

The Economist's Apprentice

BY DAVID A. PRICE

This summer, a new class of a half-dozen or so recent college grads will enter a two-year boot camp in economics research, joining the Richmond Fed's Research Department as research associates, or RAs. Bearing degrees in economics, math, or statistics, they will work with Richmond Fed economists studying a variety of fields, including monetary policy, labor markets, and payments systems. Other recent grads will start as RAs at the 11 other regional Reserve Banks, at the Fed's Board of Governors in Washington, and at nonprofits such as the Brookings Institution and the American Enterprise Institute. (At some institutions, RAs have the title "research assistant," not to be confused with student research assistants.)

According to Arantxa Jarque, a microeconomist who also manages the Richmond Fed's RA program, most of them come for a couple of reasons. Some are interested in economics research as a career, but they aren't sure enough to make the five- or six-year commitment to pursue a Ph.D. "They come to figure out whether they really like it," she said. And both they and the ones who are already sure come "to beef up their applications to have more of a chance of getting into a top school."

An RA stint is a popular path to economics grad school — and from there, to jobs in academia, public policy, and finance. The prevalence of the RA path has been documented by, appropriately enough, economists' research: According to a 2005 article in the *Journal of Economic Perspectives* by Middlebury College economist David Colander, a "slight majority" of students at highly selective graduate programs in economics worked after college and before grad school, most of them as RAs. In later research, Colander and co-authors found that students at those programs are more likely to have worked as RAs than students in middle-tier programs.

The institutions, for their part, get top-flight junior staff members whose labors help the economists to be more productive.

As usual, the transition from college to full-time work involves some adjustments. "When RAs arrive, they're good at getting good grades," Jarque says. "But they're unused to the lack of structure in their time. They may have to learn to balance their time among multiple significant projects."

At the Richmond Fed, RAs commonly assist economists by writing code to analyze data with statistical software packages such as Stata. On other projects, they may work on code for constructing model economies that are used in frontier macro research. While RAs at some institutions are hired to work with one economist or just

a few of them, those at others, including the Richmond Fed, potentially may work with economists in multiple subject areas based on the RA's interests and the institution's needs.

Sara Ho, an RA nearing the end of her second year, says that in her first year and a half, she did mostly empirical work. "I worked with the National Establishment Time Series dataset for Nico Trachter and Pierre Sarte's paper [with Esteban Rossi-Hansberg at Princeton] 'Diverging Trends in National and Local Concentration.' I also contributed to Nico and Bruno Sultanum's paper [with Zachary Bethune at the University of Virginia] on financial intermediation by analyzing big data on credit default swap trades." More recently, she says, she has been focused on banking-related research.

When an RA makes an exceptional contribution to a project, he or she may be named a co-author on the resulting paper or journal article. Since 2010, nineteen RAs have been named co-authors on articles in the Richmond Fed's economics research journal, *Economic Quarterly*. A co-author credit on an article submitted to an outside peer-reviewed journal is uncommon but does occur every so often.

During an RA's second summer and fall, the question of grad school becomes more concrete as winter application deadlines draw closer. "They come to the one-year mark and they have to decide in a couple of months whether they should apply to grad school," Jarque says. "Suddenly, the other shoe drops and they know what they want. That's one thing that changes in them: They're a lot more informed about what they like and what they aspire to do in the future."

A little more than half do go on to doctoral study. From 2010 to 2018, some 55 percent of Richmond Fed RAs went to Ph.D. programs and another 31 percent went directly into employment. The rest went into master's programs, law school, or, in one case, full-time motherhood.

But the experience may change more than their career outlook. "I've gotten more confident over the two years since being here," Ho says. "I really learned how to up my technical standards and anticipate other people's questions and be able to think those through in advance."

By the end of the two-year cycle, Jarque says, an RA typically has honed his or her skills to the point that the economists rue them departing. "When they're ready to leave, we're thinking, 'No, please, don't leave!' But at the same time, they need to keep growing and move on with their lives."

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