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GMAT Scores of Undergraduate Economics Majors

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Features and Information

In this section, the *Journal of Economic Education* publishes survey articles, international and institutional comparisons, and analytical studies on the economics curriculum, instructional materials, practices in teaching, and academic economics.

WILLIAM WALSTAD, Section Editor

GMAT Scores of Undergraduate Economics Majors

Paul A. Nelson and Terry D. Monson

Abstract: The average score of economics majors on the Graduate Management Admission Test (GMAT) exceeds those of nearly all humanities and arts, social sciences, and business undergraduate majors but not those of most science, engineering, and mathematics majors.

Keywords: economics majors, GMAT, MBA

JEL code: A20

Undergraduate economics majors often pursue further education in law or business. For admission to most law schools or MBA programs, applicants must take the Law School Admission Test (LSAT) or the Graduate Management Admission Test (GMAT). About four times more undergraduate economics majors take the GMAT (16,000) than the LSAT (4,000), giving a rough idea of their career choices between law and business.

Michael Nieswiadomy (2006) reported that economics majors performed well on the LSAT. In the present article, we report average scores of GMAT test takers who identified their undergraduate majors during the 2000–2001 to 2005–2006 test cycles. We found that, as they did on the LSAT, economics majors scored higher than most other undergraduate majors on the GMAT.

The Graduate Management Admission Council (GMAC, 1988–2007) provides information on the number and average of GMAT scores for test takers by

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TABLE 1. Average GMAT Scores by Undergraduate Major, 2000–2001 to 2005–6

Undergraduate major	Rank	Average annual no. of test takers	% of total	Weighted average GMAT score
Physics	1	1,018	0.53	610.0
Mathematics	2	1,985	1.03	591.2
Engineering	3	24,911	12.88	583.1
Other engineering/ computer science*	4	2,041	1.06	582.5
Philosophy	5	593	0.31	574.3
Government	6	529	0.27	569.6
Chemistry	7	1,691	0.87	566.4
Economics	8	15,754	8.14	564.0
History	9	2,125	1.10	562.8
Computer science	10	7,142	3.69	562.1
Operations management/ production	11	1,189	0.61	558.2
Biological sciences	12	4,343	2.25	554.6
English	13	2,843	1.47	554.3
Languages	14	1,724	0.89	539.7
Law	15	1,656	0.86	538.6
Political science	16	3,943	2.04	536.9
Architecture	17	664	0.34	535.0
Other humanities	18	2,044	1.06	534.1
Finance	19	18,999	9.82	533.5
Other social science	20	2,391	1.24	532.2
Other science/ mathematics	21	3,070	1.59	527.2
Psychology	22	3,249	1.68	521.2
Medicine/nursing*	23	622	0.32	510.6
Journalism*	24	679	0.35	510.2
Other fine arts*	25	1,032	0.53	508.3
Accounting	26	22,409	11.59	507.9
Information systems technology	27	4,138	2.14	504.2
International business	28	4,311	2.23	503.6
Sociology	29	1,381	0.71	502.9
Business education	30	5,151	2.66	499.7
Fine arts	31	912	0.47	499.5
Other majors	32	8,223	4.25	494.0
Other business*	33	12,059	6.23	493.1
Education	34	923	0.48	491.1
Management	35	15,055	7.78	485.1
Marketing	36	11,659	6.03	481.3
Hotel administration	37	964	0.50	473.1

(table continues)

TABLE 1. (continued)

Undergraduate major	Rank	Average annual no. of test takers	% of total	Weighted average GMAT score
Ranking by broad major category				
Sciences/eng/math/CS	1	47,486	24.55	572.9
Social sciences	2	31,951	16.52	547.6
Humanities/fine arts	3	9,828	5.08	537.6
Business	4	95,934	49.60	503.9
Total		193,422	100.00	533.4

*Averages are for 2002–3 to 2005–6; these majors were included in “other” categories in 2000–2001 and 2001–2.

undergraduate major for yearly test cycles. From this information, we calculated weighted average GMAT scores for undergraduate majors with an annual average of 500 or more test takers over the 2000–2001 to 2005–2006 test cycles (majors with fewer than 500 annual test takers were included in the other categories). The weighted averages smoothed any extreme values that may have occurred, especially for majors with relatively few test takers. There were 32 majors represented in the 2000–2001 and 2001–2 test cycles and 37 majors in the ensuing years.

The GMAT is scored on a scale ranging from 200 to 800 points. Scores of 750, 715, 620, and 540 represented the 99th, 95th, 75th, and 50th percentiles. To put these values into perspective, highly ranked MBA programs require high GMAT scores for admission; the average GMAT score for 2006 entrants to the top 10 MBA programs (as ranked by *U.S. News & World Report* 2007) was 707, and the average for entrants to the top 50 ranked programs was 672.

Table 1 ranks (from highest to lowest) the weighted annual average GMAT scores by undergraduate major and gives their average annual number of test takers and shares of total test takers. The bottom part of the table gives averages by broad categories of undergraduate majors (humanities and arts, social sciences, sciences/engineering/mathematics/computer science, and business).

About one-half of GMAT test takers were business majors; one-fourth were science, engineering, or math majors; one-sixth were social science majors (of which 50 percent were economics majors); and the rest were from other disciplines. Engineering (13 percent) and economics (8 percent) undergraduate majors were the two largest nonbusiness major GMAT test takers. Together, they accounted for slightly more than one-fifth of total test takers or two-fifths of nonbusiness test takers.

The undergraduate economics majors' average GMAT score (564.0) over the six test cycles was between the 57th and 60th percentiles of all test takers and placed them in 8th place behind physics (610.0), mathematics (591.2), engineering (583.1), other engineering/computer science (582.5), philosophy (574.3),

government (569.6), and chemistry (566.4). Examination of each year's rankings and scores indicates a very consistent pattern. Physics, mathematics, and engineering majors ranked 1st, 2nd, and 3rd in every year. Economics majors ranked no lower than 10th and no higher than 4th, with annual average scores within a narrow range of 556–573.

Economics majors perform well on both the GMAT and the LSAT. We would like to believe that their relatively high performance is because of the analytical skills developed in economics courses and the broader nature of economics curricula. However, economics majors are a self-selected group, and the GMAT (and LSAT) information does not identify other characteristics that most likely contribute to their higher average test scores.

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