

A woman with long dark hair, wearing a grey sweater and a brown scarf, is shown in profile from the chest up, looking out a window. The background is a blurred city skyline with tall buildings. The image has a green tint and is overlaid with several colored squares: a bright green square in the top left, a grey square in the middle left, another bright green square in the bottom left, and a dark grey square in the bottom left corner.

Is Business School **Worth It?**

The Transformative Power of a Graduate Business Degree

mba.com



Every year, thousands of people make the choice to invest in themselves with a graduate business degree and realize its powerful professional, personal, and financial benefits.

Will you join them, or will you be left wondering how an MBA or business master's could have transformed your life and career?

Depending on who you are and what your specific goals are, you may have a few questions:

- Why go to business school?
- Who goes to business school?
- Can a graduate business degree advance my career?
- Can business school help me change careers?
- How much more can I earn with a graduate business degree?
- And, most importantly: **Is business school worth it?**

Read on for insights on all these questions and more, based on all-new analysis of alumni and the perspectives of individual graduates.

On the numbers

Data and insights presented here are a product of the Research Department of the Graduate Management Admission Council™ (GMAC™), the premier provider of market intelligence for graduate management education.

What's shared is derived from multiple GMAC Research sources, primarily new analysis of more than 10 years of data collected from prospective students mapped to data collected from the same individuals following their business school experience. Comparing data collected at these separate points in time provides all-new insights on the value of a graduate business degree. For more, read *The Value of a Graduate Management Education: From the Candidate's Perspective*, available at gmac.com.

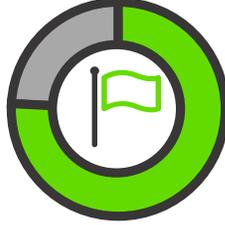
Additional data on career outcomes and salaries are provided by the MBA Career Services & Employer Alliance (MBA CSEA), a professional association of business school career centers and employers.

Quick Takeaways:



87%

of graduates agree that their degree increased their employability



76%

of graduates agree their business school experience prepared them for leadership positions



US\$124K

Mean starting salary for full-time MBA graduates

Why go to business school?

Business school students decide to pursue their degrees for a variety of reasons—but a common thread is a desire to invest in themselves to accelerate and elevate their careers.

Business leaders aren't born—they're made and molded over the course of their professional journeys. For many of today's most innovative and influential leadership talent, a key step on their journey was to go to business school.

Whether you're motivated to level up on your current career path, make a significant career change, or launch your career from the best possible position, investing in a graduate business degree offers tremendous value: it equips you with the in-demand skills, credibility, network support, and career opportunities necessary to have long-term success in an increasingly dynamic global economy.

The top three specific motivations business school candidates cite are to increase the job opportunities available to them (74%), increase their salary potential (72%), and develop their general business knowledge, skills, and abilities (71%). A majority of candidates are also motivated to accelerate their career path (67%), develop their leadership skills (62%), gain professional credibility or credentials (58%), and allow them to change career paths (51%).¹

Emerging from business school with a degree in hand—and more importantly, valuable experiences—allows graduates to go on to realize high levels of career satisfaction. Among alumni, most agree that their current job makes use of the skills they gained in business school, is related to their desired career path, has opportunity for upward mobility, and is work they find personally meaningful.²

¹ Graduate Management Admission Council (2022). The Value of Graduate Management Education: From the Candidate's Perspective.

² Ibid.

Quick Takeaways:



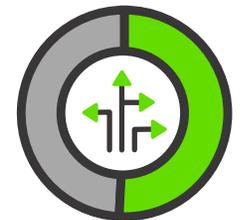
74%

of business school candidates are motivated to increase the job opportunities available to them



72%

of business school candidates are motivated to increase their salary potential



51%

of business school candidates are motivated to change career paths

Graduate Spotlight Q&A



Thuy Vu

MSC in Business and Management '21
Stockholm School of Economics

■ What motivated your decision to invest in business school early in your career?

I went to work straight after my bachelor's degree. I realized after about two years that even though I had built up good experience, it was mostly in day-to-day operational activities. I aspired to managing a department but knew that I lacked the knowledge and skills necessary to understanding business from a strategy management perspective. So, I decided that it was time for me to earn a business master's degree abroad and learn alongside like-minded talents from all over the world.

■ What advantages did you have in your job search as an enrolled business school student?

The reputation of Stockholm School of Economics as the top business school in the Nordic region gave me a great advantage. I also took opportunities during my time at school to try different paths—like interning with several different companies and working as a research assistant—to build up my work portfolio here in Sweden and get myself prepared as an international student for the job search after graduation. Finally, I strived to expand my professional network, getting in touch with

and speaking with the people who work in the fields that I am interested in. I've learned a lot and received a great amount of advice from them!

■ What advice would you give to aspiring international business school students?

First, do your own research and grab opportunities when you see them; do your best with the opportunities you have and doors will open for you. Second, take advantage of resources as a business school student to learn something new—your career will thank you later. I used my school credentials to learn new analytics tools such as R and Python and accessed a lot of useful resources for free or at a discount, which was extremely helpful for my job search.

Lastly, be curious and proactive. It never hurts to ask. Reach out to current students, alumni, or anybody who you think has the answer that you're looking for. Most of the time, people are more than happy to help you out.

Who goes to business school?

There's no one type of business school student. Classrooms are more diverse than ever before, and schools offer a wide array of program options that can help you meet your individual goals and needs.

Leading business schools attract talented students from a diverse mix of academic, professional, and demographic backgrounds. Among applicants who took the GMAT™ exam—the number one assessment in business school admissions—citizenship spans nearly 200 countries, and only about a quarter studied business as undergraduates.³ In US MBA programs, the percentage of Hispanic enrolled students doubled over the last 10 years, and the representation of Black and multiracial students are trending up as well.⁴

Leading business schools value diversity and build their classes with diversity in mind not only to make the pipeline of global business leadership more reflective of the societies it serves, but also to improve the overall learning experience of their programs.

All students, regardless of background, benefit from a classroom experience that exposes them to diverse perspectives, which stem from a diversity of backgrounds and experiences shared in class discussions. Through learning, working, and growing alongside a diverse cohort

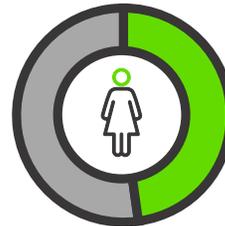
of classmates, MBA and business master's students emerge from their programs more thoughtful, empathetic, and informed about the world around them, and will bring that experience to bear in the leadership positions they'll occupy in the future.

Regardless of where you are in your career journey, business schools can offer you a program that's well suited to your experience level. Schools offer a varied portfolio of program types, including pre-experience business master's programs for students just starting their careers, full-time MBA programs for students with roughly three to nine years' experience, and a mix of professional MBA programs offered in flexible schedules and delivery formats, typically targeted at experienced professionals.

³ Graduate Management Admission Council (2020). GMAT testing data.

⁴ Association to Advance Collegiate Schools of Business (2021). 2021 Business School Data Guide.

Quick Takeaways:



48%

Applications to Master in Management programs from women



50%

Applications to Part-time MBA programs from applicants with six or more years' experience



83%

Programs offering merit-based scholarships

Graduate Spotlight Q&A



Chelsea Gardner

MBA, '20
UNC Kenan-Flagler Business School

■ How did you decide an MBA was the right path for you?

When I talked to mentors, advisors, and other trusted people in my life, an MBA just kept coming up. In my first job after undergrad, I worked in PR and communications, where I started to work closely with folks in brand management and became really interested in the business aspects of their role, as well as the cross functional work they did to make the brand come to life. I did research and realized an MBA was the path to that career that made the most sense from a return on investment standpoint.

■ How did your MBA experience lead you to your current job?

Networking was so important. For me, it was going to the Consortium conference and meeting with company partners. Through that, I was able to secure my internship with Colgate-Palmolive before I even stepped foot on campus. Then at UNC, I got an incredible perspective on how to answer for myself, "What is it that I want to do, and where do I want to do it?"

The whole MBA experience gave me the confidence to really consider how I could fit at an organization, and to not only go into an internship or interview thinking that they're evaluating me, but that I'm evaluating them, too. That was a powerful shift in perspective.

■ What piece of advice would you give people considering applying to business school?

Don't rush into the process. Take the time to think through what value you add to the school and how you want to articulate that. If you take the time to figure out exactly what you bring to the table, it can help combat imposter syndrome, and so when you get nervous about an interview or visiting a school, you can be more confident and not rule yourself out.

Can a graduate business degree advance my career?

Most business school graduates see an immediate professional payoff for their degree, as well as sustained professional growth over time.

Business master's and MBA graduates have widely applicable skillsets and are highly sought after by leading employers across industries. Every year, a wide pool of organizations competes to hire business school graduates for highly desirable leadership or leadership track roles.

According to MBA CSEA, 87 percent of last year's full-time MBA graduates received job offers within three months of graduation. Most, in fact, had a job offer before graduating (73%).⁵

Activities facilitated through business schools are the primary source of most graduates' job acceptances. Overall, 68 percent of job acceptances by last year's class came via school-facilitated activities, including converting an internship into a full-time job offer (26%), interviews secured through the school (15%), job postings on school career systems (9%), and activities supported by the school career center (6%).⁶

Last year, GMAC's annual survey of hiring professionals found that the majority of employers who recruited on business school campuses agreed that business school graduates tend to have a fast-track to upper-level positions in their organizations, and that leaders in their organizations tend to hold a graduate business degree.⁷

Why so much confidence in business school graduates? The top reasons recruiters cited included that they are strategic thinkers, have strong communication skills, and

have a versatile skill set.⁸ These skills—applicable to just about any business leadership role—are the hallmarks of a generalist graduate business education, proven over decades and continually updated to stay on top of the rapidly evolving business landscape.

Overall, 9 in 10 graduates agree that their graduate business education increased their employability (87%), and 7 in 10 agree their graduate business education provided them opportunities for quicker career advancement (68%). Of graduates who entered business school from entry-level roles, 3 in 4 advanced at least one career level within two years of graduating (75%).⁹

⁵ MBA Career Services & Employer Alliance (2020). Employment Data.

⁶ Ibid.

⁷ Graduate Management Admission Council (2021). Corporate Recruiters Survey.

⁸ Ibid.

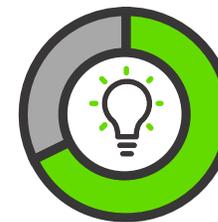
⁹ Graduate Management Admission Council (2022). The Value of Graduate Management Education: From the Candidate's Perspective.

Quick Takeaways:



87%

Full-time MBA graduates with job offers three months after graduation



68%

Job offers to full-time MBA graduates stemming from school-related activities



63%

Recruiters who agree leaders in their organizations tend to have graduate business degrees

Graduate Spotlight Q&A



Aaron Lichtig

MBA, '10

The University of Chicago – Booth
School of Business

■ What motivated your decision to pursue an MBA?

For me it was a mix of the practical and the aspirational. My employer offered tuition reimbursement for part-time programs...I had always been interested in an MBA, and that made the financial side manageable.

I had entered Proctor & Gamble without an MBA straight out of undergrad and was around a lot of people who had MBAs; I knew in order to be effective in the kind of roles that I was looking at that I needed to broaden my skillset and expose myself to more than what I was seeing in the day-to-day of my role..

■ Your career has included roles at some high-profile, industry-leading companies. How did your MBA prepare you for success in these types of organizations?

I think an MBA helps you succeed in a couple of different ways. One big one is that it allows you to be more fluent across functions, which allows you to be a part of conversations that you may not have necessarily been a part of otherwise. The generalist curriculum of an MBA allows you to know what's going on in any part of a business. Even if you're not an expert in a particular subject area, you understand what's going on and how things work.

For me personally, taking finance, accounting, and statistics classes with some really strong professors gave me a quantitative foundation that's been important in my career.

■ How did your MBA prepare you to think strategically as a leader in a rapidly evolving business landscape?

The University of Chicago is so grounded in academic research and asking good questions and figuring out what data can verify your hypotheses...I think that's always a good way of thinking, not just in business, but also in other fields. Looking at problems through the lens of academic rigor and experimentation instead of just relying on business platitudes or experiences that may not be generalizable...I like that approach to decision making and I've always tried to apply that way of thinking whenever I can in my career.

Can business school help me change careers?

Upskilling with a graduate business degree can be an effective means of pivoting your career into a new field or role—or even a new country.

For most, long gone are the days where you'd land a job with a firm and stay put for the duration of your career. In fact, some researchers have said the average person should now expect to have as many as seven “careers” during their professional lifetime.¹⁰ Couple that with increasingly rapid shifts in the business landscape, the reality is that you can't so much *plan* for the future as much as you can *prepare* for it.

Especially as we now come out of a global pandemic, people are increasingly reevaluating their careers and are eager to make a change for the better. In fact, about half of business school candidates say changing career paths is among their motivations for pursuing a degree (51%)¹¹—and around the same amount end up doing just that (50%).¹²

Among the 38 percent of alumni who changed industries after graduating, the most common industries they pivoted into were products & services (21%), technology (20%), and finance (15%). Among the 37 percent of alumni who changed job functions, the most common roles they took on were consulting (30%), marketing (18%), and general management (18%).¹³

Another common motivation among business school candidates is pivoting their career to a new country, like the United States, Canada, or countries in Western Europe.

A graduate business degree is an excellent means of international career mobility, enabling students to gain familiarity with the norms of a new country, gain work experience through internships, and earn a marketable degree that may qualify them for full-time employment there. In addition, the global diversity of leading business school classrooms prepares students to lead in international organizations. In fact, 70 percent of alumni agree that their graduate business education prepared them to work in culturally diverse organizations.¹⁴

¹⁰ Fast Company (2019). How to plan for two or three (or seven) different careers in your lifetime.

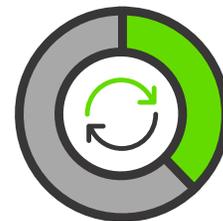
¹¹ Graduate Management Admission Council (2022). The Value of Graduate Management Education: From the Candidate's Perspective.

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

Quick Takeaways:



38%

Graduates who changed industries after earning their degree



37%

Graduates who changed job functions after earning their degree



70%

Graduates who agree their business school experience prepared them to work in culturally diverse organizations

Graduate Spotlight Q&A



Terry Sing Lee

MBA, '14
University of Melbourne – Melbourne
Business School

■ **Coming from a military background, what motivated you to pursue an MBA?**

I had an interest in business for quite some time. My decision to pursue an MBA crystallised when I came to the realisation that my military career was going to be increasingly focused on business/corporate type roles; I spent more time reading business and finance publications like WSJ and Bloomberg rather than geopolitical publications in line with my military career.

■ **What about your business school experience most enabled you to make your career switch?**

For one, technical knowledge. The MBA provided me with a solid grounding in core business topics like finance, corporate and business strategy, mergers and acquisitions, marketing, and accounting. This provided me with the technical grounding I needed to be an effective management consultant. The other big thing is networking. Business school connected me with graduates working in management consulting and allowed me to gain insights into their careers, the culture of different firms, and how to navigate the application and interview process.

■ **Which skills that you developed at business school have had the biggest impact on your career so far?**

A combination of hard and soft skills. Since completing my MBA, I have largely specialised in Mergers & Acquisitions (M&A). The MBA program provided the formal technical knowledge in all facets of business that I needed to be able to be an effective management consultant and executive focused on M&A. My MBA also offered the opportunity to hone my business communications and networking skills. Both skills are critical to be an effective business professional, and even more so to be a successful management consultant or executive. It is these two skills that become increasingly important as professionals take on more senior roles.

How much more can I earn with a graduate business degree?

The average business master's or MBA graduate earns significantly more than they would without their degree—and sees substantially higher earnings over the course of their careers.

Among employers who recruit on business school campuses, the median starting salary offered to MBA graduates last year was US\$115,000—notably higher than what the same employers planned to pay for direct-from-industry hires (\$95,000).¹⁵ According to MBA CSEA, last year's mean starting salary for MBA graduates was US\$124,000,¹⁶ and according to the Executive MBA Council the average salary and bonus package of Executive MBA graduates was US\$193,000.¹⁷

Median salaries for business master's graduate new hires—including US\$85,000 for Master of Business Analytics, US\$85,000 for Master of Finance, and US\$75,000 for Master in Management—also came out ahead of median salaries for newly minted bachelor's graduates (US\$65,000).¹⁸

It makes sense, then, that 70 percent of global employers agree that employees with a graduate business school education tend to earn more than others in their organizations. This is especially true in the consulting (81%), healthcare (74%), and products/services (72%) industries.¹⁹

Across the entire sample of graduates from the last 10-plus years, the average percentage increase in salary was 42 percent. Nearly 8 in 10 alumni agree that their graduate business education increased their earning power (77%).²⁰

This is often referred to as the *business school salary premium*, and over the course of your career the difference between what you make with your graduate business degree versus what you would have made without it adds up to a life-changing amount. According to analysis from the 2021 Corporate Recruiters Survey Report, an MBA graduate can expect to earn US\$3 million more than someone with only a bachelor's degree.²¹

¹⁵ Graduate Management Admission Council (2021). Corporate Recruiters Survey.

¹⁶ MBA Career Services & Employer Alliance (2020). Employment Data.

¹⁷ Executive MBA Council (2020). 2020 EMBAC Student Exit Survey.

¹⁸ Graduate Management Admission Council (2021). Corporate Recruiters Survey.

¹⁹ Ibid.

²⁰ Graduate Management Admission Council (2022). The Value of Graduate Management Education: From the Candidate's Perspective.

²¹ Graduate Management Admission Council (2021). Corporate Recruiters Survey.

Quick Takeaways:



70%

Recruiters who agree employees with a graduate business degree tend to earn more than others in their organizations



77%

Graduates who agree their graduate business degree increased their earning power



US\$3M

Amount an MBA graduate can expect to earn more than someone with only a bachelor's degree

Graduate Perspectives



The brand of my school, the variety of subjects and market tools that I was exposed to during my course, and the keen focus on honing my skill sets, combined together have strengthened my position in the market as the right fit for high impact-high value job roles. I am assured that my MBA was the right investment which has placed me on a fast-track towards greater impact and, of course, greater ROI.



Aishwarya Ajay

MBA '20
Indian School of Business



An MBA enhanced my earning potential by allowing me to (1) network with alumni in my target industry, (2) get first-hand work experience through class projects and a classmate's start-up, and (3) focus exclusively on my job search with the support of the career development office. There are obvious costs such as two years of lost income and room and board, but it was invaluable to focus my time on career discovery and create a roadmap for my career after business school.



Joshua Rodriguez

MBA '20
Harvard University
Harvard Business School



Earning a business master's degree not only built up my technical skills in business analytics but also made me a stand-out applicant in the competitive job market. My master's program offered me more opportunities to expand my personal network in the job market, building a strong foundation for my career path. More importantly, with the unique skills I earned in my master's program, I was able to secure a much higher salary than I would have before I went to business school.



Barbara Wu

Master of Business Analytics '20
Emory University
Goizueta Business School

Graduate Perspectives



Business school was key to unlocking my full potential. It was my means of becoming the learner, the professional, and the leader I dreamt of being, all while advancing my knowledge of finance, statistics, marketing, and management (to name a few). The Masters in Management program for me was the bar that separated me from simply having a job to developing a career. For that reason, business school was worth it for me.



Mariyah Adnan

Masters in Management '21
Georgetown University
McDonough School of Business



For me, I think what business school gave me most is the value of thinking. The MBA illuminates the path to the business world, and what professors teach is not only knowledge, but case studies that inspire students to think, problem solve, and strategize. This impact is profound, and it acts in an incremental way on our activities, work, and even our lives.



Sophia ShenTu

MBA '20
Fudan University
School of Management



The international and diverse backgrounds of my course were a great way to work alongside different cultures and experience a global business setting. Communication is a major aspect of my daily life and it was a key part of my studies at Warwick. I can now apply the resources provided by WBS and adapt to new and changing situations to provide the best possible work within the projects and the company I work at.



Oliver Rink

MSc Business with Consulting '20
University of Warwick
Warwick Business School

Is business school worth it?

So, when all is said and done, do business school graduates feel their investment of time, energy, and money was worth it?

The data, and the personal stories of graduates, clearly demonstrate that MBA and business master's degrees are a well-worn path to career advancement and leadership positions across industries, organization types, and continents.

Overall, 94 percent of alumni rate the value of their graduate business education to be good, excellent, or outstanding. What's more, nearly 9 in 10 report that they've had a positive return on investment on their business school degree (87%).

Most telling of all, the vast majority of alumni say their graduate business education improved their lives professionally (84%), personally (72%), and financially (69%).²²

Whatever your specific business career goal or motivation, investing in the business school experience can help you achieve it. Whether you're just starting your career or knocking on the door of the highest levels of management, the world's leading business schools will have a program option that's a strong fit for your goals, preferences, and level of experience.

How would a graduate business degree transform your life and career? There's only one way to find out.

Get started today at mba.com

²² Graduate Management Admission Council (2022). The Value of Graduate Management Education: From the Candidate's Perspective.





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About the Author

Matt Hazenbush is the editor of mba.com.

Prior to leading the mba.com team, Matt was the Research Communications Senior Manager for the Graduate Management Admission Council (GMAC). In that role he was responsible for key GMAC Research reports, including the annual Application Trends Survey and Corporate Recruiters Survey reports, as well as research white papers and briefs.

Matt earned a B.A. in History and Communication from Boston College, and an Ed.M. in Higher Education from the Harvard Graduate School of Education.