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mba.com Prospective Students Survey Report 2017



The mba.com Prospective Students Survey Report 2017 is a product of the Graduate Management Admission Council (GMAC), a nonprofit organization of 220 leading graduate business schools from around the world actively committed to advancing the art and science of admissions. The Council provides the solutions necessary for business schools and candidates to discover and evaluate one another to ensure that talent never goes undiscovered. GMAC owns and administers the Graduate Management Admission Test[®] (GMAT[®]) exam, used by more than 6,500 graduate programs worldwide, as well as the NMAT by GMAC[™] exam, used for entrance into graduate management programs in India. The Council is based in Reston, Va. with offices in London, New Delhi, and Hong Kong.

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Executive Summary

The economic and political landscape that prospective students navigate in deciding where to apply to graduate business school is shifting beneath their feet. Though the economy is much improved since the depths of the Great Recession, labor market disruption, entrepreneurial activities, and new technologies continue to change the nature of work. More recently, political movements emphasizing protectionist immigration and economic policies have altered the perceptions and intentions of candidates who seek international study opportunities. These factors impact the interests and goals of prospective students, as well as the offerings and recruitment strategies of the business schools that seek to attract them.

Graduate business school application volumes are countercyclical—when the economy is strong and jobs are plentiful, prospective students’ opportunity costs rise and fewer pursue a graduate business education. With smaller applicant pools in a stronger economy, business schools have expanded their program portfolios, leading to greater choice for candidates, increased competition among programs, and a growing share of candidates considering non-MBA business master’s programs. Though the MBA remains the most considered program type, non-MBA business master’s programs appeal to candidates seeking different student experiences and outcomes. Nonetheless, these programs don’t appear to be replacing MBA

programs, which retain their stature as the most preferred program type among all graduate business candidates.

School selection choices are largely influenced by where candidates think they can get the best quality education, which often leads them to study outside their country of residence or citizenship. Tuition affordability, student and work visa attainment, and perception of safety and personal security also contribute to where candidates plan to study. Though U.S. universities have the strongest reputation for providing a quality business education, a growing share of candidates seek other destinations that offer more affordable and welcoming options. Recently, proposed travel bans and tightened immigration policies in the United States have been a cause of concern for U.S. business schools as some international candidates may look elsewhere for their education. The ‘Brexit’ vote in the United Kingdom also may have a deterrent effect on plans of potential candidates who hoped to study there.

Candidates primarily pursue graduate business degrees to enhance their current career, pursue a different career, or manage their own business. The strengthened economy has influenced the career goals that candidates hope to achieve through a graduate business education—fewer candidates seek to change job functions, become an entrepreneur, work internationally, or remain with their current employer.



After some softness in student interest in finance and consulting, more candidates are again considering working in these industries. Though a sense of optimism has returned since the recent recession, lingering doubts about the economy's long-term strength remain.

As the cost of a graduate business education continues to rise, a full return on investment may take longer to achieve. This makes a candidate's decision about how to finance his or her degree more critical. In response to rising costs, candidates seek to fund a greater percentage of their education through scholarships, grants, and fellowships. They anticipate less reliance on financial support from their parents, their employers, and loans in comparison with recent years. For many, the decision about which school to attend will come down to which one offers the best financial package.

The findings in the *mba.com Prospective Students Survey Report 2017* highlight how these changes are influencing prospective candidates' decisions about graduate business education.



Introduction

The findings in the *mba.com Prospective Students Survey Report 2017* illustrate the extent to which graduate business education has become a highly globalized market. The student pipeline for graduate business programs includes a growing contingent of candidates from around the world who plan to apply to programs outside their country of citizenship, a trend that has been growing for years.

The market for graduate business education also has become more diverse and competitive—in testing year 2015–2016, more than 6,000 unique business programs around the world received a total of 561,866 Graduate Management Admission Test® (GMAT®) scores for various business disciplines, including MBAs and non-MBA business master’s programs.

These candidate-driven disruptions are challenging business schools to demonstrate how they can deliver value to a pool of potential candidates who have distinct career goals and study options in mind. Developing a value proposition begins by knowing the outcomes that candidates envision from earning a graduate business degree.

In its annual *mba.com Prospective Students Survey*, the Graduate Management Admission Council (GMAC) aims to help school professionals meet these challenges by providing rich student-centered perspectives on the

many social and economic factors that are influencing candidates’ decisions about their pursuit of a graduate business degree.

Analysis in this report is based on survey responses provided by 11,617 individuals who registered on *mba.com*, the GMAT exam website, between February and December 2016. Findings also are based on analysis of data collected in calendar years 2009 through 2017 from more than 117,000 individuals who registered on *mba.com* between October 2008 and September 2016.

Key topics include:

- Trends in program demand and profile of distinct candidate pools for MBA and non-MBA business master’s programs;
- Candidate preferences for international study and employment opportunities and the drivers behind regional shifts in international study options;
- Career goals, intended industries and job functions, and influence of local economies on candidates’ expected career outcomes; and
- Changes in the funding sources that candidates expect to rely on to pay for their education.

Key Findings

The MBA remains the predominant program format that candidates consider; demand for non-MBA business master's programs continues to grow.

- More than 3 in 4 prospective students surveyed (77%) report they are considering an MBA program compared with half (49%) who are considering non-MBA business master's programs.
- The percentage of candidates considering only non-MBA business master's programs has increased from 15 percent in 2009 to 23 percent in 2016. Candidates considering only MBA programs decreased from 52 percent to 49 percent over the same period.
- Fueling the growth of student interest in non-MBA business master's programs are newer specialized degree programs such as Master of Data Analytics and Master of Entrepreneurship.

Non-MBA business master's programs are not necessarily a substitute for an MBA.

- MBA and non-MBA business master's programs attract distinct candidate pools. Candidates considering non-MBA business master's programs skew younger, have little to no prior work experience, and are interested in acquiring technical skills. MBA candidates typically have more years of work experience and seek managerial and leadership skills.
- For many, a non-MBA business master's degree is not the end of their business education. Among the 1 in 5 prospective students (22%) who already have a master's degree, nearly half (47%) hold a master's degree in a business-related field. Most master's degree-holders are considering MBA programs (74%).

International study demand is strong, driven by desire for international employment.

- Nearly 3 in 5 prospective business school students (59%) intend to apply to programs outside their country of residence, up from 44 percent in 2009.
- Most candidates seek study opportunities outside their country of citizenship to receive a higher-quality education (63% of respondents), to increase their chance of securing international employment (58%), and to expand their international connections (51%).
- One-third (34%) of candidates who prefer to study outside their country of citizenship intend to seek employment in the country where they prefer to attend school.

The United States remains the most preferred international study destination, but candidate preferences are shifting.

- Among full-time MBA candidates looking to study outside their country of citizenship, 58 percent prefer to study in the United States, down from 61 percent in 2009. Since 2009, there has been an increase in MBA candidates preferring to study in Canada (4% in 2009 vs. 7% in 2016).
- In 2016, 47 percent of non-U.S. prospective students interested in non-MBA business master's programs expressed a preference for studying in the United States, down from 57 percent in 2009. Over time, there has been an increase in candidates considering non-MBA business master's programs in Western Europe (34% in 2016 vs. 30% in 2009), Canada (7% in 2016 vs. 4% in 2009) and East and Southeast Asia (7% in 2016 vs. 4% in 2009).

-
- International candidates who prefer to study in the United States are less likely to cite affordability of education, safety and personal security, and ease of obtaining student visas as positive drivers of their preference compared with international candidates who prefer study opportunities in Canada, East and Southeast Asia, and Western Europe.

Prospective students envision a variety of postgraduate career paths but preferences are slowly shifting.

- Overall, the top industries that prospective students are targeting for postgraduate employment are consulting (33% of respondents), finance and accounting (31%), and products and services (24%). The top job functions they are considering are marketing and sales (30%), finance and accounting (28%), and consulting (25%). Interest in each of these industries and job functions has increased since 2009.
- Equal shares of candidates are career enhancers (38%), who seek to grow in their job by developing their technical expertise, or career switchers (38%) who seek to pivot in a different direction by switching to a new industry or job function. One quarter of candidates have entrepreneurial goals (25%).

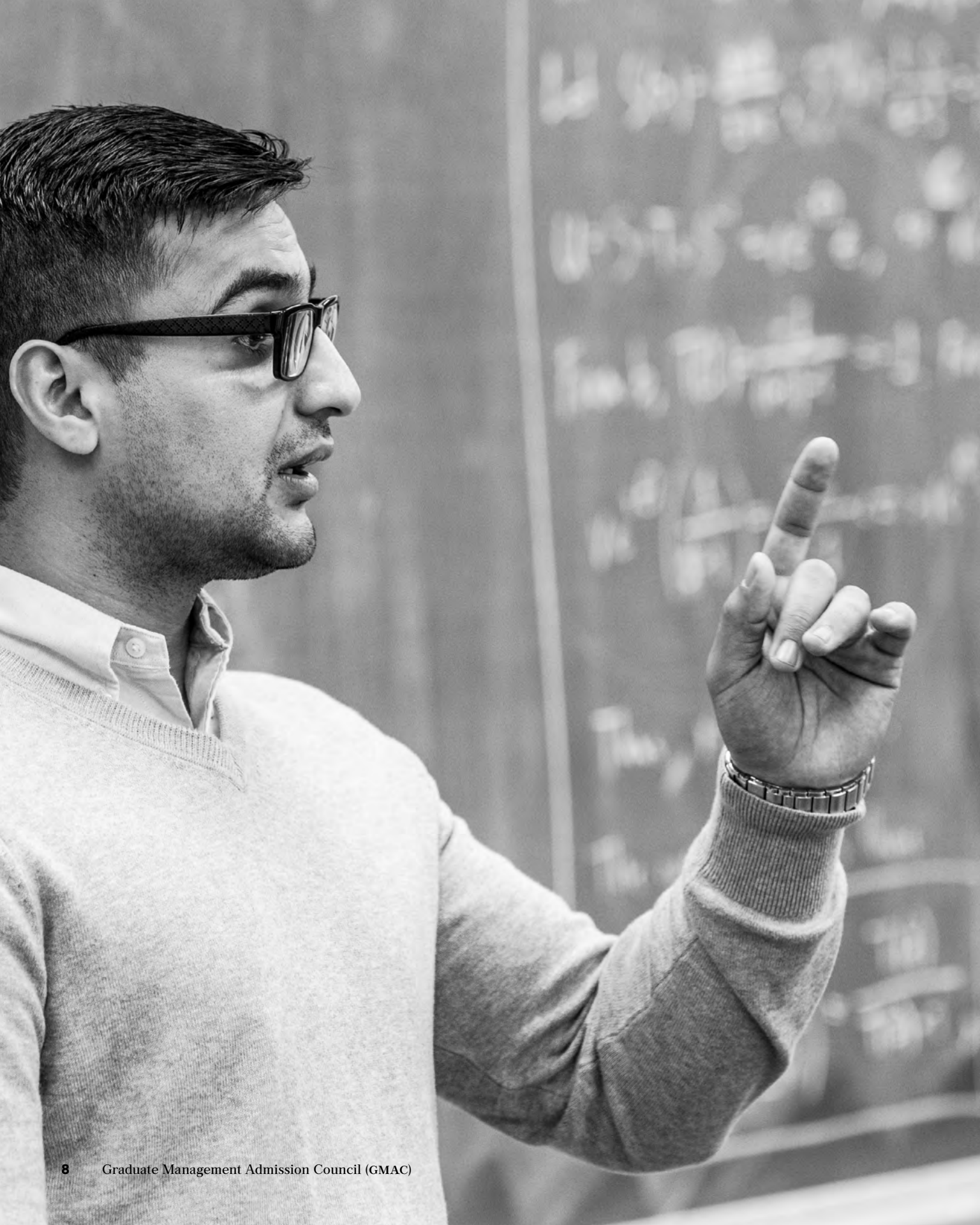
Perceived strength of regional economy influences candidates' career paths.

- In 2016, a higher percentage of candidates worldwide perceive their regional economy to be strong or stable compared with 2009, including those from Australia and Pacific Islands, Canada, Central and South Asia, East and Southeast Asia, Eastern Europe, Middle East, United States, and Western Europe.

- When the economy is perceived as strong or stable, prospective students are less likely to want to change job functions (42% in 2009 vs. 36% in 2016), become an entrepreneur (30% in 2014 vs. 25% in 2016), remain with their current employer (19% in 2012 vs. 15% in 2016), or seek international employment (38% in 2014 vs. 33% in 2016).

Education costs and financing continue to weigh heavily on candidates' minds.

- The cost of a graduate business education continues to be the biggest reservation for candidates. About half of survey respondents indicate that not having enough money available to pay for their education (52%) and potentially having to take on large debts (47%) may prevent them from pursuing a graduate business degree.
- Compared with 2009, candidates, on average, expect to cover a greater share of the cost of their education with grants, fellowships, and scholarships and parental support and a smaller share with loans and employer assistance.



Candidate Program Demand

Among all the graduate business programs available, MBA programs remain the predominant business programs that prospective candidates around the world consider and prefer in pursuit of their professional and personal goals. Three-quarters (77%) of survey respondents are considering MBA programs and 64 percent indicate they prefer them. An MBA program, by design, equips candidates with broader, more generalized knowledge, skills, and abilities and develops their managerial and leadership skills. Across all graduate program types, full-time two-year MBA and full-time one-year MBA programs are considered by the greatest share of prospective students (40% and 39%, respectively).

Non-MBA business master's programs, considered by half (49%) of survey respondents, tend to equip candidates with more specialized and technical knowledge and skills, especially programs that are quantitative in nature. Master of Finance (23%), Master of Accounting (14%), and Master in Management (14%) continue to be the most popular programs that prospective students consider in the non-MBA business master's category (**Figure 1**).

The skill sets that candidates want to develop generally align with the types of programs candidates prefer. Candidates who prefer qualitative master's programs (e.g., Master in Management or Master in Entrepreneurship) are more likely to seek managerial and leadership skills, the

same skill sets of interest to MBA candidates. Candidates preferring quantitative programs are much more likely to seek technical skill development (**Figure 2**).

Trends in Preferences for Master's Programs

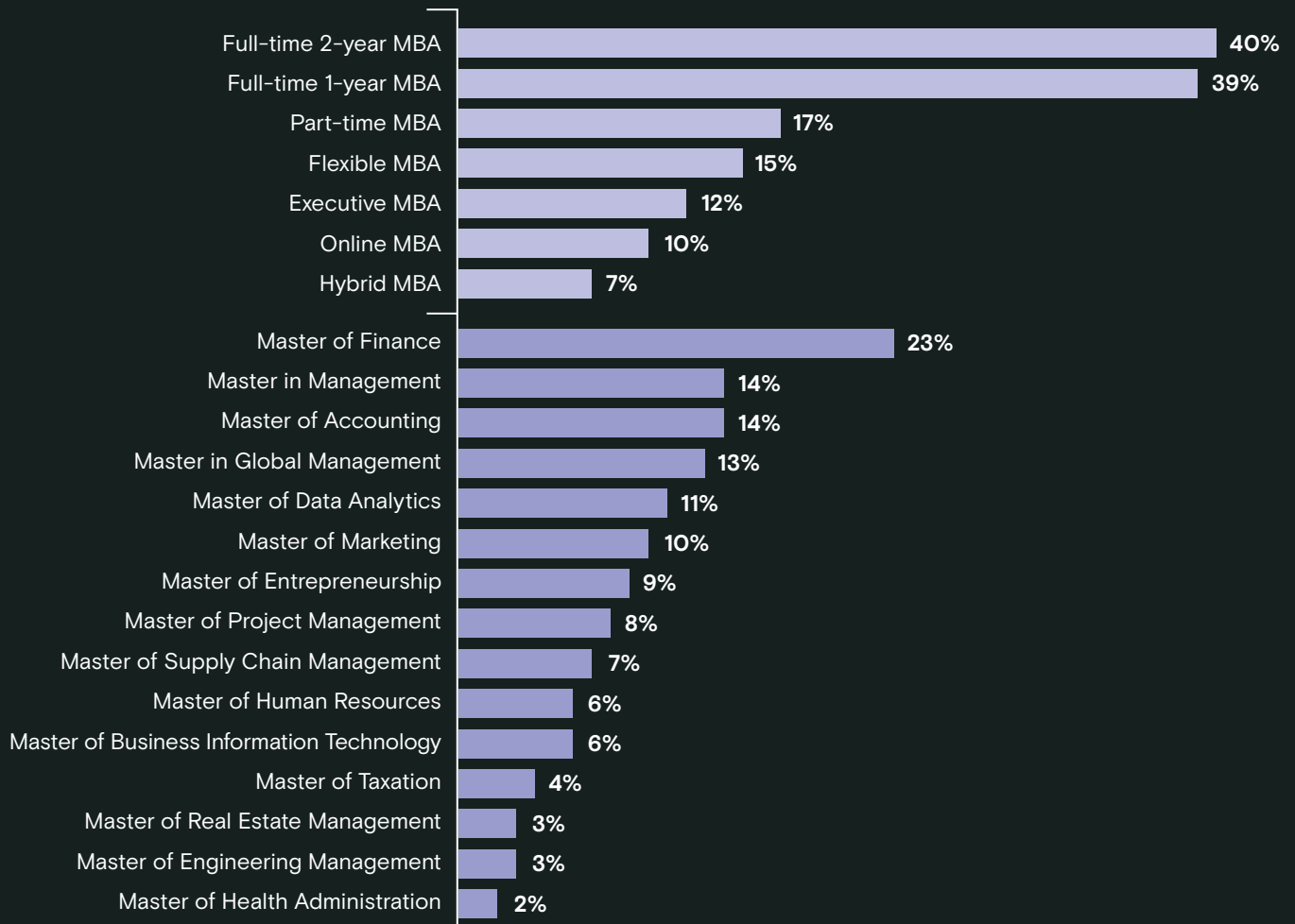
Non-MBA business master's programs have come to occupy more of the graduate business education space over the past few years due to continued candidate demand. In 2009, 15 percent of prospective students whom GMAC surveyed considered only non-MBA business master's programs versus 23 percent of candidates surveyed in 2016 (**Figure 3**). The popularity of these programs is growing around the world and in some regions more than others (**Figure 4**).

The number of non-MBA business master's programs accepting GMAT exam scores around the globe increased from 1,560 programs in testing year (TY) 2007 to 2,689 programs in TY 2016, with the largest increase seen in Europe and the Asia-Pacific region.¹ There has been a corresponding rise in GMAT score-sending to non-MBA programs as well. In TY 2007, 14 percent of GMAT scores were sent to non-MBA programs compared with 32 percent in TY 2016.²

¹The Asia-Pacific region includes Australia and Pacific Islands, Central and South Asia, and East and Southeast Asia.

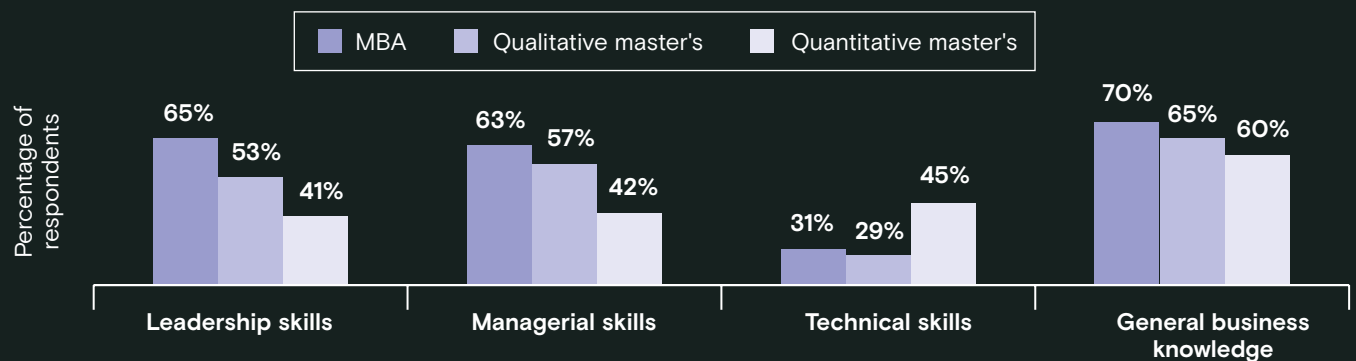
²GMAC. GMAT testing data for 2007 and 2016.

Figure 1. MBA and Master's Programs Considered, by Percentage of Respondents



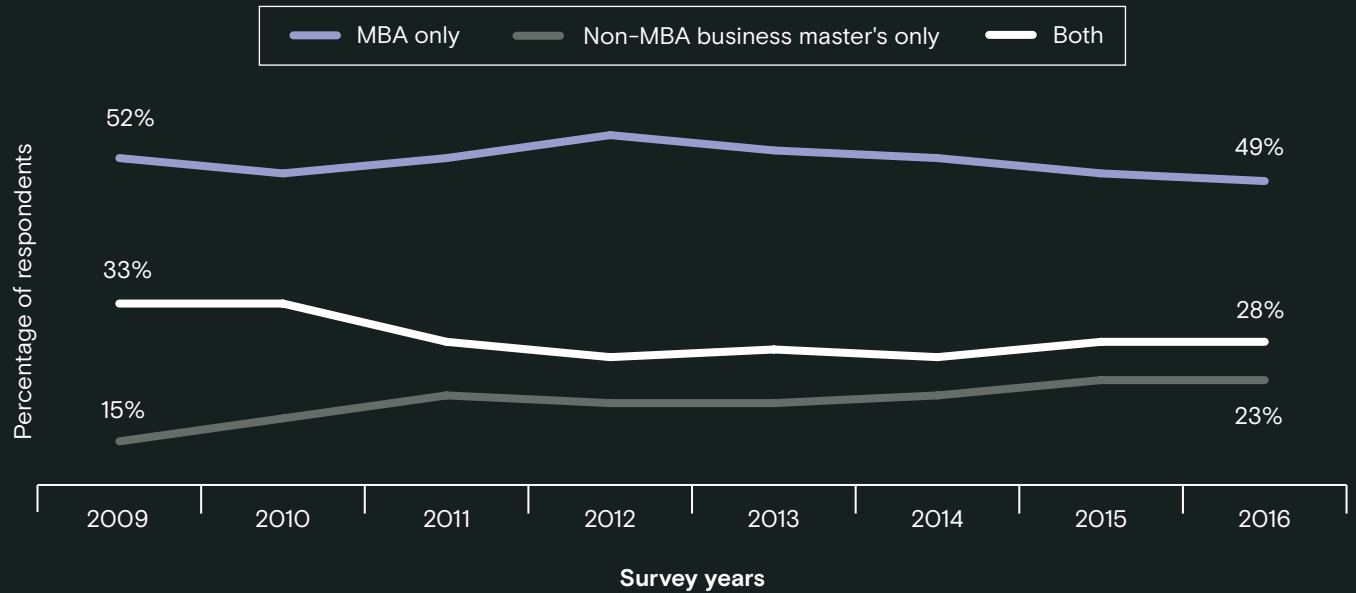
Source: GMAC mba.com Prospective Students Survey (2017). Data collected February to December 2016.

Figure 2. Desired Knowledge, Skills, and Abilities, by Candidates' Preferred Program Type



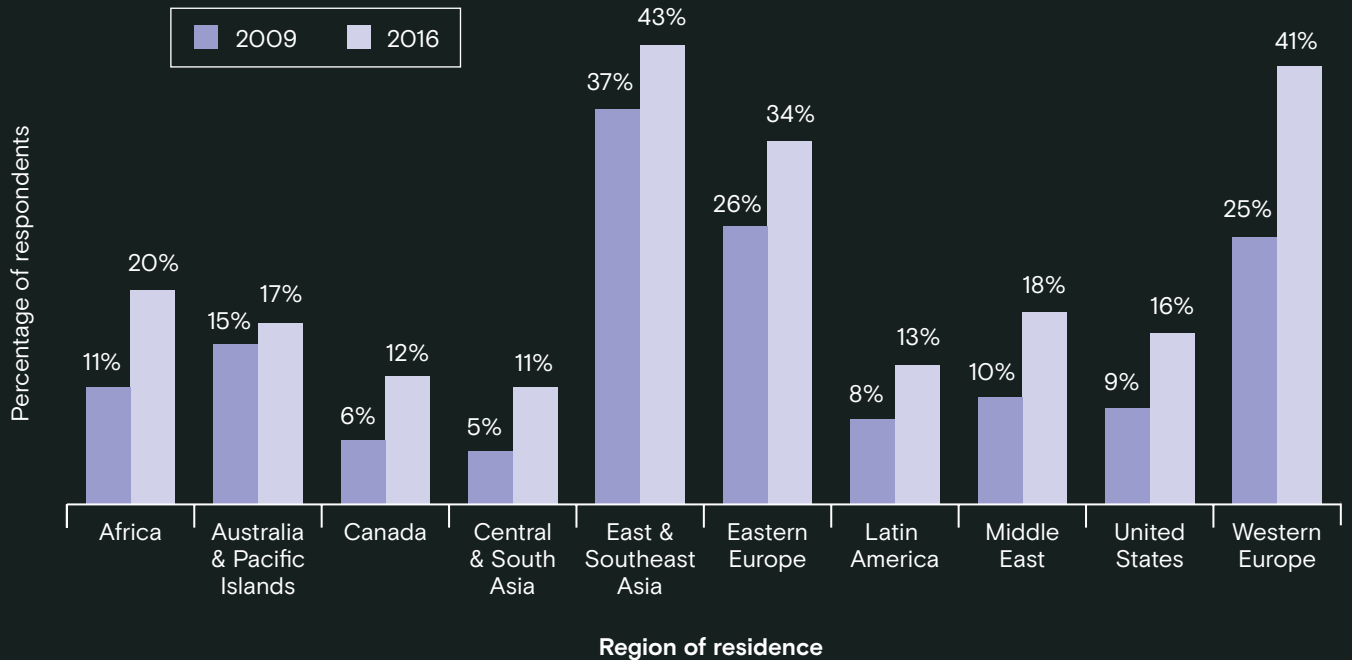
Source: GMAC mba.com Prospective Students Survey (2017). Data collected February to December 2016.

Figure 3. Graduate Business Program Types Considered, by Survey Year and Percentage of Respondents



Source: GMAC mba.com Prospective Students Survey (2017). Data collected in survey years 2009 through 2016.

Figure 4. Percentage of Candidates Seeking Only Non-MBA Business Master's Programs, by Region, 2009 vs. 2016



Source: GMAC mba.com Prospective Students Survey (2017). Data collected in survey years 2009 and 2016.

Fueling the growth of student interest in business master's programs are newer degree programs on the scene such as Master of Data Analytics and Master of Entrepreneurship. The proportion of candidates considering data analytics programs increased from seven percent in 2013 to 11 percent in 2016. The share of candidates considering Master of Entrepreneurship programs has grown more slowly, however, increasing from seven percent in 2013 to nine percent in 2016.

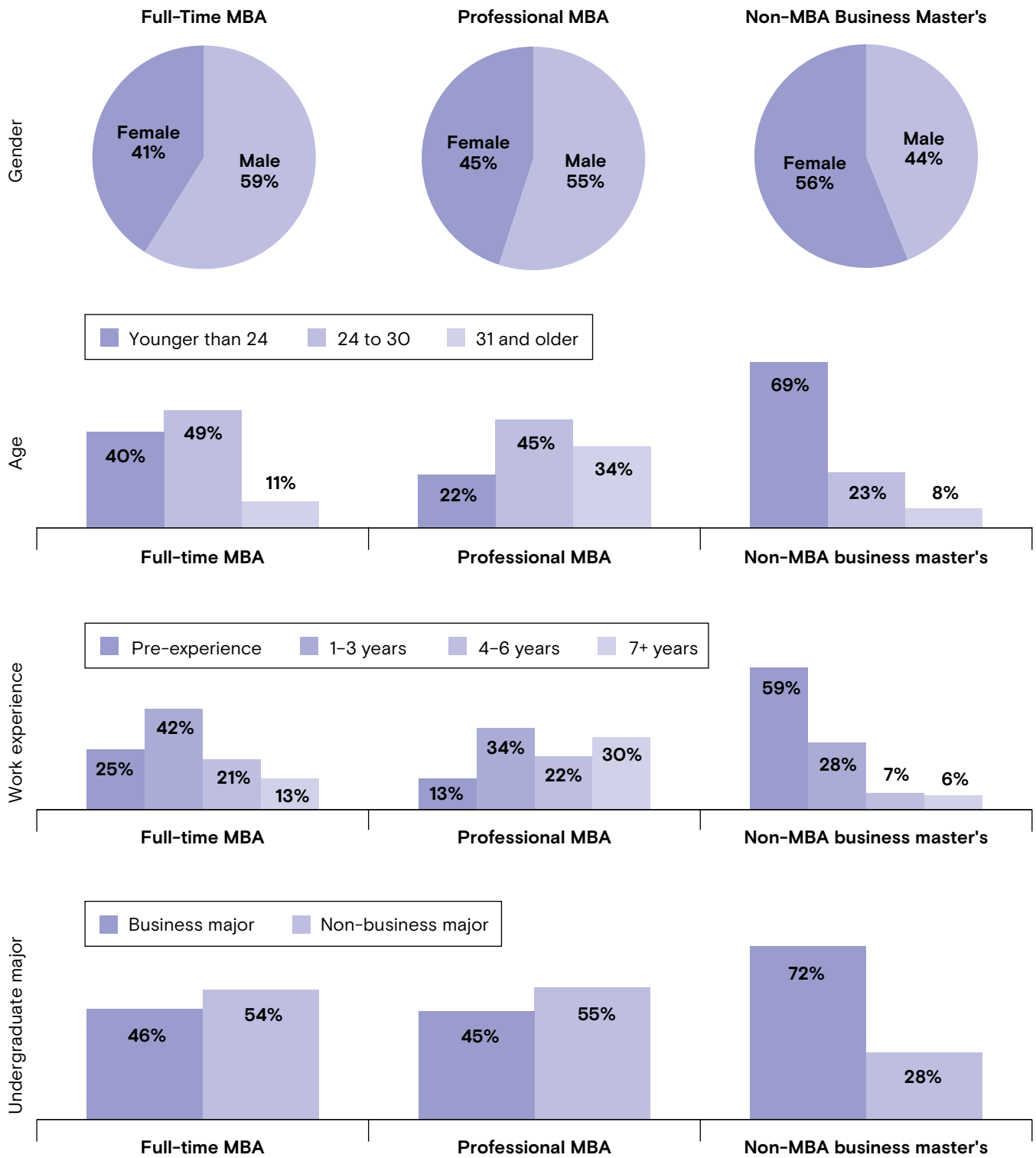
Distinct Candidate Pools

With the rising popularity of non-MBA business master's programs, there is concern among many in graduate business education that these degrees may become a substitute or replacement for an MBA. Analysis of GMAC research findings suggests this is not the case.

A demographic analysis of candidates who prefer full-time MBA, professional MBA, and non-MBA business master's programs highlights how these programs attract distinct candidate pools (**Figure 5**). Candidates considering non-MBA business master's degree programs skew younger and a majority have little to no prior work experience. Younger candidates tend to be more interested in acquiring the technical skills that non-MBA master's programs provide. In contrast, individuals inclined to pursue a full-time MBA typically have more years of work experience and seek managerial and leadership skills rather than technical skills. They are more likely to want to make an impact through their career, whether in their profession, their community, or in the world. Those who prefer professional MBA programs are more established in their careers and seek the leadership and managerial skills needed to advance their current careers to the next level.



Figure 5. Prospective Student Demographic Profile, by Preferred Program Type



Source: GMAC mba.com Prospective Students Survey (2017). Data collected February to December 2016.

Prior Master's Degree-Holders Add to the Admissions Pipeline

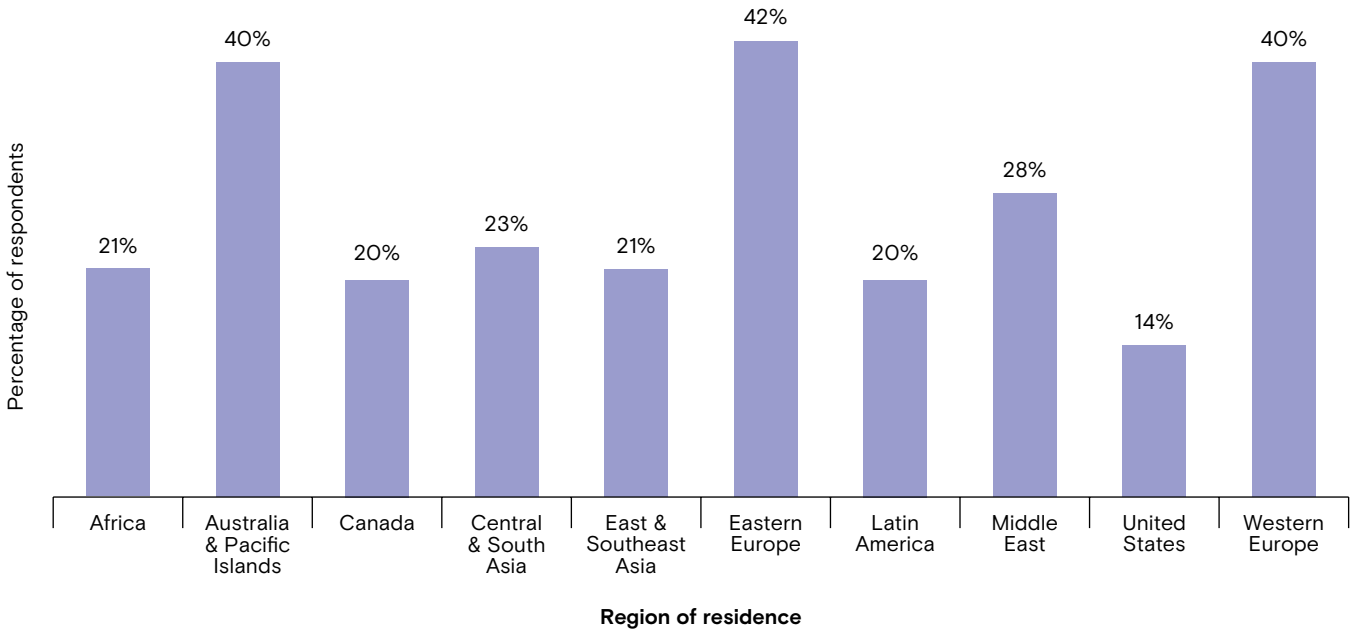
Globally, 1 in 5 prospective graduate business school candidates (22%) currently holds a master's degree earned in a business or other field. This differs regionally, with U.S. residents less likely to have a master's degree (14%) in comparison with residents of Europe and Australia and the Pacific Islands, where 4 in 10 candidates currently hold a master's-level degree (Figure 6).

Nearly half (47%) of those with an existing master's degree have one in a business-related field, 26 percent have an

engineering master's, and 1 in 10 has a science (10%) or social science (8%) master's (Figure 7). Most master's degree-holders are considering MBA programs (74%), although 31 percent are considering a non-MBA business master's degree. MBA programs are more likely to be considered by candidates who have prior business master's degrees (61%) as well as by individuals with non-business master's degrees (86%; Figure 8). For many, then, a non-MBA business master's degree is not the end of their business education, but a stepping-stone to continued development that involves an MBA down the road.

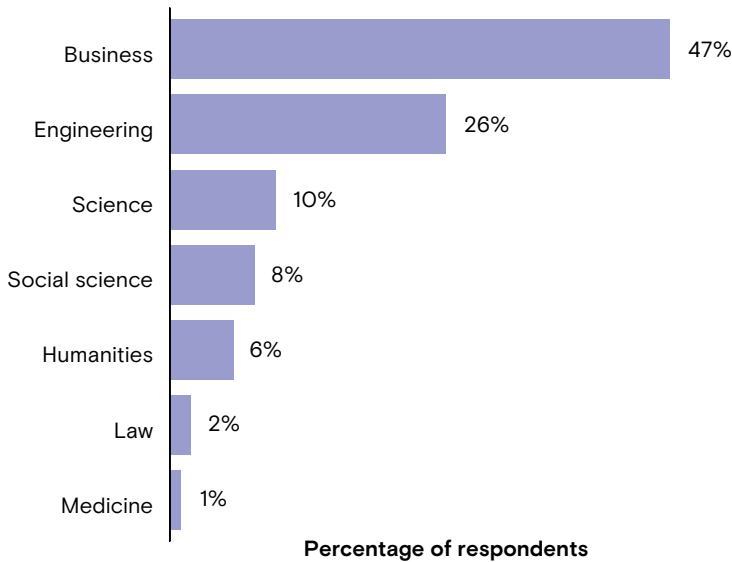


Figure 6. Percentage of Prospective Students Holding a Prior Master's Degree, by Region of Residence



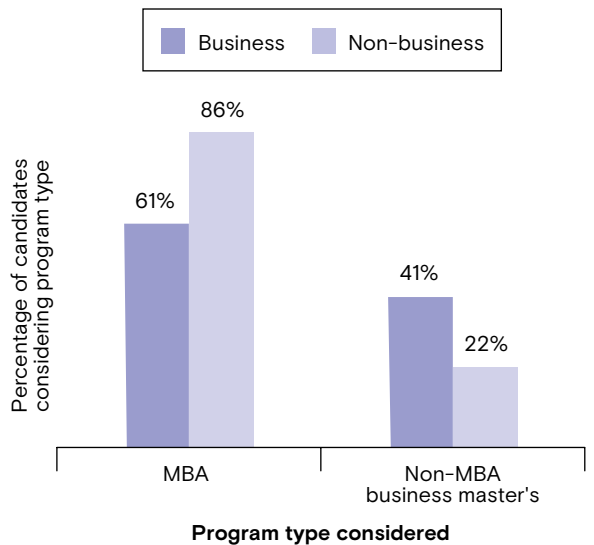
Source: GMAC mba.com Prospective Students Survey (2017). Data collected February to December 2016.

Figure 7. Field of Study for Individuals with Prior Master's Degree



Source: GMAC mba.com Prospective Students Survey (2017). Data collected February to December 2016.

Figure 8. Graduate Business Programs Considered, by % of Candidates with Prior Master's Degree and Field of Study



Source: GMAC mba.com Prospective Students Survey (2017). Data collected February to December 2016.



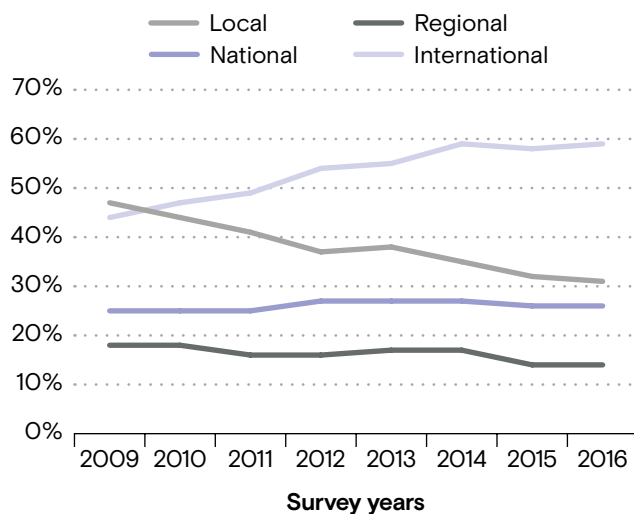
Globalization of Graduate Business Education

Graduate business education is global. Based on *The Financial Times* 2017 rankings, half (50) of the top 100 full-time MBA programs are located outside the United States, up from 44 non-U.S. programs included in the 2009 rankings.³ Over the same period, the percentage of candidates who plan to apply to schools outside their country of residence has increased and the share planning to apply to local schools has decreased (Figure 9).

Among 2016 survey respondents, more than half of prospective business school students intend to apply to programs outside their country of residence (59%), up from 44 percent in 2009. These international candidates fuel the pipeline of applicants for business school and are a key recruitment target for many graduate business programs, especially for full-time MBA programs and non-MBA business master’s programs, as seen in recent GMAC application trends research.⁴ Candidates’ desire to study internationally varies by region and by preferred program type (Figure 10). Compared with residents of other world regions, U.S. and Canadian residents are the least likely to apply to schools in another country. Candidates who seek professional MBA programs (e.g., part-time MBA, executive MBA, etc.) are also less likely to pursue international study options compared with candidates interested in full-time MBA or business

master’s programs, since they tend to be more established in their careers, which they most likely will maintain while studying.

Figure 9. Candidate Application Plans, by Study Destination, % of Respondents, and Survey Year

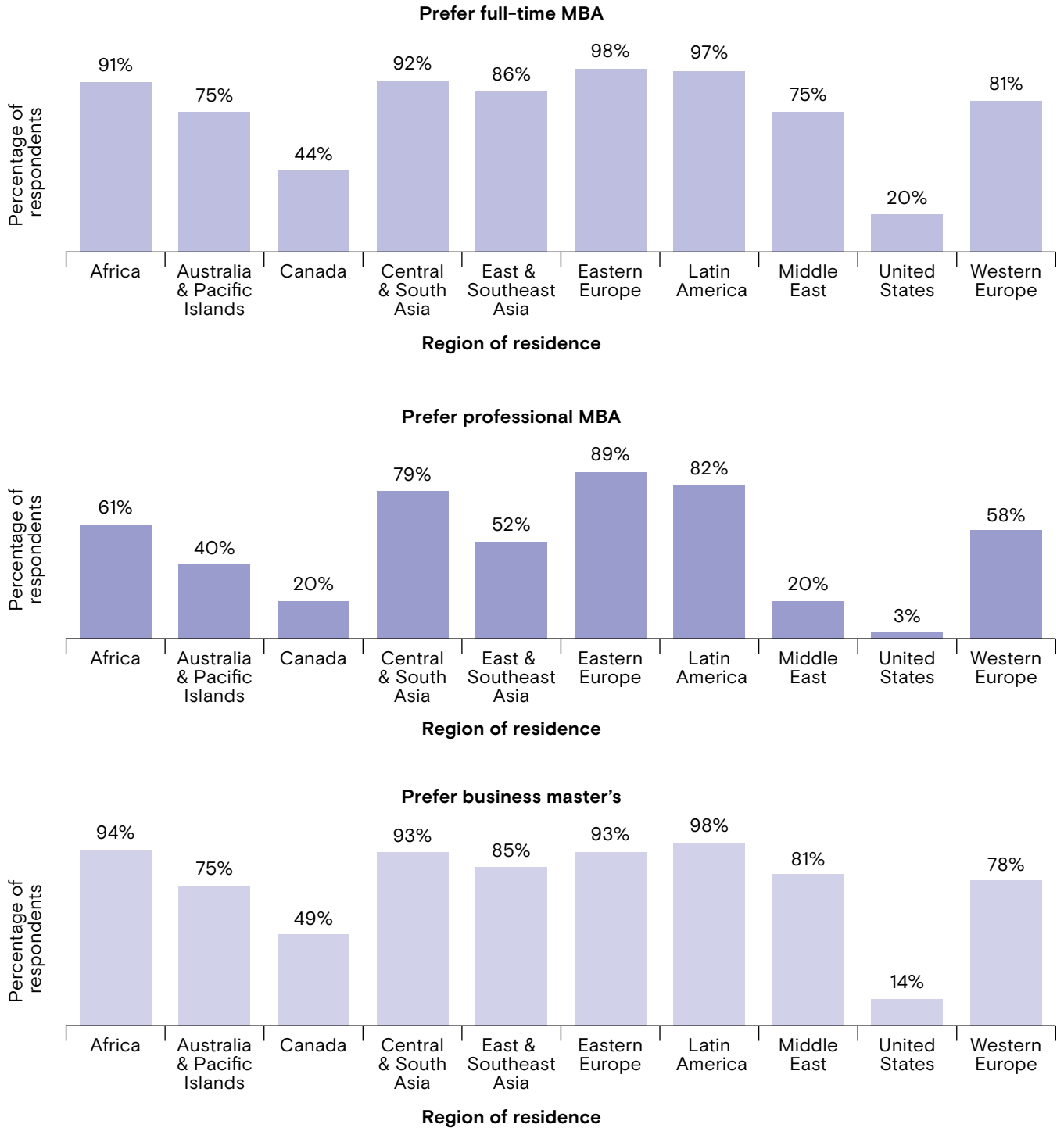


Source: GMAC mba.com Prospective Students Survey (2017). Data collected in survey years 2009 to 2016.

³*The Financial Times*. Global MBA Ranking 2017. Retrieved from <http://rankings.ft.com/businessschoolrankings/global-mba-ranking-2017>; and Global MBA Ranking 2009. Retrieved from <http://rankings.ft.com/businessschoolrankings/global-mba-rankings-2009>.

⁴GMAC Application Trends Survey (2016). Data collected June and July 2016.

Figure 10. Percentage of Candidates Who Plan to Apply Outside Country of Residence, by World Region and Preferred Program Type



Source: GMAC mba.com Prospective Students Survey (2017). Data collected February to December 2016.

Preferred Study Destination

Globally, most prospective students prefer to study in the United States (58%) or in countries within Western Europe (21%). Preferred study destinations also vary based on a candidate's region of residence (Figure 11). Compared with

2009, survey results for 2016 show an increase in candidate preferences to study in Canada, which is seen across most regions. For the first time since this survey began in 2009, the United Kingdom has surpassed the United States as the most preferred international study destination among Western Europeans.

Figure 11. Regional Comparison of Top Five Country Study Destinations, 2009 vs. 2016, by Candidate Region of Residence

Region of Residence	Survey Year	Most Preferred Study Destination by Region of Residence (% of Respondents)				
		1st	2nd	3rd	4th	5th
Africa	2009	U.S. (31%)	South Africa (17%)	U.K. (12%)	Egypt (11%)	Canada (5%)
	2016	U.S. (36%)	Canada (15%)	U.K. (11%)	South Africa (8%)	France (5%)
Australia & Pacific Islands	2009	Australia (59%)	U.S. (20%)	U.K. (8%)	New Zealand (2%)	France (2%)
	2016	Australia (48%)	U.S. (22%)	U.K. (7%)	France (4%)	Canada (4%)
Canada	2009	Canada (76%)	U.S. (14%)	U.K. (4%)	France (2%)	Switzerland (1%)
	2016	Canada (76%)	U.S. (16%)	U.K. (2%)	France (2%)	Germany (1%)
Central & South Asia	2009	U.S. (47%)	India (23%)	U.K. (13%)	Singapore (5%)	Canada (3%)
	2016	U.S. (50%)	India (17%)	Canada (7%)	U.K. (6%)	France (3%)
East & Southeast Asia	2009	U.S. (58%)	China (13%)	U.K. (6%)	Singapore (6%)	France (3%)
	2016	U.S. (47%)	U.K. (10%)	Singapore (8%)	Canada (5%)	France (5%)
Eastern Europe	2009	U.S. (28%)	U.K. (19%)	France (8%)	Russia (6%)	Netherlands (4%)
	2016	U.S. (33%)	U.K. (13%)	Germany (10%)	Netherlands (7%)	France (6%)
Latin America	2009	U.S. (55%)	U.K. (11%)	Canada (5%)	Spain (5%)	France (5%)
	2016	U.S. (54%)	U.K. (8%)	Canada (8%)	France (7%)	Spain (5%)
Middle East	2009	U.S. (27%)	Israel (25%)	U.K. (9%)	Lebanon (7%)	Canada (6%)
	2016	U.S. (35%)	Israel (11%)	U.K. (10%)	Canada (7%)	France (4%)
United States	2009	U.S. (97%)	U.K. (1%)	Spain (<1%)	France (<1%)	India (<1%)
	2016	U.S. (96%)	U.K. (1%)	France (1%)	Germany (<1%)	Canada (<1%)
Western Europe	2009	U.S. (25%)	U.K. (20%)	France (13%)	Germany (5%)	Netherlands (5%)
	2016	U.K. (21%)	U.S. (18%)	France (12%)	Netherlands (11%)	Germany (9%)

Source: GMAC mba.com Prospective Students Survey (2017). Data collected in 2009 and 2016.

New Survey Data Sheds Light on Potential Impact of Political Climate on International Applications

The current political climate enveloping the United States and Europe—which is emphasizing protectionist immigration and economic policies—may change how international candidates perceive the likelihood of fulfilling their international study and employment objectives. Following the U.S. election in November 2016, GMAC Research added a question to the monthly mba.com registrants’ survey to ask non-U.S. citizens how the outcome of the U.S. presidential election might influence their decision to study in the United States. In December 2016, GMAC Research added a similar question to the monthly registrants’ survey asking non-U.K. GMAT test takers who sent at least one score to a program located in the United Kingdom about their likelihood to study there as a result of last year’s ‘Brexit’ vote. Here is a snapshot of the results.

United States

Since November 2016, a growing share of international candidates say they are now less likely to pursue a graduate business degree in the United States due to the U.S. presidential election results. The percentage of non-U.S. citizen mba.com registrants who say they are now less likely to study in the United States has grown from 35 percent in November to 43 percent in February.

An additional survey of nearly 700 non-U.S. GMAT test takers who sent at least one GMAT score report to a U.S. business school in Q4 2016 shows that 2 in 3 (67%) would reconsider their study destination if they are unable to obtain a work visa after completing their degree. The findings highlight how work visas are a particularly important decision factor for Indian candidates, of whom 82 percent say obtaining a work visa after completing their degree is a *very important* consideration when selecting a study destination.

United Kingdom

Early indications are that the British Brexit vote to leave the European Union may negatively impact international candidate demand to apply to U.K. business schools. In December 2016, among nearly 1,300 non-U.K. GMAT test takers who responded to the Brexit question, 45 percent indicated that the Brexit vote has made them less likely to study in the United Kingdom. A country-level analysis reveals that Indian candidates are the most negatively influenced by the Brexit vote, with 58 percent reporting that it has made them less likely to study in the United Kingdom.

Throughout 2017, GMAC Research will continue to monitor the effect of the current political climate on international candidate demand through periodic survey pulses of prospective students and through our annual surveys of corporate recruiters and business school admissions professionals.

For the latest updates visit gmac.com/newscenter.

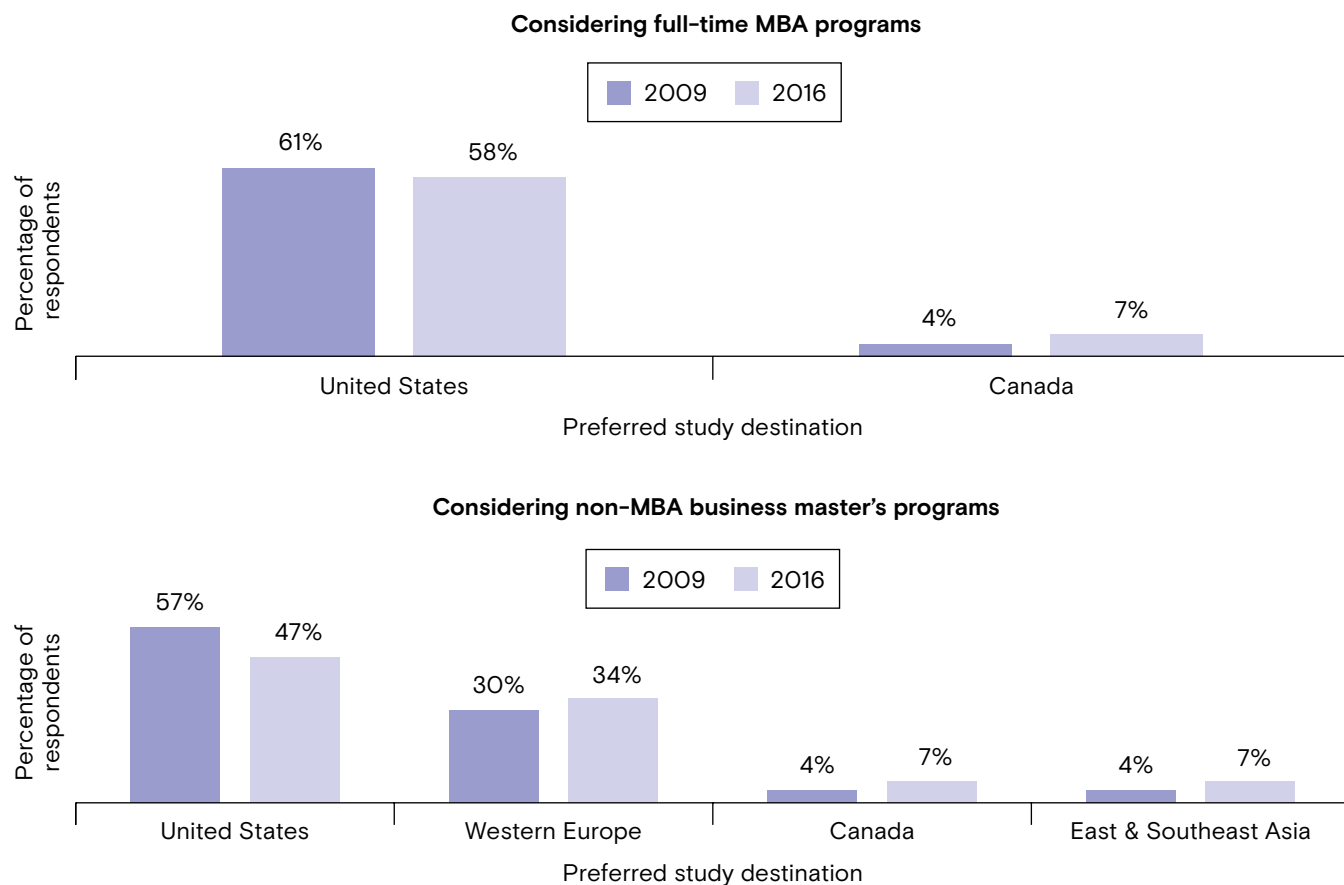
Shifts in Candidate Preference

Most candidates who seek to study outside their country of residence are, by default, seeking study opportunities outside their country of citizenship (96%). This complicates the application process for these candidates due to the added hurdles of acquiring student and/or work visas.

The United States remains the most coveted study destination among non-U.S. citizens who are seeking an international study experience. The following lists display the preferred regional study destinations for candidates seeking to study outside their country of citizenship, by considered program type:

- Candidates considering full-time MBA programs outside their country of citizenship most prefer to study in the following places: United States (58% of respondents), Western Europe (25%), Canada (7%), East and Southeast Asia (5%), Australia and Pacific Islands (3%), Latin America (1%), and Middle East/Africa (1%).
- Candidates considering non-MBA business master's programs outside their country of citizenship most prefer to study in the following places: United States (47%), Western Europe (34%), Canada (7%), East and Southeast Asia (7%), Australia and Pacific Islands (3%), Latin America (1%), and Middle East/Africa (1%).

Figure 12. Preferred Study Destinations of Candidates Seeking International Study, 2009 vs. 2016, by Program Type Considered*



*Figure shows only the regions experiencing a shift in percentage of candidates targeting them for international study.

Source: GMAC mba.com Prospective Students Survey (2017). Data collected in survey years 2009 and 2016.



In recent years, international candidates have broadened their horizons for study destinations amid the growing number of quality programs around the world. Among candidates considering full-time MBA programs, there has been a slight shift in preference from U.S. programs to Canadian programs. Meanwhile, candidates considering business master's programs are looking less to the United States and more toward Western Europe, Canada, and East and Southeast Asia for their study options (**Figure 12**).

Candidates' study destination preferences may shift even more in 2017 due to recent changes in U.S. immigration policies and last year's Brexit vote in the United Kingdom. Both events may make it more difficult for non-citizens to obtain student visas to study there or to obtain work visas after graduation to seek employment, one of the main reasons for studying in those countries.

Study Destination Drivers

Candidates who prefer to study outside their country of citizenship report that their most important reasons for doing so are to receive a higher-quality education (63%), increase their chance of securing international employment (58%), and develop their network of

international connections (51%). Half (53%) of candidates preferring to study outside their country of citizenship want to return home for work after graduation, whereas one-third (34%) intend to seek employment in their preferred country of study. Canada as a study destination is unique in that more than half (52%) of prospective students planning to study there also will seek employment in Canada after completing their business education.

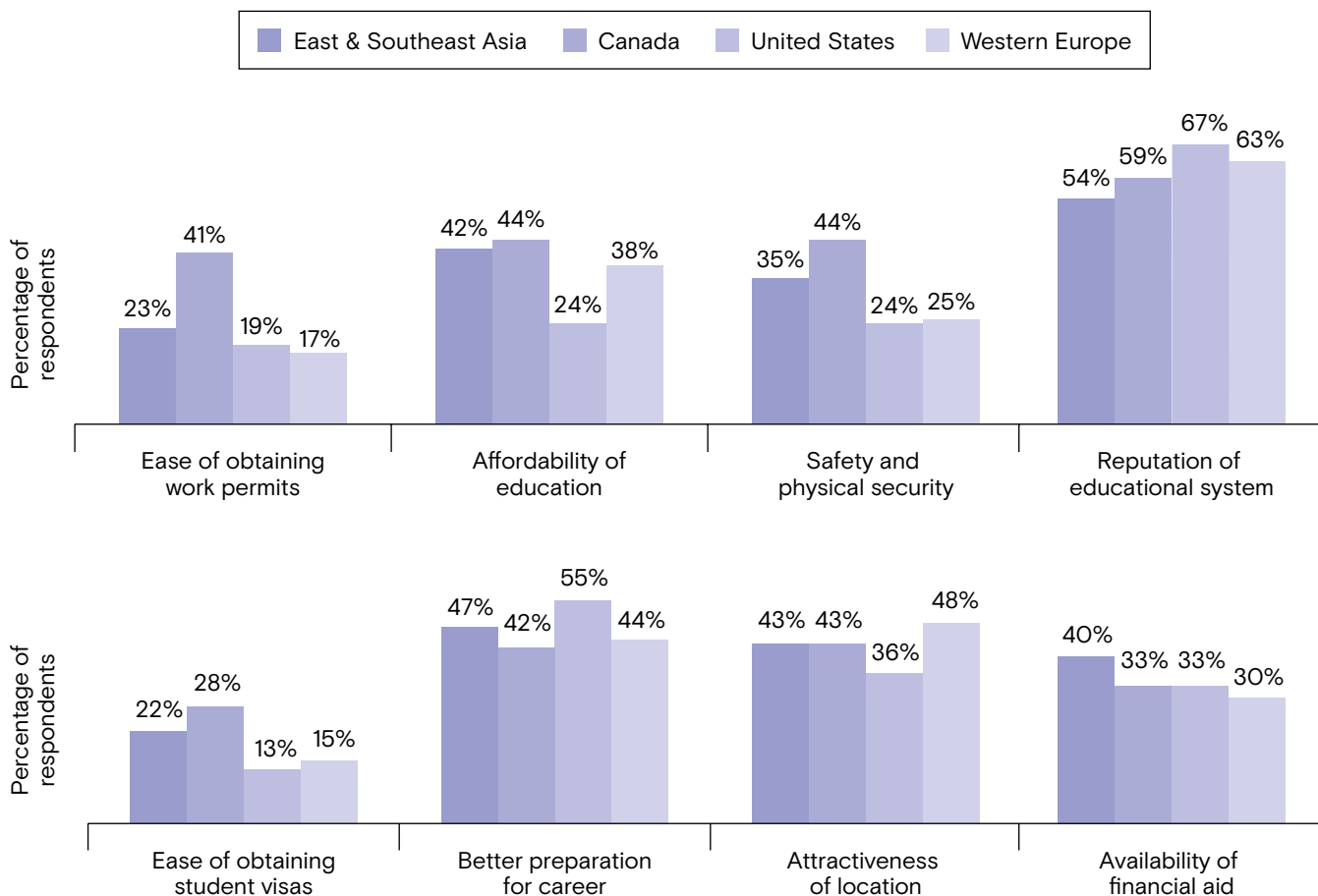
The criteria that drive a candidate to choose one study destination over another vary by world region (**Figure 13**). Among the four regional study destinations most preferred by international candidates, more candidates choose to study in the United States because of the strong reputation of its educational system and because it offers better preparation for their career. On the other hand, the United States is least likely to be chosen for affordability of education, safety and security, attractiveness of location, and ease of obtaining student visas. Canada is noted more often for ease of obtaining work permits and student visas, and safety and physical security. Like the United States, Western Europe shares candidates' high regard for its strong educational system. It also is more likely to be viewed as affordable and most likely to be preferred for the attractiveness of its location. Candidates are less likely to choose it, however, for safety and physical security

and ease of obtaining student visas and work permits. Candidates are more likely to prefer programs in East and Southeast Asia for greater availability of financial aid.

Financing a graduate business degree generally is of greater concern for international candidates than for domestic candidates. More than half (55%) of candidates intending to study internationally worry that business school will cost more money than they can afford—likely a contributing factor to the United States losing its appeal

as a study destination. Compared with international candidates who prefer to study in other destinations, those who prefer to study at a U.S. school are more likely to intend to use loans (53% of those preferring U.S. schools vs. 46% preferring other destinations) and fund a greater proportion (19% vs. 16%) of their education with loans. Generally, total tuition costs and the availability of scholarships are among the factors that most influence candidates when deciding where to attend business school.

Figure 13. Distinguishing Criteria Evaluated by Candidates Seeking International Study Opportunities, by Top Four Regional Study Destinations*



*Only the top factors distinguishing preferred study destination preferences are shown.
 Source: GMAC mba.com Prospective Students Survey (2017). Data collected February to December 2016.

Career Goals

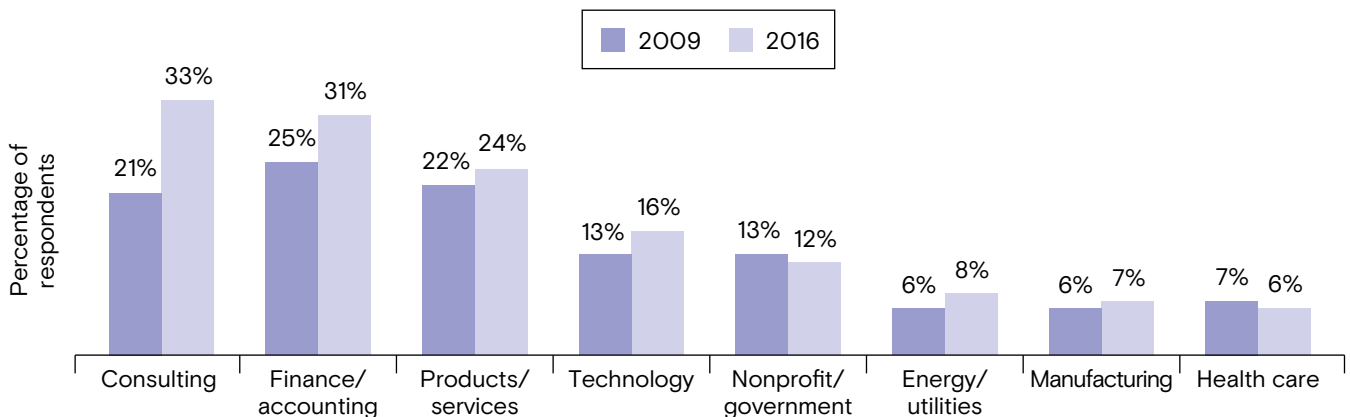
A graduate business degree is a highly versatile credential. Prospective students from diverse educational and employment backgrounds choose to pursue these degrees for the value they bring to their professional career, their personal development, and their financial well-being. Armed with a graduate business degree, candidates can embark upon a variety of career paths and pursue jobs across a broad spectrum of industries and job functions. Since business schools play a vital role in guiding candidates on their path to realizing their dreams, career outcomes are a key factor in candidates' school selection decisions. After program quality and reputation, career outcomes rank as the second most important factor in determining which business school a candidate will choose to attend,

ahead of other factors such as costs, specific program aspects, curriculum, school culture, and class profile. The importance of career outcomes in a prospect's application decision has only increased over time.

Industries and Job Functions

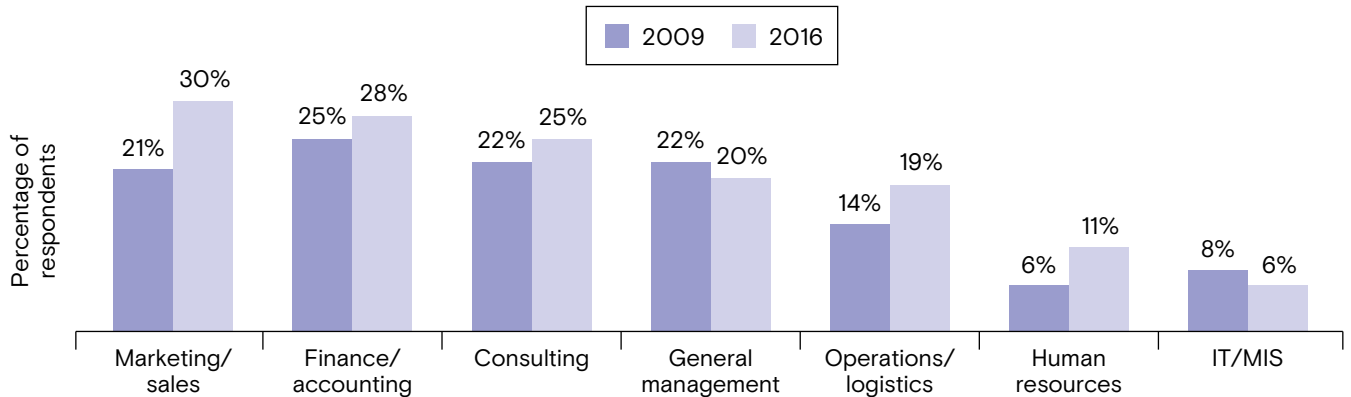
Though prospective students may enter business school with an idea about the industries and job functions they plan to pursue after completing their degree, most (85%) perceive a graduate business education as an opportunity to actively explore what they want to do with their future careers. Findings from the GMAC 2017 Alumni Perspectives

Figure 14. Candidates' Postgraduate Industries of Interest, 2009 vs. 2016



Source: GMAC mba.com Prospective Students Survey (2017). Data collected in survey years 2009 and 2016.

Figure 15. Candidates' Postgraduate Job Functions of Interest, 2009 vs. 2016



Source: GMAC mba.com Prospective Students Survey (2017). Data collected in survey years 2009 and 2016.

Survey highlight how graduate business schools connect many students to career opportunities that they had not even considered prior to admission. Nearly 2 in 5 alumni (39%) are currently working in an industry they never considered before business school and most are satisfied in their roles.⁵

Overall, the top industries that prospective students are targeting for postgraduate employment are consulting (33% of respondents), finance and accounting (31%), and products and services (24%). Compared with 2009, an even greater percentage of prospective students surveyed in 2016 cited these as the industries that most interest them, along with technology, energy and utilities, and manufacturing (Figure 14).

The top three job functions considered by business school candidates in 2016 are marketing and sales (30% of respondents), finance and accounting (28%), and consulting (25%). Compared with 2009, a greater percentage of candidates surveyed last year also are considering positions in operations and logistics and human resources, with a smaller share interested in general management and technology jobs (Figure 15).

As shown in Figures 16 and 17, prospective students, regardless of preferred program type, cite consulting, products and services, and finance and accounting as

their most desired industries; and marketing and sales, consulting, and finance and accounting as their top job functions for postgraduate employment.

Career Paths

In addition to job functions and industries of interest, prospective students typically have one of three career paths in mind for their postgraduate employment: enhance their existing career, switch careers, or start a business. Equal shares of candidates are either career enhancers (38%), who seek to grow in their job by developing their technical expertise, or career switchers (38%), who seek to pivot in a different direction by switching to a new industry or job function. One quarter of candidates (25%) have entrepreneurial goals. In addition to these overarching career goals, one-third of candidates (33%) report interest in international employment and 15 percent plan to continue working for their current employer.

Over the past few years there have been some gradual shifts in candidates' desired career outcomes (Figure 18). Since 2009, fewer candidates plan to change job functions (42% of respondents in 2009 vs. 36% in 2016) and, just recently, the percentage of candidates pursuing entrepreneurship declined, from a high of 30 percent in

⁵GMAC Alumni Perspectives Survey (2017). Data collected September through November 2016.

Figure 16. Postgraduate Industries and Job Functions of Interest, by Preferred MBA Program Type

		Preferred Program Type (% of Respondents)*						
		FT 2-YR MBA	FT 1-YR MBA	PT MBA	Flexible MBA	EMBA	Online MBA	Hybrid MBA
Industry	Consulting	37%	37%	18%	30%	29%	16%	19%
	Energy/utilities	10%	11%	8%	8%	13%	6%	10%
	Finance/accounting	28%	25%	19%	24%	18%	17%	18%
	Health care	6%	6%	10%	10%	8%	12%	13%
	Technology	19%	17%	19%	18%	26%	13%	21%
	Manufacturing	8%	9%	10%	8%	13%	9%	8%
	Nonprofit/government	12%	11%	12%	18%	10%	16%	18%
	Products/services	27%	28%	19%	27%	23%	23%	24%
Job Function	Marketing/sales	33%	34%	25%	30%	29%	17%	19%
	Operations/logistics	21%	20%	17%	21%	18%	17%	18%
	Consulting	29%	30%	20%	25%	26%	17%	19%
	General management	22%	24%	20%	26%	22%	19%	24%
	Finance/accounting	26%	24%	21%	24%	19%	16%	24%
	Human resources	11%	9%	11%	16%	14%	15%	16%
	IT/MIS	6%	6%	5%	8%	6%	6%	6%

*Column percentages in each section do not sum to 100 due to multiple selections.
Source: GMAC mba.com Prospective Students Survey (2017). Data collected February to December 2016.

Figure 17. Postgraduate Industries and Job Functions of Interest, by Preferred Non-MBA Program Type

		Preferred Program Type (% of Respondents)*									
		MiM	Mglob	Macc	Mfin	MHR	MIT	Mmar	Ment	Msupp	Mdat
Industry	Consulting	51%	43%	22%	34%	67%	44%	30%	39%	36%	40%
	Energy/utilities	5%	5%	3%	4%	5%	9%	4%	10%	5%	6%
	Finance/accounting	27%	24%	70%	71%	18%	23%	14%	30%	6%	30%
	Health care	2%	3%	2%	2%	4%	5%	4%	1%	4%	6%
	Technology	10%	11%	2%	4%	18%	38%	11%	24%	10%	27%
	Manufacturing	9%	7%	2%	3%	7%	5%	4%	14%	18%	5%
	Nonprofit/government	10%	13%	7%	6%	20%	9%	9%	11%	5%	7%
	Products/services	28%	40%	11%	10%	20%	18%	65%	35%	46%	21%
Job Function	Marketing/sales	38%	41%	15%	21%	35%	30%	65%	32%	29%	35%
	Operations/logistics	16%	19%	18%	14%	9%	22%	12%	20%	48%	18%
	Consulting	30%	35%	10%	24%	20%	19%	23%	35%	23%	27%
	General management	28%	25%	7%	12%	20%	16%	17%	37%	11%	11%
	Finance/accounting	22%	25%	51%	58%	17%	26%	9%	28%	5%	28%
	Human resources	11%	11%	5%	4%	52%	9%	9%	12%	13%	5%
	IT/MIS	5%	6%	2%	3%	8%	33%	2%	9%	4%	18%

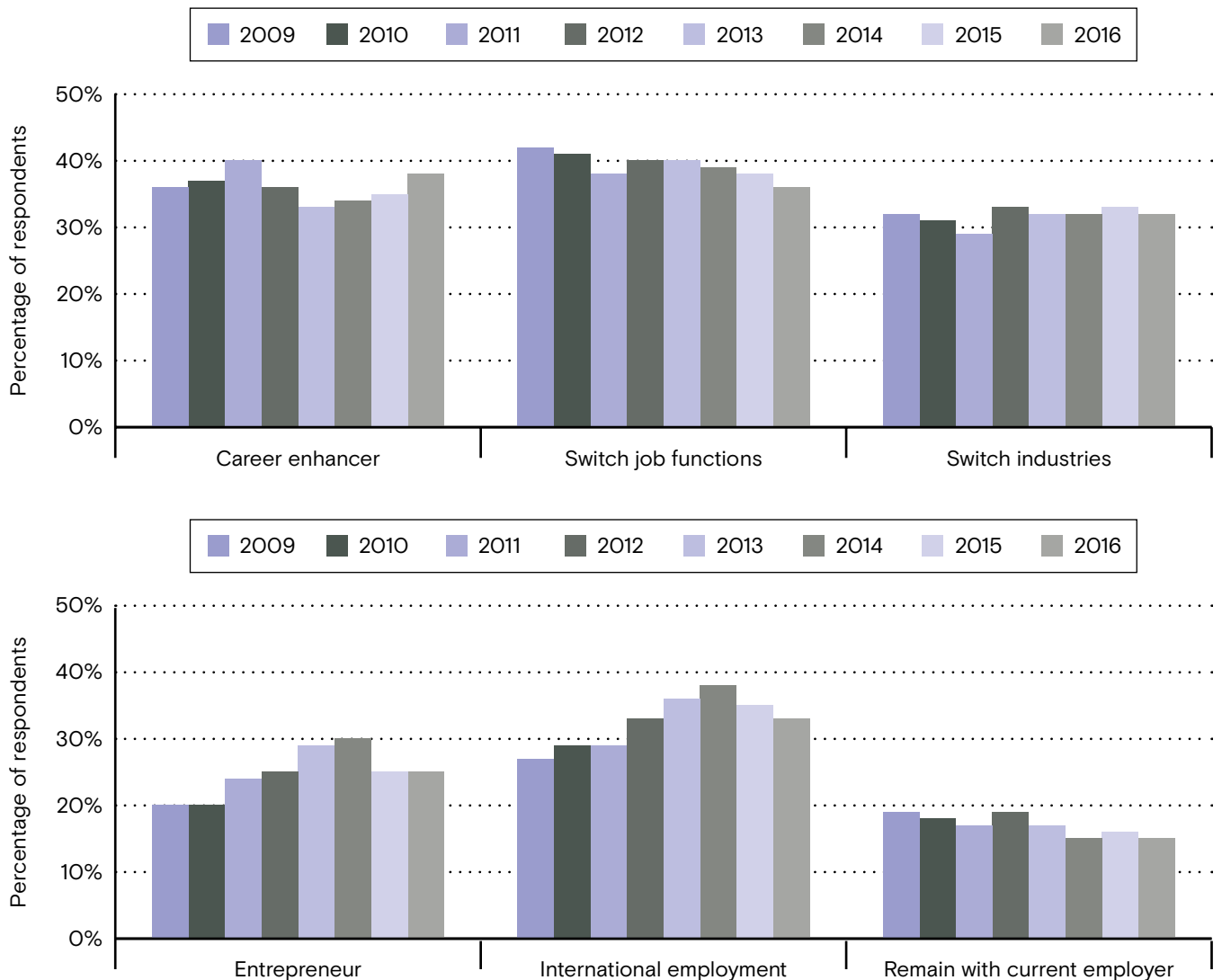
*Column percentages in each section do not sum to 100 due to multiple selections.
MiM = Master in Management; Mglob = Master in Global Management; Macc = Master of Accounting; MHR = Master of Human Resources; MIT = Master of Information Technology; Mmar = Master of Marketing; Ment = Master of Entrepreneurship; Msupp = Master of Supply Chain Management; Mdat = Master of Data Analytics.
Source: GMAC mba.com Prospective Students Survey (2017). Data collected February to December 2016.

2014 to 25 percent in 2016. This year's findings also show a decline in the percentage of candidates who plan to work outside their country of citizenship (38% in 2014 vs. 33% in 2016) and who plan to continue working for their current employer (19% in 2012 vs. 15% in 2016). These shifts in career expectations may be attributable to stronger economies and employment markets in many world regions. With more job opportunities, candidates have less

need to start a business because they are unable to secure a job, move somewhere where the economy is better, switch careers to an industry or job more in demand, or stay with an employer where the job is not engaging.

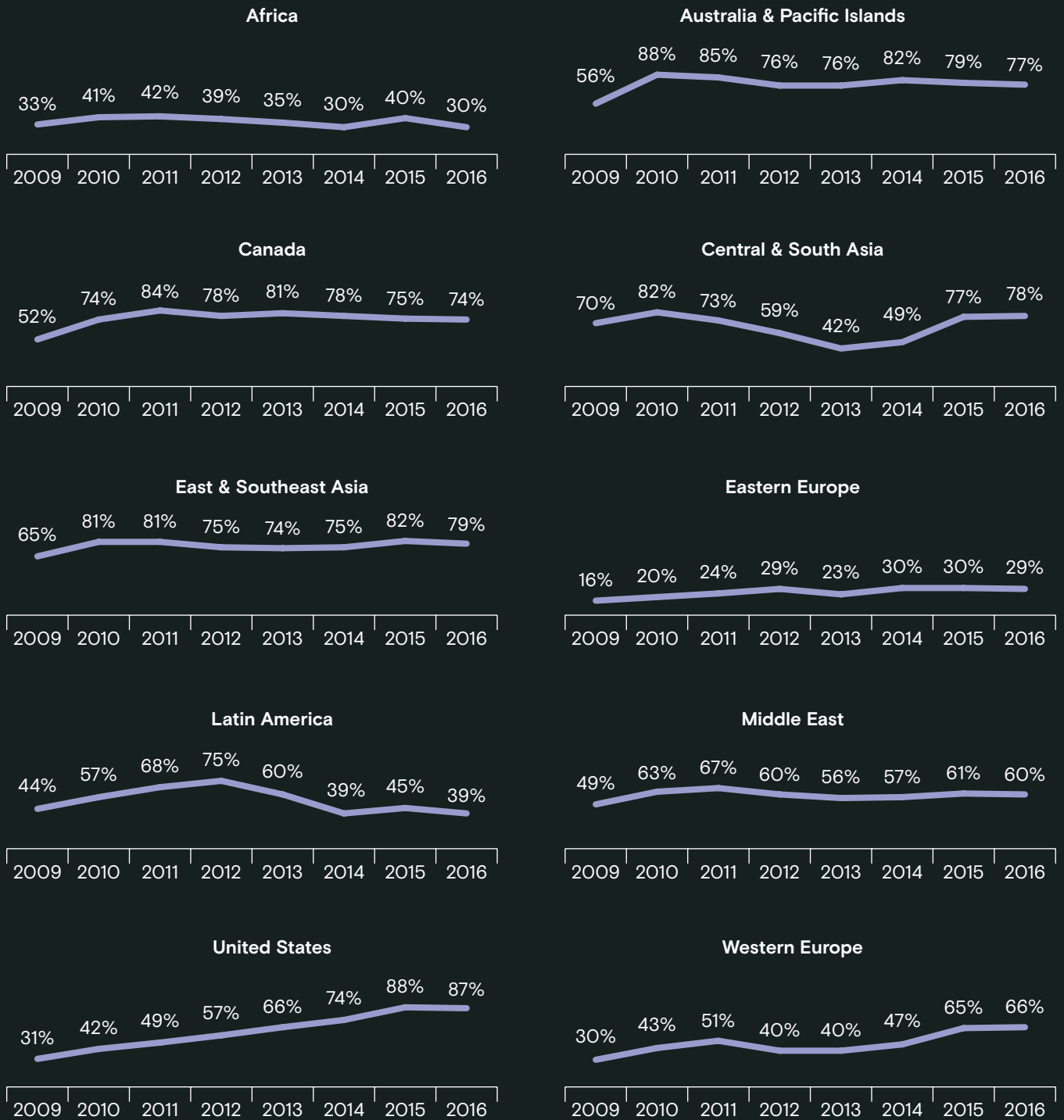
Findings show that these career paths are significantly correlated with candidates' perceptions of the strength of their regional economies (Figure 19), which since 2009 has improved in all regions but two (Africa and Latin America).

Figure 18. Candidates' Postgraduate Career Goals, 2009 to 2016



Source: GMAC mba.com Prospective Students Survey (2017). Data collected in survey years 2009 through 2016.

Figure 19. Percentage of Candidates Perceiving Regional Economy as Strong/Stable, 2009 to 2016



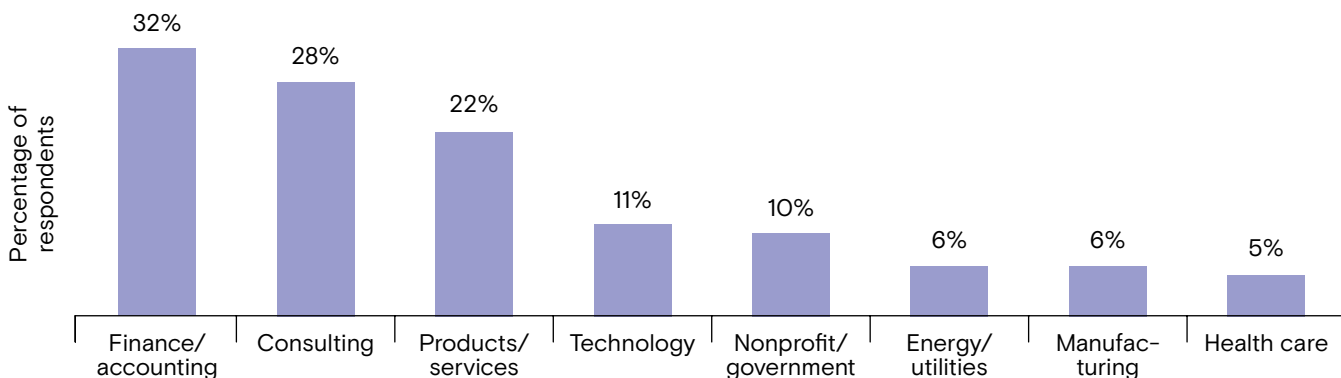
Source: GMAC mba.com Prospective Students Survey (2017). Data collected in survey years 2009 through 2016.

Career Enhancers

Most prospective students who can be categorized as 'career enhancers' tend to be young (57% are under the age of 24) and have less work experience compared with other candidates. They are the candidates most likely to seek basic technical skill development over learning how to do a job better, and they don't perceive themselves to be as

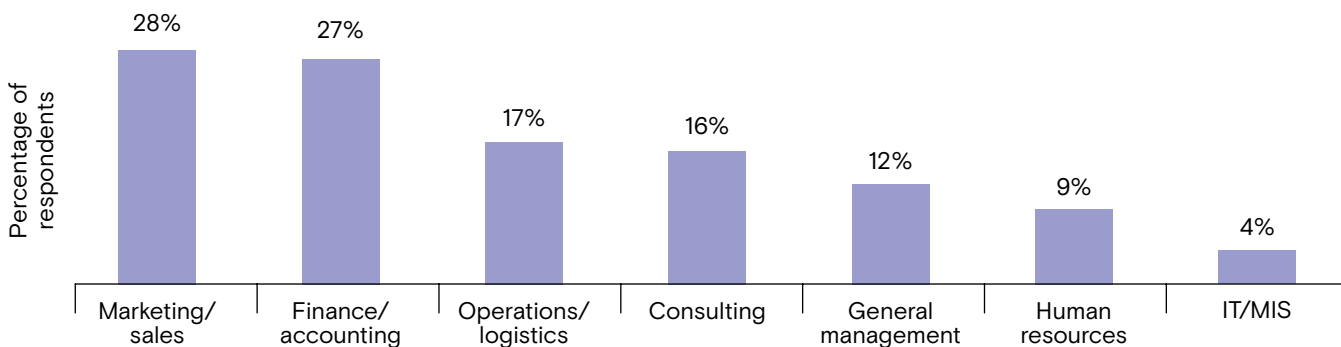
innovative as their peers who have more work experience. They are more likely to have studied business as an undergraduate and are more likely to consider non-MBA business master's programs such as Master of Finance and Master of Accounting. Given the types of programs they consider, they are most interested in working after graduation in the finance and accounting sector and in related job functions (Figures 20 and 21).

Figure 20. Postgraduate Industries of Interest Among Career Enhancers



Source: GMAC mba.com Prospective Students Survey (2017). Data collected February to December 2016.

Figure 21. Postgraduate Job Functions of Interest Among Career Enhancers



Source: GMAC mba.com Prospective Students Survey (2017). Data collected February to December 2016.

Career Switchers

More candidates who plan to switch careers intend to change their job function (72%) rather than their industry of employment (61%). One-third (34%) of career switchers say they want to switch both industries and careers. Career switchers are more likely to have reached a professional plateau in their current career or job and are seeking more challenging and interesting work. Though these candidates look to take a different path, many are still considering other job opportunities within their current industry and/or job category (Figures 22 and 23).

Entrepreneurs

Candidates seeking entrepreneurship are more likely to be motivated to make a difference in the world at large, in their communities, or in their industry. These candidates also tend to be less motivated by a desire to earn more money.

One in 10 (11%) prospective students who seeks entrepreneurship is already managing his/her own business and seeks the required skills to better manage their business ventures. These established business owners also are more likely to be intent on developing their technical skills and ability to influence others compared with aspiring entrepreneurs who do not yet have a business. The latter group of candidates are more focused on increasing their salary, accelerating their careers, and expanding their job opportunities.

Prospective students residing in less developed economies are more likely to pursue entrepreneurship. World regions with the greatest percentage of such candidates include Africa (48%), Central and South Asia (35%), Latin America (33%), and the Middle East (30%). Conversely, the United States, one of the most developed countries, has the lowest percentage of candidates interested in entrepreneurship (16%).



Figure 22. Postgraduate Industries of Interest for Candidates Seeking Career Switch, by Current Industry

		Industries of Interest (% of Respondents)*							
		Consulting	Energy/ Utilities	Finance/ Accounting	Health Care	Techno- logy	Manu- facturing	Nonprofit/ Govt	Products/ Services
Industry	Consulting	60%	12%	30%	6%	14%	6%	8%	23%
	Energy/utilities	56%	42%	33%	6%	25%	14%	13%	24%
	Finance/accounting	46%	6%	55%	6%	12%	4%	12%	20%
Job Function	Health care	56%	5%	25%	37%	20%	6%	14%	21%
	Technology	54%	13%	27%	10%	42%	13%	15%	30%
	Manufacturing	54%	15%	30%	9%	30%	35%	14%	34%
	Nonprofit/government	45%	8%	30%	7%	16%	6%	34%	33%
	Products/services	50%	9%	31%	5%	15%	5%	13%	40%

*Percentages in each row do not sum to 100 due to multiple selections.

Source: GMAC mba.com Prospective Students Survey (2017). Data collected February to December 2016.

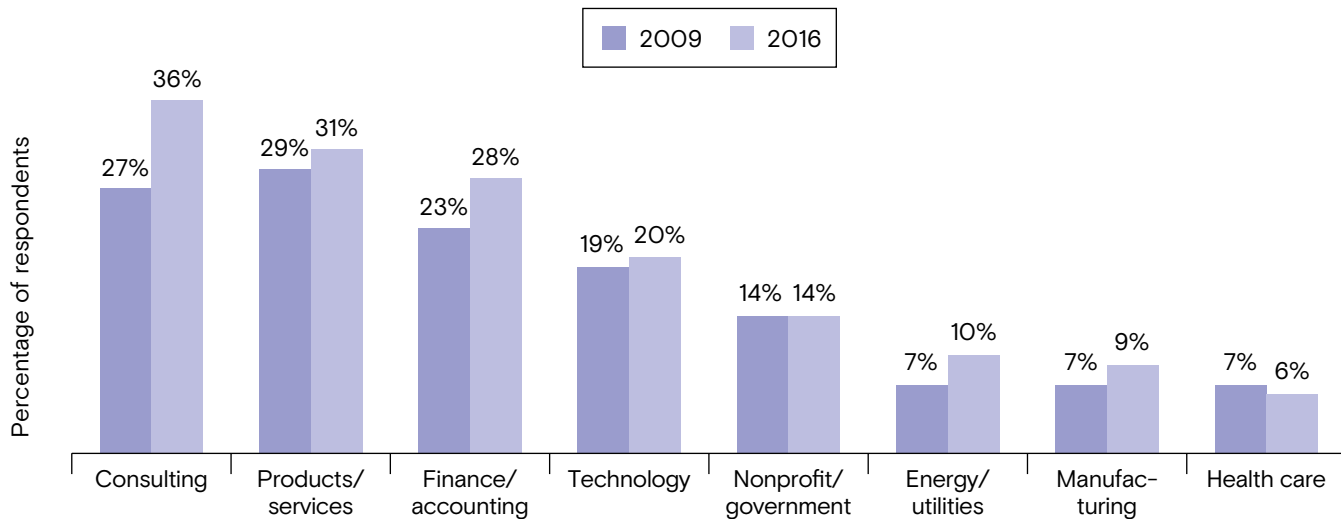
Figure 23. Postgraduate Job Functions of Interest for Candidates Seeking Career Switch, by Current Job Function

		Job Functions of Interest (% of Respondents)*						
		Marketing/ Sales	Operations/ Logistics	Consulting	General Management	Finance/ Accounting	Human Resources	IT/MIS
Current Job Function	Marketing/sales	59%	13%	39%	27%	15%	5%	4%
	Operations/logistics	28%	44%	51%	42%	23%	6%	8%
	Consulting	28%	18%	64%	33%	26%	5%	6%
	General management	23%	18%	44%	51%	14%	9%	6%
	Finance/accounting	11%	10%	32%	24%	69%	4%	5%
	Human resources	21%	9%	33%	30%	23%	36%	9%
	IT/MIS	24%	22%	48%	39%	26%	6%	36%

*Percentages in each row do not sum to 100 due to multiple selections.

Source: GMAC mba.com Prospective Students Survey (2017). Data collected February to December 2016.

Figure 24. Industries of Interest for Candidates Seeking Entrepreneurship, 2009 vs. 2016



Source: GMAC mba.com Prospective Students Survey (2017). Data collected in survey years 2009 and 2016.

Overall, entrepreneurial candidates are looking to the consulting (36%), products and services (31%), finance (28%), and technology (20%) sectors to launch their ventures. Compared with 2009, more entrepreneurs surveyed last year expressed interest in the consulting, finance, and energy industries, while interest in other industries essentially has remained flat (Figure 24).

Maintain Current Employment

Prospective students who plan to remain with their current employer tend to have different motivations for pursuing a business degree than other candidates. They seek ways to take their careers to the next level without making major career shifts. Thus, they are more likely to be seeking salary raises, promotions, and career acceleration. Because they want to maintain employment with their current employer after graduation, most consider professional MBA programs (61% considering), which can be pursued while still working, rather than full-time MBA programs (46%) or non-MBA business master's programs (37%). Compared with other candidates, they are more likely to express financial concerns as well as concerns about whether they will have enough time and energy to balance work-life-school commitments.

International Employment Seekers

Prospective students seeking international employment view graduate business school as the means to create the connections they need to secure a job in their desired country of employment. Eighty-six percent of candidates who want to work outside their country of citizenship also seek international study opportunities. Two-thirds of these candidates (65%) want to study in the same country where they hope to work after graduation. If the prospect of securing employment in their preferred study destination becomes too challenging, these candidates may seek to study elsewhere. Candidates not planning to study in their preferred work location are more likely to cite education affordability and being close to family members as reasons for not doing so.

Financing a Graduate Business Education

The predominant reservation candidates have about pursuing a graduate business education revolves around costs—the costs of tuition, housing, books, application fees, exam fees, time out of the workforce, etc. Approximately half of surveyed candidates indicate that not having enough money available to pay for their education (52% of respondents) and potentially having to take on large debts (47%) may prevent them from pursuing a graduate business degree. Candidates who express financial reservations also may not be expecting much financial assistance and are expecting to rely more on loans to cover their costs.

As examined earlier in the section titled, *Study Destination Drivers*, educational costs greatly influence where prospective students plan to apply, which may explain at least a portion of the shift in non-U.S. citizens' preferred study destination away from the United States in favor of other world regions. The two most important financial aspects that candidates evaluate when deciding where to apply are total tuition costs and scholarship availability.

Candidates' intended financial mix for paying for their graduate business degrees may pose a challenge for

business schools, as candidates' intended reliance on grants, fellowships, or scholarships to fund their education has reached its highest level since GMAC began surveying candidates on this topic in 2009 (**Figure 25**). Candidates who intend to pursue full-time MBA programs and those who live in developing national economies in Africa, Eastern Europe, Central and South Asia, and the Middle East are most dependent on this source of funding (**Figure 26**).

Historical trends tracked in other GMAC survey research also highlight decreased candidate reliance on loans, employer assistance, and parental support to pay for graduate business education. For example, the Alumni Perspectives Survey that GMAC conducted in 2015 found similar trends in declining levels of employer funding among business school alumni.⁶

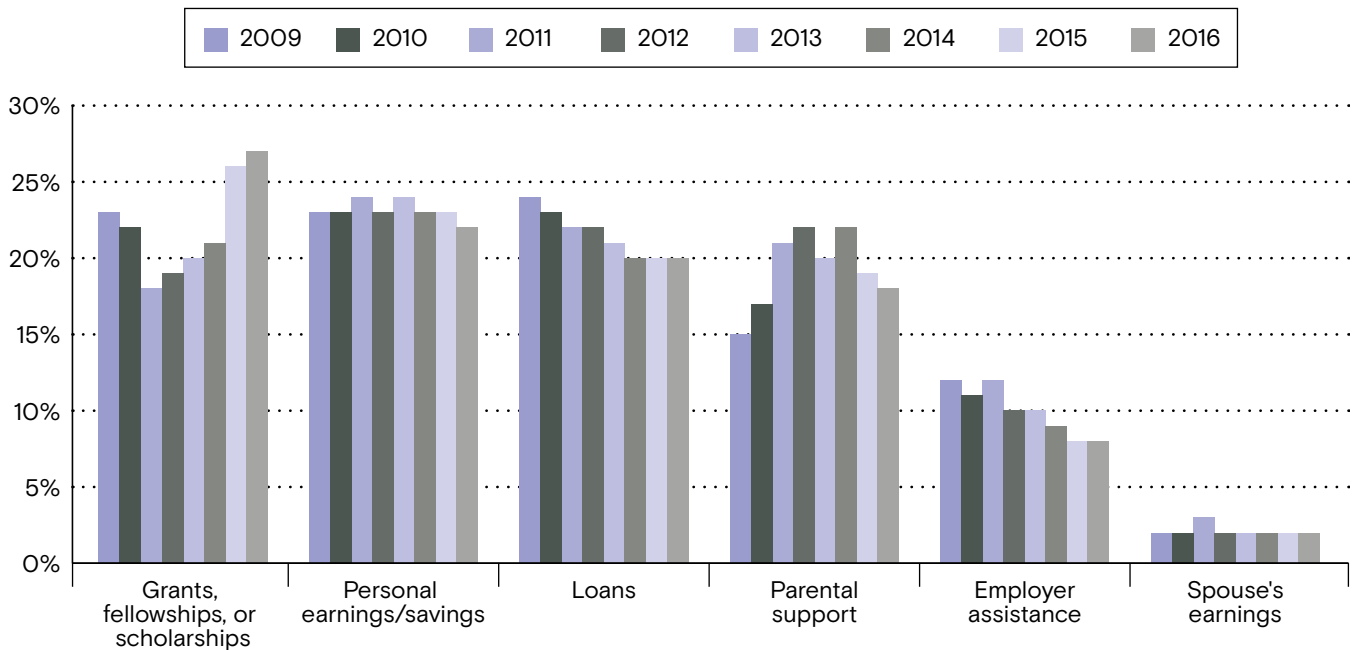
Prospective students' desire to continue working for their current employer after graduation is significantly correlated with the level of financial assistance they expect to receive from their employer. The more employer

⁶GMAC Alumni Perspectives Survey (2016). Data collected October to November 2015.

funding candidates receive, the more likely they are to stay with their current job. Among candidates who plan to remain with their current employers after graduation, fewer candidates plan to use employer assistance to help finance their education than in past years (49% in 2016 vs. 61% in 2009). Even fewer will rely on it as a share of their total costs (28% of their educational costs in 2016 vs. 36% in 2009). This may be because employers are not offering tuition assistance to the extent that they used to. Thus, most candidates (64%) expecting some employer assistance

are not planning to stay with the company after completing their degree programs. A closer look indicates that those candidates receiving employer assistance who don't plan to stay with their employer tend to be receiving less tuition assistance from their employers (29% of their educational costs) than those planning to stay (56% of the educational costs). Therefore, it may be in employers' best interests to consider increasing their funding levels if they want to retain their employees.

Figure 25. Average Distribution of Candidates' Educational Financing Mix, by Survey Year and Source of Funds



Source: GMAC mba.com Prospective Students Survey (2017). Data collected in survey years 2009 through 2016.

Figure 26. Average Distribution of Financial Mix Intended to Pay for Graduate Business Degree, by Candidate Demographics

		Source of Funds (% of Respondents)*					
		Grants, Fellowships, Scholarships	Loans	Personal Earnings/Savings	Spouse/ Partner Earnings	Employer Assistance	Support from Parents
Preferred Program Type	Full-time MBA	30%	24%	21%	2%	5%	16%
	Professional MBA	18%	22%	29%	2%	21%	6%
	Non-MBA business master's	23%	15%	21%	3%	4%	31%
Gender	Male	27%	22%	23%	1%	8%	16%
	Female	27%	18%	21%	3%	8%	21%
Age	Younger than 24	26%	16%	18%	2%	5%	30%
	24 to 30	28%	25%	23%	2%	9%	11%
	31 and older	27%	21%	32%	3%	13%	3%
Region of Residence	Africa	47%	9%	20%	2%	7%	12%
	Australia & Pacific Islands	24%	23%	25%	6%	6%	14%
	Canada	15%	26%	36%	2%	9%	11%
	Central & South Asia	33%	31%	14%	1%	2%	17%
	East & Southeast Asia	24%	9%	23%	3%	5%	33%
	Eastern Europe	35%	13%	26%	2%	2%	18%
	Latin America	33%	23%	26%	1%	4%	12%
	Middle East	30%	13%	30%	2%	7%	16%
	United States	22%	25%	22%	2%	15%	11%
	Western Europe	20%	14%	28%	2%	5%	30%

*Percentages in rows do not sum to 100 due to rounding.

Source: GMAC mba.com Prospective Students Survey (2017). Data collected February to December 2016.



Conclusion

Ongoing changes in many spheres of modern life are having a profound impact on prospective students' decisions to undertake a graduate business education. The state of local and global economies and job markets have influenced the types of careers they want to pursue. Increased competition arising from the continued diversification of the educational options available in graduate business schools—from new MBA formats to new master's level degrees—has influenced candidates' program considerations. The current political climate enveloping the United States and Europe—which is emphasizing protectionist immigration and economic policies—is having a deepening impact on candidates' decisions regarding where they will study. Financial realities and constraints faced by individuals, households, and institutions of all kinds are influencing the decision to pursue graduate business education at all, where candidates will study, and how they will pay for it.

Amid all these external factors influencing a candidate's decisions, one thing has remained constant over time—at the very center of a graduate business education is an optimistic individual looking to improve his or her future—whatever form that may take. These external pressures and

challenges also make it imperative for graduate schools of business to find new ways to enhance their current value proposition to ensure it remains meaningful and relevant to the future lives of students who pass through their doors.

Methodology

Findings in the 2017 mba.com Prospective Students Survey Report are based on analysis of data provided by 11,617 individuals who registered on mba.com—the GMAT website for prospective graduate business students—between February and December 2016. Each month, starting in February 2016, a random sample of individuals who registered on the website three months earlier was invited to participate in this ongoing research study. Findings in this report also are based on analysis of data collected in calendar years 2009 through 2017 from more than 117,000 individuals who registered on mba.com between October 2008 and September 2016.

Since the poll of mba.com registrants is conducted monthly, GMAC Research added two questions to the



registrants' survey in November and December 2016: One to ask non-U. S. citizens how the outcome of the U.S. presidential election might influence their decision to study in the United States, and the other to ask non-U.K. citizens whether last year's Brexit vote would make them less likely to study in the United Kingdom. The report's findings reflect these early insights into how the current political climate might affect the plans of candidates seeking international study and work opportunities.

In addition to this public summary report, GMAC provides graduate business schools that use the GMAT exam for admission to one or more of their programs access to an

Interactive Data Report, an online tool that accompanies this survey allowing school professionals to dive deeper into the candidate survey responses. The tool allows users to explore the survey question-by-question and filter data by a variety of geographic, demographic, and psychographic characteristics of the prospective student.

Respondent Profile

Figure 27 displays the demographic breakdown of global respondents analyzed in this 2017 report by age, gender, and region of citizenship.

Figure 27. Respondent Demographic Profile

Citizenship	Gender			Age		
	Overall	Male	Female	Under 24	24 to 30	31 and older
Global	11,617	6,184	5,433	5,198	4,544	1,858
Africa	815	507	308	234	365	215
Australia & Pacific Islands	67	37	30	20	26	20
Canada	420	209	211	102	183	133
Central & South Asia	2,293	1,602	691	1,180	912	197
East & Southeast Asia	2,216	856	1,360	1,357	657	201
Eastern Europe	388	168	220	186	133	69
Latin America	594	373	221	135	336	123
Middle East	318	208	110	105	158	53
United States	3,450	1,597	1,853	1,327	1,449	672
Western Europe	1,056	627	429	552	325	175

Source: GMAC mba.com Prospective Students Survey (2017). Data collected February to December 2016.

Contact Information

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Contributors

The following individuals from the Research Department of GMAC made significant contributions to the publication of this report: **Rhonda Daniel**, Survey Research Manager, questionnaire design, survey management, data analysis, and drafting of the manuscript for intellectual content; **Gregg Schoenfeld**, Director, Management Education Research, manuscript review; **Devina Caruthers**, Research Associate Manager, administration of survey; **Paula Bruggeman**, Research Publications Manager, editorial review and publication management; **Matt Hazenbush**, Research Senior Manager, editorial review; and **Tacoma Williams**, Research Senior Coordinator, sample development and quality assurance.

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