Choosing the Wrong College Major Could be a Costly Mistake for Parents and Students Alike

April 7, 2024 - Choosing a college major is a significant decision that can shape your future career prospects and financial stability. But all majors and not created equally. Recent data from the New York Federal Reserve sheds light on college majors with the highest unemployment and underemployment rates, providing valuable insights for parents and high school students navigating the maze of higher education choices.

Unemployment and underemployment are distinct but related concepts that provide crucial indicators of job market challenges for recent graduates. Unemployment refers to individuals who are actively seeking employment but are unable to secure a job. On the other hand, underemployment refers to individuals who are employed but are working less than full-time or are in jobs that do not fully utilize their skills and education. Just imagine someone with a college degree working a job busing tables in a pizza joint. Thatâ€™s someone who is underemployed and likely to have trouble repaying their college loans.

According the data, several college majors stand out for their high rates of unemployment and underemployment among recent graduates.

Art History, Liberal Arts, and Fine Arts top the list of majors with a poor economic outlook. Nearly 8% of recent graduates in these fields are unemployed, and over 50% are underemployed. While pursuing a passion for the arts is admirable, the job market isnâ€™t enamored with these degrees.

Surprisingly, Aerospace Engineering takes the fourth spot on the list, with 7.8% of recent graduates experiencing unemployment. Despite being considered a stable major, the industry's small size and specific job requirements, such as security clearances, contribute to these challenges. However, it's worth noting that the underemployment rate for Aerospace Engineering graduates is less than 20%, indicating better utilization of skills compared to other majors on the list. This is the only engineering degree to make the list so anyone considering it may want to have a double-major with another engineering field.

Other majors that made the top ten list for unemployment and underemployment include History, English, Mass Media, Physics, Commercial Art & Graphic Design, and finally, Sociology. Unemployment rates for these majors run from 5.5% to 7.5%, and underemployment rates run from 31.2% to 53.5%.

Overall, among the ten majors on this list, the average unemployment rate was just under 7% and the average underemployment rate was 45.7%. Thatâ€™s huge, especially when many college degrees now cost well over six figures.

When considering potential majors, it's essential to research not only the current job market demand but also the long-term career prospects, potential for growth in your chosen field and anticipated income. That is, unless you want to be living your parents basement for the rest of your life. After all, the entire purpose of getting a college degree for most people is the ability to earn a better living. But based on the numbers here, there are a lot of people in these majors that may be doing themselves more financial harm than good.
by Jim Malmberg
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