



## Graduation Thank You Speech of Students' Representatives at PhD Graduation Ceremony at CERGE-EI on May 27, 2016

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Dear fellow students, dear faculty members, dear guests, dear relatives and friends,

Thank you for coming and celebrating with us today. We would like to say just few words on behalf of the graduating students. We are giving this speech together, because we have been here together since day 1 and some people still mix us up anyway. We decided to share with you several lessons from economics and how they apply to our past studies.

Let's start with what economics is about, using a **Definition** from Economics for dummies. No offence, but we thought you would not appreciate a definition from a graduate-level textbook: *Economics studies how people allocate resources among alternative uses.* The reason people have to make choices is *scarcity*, the fact that we don't have enough resources to satisfy all our wants. So for example, we once had to make the choice whether to start a master and then a PhD. program at CERGE-EI. And, as you can see, we chose to allocate our scarce resources, mainly time and energy, to this program.

This was a hard choice. Sometimes parents and friends ask what the benefit of getting yet another degree is. Asking this question, they touch on the principle of diminishing returns. According to this principle, **Lesson #1:** *The benefit of graduating from kindergarten is the highest one, while PhD. only adds very little.*

So, why did we go to grad school? **Lesson #2:** *People respond to incentives and compare costs and benefits when making decisions.* There are many incentives to start an M.A. or PhD. in economics: it presumably guarantees a high-income job, the title sounds fancy and can be useful when seeing a "real" medical doctor. Most importantly, you don't need to get-up early in academia and there is no dress code, maybe except for graduation ceremonies.

What are the costs of getting a PhD.? **Lesson #3:** *The cost of something is what you give up to get it, which we call the principle of opportunity costs.* For us, the opportunity costs were mostly in terms of free weekends. There is a reason why

CERGE-EI building is open 24/7. In the beginning, it seemed like a great benefit, ex-post, not so much.

Still, comparing costs and benefits, we feel that getting an M.A and then a PhD. from CERGE-EI was a good choice. It's true that we wanted to quit many times, because the program really pushes you to limits in many ways. But it also teaches you that you can survive almost anything and you are learning a lot which keeps you going. You also find really good friends, because grad school is a bit like army training, so if you survive it together, you become really close.

To be honest, we did not really compare costs and benefits when deciding to pursue a PhD. and us standing here today is a result of one impulsive decision many years ago, which brings us to **Lesson #4: *People are sometimes irrational.***

Encouragingly, research shows that more educated people live longer, are healthier and happier. But it also takes us to **Lesson #5: *Correlation isn't causation and you should approach research results with caution, especially the ground-breaking results presented in popular media.***

Five lessons are probably more than enough. So now on a more serious note, let us thank all those who supported us during our studies. First, we would like to thank CERGE-EI faculty members, for their mentoring and for showing us that academic research is challenging, but exciting. We are also grateful to other CERGE-EI staff, who made our studies as smooth as possible. Furthermore, we would like to thank our fellow students for many inspiring lunches and evenings together, that kept us motivated and going. And most importantly, none of us would be here today without the support from our families and friends. We truly appreciate your patience and love. Thank you!

Finally, let us share with you one **Last lesson** from economics: *There is nothing like free lunch, or in other words it is impossible to get something for nothing.* But, luckily for us, there is literally lots of free food in academia, and you will have the chance to taste some shortly. Thank you!

