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**RESEARCH PAPER**

**Impact of Economic Factors on Major Subject Choice**

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**ABSTRACT**

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Objective of the study is to investigate the main determining factors of educational choiceness of youth selected from Post Graduate Colleges of KPK. Career choice and major selection is a process rather than a particular event in an adolescent's life. Each individual going through this process gets stimulated by many factors. A structured questionnaire was used to collect cross-sectional data from 1978 respondents enrolled in BS degree. Logit model is used because dependent variable is dichotomous which indicates that utility derived from one option of four-year BS Degree is greater than the utility associated with other choices. The Results of Economic Factor model shows that more jobs availability, Market trends, Expected Monetary Returns, Attractive Salaries, Motivation, Quality of Life, Expectations, Unemployment and Inflation rate have significantly impact. It was recommended that students should have opportunities to assess, explore and analyze alternatives choice and provided with more support, professional training, career counselling and guidance so they can become vital asset and skilled human capital.

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**Introduction**

Education has now become main pillar of knowledge economy to which many developing economies want to reach with their policies. It has become a way forward for economies to achieve path of globalization and development. Because cooperation and globalization in today's world has become the strong need for expansion of economies, so it made tough competition because of its expansion in various forms at different levels (Doua *et al*, 2018). Education has become the main hub for attracting the local investment, enhancing the skills, improving the human capital. In order to have more improved human capital, decisions in life should be taken appropriately like what to study, where to study, what field should be selected etc.

Because in a person's life, choice of career is among the most important decisions, which one has to make normally at early age, having potential to impacts one's life with respect to; lifestyles, and wellbeing (Hsiao & Nova, 2016). Career choice and major selection is a process rather than a particular event in an adolescent's life (Hsiao & Nova, 2016). Possibly college subject decision is one of crucial, challenging more effort requiring and rigorous decision which can impact an individual's future life potentially (St. John, 2000). Choice of major describes an important process of

individual behavior which starts with availability of various options, that gradually contracts to few favorites until it came down to final choice (Alon & DiPrete, 2015).

Each individual going through this process gets stimulated by many factors like environment and circumstances in which they live, their individual abilities, and educational attainment, affordability, satisfaction, access, interests about career, socio-economic factors, future opportunities for employment, future returns etc. (Watson *et al*, 2010; Aminu and Timothy, 2014; Fizer, 2013). Monetary rewards are the foremost factor in an individual decision about career choice and it has causal effects on future earnings (Altonji *et al*, 2016). If the factors on the basis of which decision is being made, were inaccurately specified and information is misused, then decisions about careers and educational outcomes normally become uncertain. There are many types of problems that can arise during decision making process which ultimately harm the career related decisions of an individual.

In Western and developed countries field or subject selection is quite different from ours, as they focus on students from early childhood by observing their tendencies via different means or activities, and then they decide field according to their natural tendencies & capabilities. Many students in Pakistan choose the major which determine their career at the start of college education while taking admission in BS degree, due to some influencing factors but most of times they don't know much about the chosen field as educational research usually lacks analytical approach. Over the time number of factors has been identified which can potentially impact the student's selection, and if students are able to recognize the importance of these factors while assessing the major fields then their decision will be more effective. This decision is taken as a list of major is available for students, they choose the one after narrowing down the list in influence of many factors like interest, family or friends influence, (Alon & DiPrete, 2015).

Objective of the study is to investigate the main determining economic factors of educational choices of youth selected from Colleges of Khyber Pakhtunkhwa specifically students enrolled in BS programs. As economic factors are one of the main decisive forces which compel students and their families to think and choose about some certain specific subjects and careers. As Empirical research on major subject choices leading to career options is an often ignored field in Pakistan. Major choice is complex decision process that has the possibility to be influenced by many factors such as future expected returns, current job market trends etc (Hoxby & Turner, 2013).

This study has significance in many ways as it will serve as path breaking study for determining the role played by the five key factors in choice of major subject. It will provide students with judgmental perspectives about how to choose the major fields that matches with their capabilities and labor market trends and it also serve as the source of information for all stake holders like students, policymakers, society, management of institutions and parents etc.

### **Literature Review**

Review of literature describes Students have to decide whether to take admission, which university has to choose and what specific subjects to study. Different studies have been done in this regard with different major components. Jafari and Aliesmaili (2013) highlighted that economic factors significantly influence student's choice. One important determinant is future economic opportunities and

returns of a selected major subject, non-monetary (non-pecuniary) conditions of employment in these occupations and their academic abilities (Turner and Bowen, 1999). Morgan *et.al* (2012) noted that occupational plans of male are strong predictors of initial college major selection as compared to young women.

If correct decision about subject and career choice is taken early in the life, young students can have more fulfillment and satisfaction in future life and ultimately will contribute towards the development of economy and country as well (Kweyama, 2016). Empirical studies of Arcidiacono *et al*, (2010), Beffy *et al.*, (2012) and Wiswall & Zafar (2014) revealed that earnings are key determinants of major choice; future major choices are certainly associated with future earnings and earnings of spouse. Wiswall and Zafar (2011) finds that earnings and tastes are vital determinant and male are more influenced by earning differences whereas female are motivated more by ability differences, they are more inclined towards humanities and arts. For woman aptitude is the most influencing factor and for men influencing factors are potential of major for career, job opportunities and level of earning in that field (Malgwi *et al*, 2005). Monetary returns play an important role in determination of future paths for individual, found by Attanasio & Kauffman (2010), that male student is concern more with monetary returns; while marital concerns are more important for female. Baker *et al*, (2017) confirmed that expected outcomes of labor market and employment are the main factors of selection of major. While Shumba & Naong (2012) suggests that economic status have influence on student's major choice.

Correspondingly, Tacsir (2010) empirically analyzed that along with expected income, characteristics of the local labor markets and non-pecuniary factors are a key determinant. Kim *et al*, (2002) highlighted that good job opportunities and projected earnings significantly influence student's choice of major and profession. Ardelean *et.al* (2015) identified that many people consider higher education as a tool for getting job, whereas some people consider that their choices get influences by market demand for various subjects whereas income has not played defining role. Whereas, Hsiao & Nova (2016) found that job security, money making, easy job availability are key factors. Arcidiacono *et al*, (2012) argued that students' expectations, ability and expected earnings are important factors of choice of college major. Moreover, Zafar (2013) noted that earnings are more important for women than men. Jaradat and Mustafa (2017) proposed that opportunities for jobs and job advancement have shown prominent effect on major subject selection. The study of Putnam (2012) reveals that students also care about the current state of the economy i.e. mostly by national unemployment rate. Borchert (2002) finds that choice of subject depends on economic factors and employment opportunities.

Keshishian *et al*, (2010) found motivating factors that can possibly influence the student's choice of college major, such as, highest salary, future economic security and better opportunities of advancement in career. Similarly, Subsequently, Bakar *et al*, (2014) found job security, and satisfaction had motivated youth to making career decision. Similarly, Pringle *et al*, (2010) analyzed that higher salary, job security, promotion are vital factors.

Whereas, Gajderowicz *et al*, (2014) studied the economic determinants of higher education choices and conclude that economic factors are insignificant predictors of higher education choices. Keck (2016) examined that students were not largely inclined by monetary returns at the time of choosing the major subject. Fizer (2013) find that potential income, salary are least importance for students while

choosing major. Zafar (2008) examined how expectations change over time regarding major while focusing on gender differences in the choice of major and did not find any significant evidence of expected earning affecting the choice of major, leaving no role for informational differences on market returns to affect choice of major. Xia (2016) analyzed that Young people normally have strong response to their observed earnings opportunities in different fields. But with limited information about labor market, they have restrained choices and cannot respond in a better way to market demand. Gajderowicz *et al.*, (2014) identified the economic factors such as expected wage, job probability and reputation of profession show insignificant impact on education choice. Osikominu and Pfeifer (2018) investigated that women have lower expectation about their wage than men and hence less probability to choose STEM as a major. Whereas, income has not played big role in this choice (Titan *et.al*, 2015).

The main contribution of this work is many fold, as it's a comprehensive and wide-ranging work which incorporates various determining factors and characteristics; and their role on major choice. In some recent works on this topic, Alon & DiPrete (2015) aimed only to identify the gender gap in the making of choice set of major field. Another drawback emerge from the previous literature about this specific field of research is that very little empirical work currently exists on the crucial association of student motivations for choosing major and their level of satisfaction in college subject choice (Soria & Stebleton, 2013). Moreover, many studies perform OLS estimation and descriptive analysis to find the impact of various determinants and factors on educational choices (Kirkeboen *et al.*, 2016). Some researchers have empirically analyzed this choice by imposing certain conditions and imposing various parametric assumptions, like Arcidiacono *et al.*, (2011). Whereas, Gemici & Wiswall (2011) assumed that expectations are either myopic or rational while using realized choices and earnings to analyze their choice models, but opted choices based on preferences and expectations may not be consistent with assumptions. Mostly previous works only consider few aspects like Agarwala (2011) and Doua *et al.*, (2018) have been carried out by focusing on the single fields, whereas this work is aimed to fill that gap.

## **Metrial and Methods**

### **Theoretical background**

Economic models mostly lay emphasis on various econometric assumptions that potential college students consider sensibly and try to use cost-benefit analyses about deciding a college major (Lee & Chatfield, 2011). This study mainly lies under the umbrella of Human Capital theory and it borrowed few theoretical and conceptual frameworks from models of educational decisions such as Schultz (1963), Becker (1964) and Mincer (1974) etc. which considers education as investment that has associated returns with them and it adds to the productivity and capability of that individual. In other words, education decision is linked with future income and if taken efficiently and wisely, higher will be future income and utility. These decisions have many costs associated with it. It is evident that subject choice laid the foundation for career path of individual, and if chosen according to individual cognitive abilities then individual have suitable job, better productivity, high income and prosperous life.

### **Framework**

When a student is about to take the admission in Post Graduate college in BS degree, lets assumes that he/she has to choose among two main options of major fields, then their decision is the revelation of their preferences. A student  $i$  chooses among the two fields for four-year BS degree, which indicates that utility derived from one option of four-year BS Degree is greater than the utility associated with other choice of major field for four-year BS Degree ( $U_{i1} > U_{i0}$ ). The Utility  $U_{ij}$ , that alternative  $j$ , where,  $j=1$ , opting for Subject from major field of Natural and Physical Sciences,  $j=0$  taking admission in BS degree by opting major subject from Humanities and Social Sciences, gives individual  $i$ , is comprised of two main parts. First is a systematic term which indicates the attributing vector  $X$ (economic factors) and secondly a random component  $\epsilon_{ij}$

$$U_{ij} = \bar{U}_{ij} + \epsilon_{ij}$$

However, utility  $U_{ij}$  is immeasurable, but what we can observe is the ultimate decision  $Y_i$ , which have the value of 1 if the student (individual) chooses a subject for four year BS Degree from Natural and Physical Sciences and 1 if the student choose a major for BS degree from Humanities and Social Sciences. The rational student if chooses the alternative that will give him/her the optimal utility then:

$$\begin{aligned} \text{Probability } [Y_i = 1] &= \text{Probability } [U_{i1} > U_{i0}] \\ \text{Probability } [Y_i = 0] &= \text{Probability } [U_{i0} > U_{i1}] \end{aligned}$$

*Choice of Major*

$$\begin{aligned} &= \beta_0 + \beta_1 \text{Household Size} + \beta_2 \text{Expectations} + \beta_3 \text{More Jobs} \\ &+ \beta_4 \text{Market Trends} + \beta_5 \text{Inflation} + \beta_6 \text{Expected monetary returns} \\ &+ \beta_7 \text{Attractive Salaries} + \beta_8 \text{diverse market oppertunity} \\ &+ \beta_9 \text{Improve quality of life} + \beta_{10} \text{Labor Market risk} \\ &+ \beta_{11} \text{Economic security} + \beta_{12} \text{unemployment} + \mu \end{aligned}$$

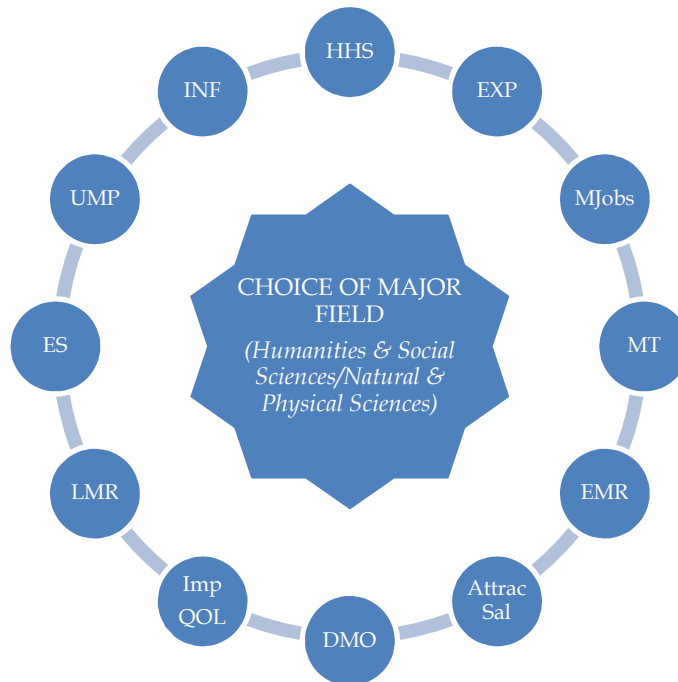


Figure 1 Theoretical Framework

### Data collection process and Sampling framework

A questionnaire was prepared, focusing on college level students to identify their tendencies based on economic factors while choosing the major fields. The sample of youth is chosen from the students enrolled year 2017 in BS programs in Post Graduate colleges of KPK by obtaining the information from Provincial Management Unit (PMU). Every college of Post Graduate status is selected from all those who have initiated BS degree Programs due to large subject offerings. By using that population size, sample size for male and female students from each of 25 Post Graduate Colleges is calculated by using the Proportional Allocation formula on the basis of Stratified Random sampling technique.

Target population is all BS colleges of KPK, out of which selected 25 Post Graduate colleges are sampled population. Every college has different departments so it served as a stratum. By using the proportional allocation, we have divided the total sample size among 25 strata according to gender enrollment. Half of allocated sample is selected from Natural and Physical Sciences and half is selected from Humanities and Social Sciences departments. Further we divide that subject wise sample according to gender enrollment proportionally. Then by using the random sampling technique we have selected number of respondents from their respective strata because population is further divided in small sub groups or strata and it is done on the basis of shared characteristics or attributes of respondents and can be used along with random sampling. Then collected data is analyzed by using logit model along with exploratory and descriptive analysis as done by Pendergrass (2008), Shumba and Naong (2012) and Alshammari & Tripathi (2017) among others.

As the dependent variable 'Major Field choice' is a dichotomous variable (as it has two options, either subject selected from Natural and Physical Sciences or subject selected from Humanities and Social Sciences group) so binary Logit technique (based on augmented version of methodological framework of Humlum *et.al* (2012), Alon & DiPrete (2015)) is considered as most appropriate to estimate and odds ratio (Odds ratios are used to measured association between two events) are used to interpret the coefficients.

### Variable construction

**Table 1**  
**Economic Factor Model**

Dependent Variable		
MajorField	Major Field of study of respondent	1 = Natural and Physical Sciences 0 = Humanities and Social Sciences
Independent Variable		
HHS	Size of the respondent's household	1 = Households size of 8 and less 0 = Household size of 9 and above
MarkTrend	Subject selection due to prevailing market trends	1 = Subject Choice due to Market Trends 0 = Others
ExpMonReturn	Expected Monetary returns Associated with	1 = Subject Choice due to Expected Monetary Returns

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	the field is the reason behind Subject choice	0 = Others
DiverseMarketOp per	Diverse market Opportunities related with field led to the choice of major subject	1 = Subject Choice due to Diverse market opportunities 0 = Others
QualityOfLife	Quality of life will be improved by choice of this subject	1 = Subject Choice will improve quality of future life 0 = Others
EconSecurity	Secured Future and economic security related with subject fields directed the choice of subject	1 = Subject Choice as it will Provide Economic Security 0 = Subject choice is not related with provided economic security
AttractSalaries	Attractive salaries of jobs related with subject are the prime reason	1 = Subject Choice due to attractive salaries jobs 0 = Subject choice does not depend on attractive salaries
Expectations	Future Expectations forced to choose this subject	1 = Subject will help me to meet my expectations 0 = Subject not lived up to my expectations
LabMarkRisk	Subject choice Due to the fear of labor market risk	1 = Fearing the risks of labor market 0 = Not fearing the risks of labor market
UnemployRate	Current unemployment rate forced to opt for this subject	1 = Current unemployment rate effect Subject Choice 0 = Current unemployment rate does not effect Subject Choice
Inflation	Current inflation is one of key reasons for subject choice	1 = Inflation is the main reason of Subject Choice 0 = Inflation is not the main reason of Subject Choice
More Jobs	More Jobs availability pushed for subject selection	1 = Subject Choice due to more Job Availability 0 = Others

**Descriptive Analysis**

Some of the frequency analysis shows that household size of majority of the respondents have the household size ranging from 6 to 10 persons. Prevailing market trends play a decisive role for 1072 student's choice of subject. Expected Monetary returns play a deterministic role in selection of for 1078 students as their decisions are prone to expected lucrative monetary returns. Similarly, most 1534 students acknowledged the fact that they consider their current major subject because of availability of more jobs related with it. Similarly, presence of Diverse market opportunities after graduation positively molded the choice of 1362 students. Education improves lives, with this aim 78% students indulge in academic activities for going forward, and uplifting their living standard. Majority of students tried for

a subject that lead to better future and easy job availability after completion of degree. Similarly, almost 70 percent student want that their choice of subject that provides better economic security for future. Current economic situations and High rate of unemployment means that economy is not working well, there are a smaller number of jobs, large number of graduates and this affects the choices of majority of students who are currently enrolled in various degree programs. Normally human form expectation and likewise majority of students informed that their foremost expectations are to get Knowledge, getting job and developing the career, to meet the market demand, to be successful and to meet the family pressure and expectations etc. Whereas, 931 students feel the risks of labor market more, as they think that they will not get desired market opportunities and rewards by their current choice of subject.

## Results and Discussion

Demographic information about the respondents is provided in the table below which shows that 65% respondents are male and 35% students are female, mostly students studying having age of 20 years and large number of students comes from urban background.

**Table 2**  
**Demographic information of Participants**

Criteria	Levels	%
Gender	Male	65%
	Female	35%
Age	18 Years	1.5%
	19 Years	20%
	20 Years	44.8%
	21 Years	18.9%
	22 Years	11.1%
	23 and above	3.4%
Area	Rural	43.6%
	Urban	56.4%

## Economic Factors

Individuals invests in education in order to enhance their skills to become a better human capital. They have certain aims and aspirations in their educational career which depend on several factors including economic factors as well. The better decision has been made while considering all related factors from economic point of view, they become more endogenously strong human being. Economic factors can also be termed as the practical reasons of student's major subject choice because it consists of mostly those factors which are related with real life situations. Numerous studies show that there have been economic factors that determine the choice of major field of study by students. Murtagh *et al*, (2011), Malgwi *et al*, (2005), and Dietz (2010) found a considerable role of various economic factors in determination of major subject choice. In our model more jobs related with subject, latest Market Trends, Expected Monetary returns, quality of life, Attractive salaries, expectations, unemployment Rate and Inflation are some of the significant factors that explain the role of economic factors on the choice of major subject for the BS students enrolled in Post Graduate Colleges of KPK.



Results of Economic Factor model are presented in table 5.5 below and first factor which have significant odds value is more jobs available related with subject. As proposed by Malgwi *et al*, (2005) Potential job opportunities is one of vital factor for major choice decision, because it will give some sort of surety to the students that there is the light at the end of tunnel. Students will work with more rigor and effort in order to achieve that potential job opportunity. More jobs also mean that still there are jobs that are unfulfilled in market and number of graduates are less in that specific field, so if student opt for that subject, will surely have job. Odds ratio greater than one tells us that students looking to take admission in BS degree in KPK will prefer major from Natural and Physical Sciences due to more jobs availability in these fields.

Market trends are factors that describe the environment, flow and tendency of market and its players. It tells us the direction of the market, what is recently in and out of the market. Similarly, in educational market, people's tendency and inclination towards different subjects over the period of time decide the market trends about subject. In Pakistani higher education sector, in late 1990s and early 2000's, computer sciences became the trend, everyone try to opt it, and after few years, management sciences become huge trend with the privatization of financial sector. In our sample, students in majority of areas of KPK are likely to choose major from Natural and Physical Sciences because of market trends about sciences subjects. People give more weightage and privilege to sciences subjects than social sciences in majority of rural areas and some urban areas as well, due to social mindset of society. As Roska & Levey (2010) and Xia (2016) highlighted that market demand for skilled labor fluctuates over the time with the changing economic and business cycle, which also control the market flow and direction. This result is contradictory to the results of Ardelean *et.al* (2015).

Expected Monetary Returns are the materialistic rewards one expects to attain in market after giving efforts and it gives utility and satisfaction as some subjects have higher monetary rewards associated with them and some have lessor due to the nature of available and prevailing jobs in market about those subjects. Altonji *et al*, (2016) found a significant role of expected monetary earnings related with any field. From our sample, expected monetary returns significantly impact the choice of major from Natural and Physical Sciences positively. Higher monetary rewards associated with subjects from these fields serve as a compelling force behind the student decision of subject choice in BS degree. Most people belong to low and middle income families, they want to involve on the path of higher success in monetary terms which goes through the choice of appropriate subject in undergraduate degree. Because that will be their license to enter the job and business market.

Attractive Salaries at initial and later stages of jobs are another key player behind the choice of major subject. Every job is being paid by some pecuniary and non-pecuniary compensations, which will derive the image and reputation of that job in market. Tacsir (2010) found an important role of higher income levels in choice of major for both male and female whereas Fizer (2013) have proposed oppositely. Similarly, Borchert (2002) and Baker *et al*, (2017) proclaimed that number of students choose their major with the hope to get good employment opportunity after graduation, as good number of students consider attractive salary and employment opportunities as an important reason for major subject choice. Likewise, students of KPK enrolled in BS degrees in Post Graduate Colleges of KPK are not more likely to choose major from Natural and Physical Sciences due to attractive salaries. Because

the job compensation in Pakistan is not up to standard for all sectors, unequal wage rate prevails among provinces and sectors to sectors. No wage and compensation synchronization exists at majority of Public and Private opportunities in various sectors. Many sectors have low wages prevailing and exploitation is being done mainly because of excess labor force, which gives the employers opportunity to substitute among the workers.

Quality of Life can be regarded as the best subjective measure of happiness. Many factors play a significant role in determining the quality of life, may vary with individual preferences and characteristics. The better quality of life shows that how well an individual determines its preferences and choices in various aspects of life. If student make right call at the time of admissions by deciding such major subject that will enhance their skills, matched with cognitive abilities, open their minds and have the higher chances for success and penetration in market. Then they will have more chances of success in market, higher rewards, better living standard, optimal tradeoff, bargaining power, competitive advantage and many personal and professional accomplishments. Like Hsiao & Nova (2016) results shows that if a student of BS in Post Graduate Colleges chooses major with the main aim of improving his/her quality of life, they will opt for major subject from Natural and Physical Sciences.

Expectations can be defined as the anticipation, perceptions and most likely event to occur or it can be said as premediated resentments. Life is full of uncertainties so expectations play a critical role in our day to day life decisions and commitments. People do involve in everything with a hope and expectations, as they have some scare resources and unlimited wants. Expectations are the replica of reality as expectations are formed on the basis of previous events, experiences and available information. Similarly, students also have expectations in their life associated with various outcomes of their academic life. From a subject they expect that it will give them better chances, bright future, enhanced opportunities, deeper market penetration, high rewards, recognition, prestige and many alike them. In the pursuit of their expectations the students of KPK enrolled in BS degree would love to choose their major from Natural and Physical Sciences subjects. According to Stinebrickner and Stinebrickner (2013) students choose their major based on the student's expectations about those majors at the time of graduation, and this result contradicts with study of Zafar (2008).

Higher the unemployment rate shows that less number of jobs are being available in the market. There will be less demand available in the market and low opportunities for involving in labor market. It will discourage the new work force about to enter in the market. Students will keep an eye on the market situation at the time of choice about academic majors because it will determine their career path. If they choose those subjects about which market is saturated, then they will have less opportunities and chances to penetrate in market easily. They have to push hard and bear many sufferings and have to polish their skills very much in order to enter the market and be successful. If students do know the prevailing unemployment trends in market of KPK then they will choose major from Natural and Physical Sciences as they have more opportunities related with them in the market. Putnam (2012) and Borchert (2002) found that employment guarantee (less possibility of unemployment) is a strong factor behind any student's subject choice decision.

Inflation is a persistent rise in general price level and it affect purchasing power of individuals as it narrows down to the increasing cost. It also affects students as well, as it leads to increase in cost of education in shape of higher fees, increased expenses on study materials, travelling, hostels, food and other out of pocket expenses. Whereas, inflation also have indirect effects on students in shape of demoralizing, creating extra burden, push their expenses up, create psychological pressure which ultimately affect their mind set and thinking. On one hand inflation restrains the children of poor people from getting better and higher education, and on other hand, better educational and employment facilities are going in hands of students from rich families. Student’s choice of major will have a huge impact on their lives. If they take decisions appropriately in their life, then they will face less miseries of educational and practical life. In their study, Beggs *et al*, (2008) found that rising cost of education compel good number of students to change their major subjects. In our scenario case is slightly different as students will not only choose major from Natural and Physical Sciences due to inflation. This is mainly possible due to futuristic nature of society and mainly parents as they give more weightage to future life, for which they bear extra burdens in present. As inflation leads to higher educational expenses, parents tend to sacrifice their other expenditures to finance the educational expenses. Or even they sell some liquid assets to meet the educational requirements of their children.

**Table 3**  
**Results of Logit model for Economic Factors**

Variables	Odds Ratio	S.Err
HHS	0.991	(0.090)
MoreJobs	1.107**	(0.111)
MarkTrend	1.999*	(0.093)
ExpMonReturn	3.006***	(0.092)
DiverseMarkOpper	0.987	(0.097)
QualityOfLife	4.103***	(0.125)
EconSecurity	0.976	(0.098)
AttractSalaries	0.854**	(0.097)
Expectations	1.065*	(0.108)
UnemployRate	3.251**	(0.120)
Inflation	0.849*	(0.078)
LabMarkRisk	0.995	(0.091)
_cons	0.761	(0.148)
Log Likelihood	-1363.8	
P value of LR Chi Square	0.000	
N	1978	

Standard Errors in Parenthesis

\*, \*\*, \*\*\* shows the level of significance at 10, 5 and 1 percent of level of significance

## Conclusion

Choice of major describes an important process of individual behavior which starts with availability of various options, that gradually contracts to few favorites until it came down to final choice. The motivation for this study was to create better understanding of different factors influencing students while choosing college major. Majority of students are not able to choose the right major field on their own, and when something goes wrong then there are more chances of failure or loss of interest

can lead to leaving education career or luckily if they continue then they cannot use their potentials optimally.

The current trends of major field's selection can provide greater insight for the institutions to frame their offered programs and marketing strategies in accordance with student's potentials. This work identified key economic factors affecting the student choice of career, which gave us the current trend analysis of major choices and job market. This present study is an attempt to fill the gap, as this study might create good understandings of factors affecting the choice of major subject and career paths among the students of Khyber Pkhahtunkhwa (KPK). Also, the subject of this research is almost neglected in Pakistan and especially in this area, and hardly any proper research has been done on factors affecting major choice and career paths.

Economic factors can also be termed as the practical reasons of student's major subject choice because it consists of mostly those factors which are related with real life situations. Numerous studies in the existing literature show that there have been economic factors that determine the choice of major field of study by students. Results of Economic Factor model shows that factors with significant odds values are more jobs available related with subject, Market trends, Expected Monetary Returns, Attractive Salaries, Motivation, Quality of Life, Expectations, Unemployment and Inflation rate.

Based on the results of the study, several implications and strategies can be pointed out. Such as

- Students should be made more aware about the labor market outcomes associated with every major subject available, as current methods of information are inefficient to serve the full and adequate information to the students about the current prevailing labor market opportunities.
- Like other aspects of life, educational choices are also effected by macroeconomics fluctuations and factors such as inflation, recession and unemployment etc. As they have adverse impact on policies and offering of educational institutes, which ultimately does affect the decisions of student's other stack holders.
- Students who are unable to take admission in their favorite or first choice subjects usually do lack satisfaction, such steps should be taken both at personal and professional level so that student's satisfaction level should increase.
- Students choosing major subject based on monetary attractiveness and pay packages must be made realized that money cannot buy happiness, it usually depends on many other intrinsic and extrinsic factors.
- Results of this work will serve as the guide for policy makers, students, advisors, institutes, businessmen and government.

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