

## JOURNAL REPORT | WEALTH MANAGEMENT

# Good News, Liberal-Arts Majors: You Do Just Fine

Business and engineering grads earn more right out of college. But that changes over a career.

BY GEORGE ANDERS

SIX YEARS AGO, Andy Anderegg's decision to major in English looked like an economic sacrifice. When she left academia in 2010, with a master's degree in fine arts from the University of Kansas, the first job she landed was a **Groupon** Inc. writing gig paying all of \$33,000 a year.

Now, however, Ms. Anderegg is riding high. She rose rapidly as Groupon expanded, becoming managing editor of the shopping-coupon site in 2012; by the time she left in 2014, she was earning more than \$100,000. Today, at age 30, she is executive editor at Soda Media Inc., a Seattle creator of online content, and building up her own digital-media consulting practice. She won't disclose her aggregate income but says: "It's better than what I made at Groupon."

Ms. Anderegg's delayed payoff is part of a little-noticed bright spot in the earnings picture for humanities and social-sciences majors. It's no secret that liberal-arts graduates tend to fare worse than many of their counterparts immediately after college: According to **PayScale** Inc., a Seattle-based provider of salary data, the typical English or sociology graduate with zero to five years of experience earns an average of just \$39,000 a year. By contrast, finance majors with that level of experience average \$52,000; nursing, \$57,000, and computer science, \$63,000.

The story tends to change, however, as careers play out. Over time, liberal-arts majors often pursue graduate degrees and gravitate into high-paying fields such as general management, politics, law and sales, according to an analysis by the Association of American Colleges & Universities, a trade group representing more than 1,350 schools. Once people reach their peak-earnings ages of 56 to 60, liberal-arts majors are earning an average \$66,185, the association found. That's about 3% ahead of the earnings pace for people with degrees in vocational fields such as nursing and accounting, though it remains more



Andy Anderegg's English and fine-arts degrees have paid off with leadership jobs at shopping-coupon site Groupon and now online-content creator Soda Media.

than 20% behind science and engineering majors.

## Ultra-high earners

Even more striking, however, are earnings trends for ultrahigh achievers across all majors.

Using Census Bureau data, the Brookings Institution's Hamilton Project analyzed lifetime earnings for each discipline's top 10% of moneymakers. It found that computer science's stars rang up lifetime earnings of at least \$3.2 million. Nice work, but not as impressive as philosophy majors' \$3.46 million or history majors' \$3.75 million.

Consider the executive leadership team at Seattle's **Zillow Group** Inc. The real-estate data firm's chief executive, Spencer Rascoff, chose a government and economics concentration at Harvard University. Chief Financial Officer Kathleen Philips studied political science at the University of California, Berkeley. Chief economist, Stan Humphries, earned a bachelor of arts in interdisciplinary studies from North Carolina's Davidson College.

Last year, Mr. Rascoff, Ms. Philips and Mr. Humphries each earned at least \$7 million in salary, bonus or stock options, according to Zillow's proxy statement. Mr.

Humphries took the most roundabout route of the three; after graduating from college, he taught high-school science in Africa for the Peace Corps before eventually earning a Ph.D. in government from Georgetown University.

"College shouldn't prepare you for your first job, but for the rest of your life," says John Kroger, president of Reed College in Oregon, the liberal-arts school that famously served as a starting point for Steve Jobs. Although Mr. Jobs dropped out of Reed in the early 1970s, the **Apple** Inc. founder often credited the school with stretching his horizons in areas such as calligraphy, which later influenced Apple's design ethos.

## Traits that matter

In the short-term, employers still say they prefer college graduates with career-tailored majors. A recent survey of 180 companies by the National Association of Colleges and Employers found that at least 68% want to hire candidates who majored in business or engineering. By contrast, only 24% explicitly want communications majors, 21% want social-sciences majors and 10% humanities majors.

When asked to define the most résumé traits that matter most, however, the NACE-sur-

veyed employers rated technical skills 10th. Four of the top five traits were hallmarks of a traditional liberal-arts education: teamwork, clear writing, problem-solving aptitude and strong oral communications. Mindful of those longer-term needs, some employers end up hiring humanities and social-sciences graduates, even if such majors aren't explicitly singled out when recruiting.

"It's easier to hire people who can write—and teach them how to read financial statements—rather than hire accountants in hopes of teaching them to be strong writers," says Liz Kirschner, head of talent acquisition at **Morningstar** Inc., a Chicago investment-research firm. Since its founding in 1986, Morningstar has hired an unusually large number of humanities and social-sciences majors.

One of them is Alec Lucas, a philosophy and classics major who earned a Ph.D. in theology, expecting to make a decent living in either ministry or teaching.

"The best job offer I could find involved being a visiting professor, teaching four classes per term and getting paid call-center wages with no health insurance," Mr. Lucas recalls. Morningstar snapped him up at roughly triple the

## How Pay Stacks Up

Median annual earnings for select liberal-arts and other degrees, based on years of experience.

LIBERAL-ARTS MAJORS	0-5 yrs	10-20 yrs	20+ yrs
English language & literature	\$39,000	\$69,000	\$73,000
History	41,000	72,000	81,000
International relations	44,000	74,000	119,000
Philosophy	42,000	82,000	97,000
Political science	43,000	77,000	89,000
Psychology	38,000	60,000	69,000

## OTHER MAJORS

Accounting	\$47,000	\$73,000	\$84,000
Business management	45,000	69,000	81,000
Civil engineering	56,000	89,000	108,000
Computer science	63,000	103,000	116,000
Hospitality management	39,000	60,000	70,000
Nursing	57,000	73,000	75,000

Note: Data is for bachelor's degree. Source: PayScale. THE WALL STREET JOURNAL.

divinity-school's pay package, and put him to work as a mutual-fund analyst. His longtime side interest in investment helped him find his footing; now he is Morningstar's expert on more than a dozen well-known equity-trading funds.

## Broad thinkers

Alice Harra, associate dean of students at Reed, says recent graduates of the college are landing hundreds of jobs with tech companies that value a liberal-arts ethos. Others have created startups such as Urban Airship, Puppet Inc. and Inspiration Software, Ms. Harra says.

"I love hiring liberal-arts graduates," says Dave Elkington, founder and chief executive of InsideSales.com, a Provo, Utah, company specializing in customer-data analysis. "They think broadly and communicate effectively. They aren't stuck in a rut. They can challenge ideas." Mr. Elkington, a philosophy major himself, says he came up with a lot of the ideas for his company's analytic tools by reflecting on Aristotle's classifications of knowledge.

Mr. Elkington isn't the only one who values liberal-arts degrees. Last year, LinkedIn data scientist Alice Ma analyzed the career paths of people who

graduated from college between 2010 and 2013. Within that sample, she found that about 10% of all liberal-arts majors headed into tech-sector jobs. The figure jumped to 14% when she narrowed the list to 40 top-ranked schools, such as Harvard, Amherst College and Stanford University.

Liberal-arts graduates were most likely to join tech companies to work in sales (11.8%), marketing (5.2%) and project management or business strategy (5.1%), she says. Other common specializations included customer service, corporate communications and human resources.

Not every liberal-arts degree is equally likely to translate into a midcareer income boost. PayScale's data shows that for people with 10 to 20 years of experience, degrees in communications, political science, history and philosophy yield average annual income of \$70,000 or more. By contrast, degrees in French, anthropology, creative writing and film fit into a band of \$60,000 to \$69,000. Fields such as theology, photography and music bring up the rear; they pay less than \$60,000 on average.

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