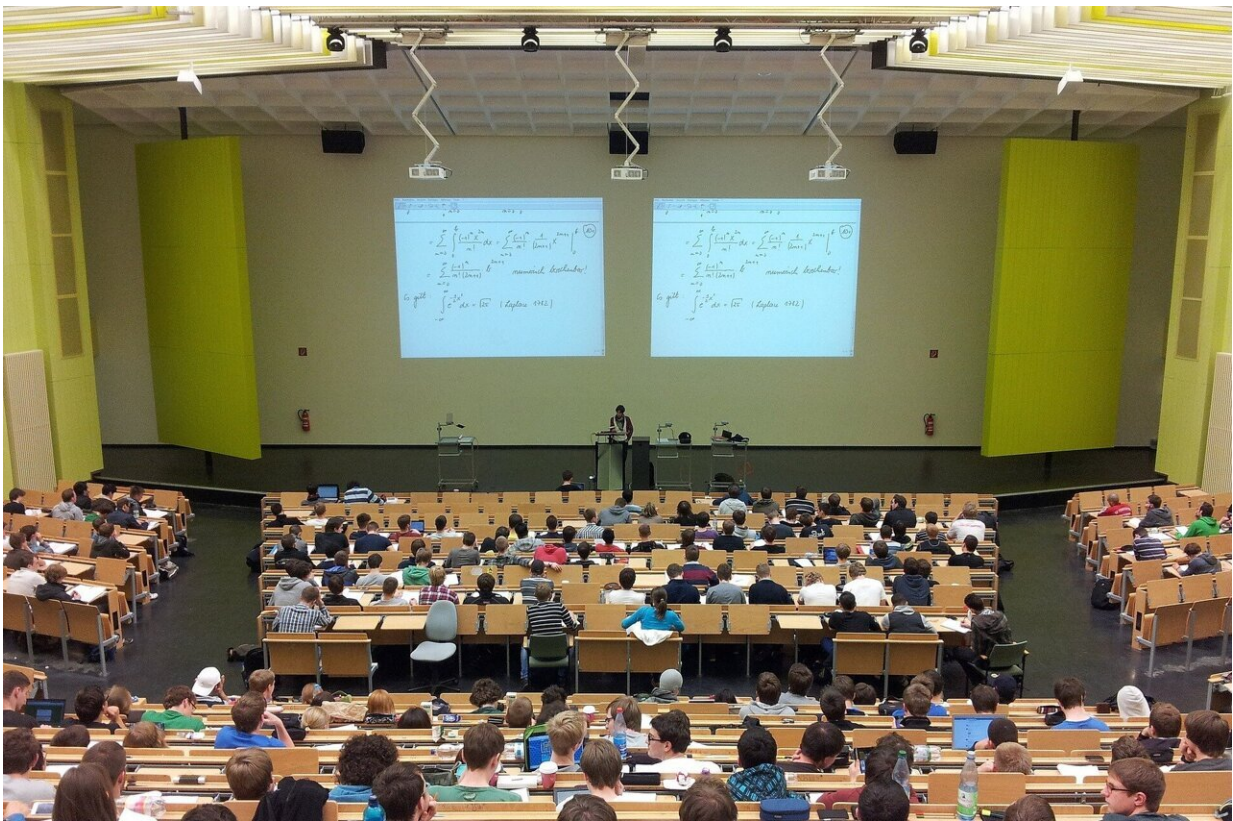


Study finds greater financial stability for graduates with two majors

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Here's one good reason for college students to consider a double major: It could soften the blow to their incomes from future economic slumps.

A new national study found that double majors had a substantial protection against earning shocks—an average of 56%—compared to those who had a single major.

Think of a double major as a form of insurance against downturns in an occupation or the broader economy, said Andrew Hanks, lead author of the study and associate professor of consumer sciences at The Ohio State University.

"Someone with a single major is going to experience the full effect of a negative fluctuation in wages, while a double major will be somewhat shielded," Hanks said.

The value of a double major is largest for those who major in two unrelated fields—say engineering and business—compared to those who major in two related fields, such as two social sciences.

Findings showed those with two unrelated majors were buffered by earnings shocks by 64%, compared to 36% for those with related majors.

The study was published Jan. 29, 2024, as a *National Bureau of Economic Research* [working paper](#).

The study examined data from the American Community Survey, conducted by the U.S. Census Bureau. The researchers analyzed data from 2009 to 2019.

In the dataset, 10% of participants—145,826 people—had double majors. Of those, 70% were in unrelated fields and 30% were in related fields.

The advantage for double majors appears to be that they have more

diverse skill and knowledge sets, said study co-author Bruce Weinberg, professor of economics at Ohio State.

People with double majors have diversified their human capital, similar to what investors do with their financial capital when they invest in a wide range of companies, industries and countries, Weinberg said.

"It is odd that we've spent so much time thinking about diversification in [financial markets](#) and so little time thinking about diversification in human capital markets," Weinberg said.

Diversification shows up in several ways in the findings. For example, double majors are less likely to work in occupations that are closely related to their majors, the study found.

And, relatedly, they are more likely to work in jobs that require a diverse set of skills and knowledge, said Xuechao Qian, an economics Ph.D. graduate of Ohio State and now the Lazear-Long Postdoctoral Scholar at Stanford University.

"If you have a broader range of knowledge, a broader range of skills, that makes you more valuable to an employer than someone with a more narrow skill set," Qian said.

"You're going to be more versatile in response to income shocks than those who are better in a smaller set of skill or knowledge areas."

Another possible expected advantage to double majors would be that they earn more than those with a single major. Somewhat surprisingly, that doesn't seem to be true in this or other studies. Any income boost from a double major seems to be relatively small.

"The biggest return to being a double major isn't in terms of having

higher earnings," Weinberg said. "It's in the form of having greater protection for whatever earnings you have."

The researchers confirmed their findings using a different data set, the National Survey of College Graduates (NSCG).

The NSCG dataset allowed the researchers to explore one issue with their results. It is possible that it isn't having a double major itself that helps people—it is the fact that people who pursue double majors have special interests and abilities that protect them from income shocks later in life.

Using NSCG data, the researchers took into account parental education and the quality of schools attended by those with double majors, which may give some indication of whether they have special abilities that could explain the protection they enjoy.

But the results suggest that these indicators don't explain away the value of double majors in later life.

"We can't say for sure that there isn't something about people who get double majors that helps explain why they fare better against income shocks," Weinberg said. "But actually getting the double majors seems to play some role."

The findings suggest some ways that colleges might help their students diversify their human capital, according to the researchers.

First, double majors might be encouraged by fostering collaboration between different academic departments.

Also, career counseling could highlight the advantages to students of diversifying their human capital. Even if students don't enroll in a double

major, counseling could help them be more thoughtful about their choice of minors and the breadth of classes they take.

And it is never too late to learn, the researchers said.

"Diversifying skills and knowledge throughout your career could help you weather labor market volatility," Hanks said.

More information: Andrew Hanks et al, Do Double Majors Face Less Risk? An Analysis of Human Capital Diversification, *National Bureau of Economic Research* (2024). [DOI: 10.3386/w32095](https://doi.org/10.3386/w32095)

Provided by The Ohio State University

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