicine and health	Law
Male	0.03***	0.07***	0.20***	0.02***	0.11***	-0.13***	-0.03***
Non-government school	0.01***	0.01***	-0.02***	-0.04***	-0.02***	-0.01***	-0.00
Central Sydney school	0.03***	0.05***	0.01***	-0.00**	0.02***	-0.04***	-0.00
Pseudo R ²	0.1683	0.0809	0.2219	0.0916	0.1196	0.0357	0.0848
Observations	300,245	300,245	300,245	300,245	300,245	300,245	300,245

(a) Interest is defined as having enrolled in, or were offered a place in, preferred field of study.

(b) *** p < 0.01, ** p < 0.05, * p < 0.1

Sources: RBA; UAC

Interest in STEM courses is higher among male students and those from government schools

Probability of Student Interest in Field of Study

Logit model, average marginal effects

	Economics	Commerce and finance	Engineering	Science and mathematics	Information technology	Medicine and health	Law
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Sources: RBA; UAC

Female students are more likely to be interested in law and medicine/health than their male peers

Probability of Student Interest in Field of Study

Logit model, average marginal effects

	Economics	Commerce and finance	Engineering	Science and mathematics	Information technology	Medicine and health	Law
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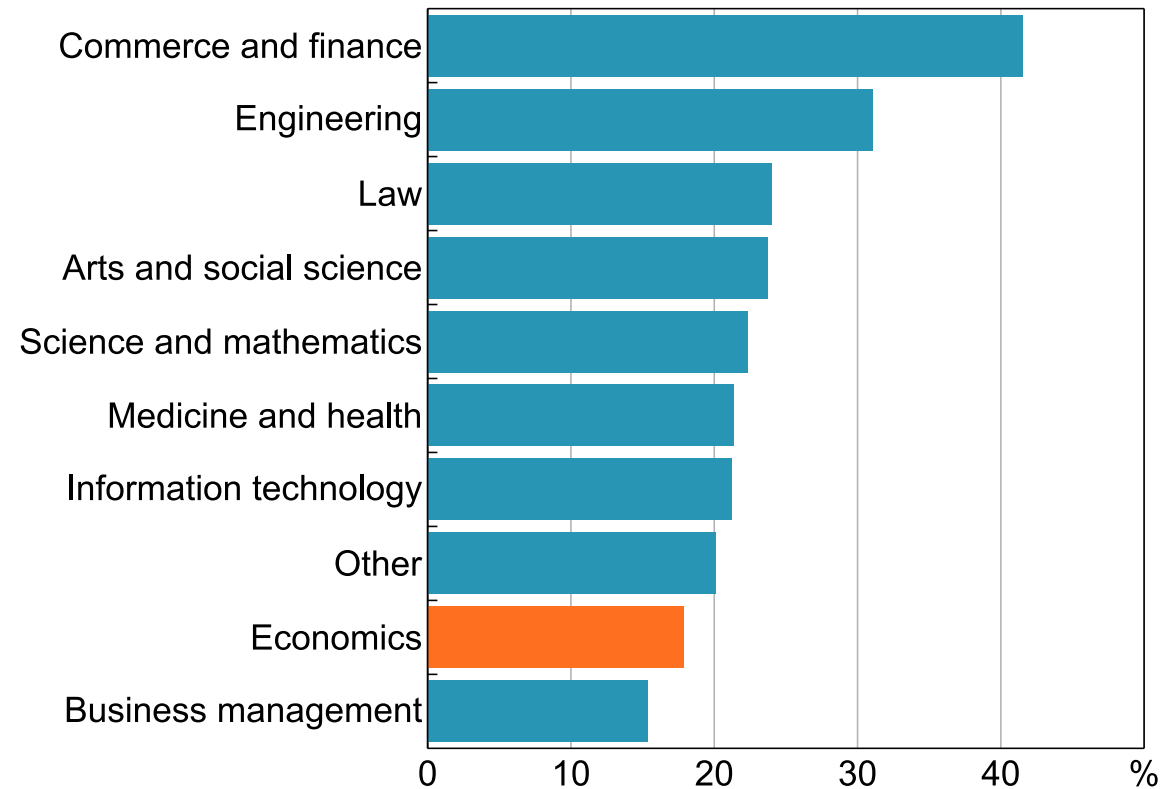
Conversion from Interest to Enrolment

How many students who expressed interest in university economics ended up enrolling in it?

Economics has a lower rate of conversion from interest to enrolments than most other fields of study

Interest-to-Enrolment Conversion Rates*

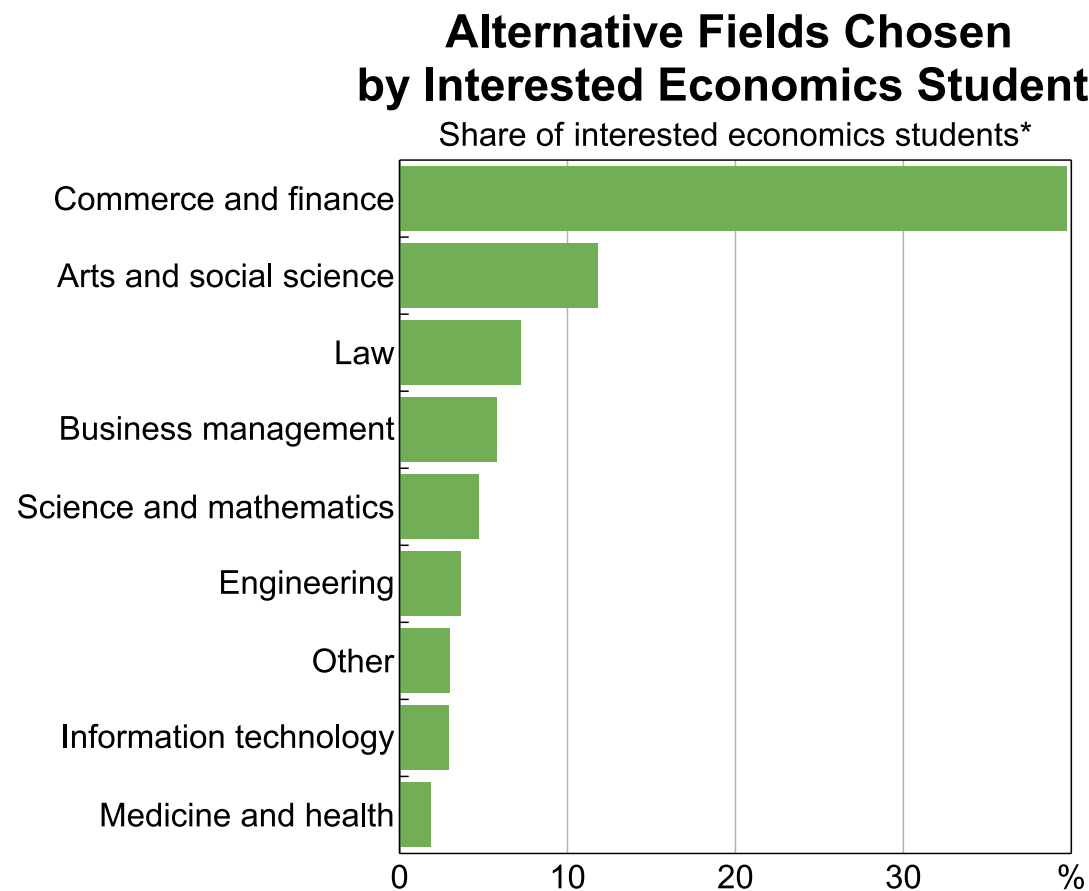
Year 12 economics students, 1999 to 2023



* Share of students who preferenced a field of study and enrolled in it.

Sources: RBA; UAC.

The majority of students who expressed interest in economics but did not enrol in it went on to study commerce/finance instead



* Year 12 economics students who preferenced an economics course but did not enrol in it. Some applicants did not enrol in a course. From 1999 to 2023.

Sources: RBA; UAC.

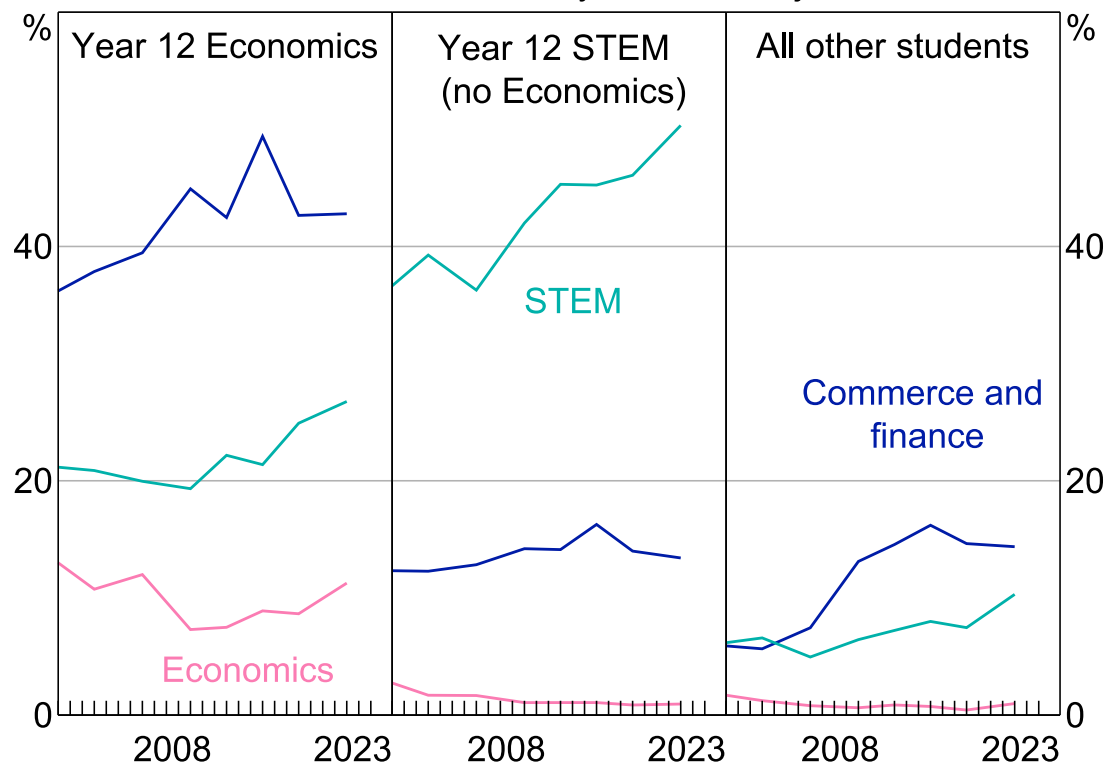
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Enrolments over time

Modest pick-up in students choosing economics in recent years, but an even larger increase for STEM

University Enrolments by Field of Study*

Share of total enrolments, by Year 12 subject studied



* Double degrees count towards two fields of study.

Sources: RBA; UAC.

Why do students prefer to study commerce/other over economics?

Students' perceptions

- Economics has an image problem (Livermore and Major 2021)
- Perception that commerce degrees are more employable, but the data indicates otherwise (Guttman and Bishop 2018; Li, Williams and Clements 2023)
- Stronger appeal of commerce degrees (broad scope, more 'prestigious')

University course offering

- Commerce courses are offered at twice as many universities in NSW and ACT as economics courses (e.g. Cooper, Baglin and Strathdee 2017; Donnelly and Gamsu 2018)
- Differences in fees for various courses (Diamond et al 2012)
- Student experience

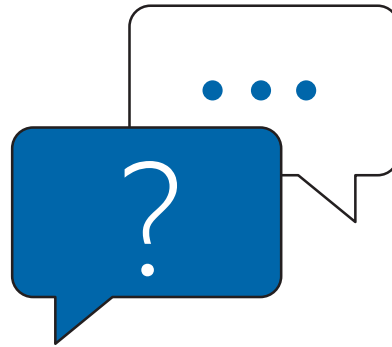
Implications for promoting the study of economics at university

- **Create more points of entry** into economics subjects
- Make **introductory economics courses** more attractive
- **Raise awareness of economics** as a subject for study and potential career
- **Adopting similar initiatives** to those taken for **STEM** to support economics education

Conclusion

- Interest in studying economics at university is low overall
- While Year 12 economics students tend to enrol in economics at university at much higher rates than other students, they're more likely to study commerce/finance or arts/social science
- Economics has a lower rate of conversion from interest to enrolments than most other fields of study
- Tailored advocacy and a greater focus on promoting economics subjects within other degrees could increase the uptake of economics courses at university

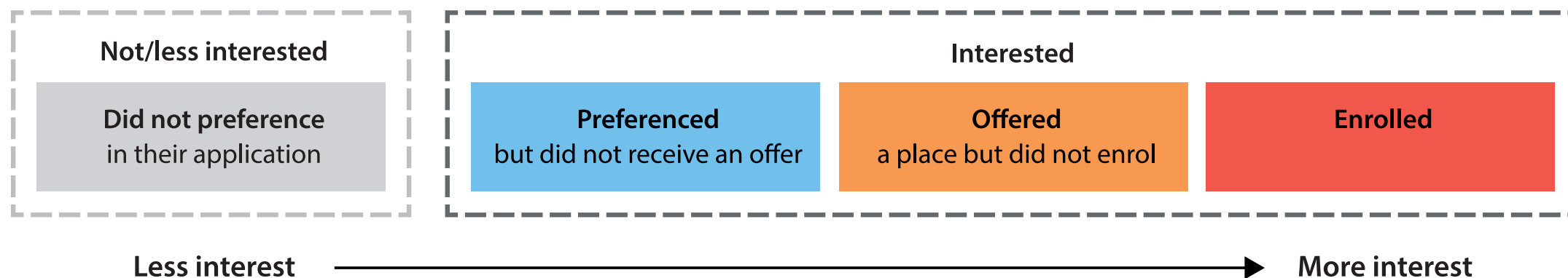
Questions



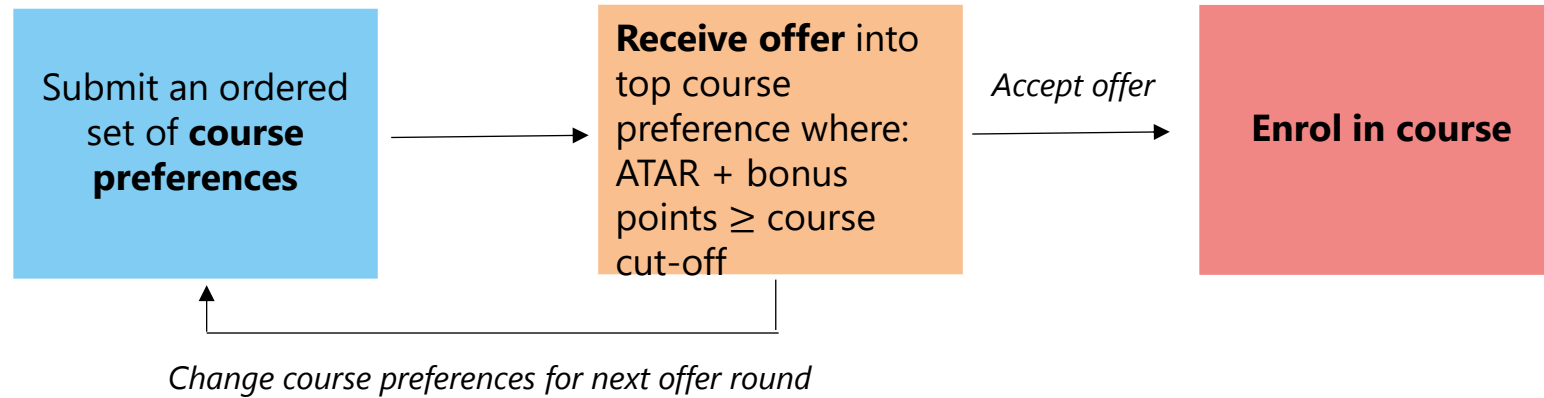
Appendix

Students' interest in a university course

Figure 1: Students' Interest in a University Course



The university admissions process



Students' interest in a university course

