

ANNUAL REPORT OF THE CHAIRMAN 2017-18

2017-18 has been a transformative year for the Society. In January, at the start of the Society's 65th year, we changed our name from Society of Business Economists (SBE) to Society of Professional Economists (SPE). There were two primary reasons why we made this change:

1. **To broaden our appeal to a wider and more diverse range of economists.** I am pleased to report that the Society's membership has risen by more than 10% in the 10 months since we made the change and that it continues to grow rapidly.
2. **To mark the Society's expansion into the area of professional development.** At the start of this year we launched a new professional development programme for economists, which is being run by the Society's Head of Professional Development, Andy Ross. Through the hard work of Andy and his team, the popularity of these courses has grown steadily through the year.

Meanwhile, the programme of events that the Society is holding has never been stronger. Since the start of the 2017-2018 financial year, the Society has hosted three central bank governors, three deputy governors, the Chairman of the Office for Budget Responsibility, the Chief Economic Advisor to HM Treasury and a host of economics professors and other experts. We have heard speakers discussing topics ranging from Brexit to Intergenerational Fairness and from the UK's long-run economic performance to the outlook for the housing market.

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; to George Buckley, the Vice Chairman of the Society and chair of the Society's Membership Committee; to James Lambert and Andrew Milligan OBE, who co-chair the Society's Finance and Investment Committee; Sunil Krishnan, who chairs the Website and Social Media committee; Catherine Connolly, who chairs the SPE's Professional Development Committee; former chairperson and current Vice President, Dame Kate Barker; and our other Council members Adrian Majumdar, Stephen Meredith, Ian Mulheirn, Rain Newton-Smith, and Amanda Rowlatt.

The Society also depends on the effort and support of a network of people that extends beyond Council. Sir Dave Ramsden, the President of the Society; Ian Harwood, who recently stepped down as chair of the SPE's Professional Development Committee and has taken over from Diane Coyle OBE as the SPE's Books Editor; John Abberton, Katie Abberton and Shirley Kimber of PXL, who continue to provide invaluable support in administering the Society's affairs; Rebecca Harding who recently stepped down as the SPE's Senior Consultant; George Matlock, our Head of Social Media and Nik Otley, our Web Designer.

In the past year, we have welcomed two new Vice Presidents to the Society: Sir Charlie Bean and Sir John Vickers, who have replaced Andrew Sentance and Sir Alan Budd, and who join Dame Kate Barker in this role.

MEETINGS AND EVENTS

The Society ran a very successful schedule of meetings and events in 2017-18. We have held 16 events in total during the year – a new record for the Society.

Unusually, we had two annual dinners in the past 12 months. The 2017 Annual Dinner was held in November and featured Klaas Knot, President of the Dutch central bank, De Nederlandsche Bank. The 2018 Annual Dinner was held in May and featured Governor Mark Carney of the Bank of England.

The 2017 Annual Conference took place in September. It was chaired by BBC presenter Evan Davis and featured Pablo Hernández de Cos, Deputy Governor Banco de España; Gertjan Vlieghe, Member of the Bank of England's Monetary Policy Committee; Stephen King, Senior Economic Adviser, HSBC; Chris Giles, Economics Editor, Financial Times; Dr Diane Coyle OBE, Director, Enlightenment Economics.

In 2017-18, the Society's highly successful Masterclass programme featured presentations on "Inequality, Tax Reform and the Labour Market" by Professor Richard Blundell; the outlook for oil prices and the energy market with William Zimmern of BP; and, a discussion of how labour market analysis shapes monetary policy in the UK, with Dr Brad Speigner of the Bank of England. 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 Speaker Series once again featured a wide range of excellent and engaging talks: We had a discussion of "Britain's Long-Term Growth", with Professors Tim Besley CBE and Nick Crafts CBE; a debate on the UK economic outlook, with Dr George Buckley and Dr Garry Young; a discussion of "China's Outlook following the 19th Party Congress" with George Magnus and Grant Colquhoun; a discussion of the UK housing market and housing supply with Jeffrey Matsu and Neal Hudson; a discussion of the findings of the Intergenerational Commission on Intergenerational Fairness with Torsten Bell of the Resolution Foundation and Sean O'Grady of The Independent; we also held a Post-Budget Seminar, featuring Chris Drane and Richard Hughes of HM Treasury.

Finally, but no less importantly, we also launched a series of Pub Evenings, enabling member and non-member economists to meeting in a less formal setting. Following the success of the first two of these events, we intend to continue to hold two of these each year.

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.

CONTINUOUS PROFESSIONAL DEVELOPMENT

The Society's new Continuous Professional Development Programme – SPE Courses (www.specourses.co.uk) – was launched in January. The new programme 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. Led by Andy Ross, the Society's Head of Professional Development, the courses consist of high-quality updates on areas of economics judged as likely to be of most interest to members, and are designed to be of practical use rather than merely academic.

SPE Courses has already delivered well-received classes in areas ranging from Behavioural Economics, with award-winning lecturer Jon Guest, to 'Half-Brexit' led by Vicky Pryce. Members also benefited from the insights of Geoff Tily, who gave a one-day course on macro-statistics. The latest course in the CPD programme, An Overview of Cost-Benefit Analysis, taught by Catherine Connolly and Ken Warwick, was significantly over-subscribed and so we intend to run the course again soon.

We are very grateful to Westminster University who have generously provided a venue for our classes. With the benefit of their support, we have been able to cap fees at a low level for SPE members.

The SPE Courses programme for 2019 will include courses in financial economics, a 'Macro-refresher' course led by Andy Ross, and Peter Urwin will return by popular demand for more data analysis. We are also happy to take suggestions from SPE members who wish to suggest or book courses for their own organisations. Furthermore, we plan to discuss possible accreditation schemes for the programme with other economic bodies.

MEMBERSHIP

Membership continued to rise over the year, to a total of 648 in June 2018 (from 625 in June 2017). This included 525 full members, with the remainder being made up of retirees, fellows, graduates, students and affiliates. Since the middle of this year, total membership of the Society has risen further, to 660 – which, I am pleased to report, is the highest since the early 1980s. The latest membership total represents an increase of more than 10% since the Society re-branded itself as the Society of Professional Economists (membership stood at 595 in December 2017).

While it is impossible to say with certainty what has driven the increase in membership, we attribute the rise to a combination of three factors: first, we have expanded the type and range of services that we provide to our members; second, the change in name has broadened the Society's appeal to a wider and more diverse range of economists; and, third, the Council has conducted a concerted membership drive over the past year.

The number of graduate and student members has risen by almost 20% over the past year, albeit from relatively low levels. As such, there is always more work to be done to continue to encourage participation in the Society among young economists. To that end, a number of events – while open to all – have been geared to attracting younger members. One of these was a Pub Evening, organised by Rebecca Harding and the Membership Committee, which aimed to get members to 'introduce a friend' and attracted members and non-members alike across a variety of professions and ages. We hope to continue with – and improve on – these events as a regular addition to the Society's more formal speaker events.

One of the Society's aims is, of course, to retain our student members after they graduate – and the proposal for free membership for a year after graduation is designed to support that. As some of our retired members can testify, we hope that members will stay with us not only during their careers but beyond. Keeping an attractive 'offer' for members generally 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 continued to do just that.

FINANCES

In the 2017-18 financial year (ended 30 June 2018), income from membership subscriptions fell marginally (by 1%) to £47,428. Whilst membership numbers continue to increase, new members joining between January and June benefit from membership to the following June and their membership fees are paid in the following financial year. The Society will, therefore, benefit from deferred income in the 2018-19 financial year.

In 2017-18, the Society benefited from a 38% increase in investment income, which stood at £6,701 for the year. Operating income increased by 180% to £61,826, primarily reflecting two successful annual dinners during the 2017-18 financial year (the 2015 and 2016 annual dinners fell in the 2015-16 financial year rather than the 2016-17 financial year). Advertising income also performed well, tripling to £3,700 in 2016-17.

Over the course of the financial year, the Council continued its focus on controlling costs while maintaining an attractive range of events for its members. General administrative expenses increased slightly over the year by

5% to £62,655, primarily driven by a small increase in service fees for the secretariat to reflect inflation. However, other expenses increased by 215% to £54,191 driven by a combination of the costs of holding annual dinners, paying £6,000 in Rybczynski prizes without a financial sponsor and an increase in irrecoverable VAT associated with annual dinner costs.

Overall, the Society recorded a small deficit of £3,911 for the year 2017-18, compared to a deficit of £4,203 in 2016-17. This is a small fraction of the Society's reserves.

We are budgeting for a small surplus in the 2018-19 financial year, as growing membership results in higher income (including £26,850 of deferred income from members joining since January 2018). Expenditure will also fall now that Dr Harding's valuable consultancy work for the Society has concluded. Moreover, the recent annual conference was extremely well attended and, with generous sponsorship from Bloomberg, should make a positive contribution to the Society's accounts.

At the end of the 2017-18 financial year, the Society had £47,020 cash at the bank and in hand. Total equity rose slightly to £228,963, comprising £117,678 in the profit and loss account and a revaluation reserve of £111,285 which reflects a significant increase over the cost of the Society's investments.

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 Resolution Foundation, the Department for Transport, Goldman Sachs, RBB Economics and Oxford Economics.

The Society's income is dependent on membership subscriptions, advertising income, sponsorship and attendance at the annual dinner and conferences. Please 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 2018 was £80,460 (as compared to £83,610 at 30 June 2017). The market value of the unlisted investments at 30 June 2018 was £132,937 (£124,377 at 30 June 2017). The Society's investments have performed well in the current market and the investment committee considers that the mix of investments remains appropriate for the Society's needs.

COUNCIL

At the AGM in November 2017, Andrew Milligan OBE and Ian Harwood retired by rotation and, following the Resolution passed at the 2014 AGM to limit the number of terms on Council, were not eligible for re-election. I am pleased to say that both remain actively involved in the Society's activities. James Lambert and Sandra Curtis were re-elected to Council and Rain Newton-Smith was elected to Council for the first time. Catherine Connolly was co-opted onto Council during the course of the year and is standing for formal election at this year's AGM.

Congratulations to Dame DeAnne Julius who was elected as an SBE Fellow during 2017-18.

Also to James Plunkett – winner of this year's Rybczynski prize, with an essay entitled "Big data is changing how consumer markets work".

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 expanded the amount of content we provide via our website and social media, including Twitter, LinkedIn and Facebook.

In view of the fact that physical meetings are not always convenient for our members, we now produce brief podcast interviews with speakers for the majority of our meetings, including the Annual Conference, to accompany our regular written reports: 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. The website continues to provide the popular book review section, which is kindly marshalled by Ian Harwood; the economists' salary survey, overseen by Ian Mulheirn; economists' job opportunities and lots of other information useful to members.

We welcome any feedback on the website and our social media presence.

THE YEAR AHEAD

The Society is in excellent shape. Membership is high and rising sharply, the Society's finances are stable, our programme of events has never been stronger, and we have expanded the type and range of services that we provide to our members.

Following a year of significant change in 2017-2018, we view 2018-19 as a year of consolidation for the Society. We are proposing no new resolutions at this year's AGM and we are freezing membership fees at current levels.

We have already had some exceptional events in 2018-19 – including our most successful Annual Conference on record – and I look forward to welcoming you to as many of our events as possible in 2019.

Dr Kevin Daly

Chairman
November 2018