

Selecting a Major and Career for a Sound Financial Future

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Many students enter college not knowing what they want to study or what their career interests are. It is common for college freshmen and sophomores to have undeclared majors. Many students change their majors throughout their college career, and for a variety of reasons. It is not surprising that they might decide on a different career than they had in mind originally. Selecting your major is something to be passionate about. You also have to have the aptitude. When making your final decision, consider the economic value of your major. How much can you earn? Will you be able to live where you want? Will your education and internship opportunities lead where you want?

Selecting the Right Major

When deciding on a major, you might believe the right one will automatically make you successful in a future career. Do not expect that your major, by itself, will prepare you for your future. Focus instead on what types of careers are available within your major/field of interest, and what the salaries are like. Next, determine whether your major and career path will help you meet your financial and family needs, and whether it will help you get real world experience.

While college majors can provide a sense of direction and some preparation for what students encounter in various careers, they do not all have the same economic value in terms of future earnings. Major groups such as business, education, agricultural sciences, art, life and physical sciences, engineering, communications, social sciences, education, psychology and social work, liberal arts, health, etc., have widely varying earnings. A Georgetown University study found that the Engineering major group had the highest median earnings, \$75,000; while the Psychology and Social Work major group had the lowest median earnings, \$42,000. A Bachelor's degree in Petroleum Engineering brought the highest median earnings, \$120,000, while a Bachelor's degree



in Counseling Psychology brought the lowest median earnings, \$29,000. It is important that you look at the salary prospects when selecting a major, but be aware that other factors may do more to contribute to your success.

Factors such as aptitude are an essential consideration. The STEM fields of science, technology, engineering and math are in high demand and do lead to higher pay, but students who have not done well in science and math should probably stay away from them. They also require adequate high school coursework in those fields. If the student does not take the necessary courses in high school, remedial classes will be necessary in college and will require additional time and money.

Next, look into how much real-world experience you can gain as an undergraduate in your field. Will these experiences lead to employment in a well-paying job? Previous experience is essential for a competitive job application, so look into various opportunities to gain experience within your field. Paid internships are a great way to do this. Not finding a major that allows you to gain relevant experience as an undergraduate could hurt you upon graduation. The unemployment rate for Bachelor’s degree graduates is 8.9 percent, but what you major in can affect your chances for employment. Major groups that currently have high unemployment rates are: Liberal Arts, Social Sciences, the Arts, and Law and Public Policy. Education, Healthcare, and Business major groups have the lowest unemployment rates for recent college graduates. Business majors, for instance, have an unemployment rate of 7.4 percent.

Post-Secondary/Advanced Education

Not all high school graduates choose a four-year institution. Some would rather attend a career and technical school or a community college. Many students choose this route because it is more cost effective and they may be able to earn more money right away than some who attended four-year institutions. (Lifetime earnings for those with a bachelor’s degree will still likely be higher,

however.) Believe it or not, job opportunities for those with an associate’s degree are increasing. In fact, some of the fastest-growing jobs such as dental hygienists, veterinary technicians, and some types of nurses only require a two-year degree. There has been a rapid increase in the numbers of students attending career and technical schools, and completion rates are increasing as well. Students who attend career and technical schools develop skills related to their fields of interest, and their learning is more hands-on. Just make sure that the institution you attend is properly accredited so that your money and effort count.

Apprenticeship programs are another alternative for job training. As an apprentice to a master craftsman, you learn a skilled trade and earn money at the same time. More job fields provide apprenticeship opportunities than you might think. Common fields in which you may be able to apprentice include, but are not limited to: healthcare, manufacturing, culinary arts, public safety, and construction/building trades. For a complete, current listing of apprenticeship programs in the Commonwealth of Kentucky, please visit <http://www.labor.ky.gov/dows/doesam/AppAndTraining/Documents/CURRENT%20APPRENTICESHIP%20PROGRAMS.pdf>.

Figure 1. Majors with the highest median earnings*+

	Median	Earnings at the 25 th Percentile	Earnings at the 75 th Percentile
Petroleum Engineering	120,000	82,000	189,000
Pharmacy Pharmaceutical Sciences and Administration	105,000	83,000	120,000
Mathematics and Computer Science	98,000	75,000	134,000
Aerospace Engineering	87,000	60,000	115,000
Chemical Engineering	86,000	60,000	120,000
Electrical Engineering	85,000	60,000	110,000
Naval Architecture and Marine Engineering	82,000	44,000	120,000
Mechanical Engineering	80,000	59,000	105,000
Metallurgical Engineering	80,000	50,000	106,000
Mining and Mineral Engineering	80,000	52,000	125,000

*Full-time, full-year workers with a terminal Bachelor’s

+There was a tie for last place, and we are representing some, but not all, of those majors that tied.

Source: <https://georgetown.app.box.com/s/5bgczqc0nefsx68bj4u4>

Figure 2. Majors with the lowest median earnings*⁺

	Median	Earnings at the 25 th Percentile	Earnings at the 75 th Percentile
Counseling Psychology	29,000	21,000	42,000
Early Childhood Education	36,000	29,000	45,000
Theology and Religious Vocations	38,000	27,000	52,000
Human Services and Community Organization	38,000	27,000	53,000
Social Work	39,000	30,000	52,000
Drama and Theater Arts	40,000	29,000	60,000
Studio Arts	40,000	26,000	60,000
Communication Disorders Sciences and Service	40,000	31,000	59,000
Visual and Performing Arts	40,000	26,000	60,000
Health and Medical Preparatory Programs	40,000	24,000	71,000

*Full-time, full-year workers with a terminal Bachelor's

⁺There was a tie for last place, and we are representing some, but not all, of those majors that tied.

Source: <https://georgetown.app.box.com/s/5bgczqc0nefsx68bj4u4>

How Your Major Can Help Lower the Cost of College

After college, many students will be in great debt with educational loans. However, depending on your major, you might be able to pay off your student loans more quickly than you think. Students who receive work-study placements have an advantage not only in being able to pay for college, but their placement may also give them experience within their field. An art major, for instance, could look for work-study placement at an art gallery on campus. A variety of work-study options are available for all majors if you qualify financially based on your FAFSA application. If you have questions about this, check with your high school guidance counselor.

Internship opportunities can also provide students experience within their major/field of interest. Many students receive college credit through unpaid internships. You might look into paid internships because the money that you receive can help you pay off college loans. Some fields such as education and nursing require unpaid internships, however; so they clearly can still be worthwhile. Many times internships can lead to future employment.

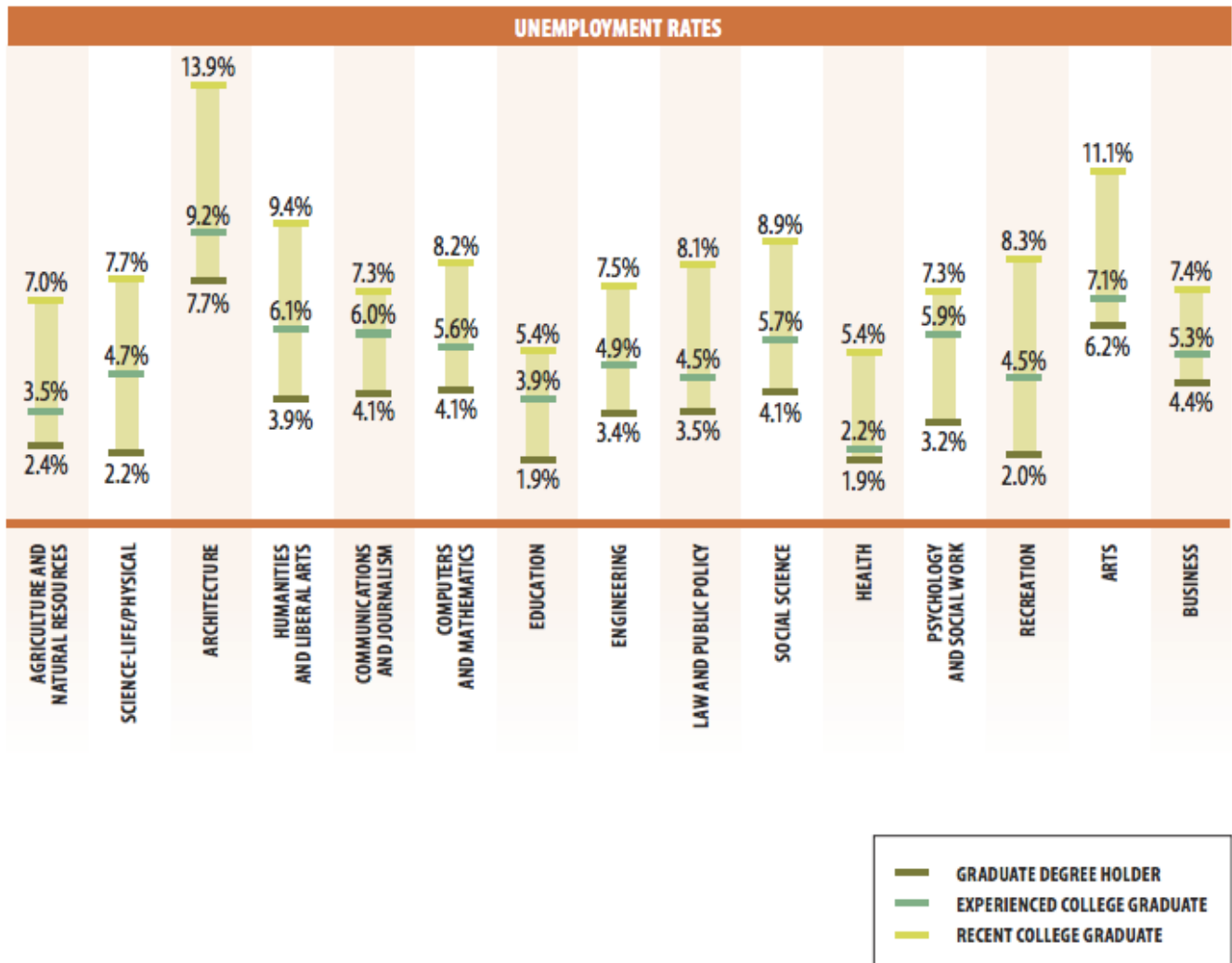
If, upon graduation, you are not finding jobs easy to come by, you might consider graduate school. Students

who earn a graduate degree are much more employable, and tend to find higher paying jobs. A study by Georgetown University found that, except for arts and architecture majors, the unemployment rate for those with graduate degrees ranges from 1.9 percent to 4.0 percent. A graduate or professional degree that is closely aligned with real work can help keep you afloat through economic ups and downs.

Additionally, loan forgiveness programs help graduates with their loan burdens. They are typically offered by local, state, or federal government agencies for certain majors to help ensure that enough people are working in fields that are necessary, but are less lucrative or well-

Students who receive work-study placements have an advantage, not only in being able to pay for college, but their placement may also give them experience within their field.

Figure 3. Unemployment rates across fields.



Source: <http://files.eric.ed.gov/fulltext/ED528241.pdf>

staffed. Education majors can receive 100 percent forgiveness for Federal Perkins Loans by teaching in certain programs—schools serving low-income families, special education, or state-designated subject shortage areas—for five years. (This applies mostly to those who teach in public elementary and secondary schools.) Healthcare majors, especially nurses, can receive loan forgiveness by working in facilities where major shortages exist. The Federal Nursing Education Loan Repayment Program is one example, paying “up to 60 percent of the eligible loan balance for qualified registered nurses who are employed full-time for two years at a critical shortage facility,” according to Scholarships.com. Public servants also may receive loan forgiveness. Those working in nonprofit or governmental organizations can receive full forgiveness of their student loans after they have worked at least ten years and made 120 consecutive payments on their loans

(10 years) under an approved payment plan. Additionally, the federal Pay as You Earn plan has been expanded to allow non-public-service graduates loan forgiveness after 240 consecutive payments on their loans (20 years). And loan payments are now capped at 10 percent of monthly discretionary income. Only federal student loans qualify for this program. To qualify for the Pay as You Earn program, you must be a new borrower. (For more details, talk with your high school guidance counselor and/or the financial aid office at the school you plan to attend.)

Finally, the military provides an alternate route for those who need help paying for college, one that provides full employment upon graduation. The Reserve Officer’s Training Corps (ROTC) offers their own financial aid, which comes with the obligation to serve as a military officer on active duty for a defined period. You must, however, meet certain qualifications in order to receive

ROTC scholarships. Each military branch has its own ROTC program. Check with the college or university of your choice for more details on what is available there and what qualifications must be met.

Choosing the best college major to meet your needs does not have to be overly difficult. If money is important to you, choose a field that pays well and has a low unemployment rate. On the other hand, the field you truly want to work in might pay less. If you are passionate about your work and believe you are serving society well in what you do, however, those can be sufficient rewards. You simply have to be prepared to live on less.

As you are thinking about your future career, do not forget about job location. This is usually the least important consideration in selecting a career, but not for everybody. Because of family situations or personal preferences, where you live might be very important to you. If this is the case, you will want rule out any career that does not offer enough employment opportunities in your area. In most cases, location does play a major role in finding a high-paying job.

Begin the process now with your educational choices, prepare well, and you will be able to enjoy financial independence.

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