The Real, Long-term Labor Market Outcomes of **Liberal Arts Grads**

Strada Institute FOR THE FUTURE OF WORK + Emsi

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This brief is a companion piece to "Robot-Ready: Human+ Skills for the Future of Work," available at www.economicmodeling.com/robot-ready. The full report contains a complete list of references, data sources, and methods.

What do we mean by **"Liberal Arts"?**

It's challenging to gain consensus on a definition of the liberal arts. The term broadly refers to the Western concept of education. America's modern view of a liberal education is one that is individualistic, global, and pluralistic in nature, typically emphasizing the classics or humanities. The term is also often used to refer to liberal arts colleges, which adopt a common curriculum aligned with the liberal tradition. In this brief, however, we focus specifically on liberal arts majors in order to connect programs—not institutions—to learners as the fundamental unit transferring economic value in the labor market. As economist Anthony Carnevale explained in a recent Washington Post op-ed: "What you earn depends much more on what you take in college than where you go. From a career perspective, college is more a market in program majors than a market in institutions." [1]

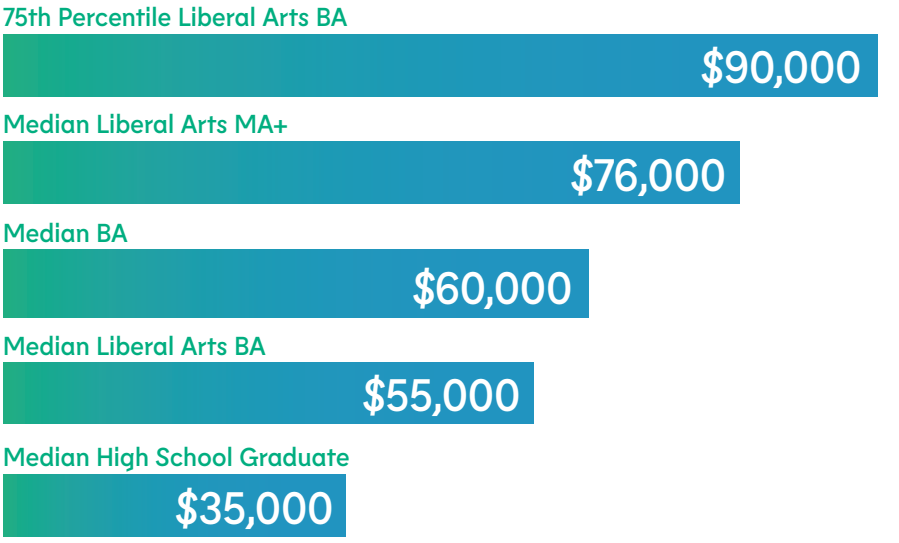
In general, it has been difficult to understand the outcomes of liberal arts graduates. The liberal arts seem to be particularly subject to bold claims about their relevance and value—often with little data underpinning them. Alexander McCormick, director of the National Survey of Student Engagement (NSSE), the longest-running survey of undergraduates that examines the educational experience, explains: "When you look at college mission statements, they're loaded with grand pronouncements about the skills and habits of mind they're going to inspire in their students," yet "even as they teach their students to back up their claims with evidence, they don't have much evidence to back up those claims."[2]

It's not that institutions of higher education have not been trying to document learning outcomes. Many have. There have been major efforts, such as the Association of American Colleges & Universities' Liberal Education and America's Promise (LEAP)[3] and Valid Assessment of Learning in Undergraduate Education (VALUE),[4] as well as Lumina's Degree Qualifications Profile (DQP).[5] The challenge has been, however, in translating these learning outcomes for a much wider audience beyond academia. As a result, policymakers have been particularly down on the outcomes of liberal arts, questioning the value of these majors as relevant to the challenges associated with the future of work. In response, others have rallied to defend the liberal arts. Depending on who you ask, these graduates are either headed for a lifetime as a barista or are capable of doing absolutely anything.

In the wake of this debate, students have moved in large numbers to career-oriented majors, such as business, health, and engineering—clearly hearing that the surest path to a meaningful, financially stable career is also the most straightforward one. The liberal arts, on the other hand, are on the decline. It's important, therefore, to clarify the career outcomes and longer-term marketability of liberal arts graduates.

There are some wild narratives out there about liberal arts grads. One of the most popular is a wait-and-see approach that suggests that the long-term return on investment (ROI) is much higher for liberal arts majors. Liberal arts majors just take time and ultimately overtake other majors late in their careers. But they don't.

Figure 1.
Liberal arts graduates earn a significant wage premium relative to high school graduates, and the half who go on to earn graduate degrees earn an average of $76,000 annually.



Source:
Strada Institute for the Future of Work analysis of data from the American Community Survey, 2016.

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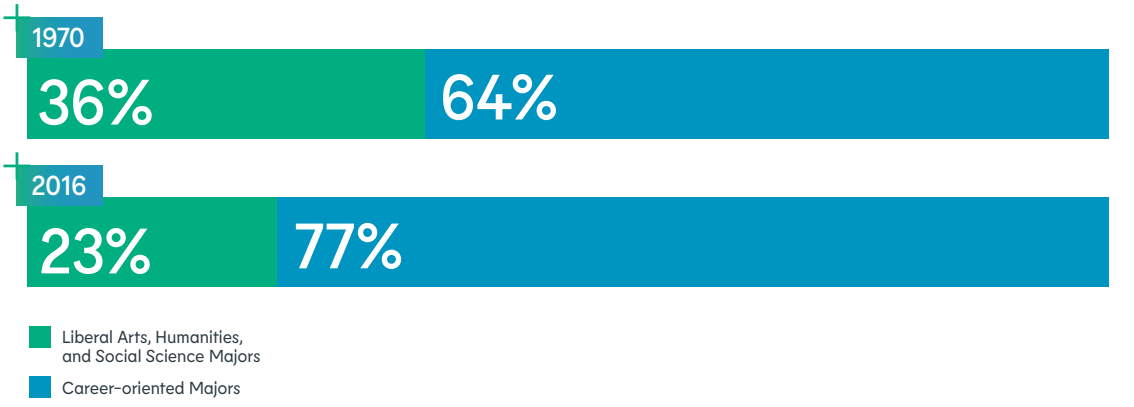
While they never catch up to STEM graduates in earnings, liberal arts majors perform well in the labor market, achieving substantially better outcomes than workers with less education. Among workers with liberal arts BAs, 82 percent are working (70 percent full-time), and the average full-time worker earns $55,000 annually, $20,000 more than high school graduates, but $5,000 less than the average college graduate (Figure 1).[6] However, two out of five liberal arts graduates go on to earn graduate degrees, which further boosts their earnings to $76,000 annually, on average.

In 1970, 36 percent of college graduates earned a degree in a liberal arts field. Today, only 23 percent do (Figure 2). Even more striking, much of this decline has occurred in just the past decade. History majors, for example, peaked in 2007 and have since dropped 45 percent.[7]

Figure 2.
Since 1970, BAs in liberal arts programs have declined from 36 percent to 23 percent.



Source: Strada Institute for the Future of Work analysis of data from the Integrated Postsecondary Education Data System, 1970–2016.

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From their first job to their third job, liberal arts graduates commonly transition into high-skill, high-demand careers in marketing, advertising, and public relations, management, and human resources (Figure 3). Conversely, they transition out of low-wage jobs in food preparation and customer service, for example.

They have high rates of career mobility compared to the mobility rates of other majors: 53 percent for IT majors (Figure 4), 54 percent for allied health majors, and 59 percent for education majors. Across every career field, liberal arts majors are more likely to change professions than other majors, except for in office and administration jobs.

Figure 3.
Between their first and their third jobs, liberal arts graduates transition into middle- and high-skill careers with high concentrations of college-educated workers.

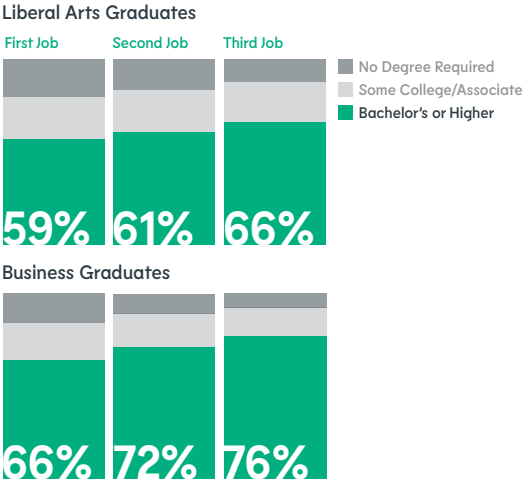
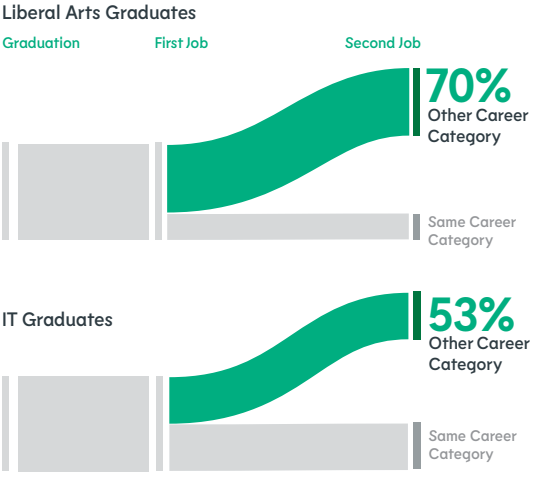


Figure 4.
Liberal arts graduates have high rates of career mobility: 70 percent change careers from their first job to their second job.

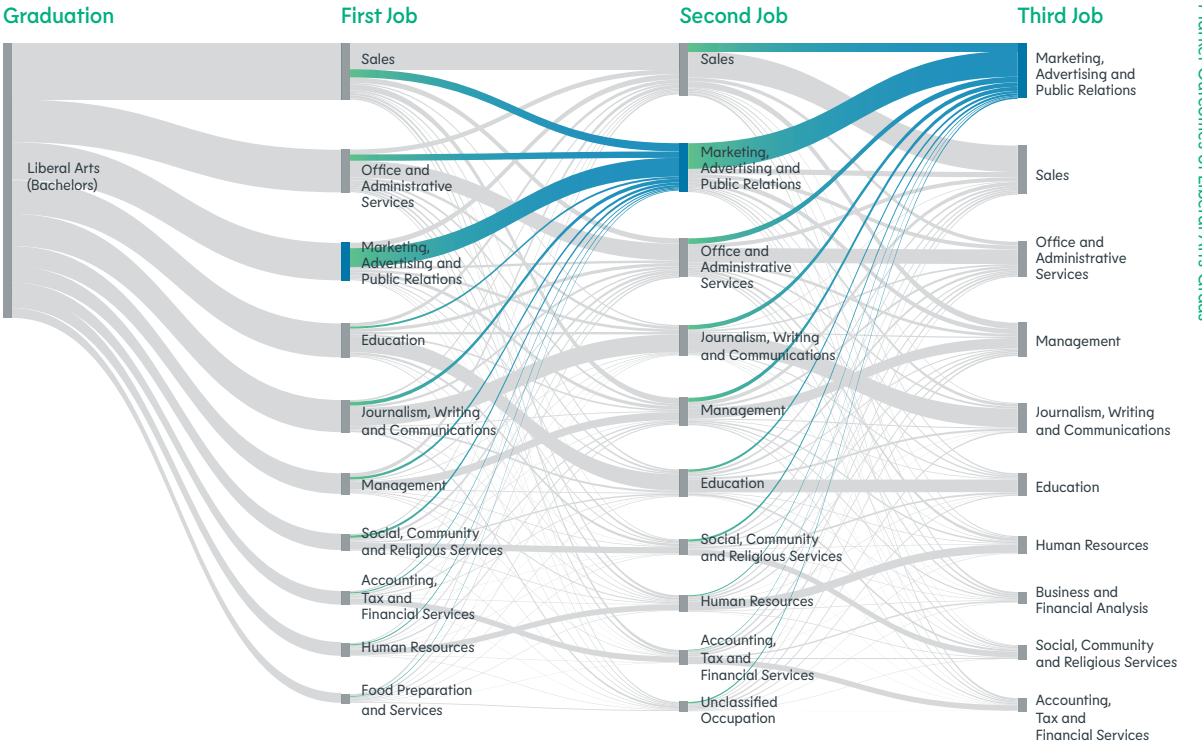


Source: Emsi analysis of resume and profile data, 2018.

Real-time labor market data illuminates exactly what liberal arts graduates are doing with their majors. They move around a lot, migrating between industries and occupations. This career evolution is often mistaken for a kind of aimlessness. The popular narrative supposes that these graduates have the worst career outcomes as a result. The data doesn't support that.

Figure 5 illustrates the magnetism of a field such as marketing, advertising, or PR. Liberal arts graduates move in large numbers to this field by their third job. The same kind of dynamic occurs for occupations in management and human resources, where graduates are pulled away from from their first and second jobs and move into these magnetic fields with more high-wage and high-skill job opportunities.

Figure 5.
From their first to their third job, liberal arts graduates gravitate toward marketing careers.



Source: Emsi resume and profile analysis, 2018.

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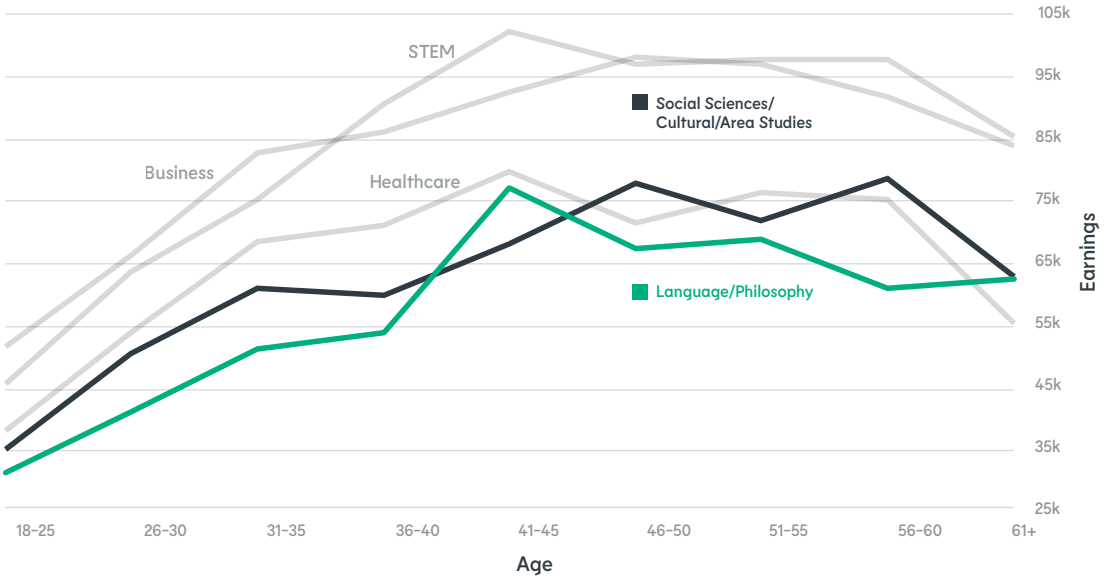
Graduates then hit their stride later in their careers, experiencing rapid wage growth in their late 30s and early 40s—the fastest among majors (Figure 6). They have solid earnings and consistently outstrip certain career-oriented majors, but they don't ever catch up to STEM majors in earnings. Liberal arts graduates start out behind STEM, healthcare, and business majors in earnings, and their relative position remains largely unchanged over the course of their careers.

Figure 6.
Liberal arts never catch up to STEM, healthcare, or business majors' earnings, but they have the fastest income growth among majors in their late 30s and early 40s.



Source: Emsi analysis of data from the Strada-Gallup Education Consumer Pulse Survey, 2018.

No competencies are rewarded more than STEM competencies in the labor market, and STEM majors out-earn all other majors from start to finish of their careers. Of course, earnings is far from the only measure of career or life success, and we shouldn't necessarily think about the differential outcomes across majors as a rat race or a zero-sum competition. Liberal arts graduates' marketplace outcomes are positive but less predictable than their STEM peers.

Liberal arts graduates fare well in today's market. Not all liberal arts graduates become baristas, nor do they all go to graduate school or become teachers. In a fascinating evolution of the market, liberal arts graduates now make up a larger percentage of the tech workforce than technical graduates do. LinkedIn data estimates: "Between 2010 and 2013, the growth of liberal arts majors entering the technology industry from undergrad outpaced that of computer science and engineering majors by 10 percent. Internet or software companies are especially popular—38 percent of all recent liberal arts grads in tech currently work in this space." Companies are looking for intellectual dexterity just as much as they need technical expertise.

Liberal arts graduates have, on average, achieved positive labor market outcomes in the long run. It's important to be precise about the long-term career outcomes for these graduates. Liberal arts graduates, on average, ultimately transition to magnetic, high-skills career areas with good earnings. Are the earnings as strong as a business major or a STEM major? No, but they do find a path forward.

For more information on how this data relates to the future of work, please refer to "Robot-Ready: Human+ Skills for the Future of Work" (www.economicmodeling.com/robot-ready), a report by Strada Institute for the Future of Work and Emsi.

Endnotes

1. Carnevale, Anthony, "House Republicans got this right: Colleges should tell students how much bang their buck will buy," 2017. In our examination, we distinguish liberal arts majors from majors that are more career-oriented, such as business and healthcare, as well as the physical sciences, as they are more often grouped with STEM majors in common parlance. We acknowledge, however, that disciplines like biology and chemistry have different outcomes than majors like computer science or engineering. We do include broad, interdisciplinary degrees, the humanities (English, philosophy, history, theology, etc.), and the social sciences.
2. Marcus, Jon, "Colleges face pressure to answer a basic question: What are students learning?" 2018.
3. Association of American Colleges & Universities, The LEAP Challenge, 2018.
4. Association of American Colleges & Universities, Value, 2018.
5. Adelman et al., The Degree Qualifications Profile, 2014.
6. Strada Institute for the Future of Work analysis of data from the U.S. Census Bureau's American Community Survey, 2016.
7. Schmidt, Benjamin, "The Humanities Are in Crisis," 2018.

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Strada Institute for the Future of Work is dedicated to advancing our understanding of the future of learning and work, so that we may begin to build the learning ecosystem of the future. Strada Institute is a part of Strada Education Network®, a national nonprofit dedicated to improving lives by catalyzing more direct and promising pathways between education and employment.

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