

ANNUAL REPORT OF THE CHAIRMAN 2018-19

2018-19 has been a year of continued progress for the Society. It is just under two years since the Society changed its name from the Society of Business Economists to the Society of Professional Economists and I am pleased to say that the decision to broaden our appeal to a wider and more diverse range of economists has been more successful than we could have hoped. Over this period membership more than doubled, rising from 619 to 1281, boosted by an influx of new student members. Excluding student members, membership has risen by 16%, from 591 to 686.

At the start of 2018, we also launched a new professional development programme for economists, which is being run by the Society's Head of Professional Development, Andy Ross. This is a valuable additional service that we provide to members and, through the hard work of Andy and his team, the popularity of these courses has grown steadily.

Meanwhile, the programme of events that the Society is holding has never been stronger. We have held 20 events in total during the 2018-2019 financial year – a new record for the Society and around double the number of events that we typically held 5-10 years ago. We have heard speakers discussing topics that have ranged from the impact of trade wars on global growth to tech competition, and from the changes underway in macroeconomics in the aftermath of the Global Financial Crisis to the issue of female underrepresentation in the profession. We have also significantly enhanced our Annual Conference, attracting more high profile speakers, upgrading the location and, aided by the generous sponsorship of Bloomberg, cutting the cost to members by more than half. As a consequence, we have attracted a record number of attendees to the conference in both 2018 and 2019.

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; our Vice Presidents, Sir Charlie Bean, Sir John Vickers and Dame Kate Barker; John Abberton, Katie Abberton and Shirley Kimber of PXL, who continue to provide invaluable support in administering the Society's affairs; Ian Harwood, the SPE's Books Editor; and, Nik Ottley, our Web Designer.

MEETINGS AND EVENTS

The Society ran a very successful schedule of meetings and events in 2018-19.

Our Annual Dinner took place in March at the Institute of Directors building in Pall Mall and featured former Chancellor George Osborne, who gave an informative and entertaining talk on the UK's political landscape. We thank Keith Skeoch and Andrew Milligan of Aberdeen Standard Investments for their ongoing and generous sponsorship of this dinner.

The 2018 Annual Conference which was held in late September was our most successful ever, both in terms of the quality of the speakers and the number of attendees. Our speakers included, amongst others, Philip Lane, then Governor of the Central Bank of Ireland and now Chief Economist of the ECB, Sir Dave Ramsden, Deputy Governor of the Bank of England and Robert Chote, the Chairman of the Office for Budget Responsibility. For the first time, the conference was generously hosted by Bloomberg in their fabulous new offices. We are immensely thankful to Stephanie Flanders, the Head of Bloomberg Economics, for arranging this and also for expertly chairing the conference.

The Society continues to run a successful schedule of meetings and events. In the past financial year, we have had meetings discussing a broad range of subjects including The Impact of Tariffs on Global Trade, Rebuilding Macroeconomics, a debate on the UK Economic Outlook, a discussion of Tech Competition in the UK and of Brexit Scenarios and Consequences. In addition to our regular meetings, we also had a Special Meeting with Bank of England Deputy Governor Ben Broadbent, covering the History and Future of QE and a very popular meeting discussing the causes of, and potential responses to the underrepresentation of Women in Economics, chaired by Catherine Connolly.

In 2018-19, the Society's highly successful Masterclass programme covered subjects as varied as Machine Learning, Migration, the Impact of Technology and Economic Diplomacy. 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 majority of our meetings continue to be hosted by Ashurst, with additional support from the Resolution Foundation, the NIESR and Aviva. We thank all four for their generous help.

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 Continuous Professional Development Programme – SPE Courses (www.specourses.co.uk) – has had a successful second year. Led by Andy Ross, the Society's Head of Professional Development, the courses consist of high-quality updates in areas of economics and are designed to be of practical use rather than merely academic. Since starting in 2018 around 200 people have undertaken SPE courses and we are keen to hear from SPE members if they have ideas for future courses they would find useful.

New SPE courses launched in 2019 included *'Presenting Data for Economists – How to communicate your message effectively'* tutored by Ed Swires-Hennessy, *'The Financial and Economic crisis of 2008: Causes; responses; and breeding the next!'* tutored by John Llewellyn & Russell Jones, *'Agent Based Modelling: Developing a pragmatic approach'* tutored by Henry Leveson-Gower and *'Cost Benefit Analysis (CBA) from an Applied Perspective: The challenges and opportunities for use of CBA and CEA in options analysis'* tutored by Joseph Lowe. All were well received. SPE Courses also re-ran *'Macro without maths- A refresher and update for those whose macro is rusty'*

tutored by Andy Ross himself, *'An overview of cost-benefit analysis'* tutored by Catherine Connolly and Ken Warwick and *'Update and Refresher for Analysis of Economic Data'* tutored by Peter Urwin.

The forthcoming year will see a variety of new courses alongside some returning by popular demand. Vicky Pryce will lead a course on *'Women and Capitalism'* and Jon Guest will return to run his insightful course on *'Behavioural Economics'*. We are very grateful to Westminster University who have generously provided a venue for SPE courses. With the benefit of their support, we have been able to cap fees at a low level for SPE members.

Finally, the SPE held a Careers event in October 2019 with three leading economists – Alison Cottrell, CEO of the Banking Standards Board, Janet Henry, Global Chief Economist at HSBC and Osama Rahman, Department for Education's Director of Analysis and Chief Scientific Adviser – who shared insights from their careers. This proved to be an entertaining event with thoughts on how the role of economists has changed over time and what the future might hold.

MEMBERSHIP

Over the past year the Society has seen further significant increases in its membership. Between June 2018 and June 2019, total membership rose from 673 to 710, an increase of almost 6%. In terms of the breakdown 580, or around 80%, of the Society's members were classified as "full", with the remainder being made up of retirees, fellows, graduates, students and affiliates. This year's increase continues the recent trend – the Society has now seen seven uninterrupted years of membership growth during which time the number of members has grown by almost a third, with this year's increase being the largest for five years. We believe that the Society's increased appeal can be explained by a combination of the change in the Society's name (to the SPE), an expansion in the type and range of services that we provide to our members and an ongoing membership drive.

The number of graduate and student members continues to rise too. Council has been keen to promote the Society to younger members and to that end I'm pleased to report that Nottingham Trent University has taken out a bulk membership for some 559 students, boosting total membership substantially. This very recent development will have benefits for all our members, as we intend to use the funds from increased subscriptions to improve further the services that the Society can offer. In particular, we will be looking at ways to better our digital offering and provide more ways for members to access content online.

Encouraging participation among young economists and students is vital as we hope that many of them will continue their memberships as they progress in their careers and beyond – something to which many of our retired members can attest. To that end, a number of events – while open to all – have been geared to this cohort of membership. They have included pub evenings where we have encouraged existing members to "introduce a friend", and careers events – the latest one being held just two months ago and kindly hosted by Aviva. Our professional development programme is also aimed at (but of course not exclusively for) members early on in their careers, with courses on both classic and new developments in economic analysis – such as cost-benefit analysis and Python respectively – designed to appeal to the SPE's broader membership. Across all our events we hope to attract members, and prospective members, spanning a variety of professions and ages.

Aside from offering an exciting schedule of events during the year there are a number of ways the Society has aimed to both promote and retain members. One has been the offer of free membership for students a year after graduation, where drop-off rates may otherwise be higher than for other cohorts of membership. Another has been our ability to deeply discount the price of our Annual Conference (thanks to the sponsorship of our hosts, Bloomberg) for SPE members relative to non-members, enabling us to market membership and the conference simultaneously. 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 2018-19 financial year (ending 30 June 2019), income from membership subscriptions increased by 21% from 2017-18 to reach £57,285. This reflects a growth in membership numbers over the last couple of years.

In 2018-19, the Society's investment income was marginally down on last year but still generated £6,331 over the year. Other operating income stood at £35,849. The decline from the £61,826 recorded last year was primarily driven by the fact we held two Annual Dinners rather than one in 2017-18. Advertising income, whilst down by 19% on last year, continued to perform well by historic standards, generating £3,000 for the Society. In addition, sponsorship of £6,000 for the Rybczynski prize was received.

Over the course of the financial year, the Council continued its focus on controlling costs whilst maintaining an attractive range of events for its members. General administrative expenses fell by 13% to £54,421. Whilst service fees for the secretariat increased by 3% to reflect inflation and other cost changes, the costs of audit and bookkeeping were held constant and there were reductions in printing, postage and stationery costs as well as in website costs. The most significant saving was on consultancy fees, which fell from £12,000 in 2017-18 to £3,000 in 2018-19 following the conclusion of Dr Harding's valuable consultancy work for the Society. Other expenses fell by 38% to £33,800 driven by holding only one annual dinner in the year, lower Rybczynski prize expenses as a result of sponsorship from KPMG and a reduction in Annual Conference costs due to the sponsorship of Bloomberg.

Overall, as a result of growing membership, higher sponsorship and falling costs, the Society recorded a surplus of £17,377. This is welcome after a number of years of small deficits.

We are budgeting for a small surplus in the 2019-20 financial year, as growing membership continues to generate higher income and our costs are reduced thanks in large part to the generous sponsorship of the annual dinner, Rybczynski prize and Annual Conference. The Council continues to work to deliver value for members and is considering how the surplus which resulted in the 2018-19 financial year can best be utilised.

At the end of the 2017-18 financial year, the Society had £57,023 cash at the bank and in hand. Total equity rose slightly to £237,626, comprising £136,123 in the profit and loss account and a revaluation reserve of £101,503.

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 2019 was £74,700 (as compared to £80,460 at 30 June 2018). The market value of the unlisted investments at 30 June 2019 was £128,915 (£132,937 at 30 June 2018). Although slightly down on last year, 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 2018 Dame Kate Barker, George Buckley, Sunil Krishnan and Amanda Rowlatt retired by rotation and, being eligible, offered themselves for re-election to Council. The re-election of all four candidates was passed unanimously. Catherine Connolly was co-opted onto Council in April and members ratified her appointment at the AGM.

Congratulations to Sandra Curtis who was elected as an SPE Fellow during 2018-19, in recognition of her significant contribution to the Society.

Congratulations also to the winners of this year's Rybczynski prize. This year the prize was jointly awarded to two essays: Jack Britton for his essay "The returns to higher education: new evidence from administrative data in the UK" and Jennifer Lambert and Steven Paling for their essay on "Why are patients waiting longer for emergency care in England?". We are thankful to KPMG for its generous sponsorship of this prize.

WEBSITE AND SOCIAL MEDIA

We understand the importance of a digital presence for members. It allows us to share news and event announcements, to reach those who are unable to make meetings, and support those who wish to make connections and develop their professional profiles. As well as the website, the Society is now a regular presence for members on Twitter and LinkedIn. We would welcome all members who wish to connect with us via these media.

We have continued to build our library of 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. 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 at a record high and rising sharply, the Society's finances are healthy, 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 the significant changes that we introduced at the start of 2018, the two years since then have been one of consolidation and growth. We are freezing membership fees at current levels for the second consecutive year.

We have already had some exceptional events in 2018-19 and I look forward to welcoming you to as many of our events as possible in 2020.

Dr Kevin Daly

Chairman, November 2019