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Perfect information

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Quad 136

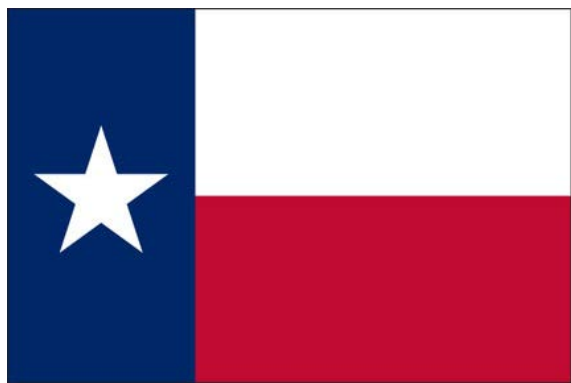
Perfect Information

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Perfect Information

If you recall your principles of microeconomics class, one of the assumptions that economists emphasize is that of perfect information. Markets work more efficiently if all buyers and sellers have perfect (or complete) information about prices, quality, availability, tastes etc.

Economists freely admit that it is the rare market that truly meets the criteria associated with perfect information and much research has explored the implications of imperfect information, but in general markets work better for buyers and sellers the more information that is available to market actors. This intuition is at the heart of the many calls for more and better information for the consumers of higher education.



A recent *National Journal* article entitled, “[The Cost-Benefit Guide to Choosing a College Major](#),” examines a new Texas website called [My Future TX](#) which is designed to provide students and parents with information from Texas public institutions about majors, time to completion, student debt and earnings, among other things. The data comes from the Texas Workforce Commission and allows students to compare degrees, majors and schools across a variety of outcomes. I did not spend a tremendous amount of time at the site, but below is a typical chart that looks at outcomes for an economics major compared to other social science majors.

Economics major compared to other social science degrees:

Major	Degree	Ave. time to degree	% of graduates with debt	Average 1st year earnings	Average 10th year earnings
Economics	Bachelor's	4.9 yrs	55%	\$41,848	\$101,792
Social Sciences, General	Bachelor's	5.4 yrs	71%	\$28,602	\$52,906
Anthropology	Bachelor's	5.3 yrs	67%	\$24,399	\$46,328
Archeology	Bachelor's				\$61,956
Criminology	Bachelor's	5.9 yrs	75%	\$31,022	\$49,925

Geography and Cartography International	Bachelor's	5.2 yrs	64%	\$34,739	\$62,054
Relations and National Security Studies	Bachelor's	5.3 yrs	71%	\$26,307	\$49,279
Political Science and Government	Bachelor's	4.8 yrs	64%	\$30,693	\$74,922
Sociology	Bachelor's	5.4 yrs	71%	\$28,649	\$53,525
Urban Studies/Affairs	Bachelor's	4.6 yrs	42%	\$30,895	
Social Sciences, Other	Bachelor's	9.0 yrs	73%	\$28,180	\$78,751

The usual caveats apply to this site and the data it provides:

1. College is about more than financial costs and benefits, though of course those matter.
2. The data is very aggregated and your individual student's performance may vary!
3. The data does not appear to take into account unemployment or people who drop out of the labor market.
4. First jobs are not the same as third or seventh jobs. Education is an investment over a lifetime and even ten years out may not be long enough to truly know how an investment pays off.
5. Don't forget the private school option. These data do not include some of the great private institutions in Texas—Rice, Baylor, Trinity College, Sothwestern, TCU or SMU.

But in general, this kind of data is helpful. It helps students and families make a more informed decision and likely improves the conversations about what a student hopes to get from a college education—financial benefits, as well as others non-pecuniary benefits.

We at the College of Saint Benedict and Saint John's University have been leaders in providing this kind of information. Our data is more granular as we collect and share it at the individual student level (names removed, of course).

If you are interested in seeing what our graduates are up to, you can explore three years of the CSB/SJU Recent Graduate Survey [here](#). But even with this detailed data, remember that the best residential liberal arts experience is an investment for a lifetime, not just that first job.

Michael Hemesath | June 2nd, 2014 | Categories: [Economics](#), [Higher Education](#) | [1 Comment](#)

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Michael Hemesath is the 13th president of Saint John's University. A 1981 SJU graduate, Hemesath is the first layperson appointed to a full presidential term at SJU. You can find him on Twitter [at] [PrezHemesath](#).