

## **ANNUAL REPORT OF THE CHAIRMAN 2016-17**

I am pleased to report that 2016-17 has been another year of progress for the Society of Business Economists: membership is approaching an all-time high, the Society's finances are stable, its programme of events has never been stronger, and it is expanding the type and range of services that it provides to its members.

The expansion of the Society's membership and the improvement in its finances in recent years allow us to continue to enhance the services that we offer to current and prospective members. In the New Year, we will be launching a professional development programme for economists, to be run by the Society's new Head of Professional Development, Andy Ross. In addition, over the past year, we have employed Dr Rebecca Harding as a Senior Consultant, to help grow both membership of the Society and the range of services that it provides.

The Society could not survive without the hard work and dedication of its Council. I am particularly indebted to Sandra Curtis, the Society's Honorary Secretary, for her dedication. Also, to Dame Kate Barker DBE, who chairs the Society's Membership Committee and is a former Chairman of the Society; George Buckley, the Vice Chairman of the Society and the incoming chair of the Membership Committee; James Lambert and Andrew Milligan OBE, who co-chair the Society's Finance and Investment Committee; Ian Harwood, who chairs the SBE's Professional Development Committee; Sunil Krishnan, who chairs the Website and Social Media committee; Amanda Rowlatt, who spearheaded the joint SBE/GES programme; and to Adrian Majumdar, Stephen Meredith and Ian Mulheirn, who all joined Council at the end of 2016.

The Society also depends on the effort and support of a network of people that extends beyond Council. Diane Coyle OBE, who has been the SBE's Books Editor for more than 10 years, and will soon pass on this mantle to Ian Hardwood; Dame DeAnne Julius, who for many years has been a Vice President of the Society, is stepping down from this role to be replaced by Kate Barker and will become a Fellow of the Society; John Abberton, Katie Abberton and Shirley Kimber of PXL, who continue to provide invaluable support in administering the Society's affairs; George Matlock, our Head of Social Media; Nik Otley, our Web Designer, and Jim Hirst, a former Chairman and long-time Council member, for his work on the Society's Salary Survey, together with Ian Mulheirn.

Reflecting the breadth of the Society's membership, which now encompasses areas other than business, and the expansion of the Society's activities in the area of professional development, the Council has recommended that the Society change its name from the Society of Business Economists (SBE) to the Society of Professional Economists (SPE). If confirmed at this year's AGM, this name change will be implemented in the New Year. As we look to the future, we hope that this change will broaden the Society's appeal to a wider range of economists.

## **MEETINGS AND EVENTS**

The Society ran a very successful schedule of meetings and events in 2016-17. The Annual Conference in November 2016 attracted the largest attendance in the Society's history and featured a number of excellent speakers, including Bank of England Deputy Governor Ben Broadbent, former Bank of England Deputy Governor Sir Charlie Bean, Goldman Sachs' Chief Economist Jan Hatzius, Dr Jonathan Anderson, founder of the specialist consultancy Emerging Advisors Group, and Dame DeAnne Julius of University College London. The Conference was expertly chaired by Ed Conway of Sky News.

In the 2016-17, the Society's highly successful Masterclass programme featured a presentation on "Extracting policy-relevant data from the financial markets" by Chris Young, Head of the Macro Financial Analysis Division at the Bank of England; a Careers Framework presentation for economists, featuring James Richardson, Bronwyn Curtis and Bridget Rosewell; and a presentation of "Why and how investors look at labour market structure and cycles" by Dominic White of Absolute Strategy Research. The Masterclass programme is coordinated by Council member Sunil Krishnan and I would encourage you to approach Sunil if you have any ideas for future subjects.

The Joint SBE/GES programme featured meetings on "The UK labour market and income distribution" with Paul Johnson, IFS, and Jonathan Portes, ex-NIESR; "Trade Policy – the UK's next steps" with Michael Williams, Acting Chief Economist, DIT, and Jim Rollo, Sussex Migration Observatory; and "Britain's Long Term Growth", with Tim Besley, LSE, and Nick Crafts, University of Warwick.

Finally, the Speaker Series once again featured a wide range of excellent and engaging talks: Dame Kate Barker and Ian Mulheirn discussed the UK Housing market; we had HM Treasury presentations following both the 2016 Autumn Statement and the 2017 Spring Budget; Andrew Benito of Goldman Sachs and Erik Britton of Fathom Consulting discussed the 2017 UK Outlook; Andrew Milligan OBE of Aberdeen Standard Investments and Jari Stehn of Goldman Sachs discussed "Secular stagnation and low interest rates: Temporary or permanent?"; we had a discussion of "Brexit following Article 50" with Jagjit Chadha of NIESR, Rebecca Harding of Equant Analytics and Jacqueline Minor, the retiring Head of Representation European Commission; and a discussion of "How should competition authorities and regulators facilitate innovation?" with Mike Walker of the CMA and Geoffrey Myers of Ofcom.

We are currently working on the next series of meetings and I'm sure you'll find the speakers equally thought-provoking. We would encourage members to suggest topics and/or speakers for future meetings.

## **MEMBERSHIP**

Membership numbers continued to rise over the year, to a total of 625 in June (from 601 in June 2016). This included 486 full members. In addition, there were 25 affiliates (a category for those who are interested in the Society's events, but do not meet the professional criteria for full membership). Graduate member numbers continue to be disappointing. However, the membership committee has benefited from the support of Rebecca Harding and she is working with a number of younger members to develop events to draw in new members from those at an earlier stage in their career. We are also seeking to retain our student members after they graduate – and the proposal for free membership for a year after graduation is designed to support that.

The link with the Government Economic Service has worked well, and there have been successful joint events such as "The UK labour market and income distribution" in September 2016 and "Britain's Long-Term Growth" in July 2017. Keeping an attractive 'offer' for members remains the key focus for Council, and through refreshing the website, continuing with a varied programme of events and the more focused Masterclass series we hope we have done just that.

## **FINANCES**

In 2016-17, income from membership subscriptions rose 7% to £48,041, reflecting our sustained efforts to increase the Society's membership. The Society also benefited from a 16% increase in investment income, which stood at £4,848 for the year. Operating income fell by 58% to £22,040, primarily reflecting the fact that the Society hosted both the 2015 and 2016 annual dinners in the 2015-16 financial year, which had resulted in an 87% increase in operating income in that year. Over the course of the 2016-17 financial year, the Council continued its focus on controlling costs while maintaining an attractive range of events for its members. However, general administrative expenses increased over the year by 34% to £59,469. This was driven by two factors. First, the Society invested in improving the website as part of its strategy to make relevant news and material from events more widely available to members. Second, as announced above, we have employed the services of Dr Rebecca Harding on a consultancy basis to broaden the Society's membership and to improve services for its members.

The Society's finances once again benefited from the generosity of organisations hosting its evening meetings, Masterclasses, post-Budget briefings and Council meetings, including Ashurst LLP, the Department for Transport, Goldman Sachs, RBB Economics and Oxford Economics.

Overall, the Society recorded a deficit of £4,203 for the year 2016-17. This represents a deterioration relative to 2015-16, when a surplus of £16,417 was recorded. However, comparison between the two years is complicated by the occurrence of two annual dinners in 2015-16 and none in 2016-17. The annual dinner, which continues to be generously sponsored by Aberdeen Standard Investments, is an important source of revenue for the Society. Adjusting for this effect, the Society appears likely to have recorded a small surplus in both years. The 2016-17 budget also included additional expenditure on the website and consultancy fees, both of which were made from current income.

We are budgeting to break even in the 2017-18 financial year as growing membership and the sponsorship of the 2017 annual dinner offset costs of investments in shaping the future of the Society.

At the end of the 2017-18 financial year, the Society had £44,093 cash at the bank and in hand. Total equity rose to £228,544 from £191,684 in 2015-16, comprising £122,669 in the profit and loss account and a revaluation reserve of £105,875 which reflects a significant increase over the cost of the Society's investments.

The Society's income is dependent on membership subscriptions, advertising income and attendance at the annual dinner and conferences. Please do therefore continue to recommend the Society to colleagues and keep the Society in mind for advertising and sponsorship opportunities.

## **INVESTMENTS**

The market value of the Society's listed investments at 30 June 2017 was £83,610 (as compared to £56,655 at 30 June 2016). The market value of the unlisted investments at 30 June 2017 was £124,377 (£110,269 at 30 June 2016). This increase in the value of the Society's investments is welcome and the investment committee considers that the current mix of investments remains appropriate for the Society's needs.

## **COUNCIL**

At the AGM in November 2016, Alison Cottrell CB, Bronwyn Curtis OBE and Jim Hirst retired from the Council. We thank them all for their hard work in the promotion of the Society across the years. In their place, Adrian Majumdar, Stephen Meredith and Ian Mulheirn were elected as new members of the Council.

Congratulations to Sir Charlie Bean and James Lambert, who were elected as SBE Fellows during 2016-17.

Also to Toby Nangle – winner of this year's Rybczynski prize, with an essay entitled "Labour power sets the neutral real rate".

## **WEBSITE AND SOCIAL MEDIA**

This year the Society has continued to expand its digital presence. Recognising that our members continue to change the ways in which they want to connect with us, we have moved from a web- and email-only experience to include a range of social media, including Twitter, LinkedIn and Facebook. These channels have allowed us to engage members in discussion, to make connections between the Society and leading economists, and to share new audio content.

In view of the fact that physical meetings are not always convenient for our members, we now produce brief podcast interviews with speakers from the majority of our meetings: you can find these on the website or via social media. We have also begun to compile interviews with members of the Society, profiling their careers and work. In the coming year we expect to expand this archive, and to publicise members' ideas in new ways. Our aim is that an enhanced professional profile can become a significant benefit of membership.

## **THE YEAR AHEAD**

2016-17 has been a year of progress for the Society but there nevertheless remains plenty of scope to further develop both the membership of the Society and the services that it provides.

In January, we will launch a continuous Professional Development programme, to be run by our new Head of Professional Development, Andy Ross, who was previously the Head of Professional Development for the Government Economic Service. This initiative is designed to benefit all members – and not just those in the early stages of their careers – by enabling them to refresh and augment their knowledge and skills as economic practitioners. The courses will consist of

high-quality updates on areas of Economics judged as likely to be of most interest to members, and will be designed to be of practical use rather than merely academic. Furthermore, we plan to build the programme to support a professional competency certificate, which will be recognised by employers of economists. Additional details can be found at <http://www.sbe.co.uk/careers/development/> and we encourage as many of you as possible to sign up.

In addition, your Council has considered and is recommending changing the name of the Society from the Society of Business Economists (SBE) to the Society of Professional Economists (SPE). We are proposing this change for three main reasons: First, we feel that the change from Business to Professional Economists will more accurately reflect the membership of the Society. Our membership is drawn from economists employed in government, universities, the BoE, consultants, as well as from businesses. One of the challenges we face in recruiting new members to the Society is that its existing name leads many economists to believe that it is not 'for them'. Second, as the Society expands its activities in the area of professional development, it will become increasingly important for the name of the Society to reflect the 'professional' aspect of its activities. Third, the term 'Business Economist' has become something of an anachronism – even economists working in the private sector do not view themselves as 'Business Economists'. The feedback from members on the proposed change has been overwhelmingly positive and, conditional on the name change being adopted at this year's AGM (on December 4 2017), it will be formally implemented in the New Year.

**Dr Kevin Daly**  
**Chairman**  
**November 2017**