

Maximizing College ROI: Choosing the Right Major for Career Success

ROI (Return on Investment) is a crucial factor to consider when deciding on a college major. It measures the financial gain or loss that one can expect when investing, in this case, an education in a particular field of study. Understanding a major's ROI can help students make informed decisions and avoid the burden of student loans. This is especially important given the rising cost of college tuition. In this white paper, we will discuss the importance of ROI when selecting a college major, providing statistics and examples to support our claims.

Why is ROI Important When Choosing a College Major?

It is crucial for students to choose a major that will provide a positive financial return on their investment. Before committing to a major, students should consider its starting salary, total potential salary, and associated job prospects before committing to it. According to a recent study by the National Center for Education Statistics, the average student loan debt for bachelor's degree recipients in 2020 was \$30,000. Understanding a major's ROI can help students make informed decisions and identify academic and career tracks that will allow them to pay down these burdensome levels of student debt more quickly.

Statistics:

A recent study conducted by Georgetown University's Center on Education and the Workforce analyzed the ROI of different college majors. The study found that, ten years after graduating, engineering, computer science, and mathematics majors have the highest median annual earnings, at \$80,000. In contrast, ten years after graduating, majors such as education and the arts have median annual earnings of \$50,000 or less. Therefore, students who major in fields with high earning potential are likely to have a higher ROI than those who choose majors with lower earning potential.

Examples:

To further illustrate the importance of ROI in choosing a college major, let us consider two hypothetical scenarios. In the first scenario, a student chooses to major in computer science, which has a median annual salary of \$88,240. Assuming the student takes out a student loan of \$50,000 to finance their education, their ROI would be quite high, allowing them to earn back their investment in less than a year and a half after graduation.

In the second scenario, a student chooses to major in education, which has a median annual salary of \$54,890. Assuming the student takes out a student loan of \$50,000 to finance their education, their ROI would be less than that of the student who majored in computer science since they would take over nine years to earn back their investment. This scenario highlights the importance of considering the ROI of a major before committing to it.

List of College Majors with the Highest Return on Investment:

1. Engineering
2. Computer Science
3. Mathematics
4. Nursing
5. Economics
6. Physics
7. Statistics
8. Information Technology
9. Finance
10. Accounting

These majors have been shown to have high earning potential and a positive ROI. Students who major in these fields are likely to have better job prospects and higher salaries ten years after graduation.

Skills That Add Value Regardless of Major:

While choosing a major with a high ROI is important, it's also important to develop skills that add value to any profession. These skills can help students stand out to potential employers and increase their earning potential, regardless of their major. Some of these skills include:

1. **Communication:** The ability to communicate effectively is highly valued in any profession. Students can develop this skill by taking courses in public speaking, writing, and interpersonal communication.
2. **Critical thinking:** Critical thinking involves analyzing information, evaluating arguments, and making informed decisions. Students can develop this skill by taking courses in philosophy, logic, and problem-solving.
3. **Leadership:** Leadership skills are highly valued in any profession. Students can develop this skill by participating in extracurricular activities, such as student government, and by taking courses in leadership and management.
4. **Technical skills:** Many professions require technical skills such as programming, data analysis, and digital marketing. Students can develop these skills by taking courses in computer science, statistics, and marketing.

By developing these skills, students can increase their value to potential employers and earning potential, regardless of their major.

How to Choose a College Major That Works For You

Choosing a college major can be a daunting task, but there are several steps that students can take to make an informed decision. First, students should consider their interests and passions. Choosing a major that aligns with their interests can lead to a more fulfilling career. Second, students should consider their strengths and weaknesses. Choosing a major that plays to their strengths can increase students' chances of success. Third, students should research different majors' job prospects and earning potential, which will help them choose a major with a higher ROI. Fourth, students should speak with academic advisors and professionals in fields that interest them. These individuals can provide valuable insight and advice on different majors. The final step in identifying your major is to get out there and try out your field! Shadow someone in business, volunteer at a hospital, get an internship in politics, do a summer program with lab sciences; the list goes on. By considering these factors and diving into their major, students can make an informed decision and choose a major that aligns with their interests, strengths, and career goals.

Understanding ROIs is crucial to choosing a college major. To ensure their major has a high ROI, students should consider a major's potential salary and job prospects before committing to it. As mentioned above, many STEM degrees, such as engineering, computer science, and mathematics, offer high earning potential, while fields such as education and the arts have lower earning potential. Don't forget to dive into your potential major so you know you enjoy the field and you're

not wasting time or money. By considering a major's ROI, students can make informed decisions and minimize the burden of student debt.