Economists in HM Revenue and Customs (HMRC)

There are around 100 economists in HM Revenue and Customs that work in partnership with HM Treasury developing tax policy. In addition, they apply their skills to produce forecasts of over £500 billion of tax revenues for the Office for Budget Responsibility (OBR), while others use their economics to help improve the way HMRC administers and enforces the tax system. HMRC is an environment where analysis really drives decisions, so the work economists produce is highly influential.

Tax policy

Working closely with HM Treasury and HMRC tax policy officials, HMRC economists provide the economic analysis that drives many of the Chancellor's decisions on taxation included in his Budget Statements. The work is wide-ranging as the tax system impacts the economy in so many ways. For example, you could be analysing the impact of tax rate changes on individuals' work incentives or their consumption behaviour, or businesses' investment decisions, or options for the customs regime.

Some examples of published reports produced by HMRC economists are as follows:
- Evaluation of the impact of the Stamp Duty relief for first time home buyers;\(^1\)
- The Exchequer effect of the 50 per cent rate of income tax;\(^2\) and
- Econometric analysis of alcohol consumption, to estimate the price elasticity of demand for alcoholic drinks.\(^3\)

Many of the economists that work on tax policy are collocated with HM Treasury in Parliament Street in London, and there are also economists working on a wide range of issues in Canary Wharf in London, Manchester and Liverpool.

Tax Revenue forecasts

Working closely with the OBR, economists in HMRC produce the tax revenue forecasts that are used in the OBR’s fiscal forecasts which also have a major influence on decisions taken by the Chancellor in each fiscal event. The forecasts are produced using a variety of methods, including time series econometrics. Some of the economists that work on forecasts are based in London in order to be close to HM Treasury officials and the OBR, but there are also forecast roles in Canary Wharf in London, in Manchester and in Liverpool.

Tax operations

HMRC collects over £500 billion in tax revenues and pays out over £30 billion in tax credits and child benefit. Economists are involved in answering important questions for HMRC’s strategic objectives, such as estimating the amount of error and fraud in the tax system, using behavioural economics to improve taxpayers’ compliance with the tax system, or working on international transfer pricing cases.

Career development

We place great emphasis on professional development, for example with the following:
- Courses in post-graduate tax economics with leading academics.
- Frequent seminars, conferences, and workshops.
- Training courses to help you develop communication and management skills.
- Access to coaching, career advice and guidance from experienced professionals.

HMRC is also building its capacity to fully exploit the vast amounts of data it holds using state of the art predictive analytics and data science techniques. Economists with a keen interest in data science can therefore play an important role in helping HMRC meet these objectives. As part of this economists get exposure to a wide range of statistical programs.

At HMRC there are opportunities to work on a very wide range of issues, and economists can easily move between different areas. This helps people develop a broad range of transferable skills.

The working environment

You will have the support of a community of around 100 economists in HMRC. Economists work in large cross-disciplinary teams with statisticians, social researchers and operational researchers; in total there are over 450 analysts in HMRC’s core analytical directorates. Being a very large analytical community there is a lot of opportunities to develop skills and techniques in different areas.

Many of our economists work in the Parliament Street building shared with HM Treasury or in Canary Wharf. In the longer term there will be roles in Stratford in London. There are excellent facilities such as staff restaurants, café, deli, gym and other activity rooms. There are also increasing opportunities to work in the North West. HMRC has a large and growing community of economists outside London doing a wide range of different types of work. In all locations there are active social and sporting networks.

Pay and benefits

The starting salary for mainstream and fast stream economists in HMRC in London is £35,105, and £30,880 outside of London. Top performers receive a further payment in addition to their base salary.

Further information

If you would like further information, please contact: Katy.Peters@hmrc.gov.uk