

WHAT IS THE VALUE OF AN ECONOMICS DEGREE?

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ABSTRACT

I examine labor market outcomes of graduates from an undergraduate program in economics at a large public university in the Midwest in the United States. In this program, a natural experiment provided the conditions where academically weaker business major students became economics majors by default. Aggregated employment data from the State of Minnesota's Graduates Employment Outcomes (hourly earnings) for six cohorts (AY 2006-2008, 2009, 2010, 2011, 2012, and 2013) are compared across majors and of programs from public institutions of higher education in Minnesota. Preliminary inferences based on known characteristics of reference group and outcome criteria suggest that an economics degree can improve median hourly earnings of graduates within two to four years from graduation.

Keywords: economics major, undergraduate, program outcomes, hourly earnings, labor market

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