

Understanding the Role of the Master in Management in Global Business Education



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Executive Summary

The Master in Business Administration (MBA) is a well-traveled path for experienced students to prepare for leadership positions in organizations around the world. Though many business schools have long offered programs specifically designed for students with little to no professional experience, this has recently become a notable growth area in global graduate business education. Many of these primarily pre-experience program types, such as Master of Accounting or Master in Finance, develop students' skills in a specialized area of business. The outlier in this group is the Master in Management (MiM) degree, which, like traditional MBA programs, teaches general management principles.

A degree with roots in European higher education, the MiM has made inroads in recent years in the traditionally MBA-focused US and Asia-Pacific business school markets. The MiM's proliferation has caused global business school leaders to reflect on how the MiM strategically fits within a school's program portfolio, particularly given its curricular overlap with MBA programs. Through a wide-ranging examination of Graduate Management Admission Council® (GMAC®) data, the analysis presented in this paper demonstrates that MiM and full-time MBA programs largely serve distinct types of candidates at different stages of their careers and lead to different outcomes. The analysis also highlights key differences between the established European MiM market and the emerging US and Asia-Pacific MiM markets.

MiM programs, which at most business schools serve pre-experience candidates, help graduates successfully *launch* their careers, leading them to job opportunities that otherwise might not have been open to them. For these programs, the value proposition of the MiM is grounded in the short-term—it offers pragmatic training and connections needed to start a career. Full-time MBA programs, which generally serve experienced candidates, help graduates *accelerate* their careers and ascend to roles with increased levels of responsibility and organizational scope. The value proposition of the full-time MBA is in the long term—it provides connections and trains students not necessarily for their first job, but for their second, third, or fourth job after business school.

To plan for a sustainable future for their MiM programs, it is recommended that business schools clearly convey this difference in value proposition in marketing materials and recruiters' person-to-person communications with candidates. Failure to do this could lead to confusion among candidates and employers. With this in mind, MiM programs cannot, and should not, be marketed as a replacement or substitute for an MBA. MiM programs need to carefully consider how they set candidates' outcomes expectations or they risk diluting their business schools' overall brand, particularly at schools where the overall brand identity is most closely associated with its full-time MBA program.

Among the key differences between the European, us, and Asia-Pacific mim markets is that the European candidate pipeline is more well-defined. Most European candidates very recently completed their bachelor's degree (average age of 22.7) and majored in business (78%). This is due in part to the legacy of the "first degree" in continental Europe—there is an established norm of completing the equivalent of a master's-level credential in the same subject they studied previously before entering the workforce. This legacy advantage with recruiting business majors may actually pose a challenge to European mim programs trying to expand their in-region recruitment beyond this base of candidates.

About half of European mim candidates belong to the Global Striver segment, a segment of candidates focused on enhancing their opportunities for global employment. Because the largest segment of Asia-Pacific candidates seeking mim programs outside of their region are also Global Striver, European programs seeking to differentiate themselves from their us competitors in recruiting Asia-Pacific candidates should communicate the international orientation of their programs' students, curriculum, and career outcomes, in addition to highlighting favorable post-study work visa programs in their countries. Interestingly, the largest segment of Asia-Pacific candidates seeking mim programs within the Asia-Pacific region are also Global Strivers. This suggests that an effective strategy for Asia-Pacific mim programs to retain a greater share of their mim candidate base would be to convey that a mim degree earned from their institution opens doors to careers both inside and outside of Asia-Pacific.

Though the growing number of candidates from Asia-Pacific countries—specifically China—have swelled application volumes to European and us mim programs in recent years, these programs should not count on this pipeline to expand indefinitely. A combination of demographic shifts, program preferences, increased competition, and political dynamics will likely slow the growth in Asia-Pacific mim demand in coming years.

In developing a recruitment strategy for domestic candidates, us mim programs focused on pre-experience candidates should not necessarily look to the success of European mim programs as a model. Absent the "first degree" legacy advantage European programs have in recruiting business majors, an alternative strategy for us mim programs would be to focus their recruitment on recent non-business bachelor's graduates, specifically those who stand to benefit most from the mim value proposition. Recent graduates that majored in liberal arts and public service disciplines—such as social sciences, arts, psychology and social work, and communications—have the highest unemployment rates and lowest salary levels among recent graduates, and are the most likely to say they would, if given the opportunity, change what they majored in as an undergraduate. These candidates would likely be receptive to the value proposition of a mim.



Introduction

Master in Management programs are graduate-level programs in general management that typically do not require professional experience—often described as *pre-experience*. Like MBA programs, the coursework is designed to prepare students for management and leadership positions through broad exposure to a variety of different business disciplines and subjects. MIM programs tend to place more emphasis on management theory and fundamentals, laying a solid groundwork on which graduates can begin to build their careers. Many MIM programs also emphasize the global nature of modern business, and the coursework often takes on an international perspective. Unlike the MBA degree, which for the most part is titled the same across institutions—often with a prefix to designate its format (i.e., part-time, executive, etc.)—degree programs classified as MIMs often have different titles. For example, an MA in Strategy and International Management, Master in International Management, and MSc in International Management would all fall within the MIM category.

Historically in European higher education—where the concept of the MIM was first popularized—there was considerable variation in degree titles and requirements across countries and institutions. This made it difficult for candidates to apply across country lines and for admissions professionals to assess degree equivalencies. In 1999, European countries signed the Bologna Declaration (often called the Bologna Accord) which created a system of comparable degrees throughout the European Union, drew a clear and standardized distinction between undergraduate and graduate studies, and promoted greater student mobility across institutions and fields of study.¹

Before the Bologna Accord, European “first degrees” (roughly equivalent to a US bachelor’s degree and master’s degree) were designed to take five years to complete, though in practice they often took longer. In introducing the distinct bachelor’s and master’s frameworks, the Bologna Accord reduced the time required to earn a

bachelor’s degree, and thus increased bachelor’s graduation rates while creating a new European master’s candidate market. Since the implementation of the Bologna Accord, European bachelor’s degree-holders can more easily pursue a master’s degree at a different institution, creating the need for a standardized metric to evaluate talent. As a result, more European business schools accept scores from the Graduate Management Admission Test® (GMAT®) exam as a part of their admissions process. Between GMAT testing years (TY) 2007 and 2016, the number of European MIM programs accepting GMAT score reports increased from 27 to 152.² In adapting the bachelor’s and master’s framework, European master’s programs can now also more easily attract talented candidates from outside of Europe. As a result, application numbers swelled, gaining the attention of business school leaders in other regions.

Due in part to the success of European MIM programs post-Bologna, many US business schools have expanded their program portfolios to include pre-experience MIM programs. Over the past 10 GMAT testing years, the number of US MIM programs accepting GMAT score reports nearly doubled from 102 to 195. The number of MIM programs in Asia-Pacific accepting GMAT score reports also increased notably over this period.³

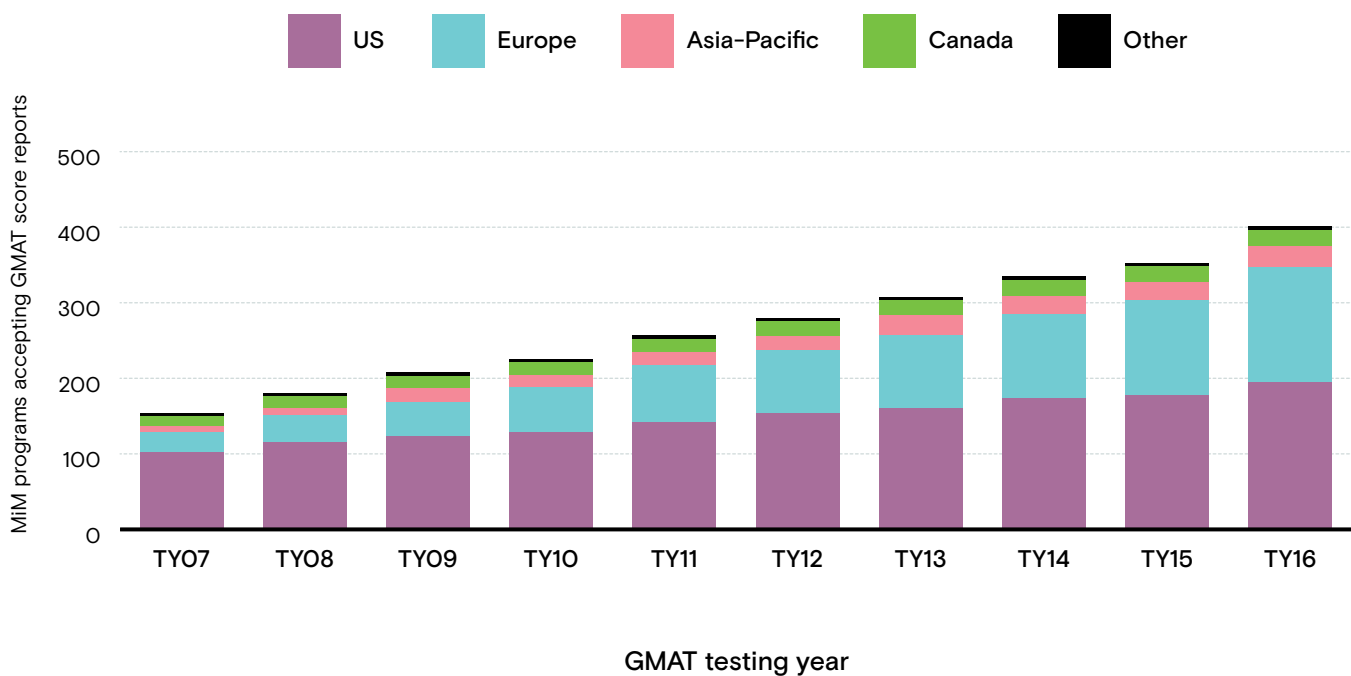
This expansion has caused many business school leaders to grapple with what the strategic role of the MIM is in program portfolios that already include an established full-time MBA program. *Who are MIM candidates? Is the MIM decreasing demand for MBA programs? Is the MIM delivering a value on par with MBA programs? Will MIM graduates go on to pursue an MBA?* These are among the questions addressed in this paper through a wide-ranging exploration of GMAC data—including both candidate inputs and graduate outcomes—with the goal of more clearly defining the role the MIM in global graduate business education and providing recommendations for the sustainable future of the degree.

¹Graduate Management Admission Council. The Bologna Accord: A European Revolution with Global Implications. January-February 2005. <http://www.gmac.com/why-gmac/gmac-news/gmnews/2005/january-february/the-bologna-accord-a-european-revolution-with-global-implications.aspx>

²Graduate Management Admission Council. GMAT testing data (TY 2007-TY 2016). Testing year refers to the period between July 1 and June 30. For example, testing year 2016 ran from July 1, 2015 to June 30, 2016.

³Ibid.

Total number of MiM programs accepting GMAT® score reports, by school region



Source: GMAC. GMAT score-sending data, TY 2007 - TY 2016.

Findings



To understand the scope and nature of the global mIM marketplace and define the mIM's role in graduate business education, this report analyzes GMAT test-taking data and examinee score sending behaviors, in addition to GMAC survey research data collected from business school candidates, admission offices, employers, and business school alumni.

Note that GMAT testing volumes and score-sending data do not capture the full breadth of graduate business education, only those candidates who sat for the exam and programs that accept the exam as a part of the graduate admission process. GMAC survey data reflect the responses of candidates, admission offices, employers, and alumni who voluntarily participate in GMAC research studies and do not necessarily constitute a statistically representative sample of the population studied. Where applicable, sample sizes and other relevant details of data collection are noted.



Who Are MiM Candidates?

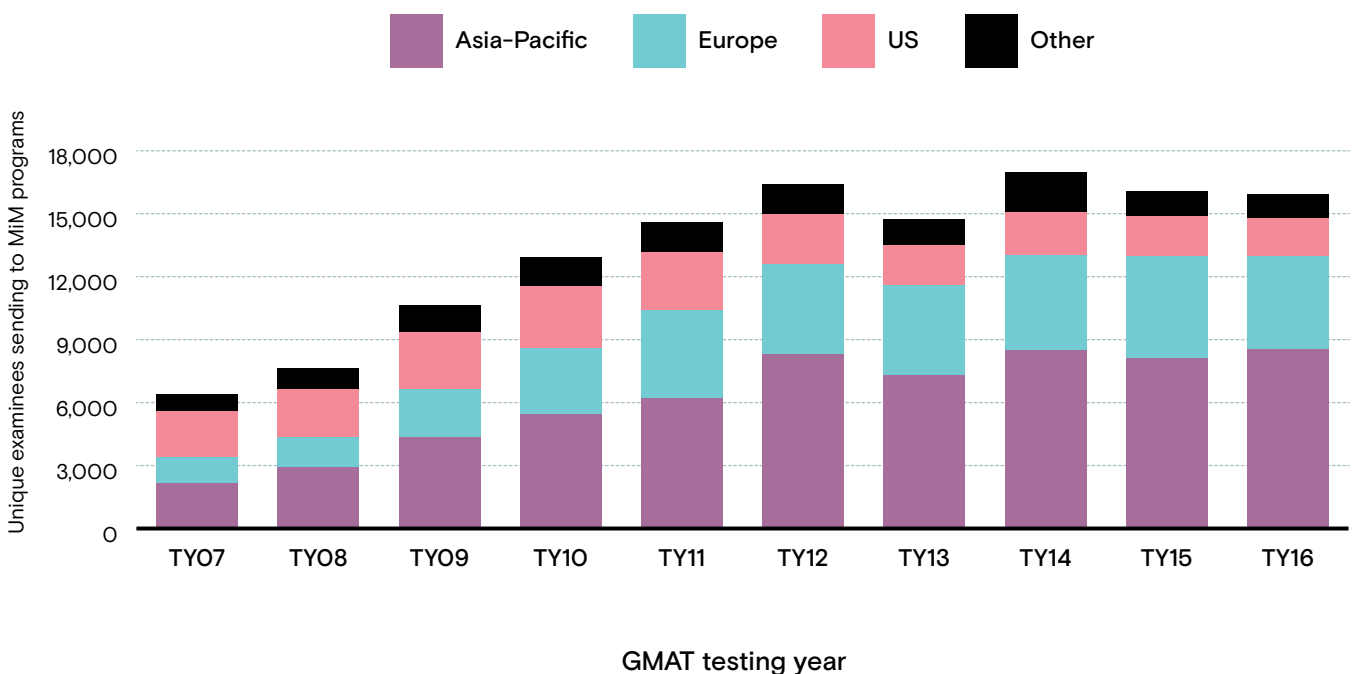
GMAT score-sending volumes can be interpreted as an indication of candidate demand. The greater the number of unique candidates sending score reports to a program type, the greater demand there is for that program type in the marketplace. Between GMAT testing years 2007 and 2011, the number of unique examinees sending GMAT score reports to MiM programs grew from 6,407 to 14,594. Changes to the GMAT exam itself and score-sending policies have affected unique candidate score-sending volumes from TY 2012 to TY 2016.⁴ An indicator of the continued growth in demand for MiMs during this period is that the ratio of unique MiM score senders to unique full-time MBA score senders increased from 1 to 7 in TY 2012 to 1 to 5 in TY 2016.

MiM candidates come from all over the world. As with the overall regional representation of GMAT examinees, the biggest demographic shift in the past 10 GMAT testing years

among MiM candidates is the growth of the Asia-Pacific pipeline. Between TY 2007 and TY 2016, the share of unique MiM score senders among test takers from the Asia-Pacific region grew from 34 percent to 54 percent. This has been primarily driven by growing demand from citizens of China (33% of unique MiM score senders in TY 2016) and India (14%).

Another notable growth area is among GMAT score senders from Europe. As the number of European MiM programs requiring the GMAT exam for admission increased over the past 10 testing years, the share of Europeans among unique examinees sending scores to MiM programs increased from 19 percent to 28 percent.⁵

Citizenship of unique examinees sending GMAT® score reports to MiM programs, TY 2007 – TY 2016



Source: GMAC. GMAT score-sending data, TY 2016.

⁴GMAT exam and score-sending volumes were artificially elevated in TY 2012 and artificially lower in TY 2013 because many examinees opted to shift their test-taking behavior to sit for the exam before the addition of the Integrated Reasoning section in June 2012. This accounts for the drop in score sending to MiM programs between these years. A revised policy offering test takers the ability to preview their GMAT score reports before deciding whether to accept or cancel their exam results, instituted in TY 2015, resulted in fewer unique examinees sending score reports.

⁵Graduate Management Admission Council. GMAT testing data (TY 2007-TY 2016).

The overlap in curricular focus of MiM and full-time MBA programs has led many to wonder if the two program types are in direct competition with one another for qualified candidates. A close examination of GMAT score-sending data reveals that there is little overlap between candidates sending score reports to MiM programs and those sending scores to full-time MBA programs. This suggests they attract

largely distinct candidate pools. Among unique GMAT score senders who sent at least one score report to either a MiM or a full-time MBA program in TY 2016, just 6 percent sent score reports to both program types. Among citizenship groups in which the MiM is the most popular—Europe and China—the overlap is larger, but still only accounts for about 1 in 10 unique candidates.⁶

GMAT® score-sending patterns, by examinee citizenship, TY 2016*

| Citizenship group | Full-time MBA only | MiM only | Both |
|-------------------|--------------------|----------|------|
| Global | 81% | 13% | 6% |
| Europe | 49% | 43% | 9% |
| US | 94% | 3% | 2% |
| China | 52% | 35% | 13% |
| India | 86% | 6% | 8% |

*TY 2016 total unique score senders to either full-time MBA or MiM programs.

Source: GMAC. GMAT score-sending data, TY 2016.

A demographic analysis of these candidates further illustrates that MiM and full-time MBA programs attract distinct candidate types. Because they typically have little to no prior work experience, candidates who send scores only to MiM programs skew younger than MBA candidates (an average of 23.3 years old in TY 2016 compared with an

average age of 26.3 years for MBA candidates). They have an average of 1.5 years of work experience compared with an average of 4.5 years among MBA candidates. MiM-only candidates include a notably larger share of business majors (66%) and a larger share of women (51%) compared with full-time MBA candidates.⁷

Demographics of candidates sending GMAT® score reports only to MiM programs and only to full-time MBA programs, TY 2016

| | MiM only | Full-time MBA only |
|---------------------------------------|----------|--------------------|
| Average age | 23.3 | 26.3 |
| Average years professional experience | 1.5 | 4.5 |
| Percentage business majors | 66% | 47% |
| Percentage women | 51% | 37% |

Source: GMAC. GMAT score-sending data, TY 2016.

⁶Graduate Management Admission Council. GMAT testing data (TY 2016).

⁷Ibid.

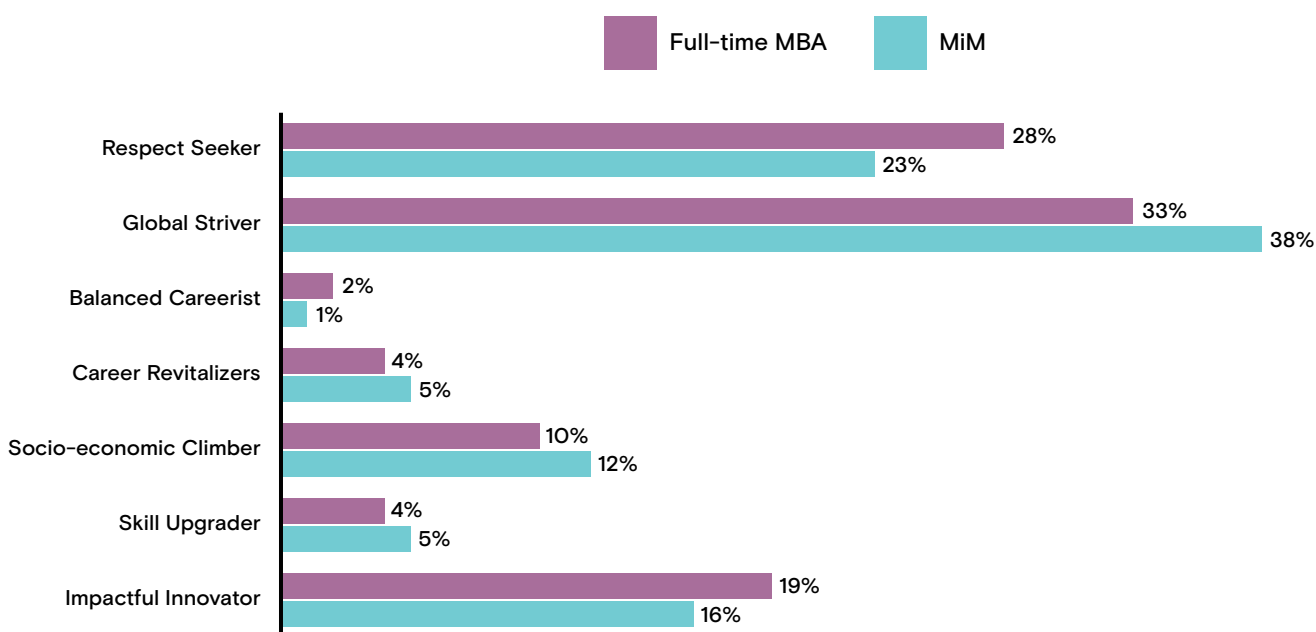
The candidate pool from China accounts for much of the difference in gender representation between MiM only and full-time MBA only candidates. This regional segment of the MiM candidate market—which accounted for 33 percent of the total number of unique MiM score senders in FY 2016—is composed of more than two-thirds women (68%). If one excludes Chinese candidates from the global MiM candidate population, the female-to-male gender ratio resembles that seen among full-time MBA only score senders (39% women, 61% men).

Beyond demographics, another way to compare the MiM and full-time MBA candidate pipelines is by their motivations to pursue graduate business education. In 2016, GMAC partnered with Ipsos, a global market research firm, to carry out a segmentation study of the global graduate business school candidate population. The study was centered around the factors that most motivate candidates to pursue a graduate business degree and the factors that most motivate them to apply to a specific graduate business school. The result

of the study was the establishment of seven well-defined and mutually exclusive candidate segments. Based on the results of the study, a seven-question Segmentation Tool was developed that can quickly and accurately characterize business school candidates by their best fitting segment. This tool was integrated into the candidate registration process for the GMAT exam, offering deeper levels of insight into the candidate pipeline.⁸ Figure A.1 in the Appendix provides an overview of the defining characteristics of each segment.

On the global level, the top three segments that characterize candidates for both MiM and full-time MBA programs are Global Strivers, Respect Seekers, and Impactful Innovators. Reflecting MiM programs' global focus—in terms of both their candidates and curriculum—a larger proportion of MiM candidates are Global Strivers, a segment of candidates focused on enhancing their opportunities for global employment. A larger proportion of full-time MBA score candidates are Respect Seekers and Impactful Innovators.⁹

Segmentation distribution of global GMAT® score senders, by program type, 2017



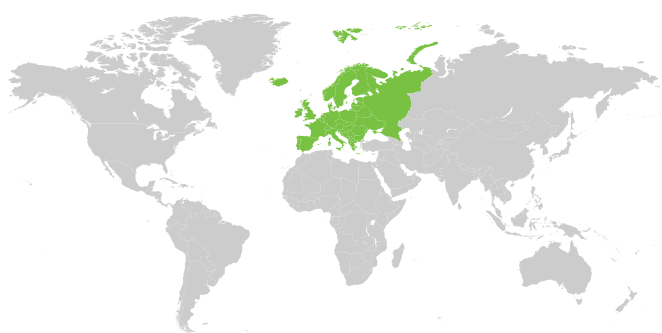
Source: GMAC. GMAT score-sending data. Data collected between January and August 2017. Unpublished.

Data reflects segmentation tool results for GMAT test takers who sent scores to full-time MBA (n=35,546) and MiM (n=3,992) programs.

⁸Graduate Management Admission Council (2016). Beyond Demographics: Connecting with the Core Motivations of Business School Candidates. GMAC Global Management Education Segmentation Study. gmac.com/segments.

⁹Graduate Management Admission Council. GMAT score-sending data. Data collected between January and August 2017. Unpublished. Data reflects segmentation tool results for GMAT test takers who sent scores to full-time MBA (n=35,546) and MiM (n=3,992) programs.





European MiM Programs

Europe is the world's most mature mim market. At many European business schools, the mim program is the most prominent part of their program portfolio in terms of total enrollment and reputation. Most of the world's best known and highly regarded mim programs are in Europe. For example, 80 of the 90 mim programs ranked by *The Financial Times* in 2016¹⁰ and 30 of the 40 programs ranked by *The Economist* in 2017¹¹ are European, though some newer mim programs at established us business schools have not yet submitted data to be included in these publications. GMAC is currently undertaking a large-scale research study of European business master's programs to understand how the overall landscape and individual programs have evolved over the last ten years. A summary report is expected to be release in Q1 2018.

The skill sets that candidates to European mim programs seek to develop through their studies generally align with the curricular focus of mim programs. Among business school candidates preferring to study at European mim programs, the greatest proportion seek to develop their general business knowledge, followed by interest in developing their managerial and leadership skills. Fewer than 1 in 3 candidates seek to develop their technical skills through their mim studies.¹²

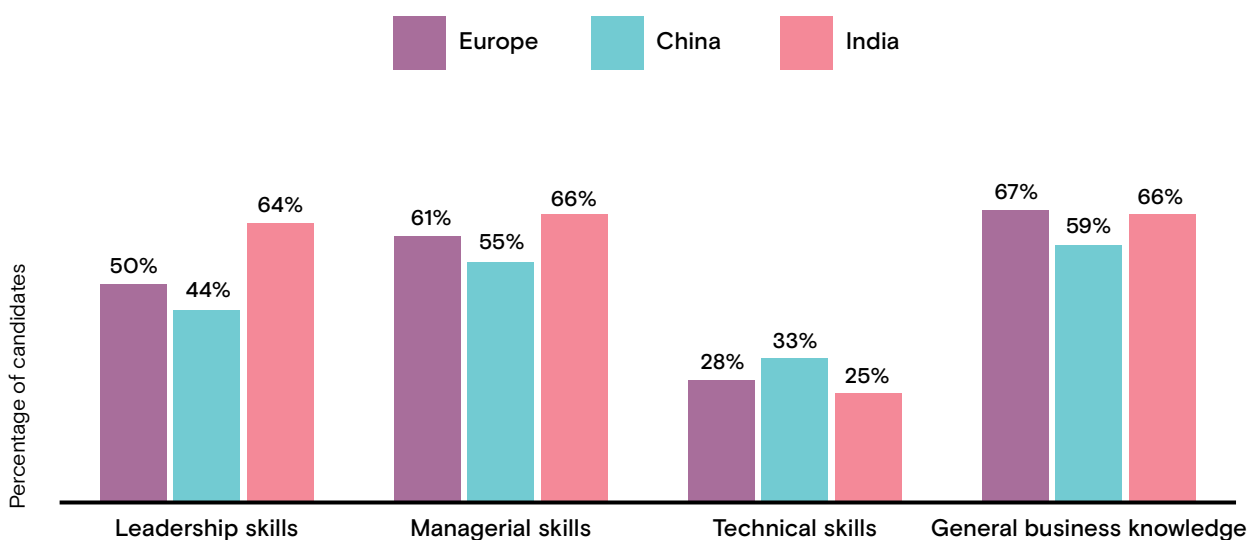


¹⁰*The Financial Times*. Masters in Management 2016. September 11, 2016. <http://rankings.ft.com/businessschoolrankings/masters-in-management-2016>

¹¹*The Economist*. Masters in Management 2017 ranking. May 10, 2017. <http://www.economist.com/whichmba/MiM/2017/Ranking>

¹²Graduate Management Admission Council (2017). mba.com Prospective Students Survey.

Desired knowledge, skills, and abilities, candidates preferring European MiM programs, by citizenship



Desired knowledge, skills, and abilities

Source: GMAC mba.com Prospective Students Survey. Data collected in 2016.

Data reflects survey responses from mba.com registrants preferring European MiM programs with citizenship of Europe (n = 295), China (n = 107), and India (n=56).

Candidates preferring to study at European mim programs seek out a wide variety of specific information in selecting which programs to apply to, and ultimately which to attend. There is variation in which specific pieces of information candidates consider in their decision making by citizenship. For example, most European, Chinese, and Indian candidates

seek out details about program costs, though a greater share of Chinese and Indian candidates take into account details about scholarship availability. Also of more interest to Chinese and Indian candidates, on average, is the proportion of international students in the program and the quality of student services.¹³

¹³Ibid

Percentage of candidates seeking specific information when making program selection decisions, candidates preferring European MiM programs, by citizenship

| Europe | China | India |
|----------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|
| Language of instruction (64%) | Proportion of international students (67%) | Availability of scholarships (84%) |
| Total tuition and fees (62%) | Total tuition and fees (64%) | Proportion of international students (79%) |
| Program format (e.g., full-time, part-time, etc.) (59%) | Availability of scholarships (57%) | Total tuition and fees (75%) |
| Program completion time (54%) | Quality of student services (50%) | Language of instruction (70%) |
| Specific curriculum offered (e.g. specializations) (52%) | Attractiveness of the campus (46%) | Availability of loans for international students (68%) |
| Proportion of international students (48%) | Availability of an international exchange program (45%) | Program format (e.g., full-time, part-time, etc.) (66%) |
| Availability of an international exchange program (47%) | Specific curriculum offered (e.g. specializations) (44%) | Average years of work experience of students (66%) |
| Application fees (46%) | Program format (e.g., full-time, part-time, etc.) (44%) | Program completion time (64%) |
| Course type offered (on-campus, online) (45%) | Average years of work experience of students (43%) | Quality of student services (61%) |
| Availability of scholarships (42%) | Program completion time (42%) | Specific curriculum offered (e.g. specializations) (57%) |

Source: GMAC mba.com Prospective Students Survey. Data collected in 2016.

Data reflects survey responses from mba.com registrants preferring European MiM programs with citizenship of Europe (n = 295), China (n = 107), and India (n=56).

Following the adoption of the Bologna Accord, which promotes student mobility across institutions between the bachelor’s and master’s levels, an increasing share of European MiM programs use the GMAT exam as a part of their admissions process to ensure a standardized measure of candidate preparedness. Over the past five GMAT testing years, European citizens have consistently accounted for about half of the GMAT score reports sent to European MiM programs (53% in TY 2016). In TY 2016, citizens of Germany (1,403) and France (768) sent the greatest number of score reports to MiM programs among European citizenship groups, followed by Italy (349), the Netherlands (240), and Russia (234). An increasing share of score reports to European MiM programs come from Asia-Pacific, most notably China (22% of all score reports in TY 2016) and India (12%).¹⁴

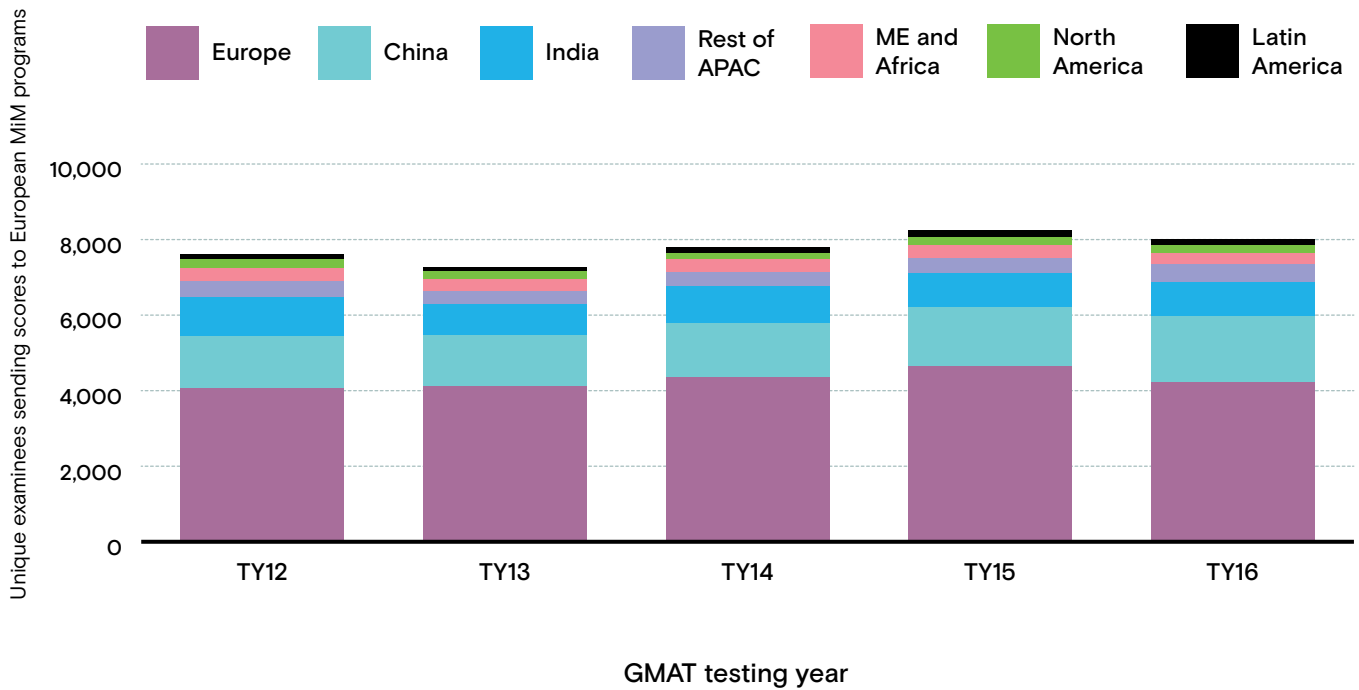
On the strength of a notable increase in international applications, about 4 in 5 European MiM programs (79%) reported overall year-on-year application volume growth in 2017. Specifically, 84 percent of European MiM programs reported growth in international application volumes.¹⁵ This recent uptick is likely due in part to shifting candidate preferences in light of the current political climate in the US. Data collected through July 2017 shows that one-fourth of non-US business school candidates who considered the US as a study destination are no longer planning to apply to US programs (26%). About half of those candidates report plans to apply to a school in Western Europe (51%).¹⁶

¹⁴Graduate Management Admission Council. GMAT testing data (TY 2016).

¹⁵Graduate Management Admission Council (2017) Application Trends Survey. Results based on responses of 19 European MiM programs.

¹⁶Graduate Management Admission Council (August 2017). International B-School Candidates Continue to Express Concerns About Studying in US Amid Political Climate. <http://www.gmac.com/~media/Files/gmac/Research/prospective-student-data/2017-august-students-hesitant-to-study-in-us-final.pdf>

Citizenship of candidates sending GMAT® score reports to European MiM programs, TY 2012–TY 2016



Source: GMAC. GMAT score-sending data, TY 2016.

European candidates who send GMAT score reports to European MiM programs on average are young (average age of 22.7 in TY 2016) and have little work experience (average of 0.9 years). Most majored in business as an undergraduate. The percentage who studied business as an undergraduate has increased from 67 percent in TY 2012 to 78 percent in TY 2016. In this sense, the European MiM candidate pipeline is well defined—the vast majority of candidates very recently completed their bachelor’s degree and nearly 4 in 5 majored in business. This is likely due in part to the legacy of the “first degree” in continental Europe—it is an established norm in European higher education for students to complete the equivalent of a master’s-level degree in the same subject they had studied previously before entering the workforce. Though some European MiM programs have shifted their recruitment strategies to emphasize

non-business major candidates, the reality is that even these programs remain majority business majors. It becomes a challenge to persuade non-business majors that a MiM is a good fit for them when such a large proportion of the classroom is filled with business majors.

The percentage of business majors among Chinese MiM score senders to European programs has increased from 50 percent in TY 2012 to 58 percent in TY 2016. Though China contributes the greatest proportion of arts majors to European MiM programs (35% of Chinese candidates in TY 2016), this group has trended down in recent years. Three quarters of Chinese candidates to European MiM programs are women (75% in TY 2016). Indian candidates contribute the greatest share of STEM majors to European MiM programs (54% in TY 2016).¹⁷

¹⁷Graduate Management Admission Council. GMAT testing data (TY 2016).

Demographic profile of candidates sending GMAT® scores to European MiM programs, by candidate citizenship, TY 2016

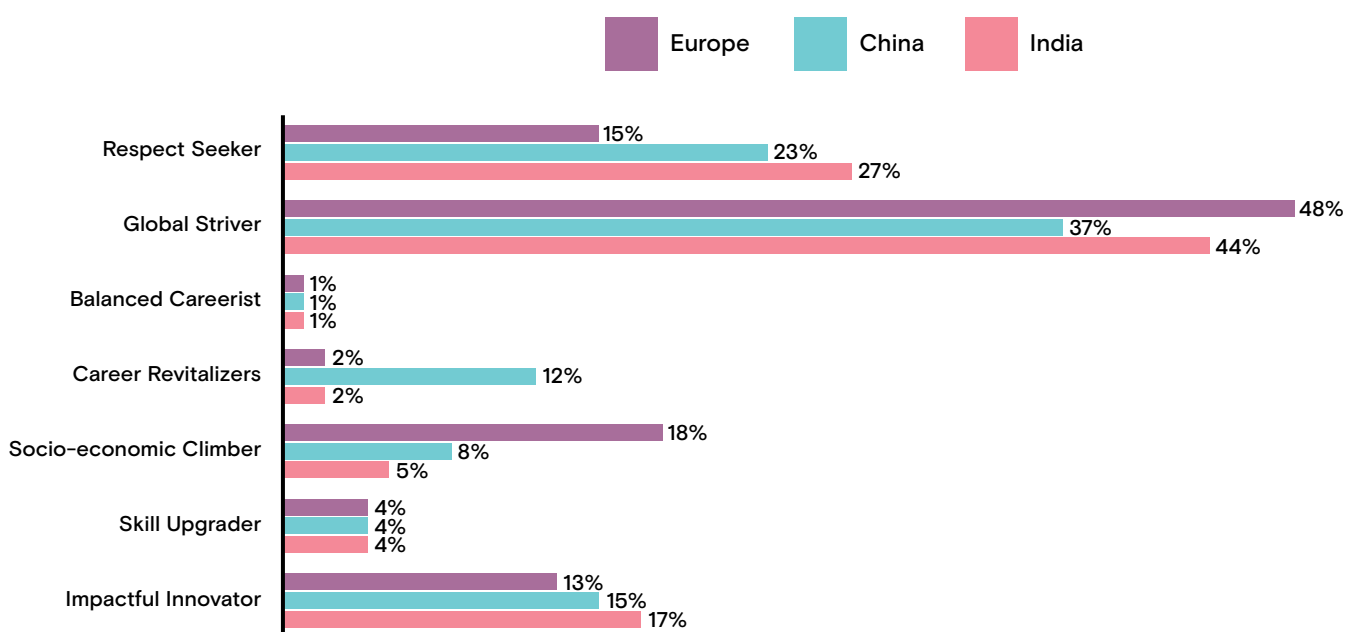
| Candidate citizenship | Average age | Average years exp. | Percentage women | Percentage men | Percentage business | Percentage STEM | Percentage arts |
|-----------------------|-------------|--------------------|------------------|----------------|---------------------|-----------------|-----------------|
| Europe | 22.7 | 0.9 | 39% | 61% | 78% | 7% | 15% |
| China | 22.0 | 0.5 | 75% | 26% | 58% | 8% | 35% |
| India | 22.7 | 1.4 | 35% | 65% | 37% | 54% | 9% |

Source: GMAC. GMAT score-sending data, TY 2016.

The largest share of candidates sending GMAT score reports to European MiM programs belong to the Global Striver segment. This is true both of Europeans looking to stay in region to pursue their MiM (48% Global Strivers) and the two largest non-European citizenship groups sending scores to European MiM programs: China (37%) and India (44%). This suggests that the global focus of many European MiM programs is attracting globally minded candidates, both among in-region and out-of-region candidate pools. This

stands in contrast to US MiM programs, where in-region candidates are less aligned with their out-of-region candidates in terms of having a Global Striver motivation set. European programs seeking to differentiate themselves from their US competitors in recruiting Asia-Pacific candidates should clearly communicate the international orientation of their programs' students, curriculum, and career outcomes, in addition to highlighting favorable post-study work visa programs in their countries.¹⁸

Segmentation distribution of candidates sending GMAT® score reports to European MiM programs, by citizenship

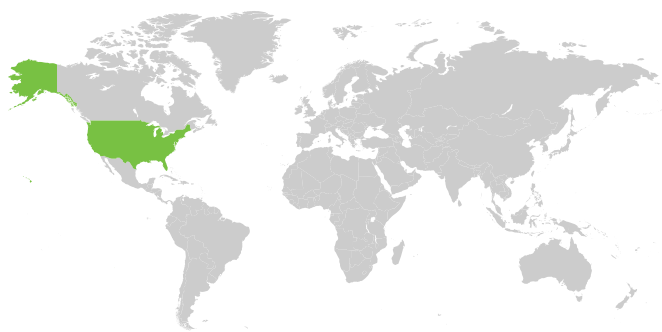


Source: GMAC. GMAT score-sending data. Data collected between January and August 2017. Unpublished.

Data reflects segmentation tool results for GMAT test takers who sent scores to European MiM programs with citizenship from countries in Europe (n=857), China (n=545), and India (n=736).

¹⁸Graduate Management Admission Council. GMAT score-sending data. Data collected between January and August 2017. Unpublished. Data reflects segmentation tool results for GMAT test takers who sent scores to European MiM programs with citizenship from countries in Europe (n=857), China (n=545), and India (n=736).





US MiM Programs

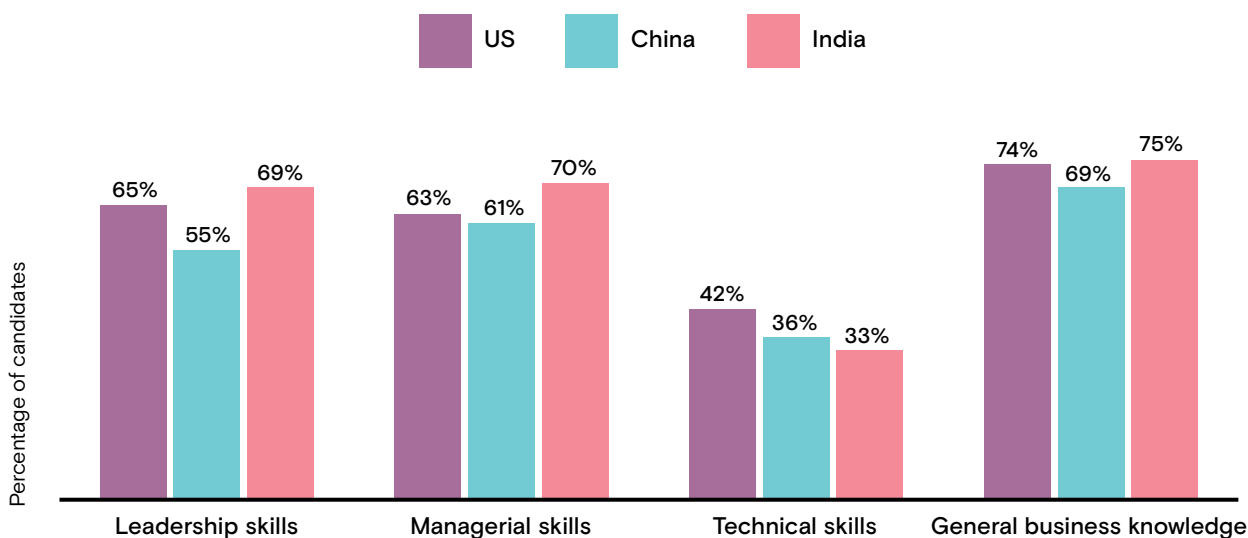
As it adds new programs every year, the us mim market is best described as emerging, built off the strength of international candidate demand. Overall, the data suggests that us mim programs and their candidates are less well-defined as established European mim programs and their pool of candidates.

For example, while the greatest proportion of candidates who prefer us mim programs seek to develop their business knowledge through their mim studies—just as candidates who prefer European mim programs—a larger proportion of candidates who prefer us mim programs also seek to develop their leadership, managerial, and technical skills, suggesting that these candidates overall have a more diverse range of desired outcomes from their mim program.¹⁹



¹⁹Graduate Management Admission Council (2017). mba.com Prospective Students Survey.

Desired knowledge, skills, and abilities, candidates preferring US MiM programs, by citizenship



Desired knowledge, skills, and abilities

Source: GMAC mba.com Prospective Students Survey. Data collected in 2016.

Data reflects survey responses from mba.com registrants preferring US MiM programs with citizenship of the US (n = 263), China (n = 144), and India (n=122).

In selecting which programs to apply to and attend, candidates who prefer us mim programs seek a wide variety of information on which to base their decision. Candidates vary in the information they seek by citizenship. While most us, Chinese, and Indian candidates seek out program cost and scholarship details, more us candidates seek information related to convenient class schedules and proximity to their home, though still a minority (44%).²⁰

²⁰Ibid

Percentage of candidates seeking specific information when making program selection decisions, candidates preferring US MiM programs, by citizenship

| US | China | India |
|----------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------|
| Total tuition and fees (70%) | Proportion of international students (62%) | Availability of scholarships (81%) |
| Program format (e.g. full-time, part-time) (67%) | Availability of scholarships (56%) | Total tuition and fees (80%) |
| Program completion time (59%) | Total tuition and fees (54%) | Program format (e.g., full-time, part-time) (77%) |
| Availability of scholarships (56%) | Quality of student services (54%) | Availability of loans for international students (75%) |
| Course type offered (online, on-campus) (54%) | Specific curriculum offered (e.g. specializations) (47%) | Average years of work experience of students (70%) |
| Specific curriculum offered (e.g. specializations) (51%) | Attractiveness of the campus (46%) | Program completion time (70%) |
| Convenient class schedules (44%) | Housing and other out-of-pocket living costs (44%) | Specific curriculum offered (e.g. specializations) (70%) |
| Proximity to work or home (44%) | Program format (e.g., full-time, part-time) (44%) | Proportion of international students (64%) |
| Average years of work experience of students (42%) | Availability of research, teaching, or other assistantships (44%) | Quality of facilities (59%) |
| Application fees (37%) | Average years of work experience of students (44%) | Course type offered (online, on-campus) (56%) |

Source: GMAC mba.com Prospective Students Survey. Data collected in 2016.

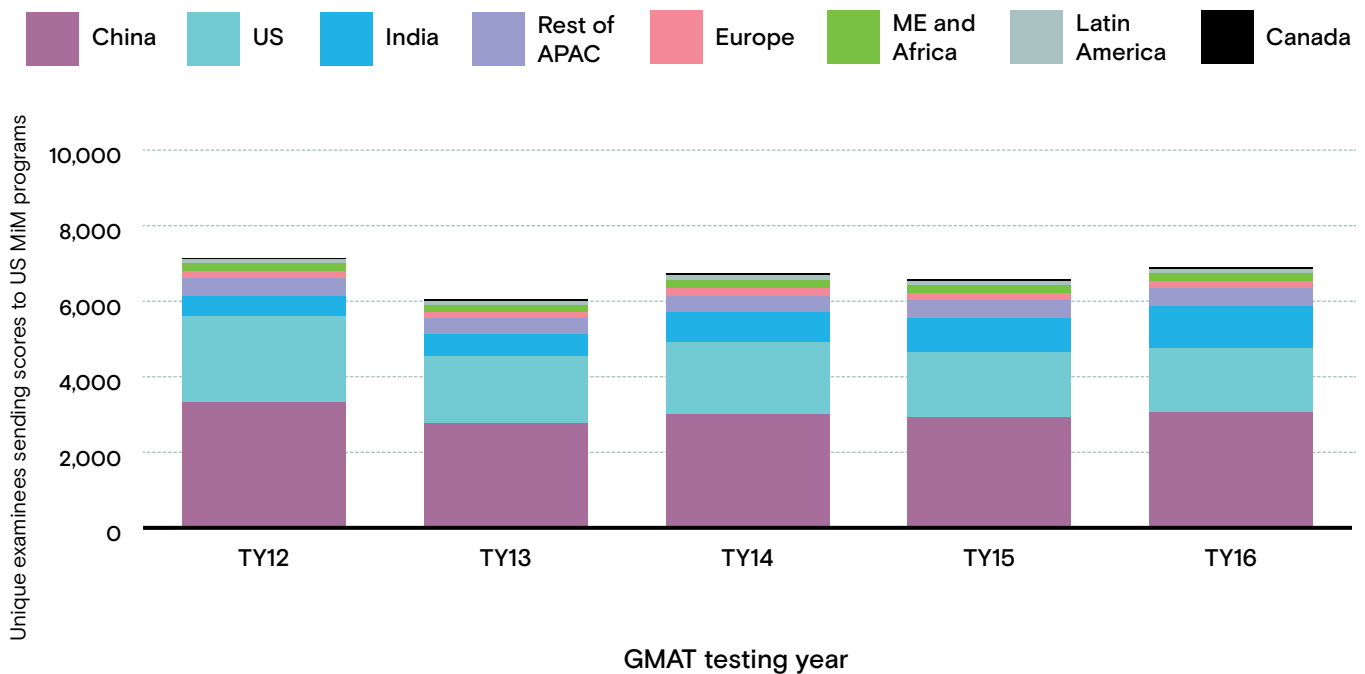
Data reflects survey responses from mba.com registrants preferring US MiM programs with citizenship of the US (n = 263), China (n = 144), and India (n=122).

Over the past five GMAT testing years, Chinese candidates have consistently accounted for about 45 percent of the total score reports received by US MiM programs. This is up from just 13 percent 10 years ago. The share of US citizens sending GMAT scores to US MiM programs has steadily declined over the last 10 years, from more than half in TY 2007 (58%) to about a quarter in TY 2016 (24%). The share of score reports

from Indian citizens has increased from 8 percent in TY 2012 to 16 percent in TY 2016. Among China candidates sending scores to US MiM programs, most are women (63% in TY 2016) and business majors (71%). Like European MiM programs, the greatest share of STEM majors sending GMAT scores to US MiM programs come from India (69% in TY 2016).²¹

²¹Graduate Management Admission Council. GMAT testing data (TY 2007-TY 2016).

Citizenship of candidates sending GMAT® score reports to US MiM programs, TY 2012–TY 2016



Source: GMAC. GMAT score-sending data, TY 2016.

Most recently, the political climate in the United States—characterized by protectionist immigration and economic policies—has had a dampening effect on international application volumes to us mim programs. Just 31 percent of programs report year-on-year international application volumes increases in 2017. Though only 38 percent of us mim programs report year-on-year international declines and 31 percent report stable volumes, overall, this is a troubling trend for programs that have relied on a steady stream of candidates from abroad.²² As noted previously, data collected through July 2017 shows that one-fourth of non-us business school candidates who considered the us as a study destination are currently not planning to apply to us programs (26%).²³

Compared with candidates to European mim programs, candidates to us mim program are a less well-defined group in terms of age and undergraduate major. Candidates to us mim programs with us and Indian citizenship are older on average than in-region European mim candidates and Indian citizen candidates to European mim programs. Chinese

citizen candidates to European and us mim programs have about the same average age. A smaller proportion of us candidates are business majors (57%) compared with European mim candidates (78%), though still the majority.

A program-level demographic analysis of candidates to us mim programs suggests that these older average ages are the effect of a relatively small proportion of us mim programs that attract a distinctly older, mostly domestic candidate pool. Of the total number of us mim programs accepting GMAT score reports in TY 2016, the average age of score senders at most of these programs is 24 and younger (54% of us mim programs). At just 20 percent of us mim programs is the average age of candidates older than 26. us mim candidates older than 26 are more likely to be non-business majors (60%) than those 26 and younger (36%). More programs have an average age of domestic candidates older than 26 (37% of us mim programs) than an average age older than 26 among candidates from India (18%) and China (5%).²⁴

²²Graduate Management Admission Council (2017). Application Trends Survey. Results based on responses of 28 US MiM programs.

²³Graduate Management Admission Council (August 2017). International B-School Candidates Continue to Express Concerns About Studying in US Amid Political Climate. <http://www.gmac.com/-/media/Files/gmac/Research/prospective-student-data/2017-august-students-hesitant-to-study-in-us-final.pdf>

²⁴Graduate Management Admission Council. GMAT testing data (TY 2016).

Demographic profile of candidates sending GMAT® scores to US MiM programs, by candidate citizenship, TY 2016

| Candidate citizenship | Average age | Average years exp. | Percentage women | Percentage men | Percentage business | Percentage STEM | Percentage arts |
|-----------------------|-------------|--------------------|------------------|----------------|---------------------|-----------------|-----------------|
| US | 25.6 | 3.5 | 37% | 63% | 57% | 20% | 23% |
| China | 22.1 | 0.5 | 63% | 37% | 71% | 8% | 22% |
| India | 24.3 | 2.7 | 36% | 65% | 23% | 69% | 8% |

Source: GMAC. GMAT score-sending data, TY 2016.

As discussed previously, the well-defined European in-region MiM candidate pool is due in part to the established norm in European higher education for students to complete the equivalent of a master's-level degree in the same subject in which they had studied previously before entering the workforce. While at present most US domestic MiM candidates are business majors, as the US MiM market matures programs are less likely to enjoy the same long-term recruiting success among this population as their European counterparts absent the same established norm. An alternative, market-driven approach would be for pre-experience US MiM programs to focus their recruitment efforts on non-business bachelor's graduates, who research suggests have more limited employment prospects immediately following their undergraduate studies and have a higher rate of regret of their choice of undergraduate major. Research from the Georgetown University Center on Education and the Workforce shows that recent bachelor's graduates in the US that majored in liberal arts and public service disciplines—such as social sciences, arts, psychology and social work, and communications—have the highest unemployment rates and lowest salary levels among recent graduates.²⁵

Recent research on US adult bachelor's earners by the Strada Education Network and Gallup shows that 48 percent of liberal arts majors and 41 percent of public service majors say they would study a different major if they could do it again.²⁶ Taken together, this suggests these candidates stand to gain the most from completing a MiM program, and many would be intrigued by the opportunity to add a marketable credential to their résumé before entering the workforce.

The segmentation distribution of candidates sending scores to US MiM programs is more varied by citizenship group than the segmentation distribution of candidates sending GMAT scores to European MiM programs. Relatively few US MiM candidates are Global Strivers (17%) compared with candidates from China (30%) and India (32%). This contrasts with the in-region trend in Europe, where nearly half of European candidates to European MiM programs are Global Strivers (48%). Respect Seekers are well represented across US (24%), Chinese (24%), and Indian (31%) candidates to US MiM programs. Perhaps related to their STEM background, 1 in 4 Indian candidates are Impactful Innovators (25%). About 1 in 4 US candidates are Socio-economic Climbers (24%).²⁷

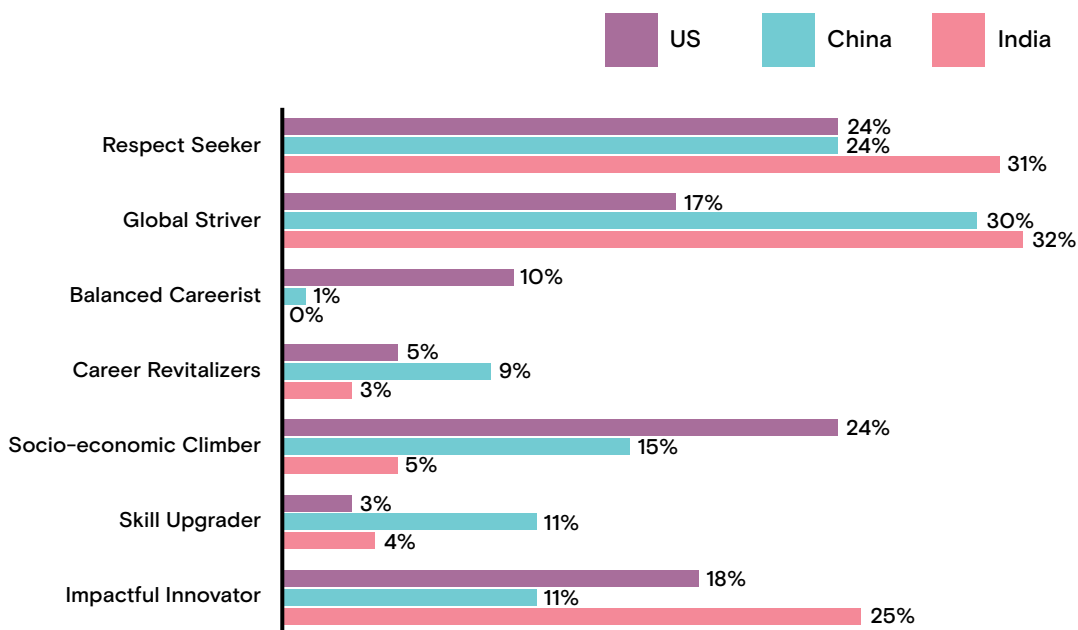
²⁵Carnevale, Anthony P. and Cheah, Ban (2015). From Hard Times to Better Times: College Majors, Unemployment, and Earnings. The Georgetown University Center on Education and the Workforce. <https://cew.georgetown.edu/wp-content/uploads/HardTimes2015-Report.pdf>

²⁶Gallup-Strada Education Network (2017). On Second Thought: U.S. Adults Reflect on Their Education Decisions. <http://www.gallup.com/reports/208535/gallup-strada-education-ecp-inaugural-report-2017.aspx>

²⁷Graduate Management Admission Council. GMAT score-sending data. Data collected between January and August 2017. Unpublished. Data reflects segmentation tool results for GMAT test takers who sent scores to US MiM programs with citizenship from the US (n=271), China (n=588), and India (n=418).



Segmentation distribution of candidates sending GMAT® score reports to US MiM programs, by citizenship



Source: GMAC. GMAT score-sending data. Data collected between January and August 2017. Unpublished.

Data reflects segmentation tool results for GMAT test takers who sent scores to US MiM programs with citizenship from the US (n=271), China (n=588), and India (n=418).



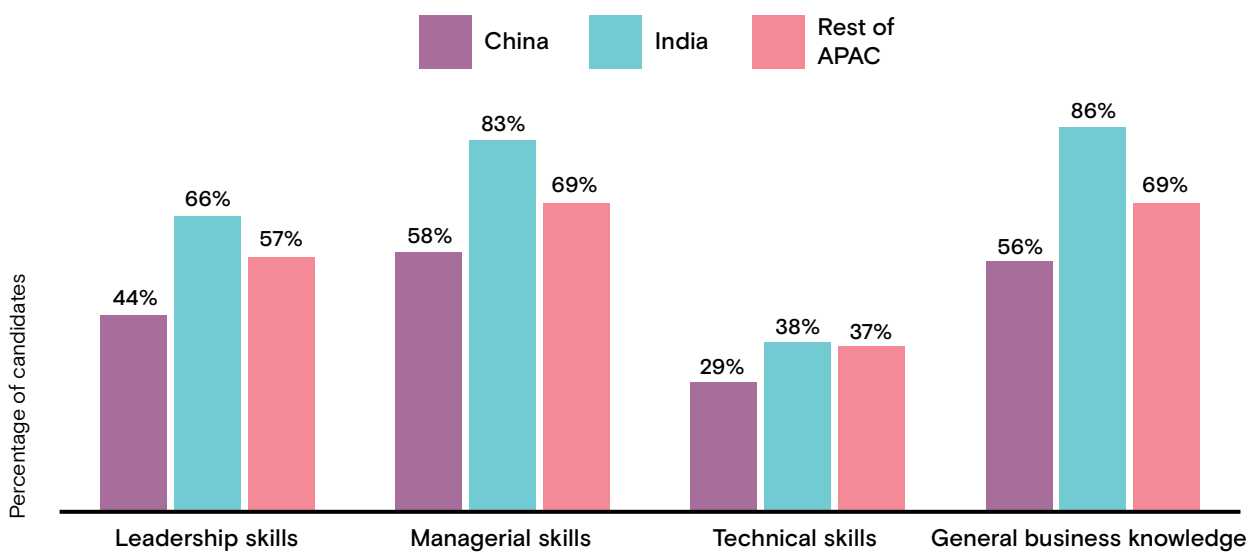
Asia-Pacific MiM Programs

As noted, graduate business candidates from the Asia-Pacific region—specifically those from China—are driving a significant proportion of global MiM demand. In terms of program offerings, however, Asia-Pacific business schools remain primarily focused on the MBA and Asia-Pacific MiM programs are still in a nascent stage of development.

Asia-Pacific citizens preferring to stay in-region for their MiM studies seek a wide variety of knowledge and skill development outcomes—most express a desire to develop a mix of general business knowledge, managerial skills, and leadership skills. Consistent with candidates preferring to study in Europe and the US, a minority are interested in developing technical skills.



Desired knowledge, skills, and abilities, candidates preferring Asia-Pacific MiM programs, by citizenship



Desired knowledge, skills, and abilities

Source: GMAC mba.com Prospective Students Survey. Data collected in 2016.

Data reflects survey responses from mba.com registrants preferring Asia-Pacific MiM programs with citizenship of China (n = 52), India (n=29), and Asia-Pacific countries that are not China and India (n=123).

In deciding where to apply and attend, candidates preferring Asia-Pacific MiM programs take into account a variety of information. Consistent among citizens of China, India, and other Asia-Pacific countries is that a majority of candidates seek information related to program cost and scholarship opportunities. Other factors are taken into account by different proportions of candidates by citizenship.

Percentage of candidates seeking specific information when making program selection decisions, candidates preferring Asia-Pacific MiM programs, by citizenship

| China | India | Rest of APAC |
|----------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|
| Proportion of international students (58%) | Program format (e.g., full-time, part-time) (83%) | Availability of scholarships (64%) |
| Total tuition and fees (56%) | Total tuition and fees (79%) | Total tuition and fees (64%) |
| Availability of scholarships (54%) | Availability of loans for international students (79%) | Specific curriculum offered (e.g. specializations) (59%) |
| Program completion time (52%) | Availability of scholarships (79%) | Program format (e.g., full-time, part-time) (59%) |
| Specific curriculum offered (e.g. specializations) (50%) | Average years of work experience of students (76%) | Proportion of international students (57%) |
| Program format (e.g., full-time, part-time) (38%) | Specific curriculum offered (e.g. specializations) (76%) | Program completion time (55%) |
| Quality of student services (38%) | Course type offered (online, on-campus) (66%) | Average years of work experience of students (51%) |
| Average years of work experience of students (38%) | Application fees (59%) | Quality of student services (46%) |
| Primary method of instruction (e.g., case method) (38%) | Program completion time (55%) | Course type offered (online, on-campus) (45%) |
| Language of instruction (37%) | Quality of facilities (55%) | Primary method of instruction (e.g., case method) (44%) |

Source: GMAC mba.com Prospective Students Survey, Data collected in 2016.

Data reflects survey responses from mba.com registrants preferring Asia-Pacific MiM programs with citizenship of China (n = 52), India (n=29), and Asia-Pacific countries that are not China and India (n=123).

The majority of GMAT score senders to Asia-Pacific MiM programs are Chinese and India citizens (83% combined). In TY 2016, Indian candidates accounted for 43 percent of GMAT score senders and Chinese candidates accounted for 40 percent of GMAT score senders to MiM programs in the Asia-Pacific region.²⁸

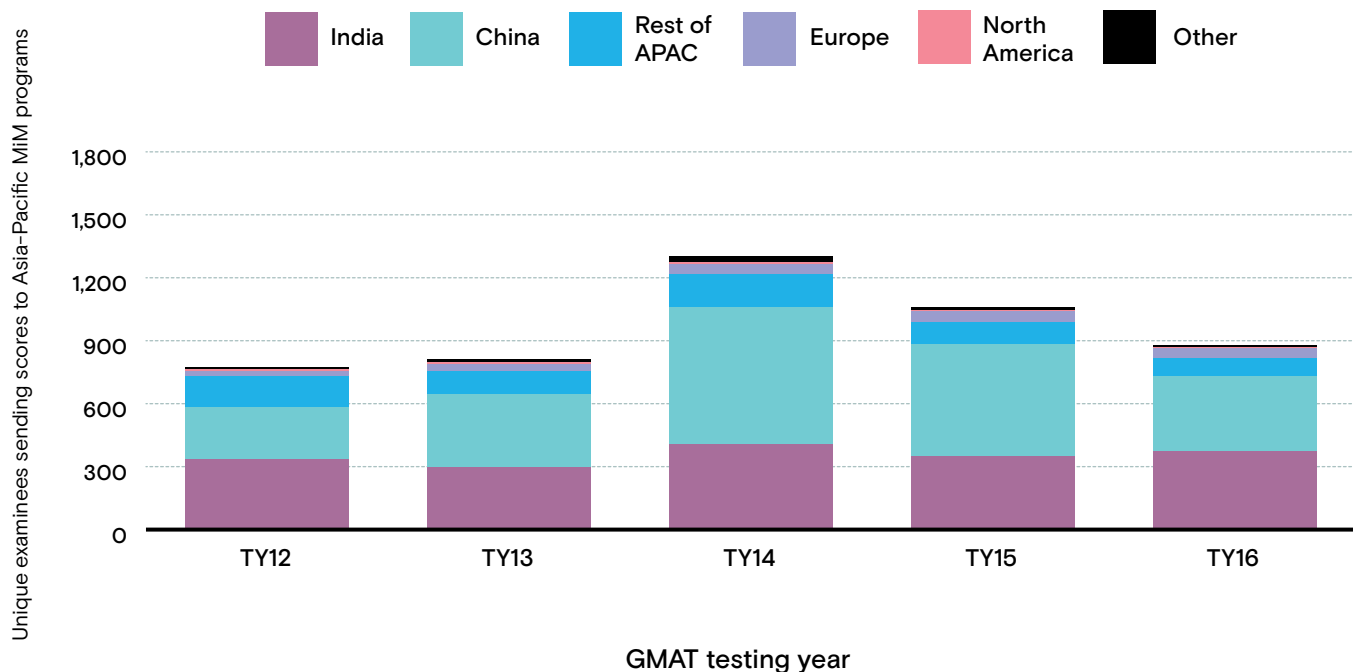
From a demographic perspective, Indian and Chinese MiM candidates who send GMAT scores to Asia-Pacific MiM programs are similar to those who send score to schools

outside the region. One notable difference is that Indian candidates who send scores in-region are older on average (26.0 years old) than Indian candidates who send scores to European (22.7 years old) and US programs (24.3 years old). Candidates from other countries in the Asia-Pacific region—who accounted for 10 percent of unique candidates sending scores to Asia-Pacific MiM programs in TY 2016—are also older (25.7 years old) and have a more balanced gender ratio (49% women, 51% men) than score senders from China and India.²⁹

²⁸Graduate Management Admission Council. GMAT testing data (TY 2016).

²⁹Ibid.

Citizenship of candidates sending GMAT® score reports to Asia-Pacific MiM programs, TY 2012-TY 2016



Source: GMAC. GMAT score-sending data, TY 2012-TY 2016.

As Asia-Pacific business schools continue to build out their MiM offerings, they will likely increase the share of regional candidates that they successfully recruit to their programs—that is to say, they will retain a larger proportion of the region’s MiM candidates. However, research suggests that the overall pool of Asia-Pacific MiM candidates may level off in the near future. The chief driver of growth over the past decade—China—is expected to experience a decline in the student-age population. Population projections from the US Census International Data Base show that the population of 20 to 29 year-olds in China is expected to decline from 206.4 million in 2017 to 159.0 million in 2025 as a delayed effect of the one-child policy.³⁰

Although expanding economic opportunity will likely mean the continued growth of higher education participation in China, demand from Chinese MiM candidates will likely level off with time. Though the student-age population projections in India are trending the opposite direction, India remains an MBA market. Among unique Indian citizens sending scores to either full-time MBA or MiM programs in TY 2016, 86 percent sent scores only to full-time MBA programs while just 14 percent sent scores to MiM programs.³¹ This is unlikely to change dramatically in the short term. These dynamics will affect Asia-Pacific MiM programs in-region recruitment, as well as European and US MiM programs out-of-region recruitment.

³⁰US Census International Data Base (IDB). Data retrieved August 2017. <https://www.census.gov/population/international/data/idb/informationGateway.php>.

³¹Graduate Management Admission Council. GMAT testing data (TY 2016).

Demographic profile of candidates sending GMAT® scores to Asia-Pacific MiM programs, by candidate citizenship, TY 2016

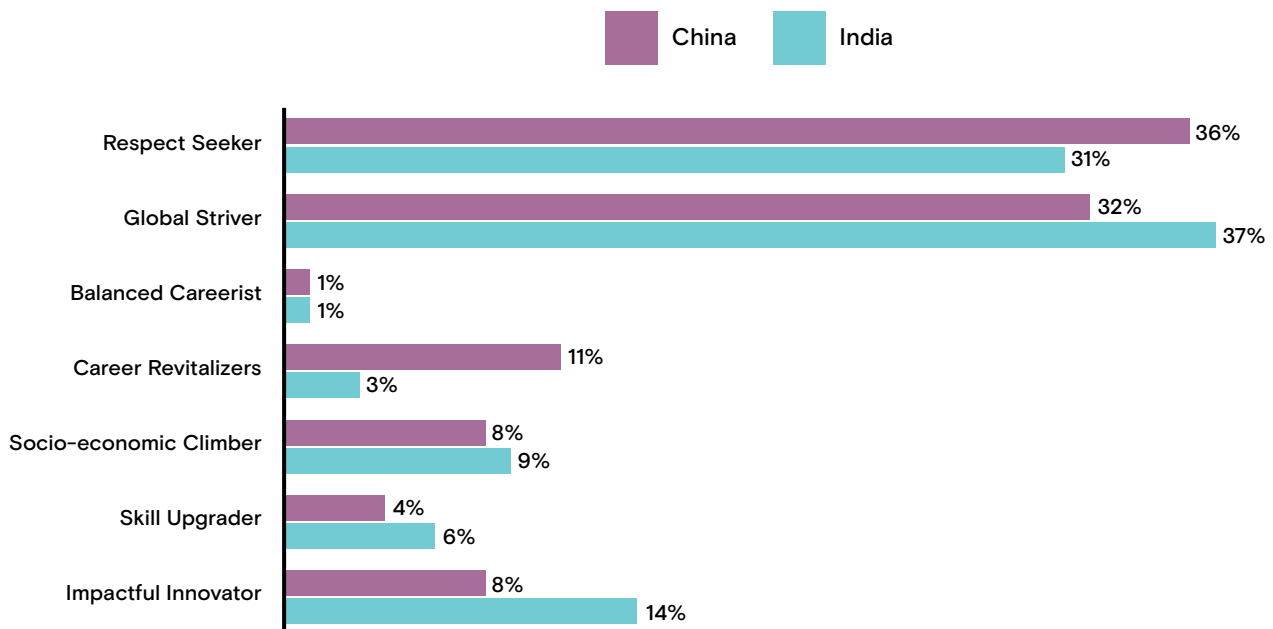
| Candidate citizenship | Average age | Average years exp. | Percentage women | Percentage men | Percentage business | Percentage STEM | Percentage arts |
|-----------------------|-------------|--------------------|------------------|----------------|---------------------|-----------------|-----------------|
| India | 26.0 | 4.0 | 35% | 65% | 26% | 68% | 7% |
| China | 21.9 | 0.6 | 74% | 26% | 68% | 7% | 26% |
| Rest of APAC | 25.7 | 2.9 | 49% | 51% | 62% | 24% | 14% |

Source: GMAC. GMAT score-sending data, TY 2016.

By segment, most Chinese and Indian candidates who send GMAT test scores to Asia-Pacific MiM programs are Global Strivers and Respect Seekers. This suggests that Asia-Pacific business schools interested in retaining a greater share of their MiM candidate base would have success conveying that a

MiM degree earned at their institution opens doors to careers both inside and outside of Asia. Eleven percent of Chinese candidates are Career Revitalizers and 14 percent of Indian candidates are Impactful Innovators (14%).³²

Segmentation distribution of candidates sending GMAT® score reports to Asia-Pacific MiM programs, by citizenship



Source: GMAC. GMAT score-sending data. Data collected between January and August 2017. Unpublished.

Data reflects segmentation tool results for GMAT test takers who sent scores to Asia-Pacific MiM programs with citizenship from China (n=84) and India (n=160).

³²Graduate Management Admission Council. GMAT score sending data. Data collected between January and August 2017. Unpublished. Data reflects segmentation tool results for GMAT test takers who sent scores to Asia-Pacific MiM programs with citizenship from China (n=84) and India (n=160).

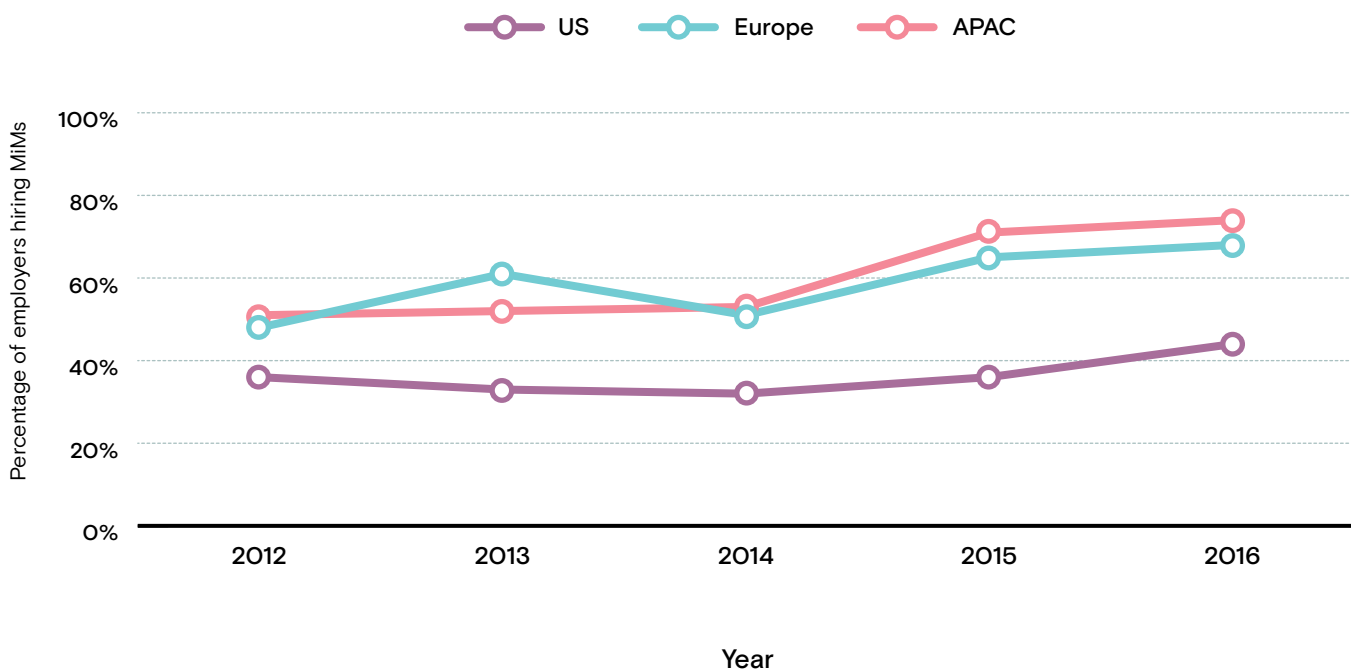


MiM Outcomes

Examining the worldwide inputs to MiM programs only goes so far in defining the role of the MiM in global business education. A more complete picture of the value the degree provides requires a thorough exploration of the outcomes achieved by

MiM graduates. The available data provides useful context for the impact that earning a MiM degree has had on the budding careers of graduates, which in turn provides insight into the role of the MiM in global business education.

Percentage of global employers hiring MiM graduates, by year and employer location



Source: GMAC Corporate Recruiters Survey. Data collected 2013 to 2017.

Hiring and Employment Trends

In making hiring decisions, employers often seek to minimize risk. Part of how they do that is to recruit job candidates from reputable graduate business schools, particularly from familiar program types. Because the MiM degree is a more established entity in Europe than it is in the United States, it is no surprise that European companies are more likely to hire MiM graduates than US companies. Asia-Pacific employers also show higher levels of MiM hiring, likely due to the growing number of Asia-Pacific citizens that pursue the degree abroad and return for work. In 2017, 68 percent of European companies and 74 percent of Asia-Pacific companies said they hired MiM graduates in 2016, compared with just 44 percent of US companies.³³

Previous GMAC research has also found that during down economic periods, when companies are focused on business efficiency and controlling costs, employers report a greater propensity to hire MiM graduates. During up economic periods, when companies are keen to expand, their hiring behavior tends to favor MBA graduates.³⁴

As an increasing number of US business schools establish MiM programs and US employers become more aware of them, the employment data may change over time. Currently, though, the data suggests that MiM graduates seeking employment in Europe and Asia-Pacific have an advantage over those seeking employment in the US, simply because the MiM enjoys more employer recognition in these regions and employers are more likely to hire them.

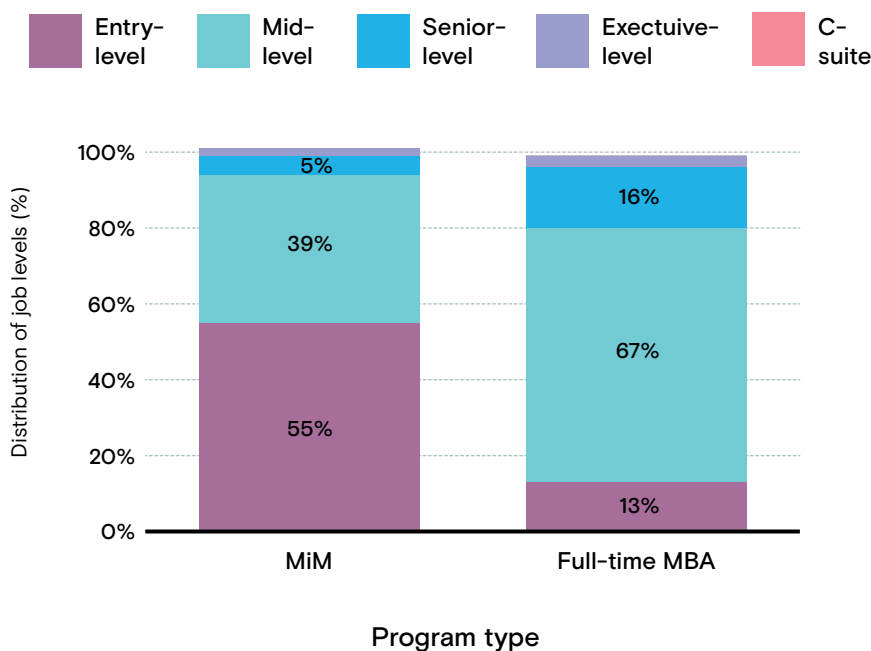
³³Graduate Management Admission Council (2017). Corporate Recruiters Survey.

³⁴Graduate Management Admission Council (2016). Corporate Recruiters Survey.

Typical MiM candidates are often at a different point in their career than MBA candidates when they enter business school. Full-time MBA candidates generally have several years of professional work experience, whereas MiM candidates often have little to no work experience upon entering their program. This difference means that upon graduation they typically enter the workforce at lower-level

positions than their MBA counterparts. Per the 2017 GMAC Alumni Perspectives Survey—which collected data from alumni in late 2016—55 percent of MiM graduates from the Class of 2015 reported working in entry-level positions, compared with just 13 percent of full-time MBA graduates from the same class year.

Current job level among Class of 2015 graduates, by program type



Source: GMAC Alumni Perspectives Survey. Data collected in 2016.

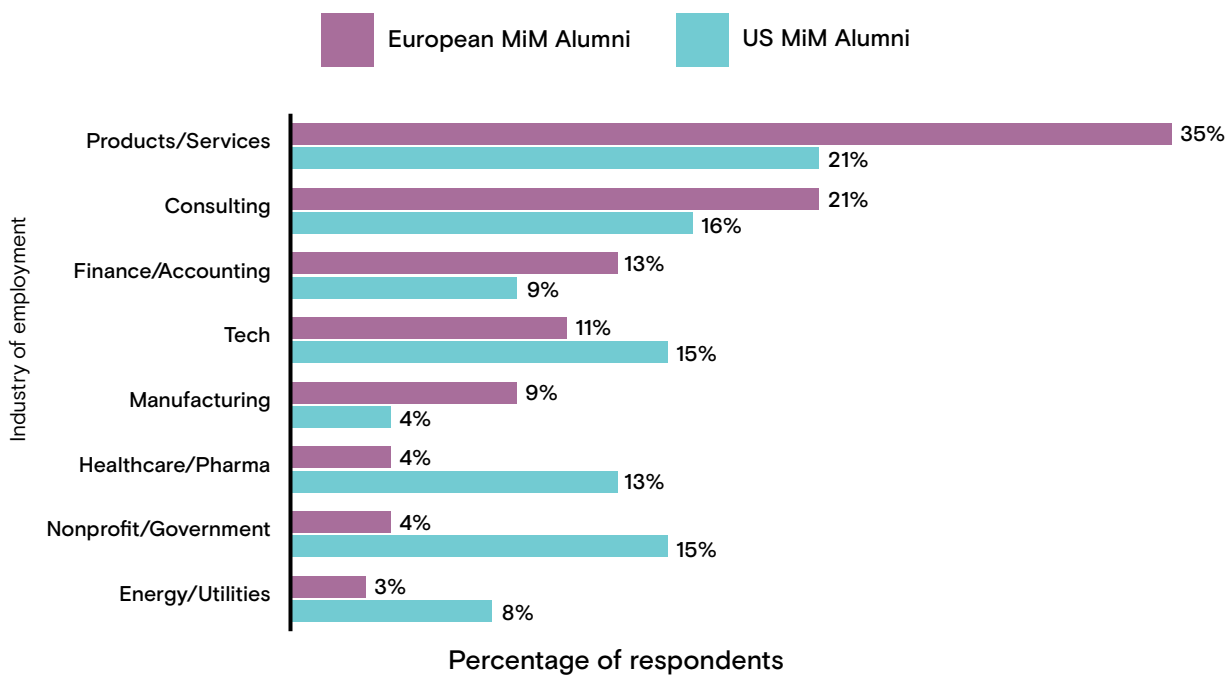
Like MBA graduates, MiM graduates enjoy successful careers across a wide array of industries and job functions. That said, the available data suggests that graduates working in Europe tend to cluster into a few specific industries and job functions, whereas MiM graduates in the US are more evenly distributed across industries and job functions.

In Europe, the majority of MiM graduates (56%) work either in the products and services (35%) or consulting (21%) industries. Though these are also the two most popular

industries of employment for US-based MiM graduates, they are more evenly spread across industries overall. No single industry sector employs more than 21 percent of MiM graduates working in the US. The same trend holds true when looking at job functions. The majority of MiM graduates in Europe (60%) work in the functional areas of marketing and sales (35%) or consulting (25%). These are also the most frequently reported job functions for US-based MiM graduates, but overall there is more variation.³⁵

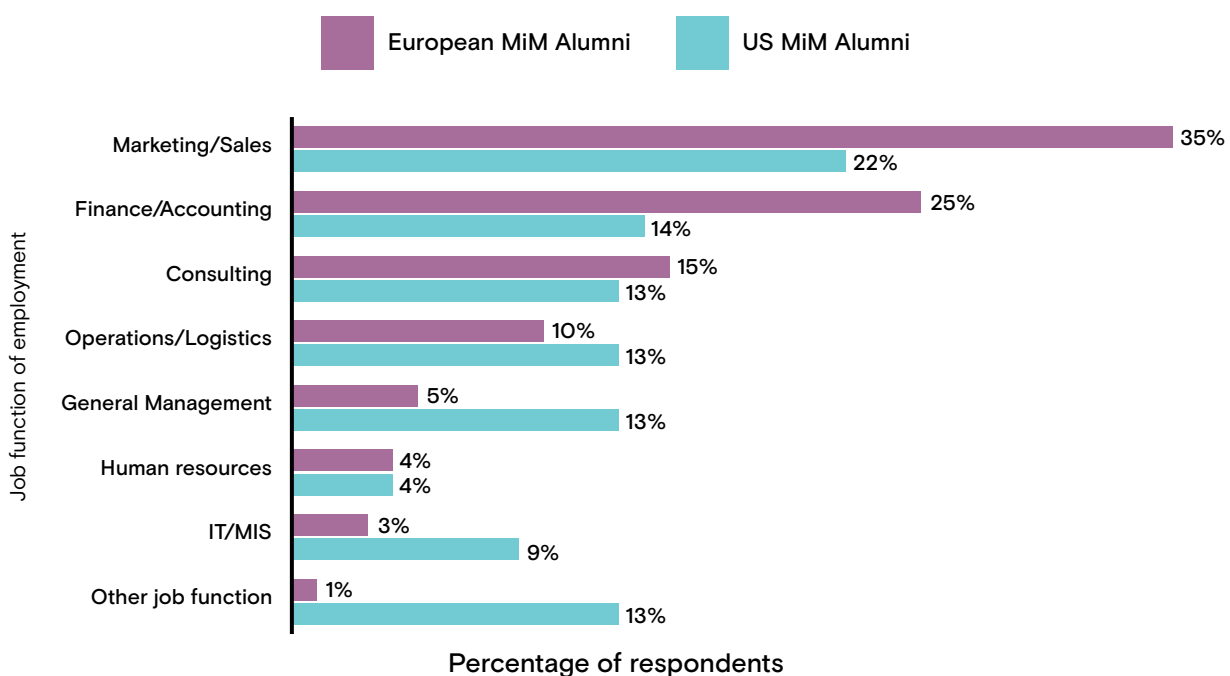
³⁵Graduate Management Admission Council (2017). Alumni Perspectives Survey. Data collected in 2016.

MiM alumni industry of employment, by world region of residence



Source: GMAC Alumni Perspectives Survey. Data collected in 2016.
Data reflects survey responses of MiM alumni living in the US (n=117) and Europe (n=392).

MiM alumni job functions, by world region of residence



Source: GMAC Alumni Perspectives Survey. Data collected in 2016.
Data reflects survey responses from MiM alumni living in the US (n=109) and Europe (n=371).

Salaries

An important motivating factor for individuals who consider pursuing a graduate business degree is the salary they will earn after completing their program. Because MiM graduates exit their programs at an earlier stage in their careers compared with full-time MBA graduates, they typically do not command the same starting base salary offered to MBA graduates. Data that GMAC collected in a 2017 survey of

general population employers show that employers in the US offered a mean starting base salary of US\$60,000 to MiM graduates and US\$83,000 to MBA graduates. Employers in Europe—who in this sample represent France, Germany, and the United Kingdom—offered a mean starting base salary of €43,000 to MiM graduates and €68,000 to MBA graduates.³⁶

Starting base salaries offered to recent business school graduates, by program type and employer world region, 2017

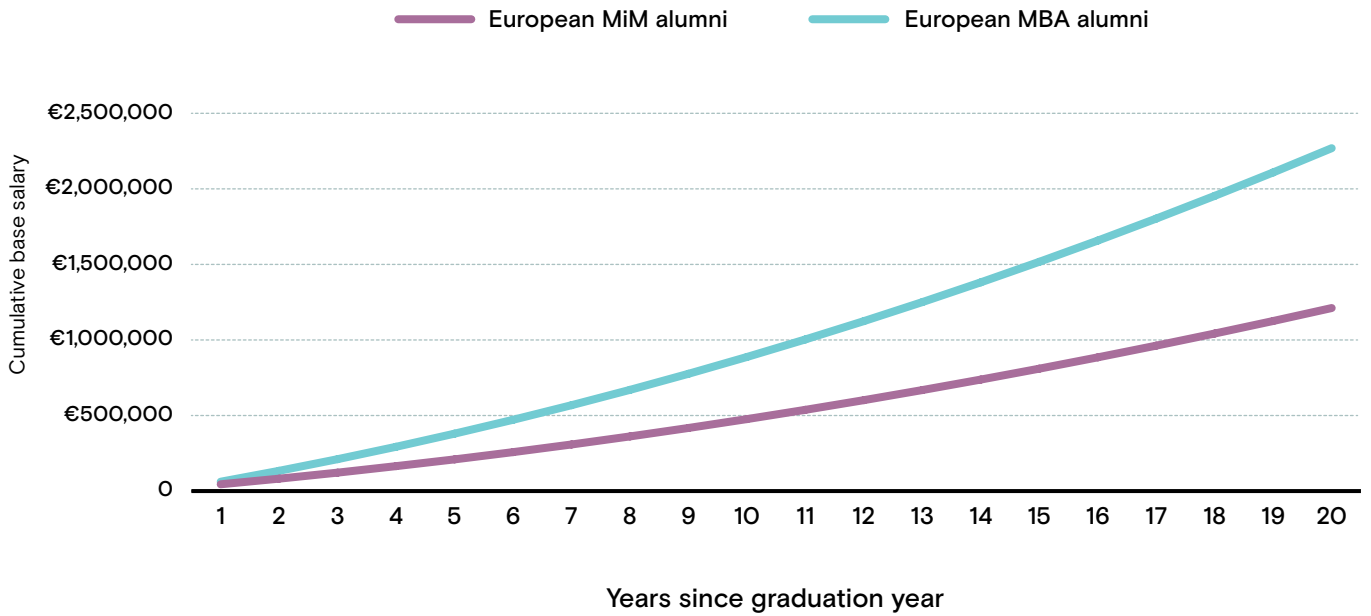
| Employer world region | Degree type | Mean starting base salary |
|-----------------------|-------------|---------------------------|
| US | MiM (n=52) | US\$60,000 |
| | MBA (n=74) | US\$83,000 |
| Europe | MiM (n=141) | €43,000 |
| | MBA (n=172) | €68,000 |

Source: GMAC General Population Employer Survey. Data collected in 2017. Unpublished.



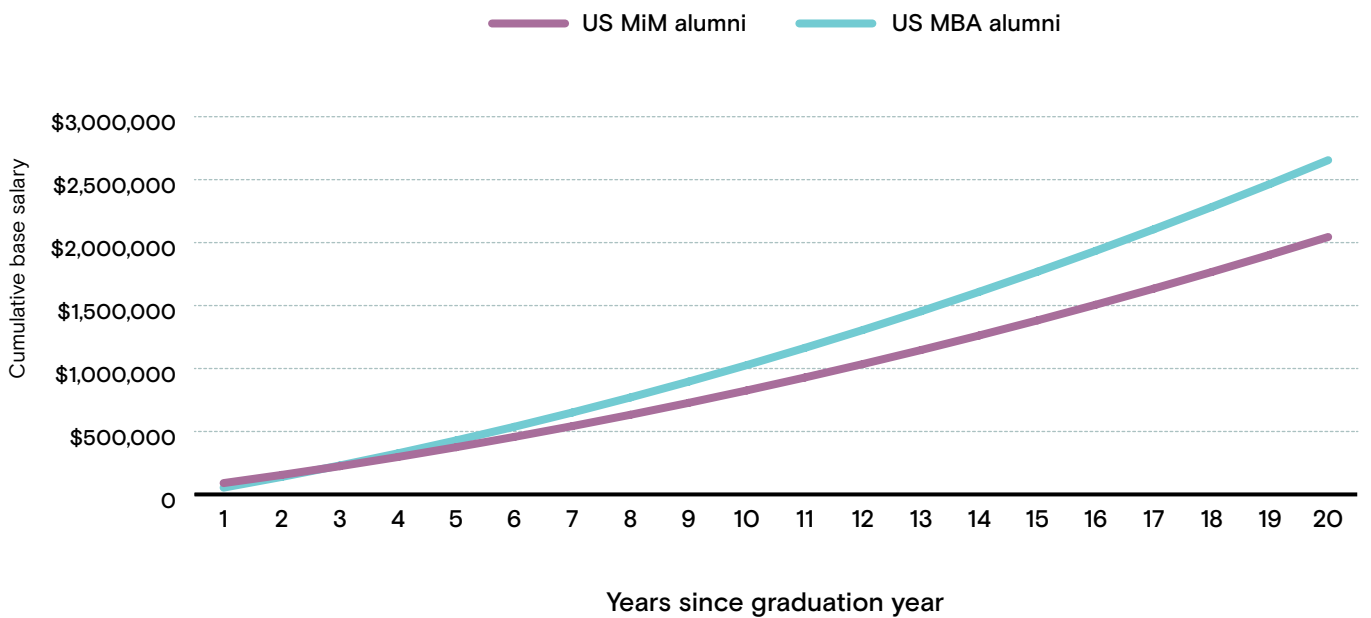
³⁶Graduate Management Admission Council (2017). GMAC General Population Employer Survey. Unpublished.

European business school alumni median cumulative base salary, accounting for opportunity and investment costs, by program type, 2016



Source: GMAC Alumni Perspectives Survey. Data collected in 2015.

US business school alumni median cumulative base salary, accounting for opportunity and investment costs, by program type, 2016



Source: GMAC Alumni Perspectives Survey. Data collected in 2015.



What starting base salaries do not capture is the cost candidates bear to complete their program of choice. On average, full-time MBA candidates bear a greater educational cost due to the longer program length and a greater opportunity cost because they are forgoing their previous salary, which on average is greater than that of mim candidates (if they had a previous salary at all). Taking into account opportunity cost and educational cost, how do the cumulative postgraduate earnings of mim and full-time MBA alumni compare over time?

Utilizing data from the GMAC Alumni Perspectives Survey, reasonable estimations of graduates' cumulative base salary earnings can be determined. Alumni specified their total out-of-pocket costs to complete their program, as well as their pre-degree base salary and duration of their program, to calculate their educational and opportunity costs. In addition to their pre-degree base salary, alumni provided their post-degree and current base salaries, which were used to calculate a compound annual growth rate (CAGR) to provide an estimate for salary progression over the course of alumni's careers.

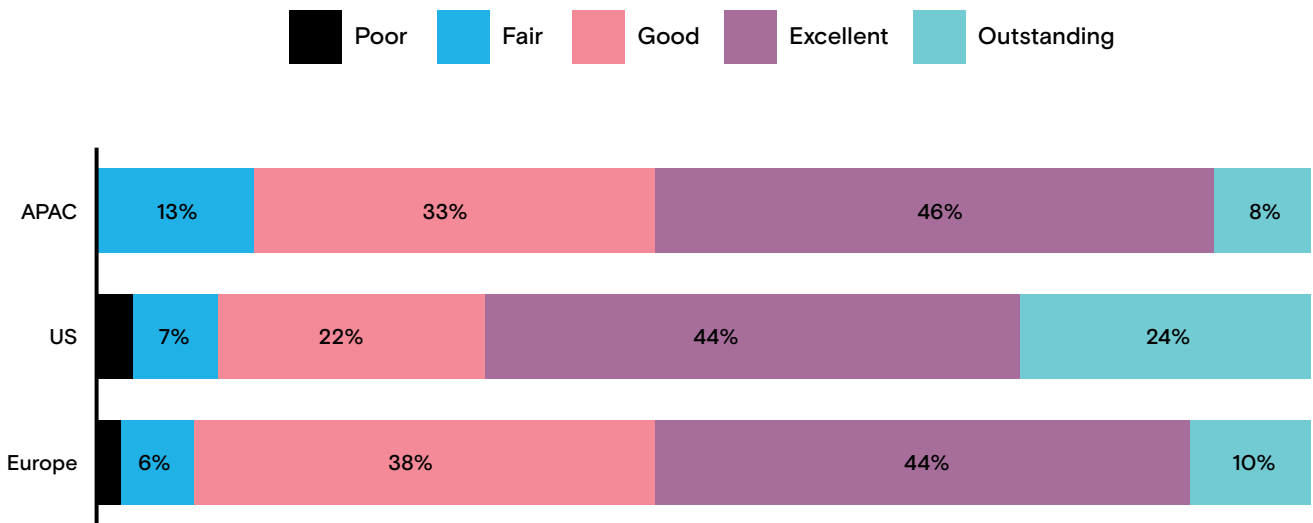
The findings indicate that mim graduates earn less over the twenty years following graduation than full-time MBA graduates. The gap between mim and full-time MBA alumni cumulative earnings is about twice as large for European citizens than for us citizens. Taking into account opportunity and education cost, European mim alumni earn €1.2 million over twenty years after earning their degree compared with €2.3 million for European full-time MBA alumni—a difference of €1.1 million. For us alumni, mim graduates earn us\$2.0 million compared with us\$2.7 million for full-time MBA graduates—a difference of us\$610,000.³⁷ The smaller gap in cumulative earnings among us mim and MBA graduates is likely related to the smaller average difference in age between us mim and MBA candidates (0.5 years) relative to European mim and MBA candidates (4.3 years). Cumulative earnings could not be calculated for Asia-Pacific alumni due to insufficient data.

³⁷Graduate Management Admission Council (2016). Alumni Perspectives Survey. Data collected in 2015.

Value

When asked to rate the overall value of their degree, full-time MBA alumni tend to rate their degree as more valuable in comparison with MiM alumni. This trend holds true regardless of alumni citizenship. Though a majority of MiM graduates from Europe (54%), the US (68%), and Asia-Pacific (54%) rate the value of their degree as excellent or outstanding, a much greater majority of full-time MBA graduates say the same.

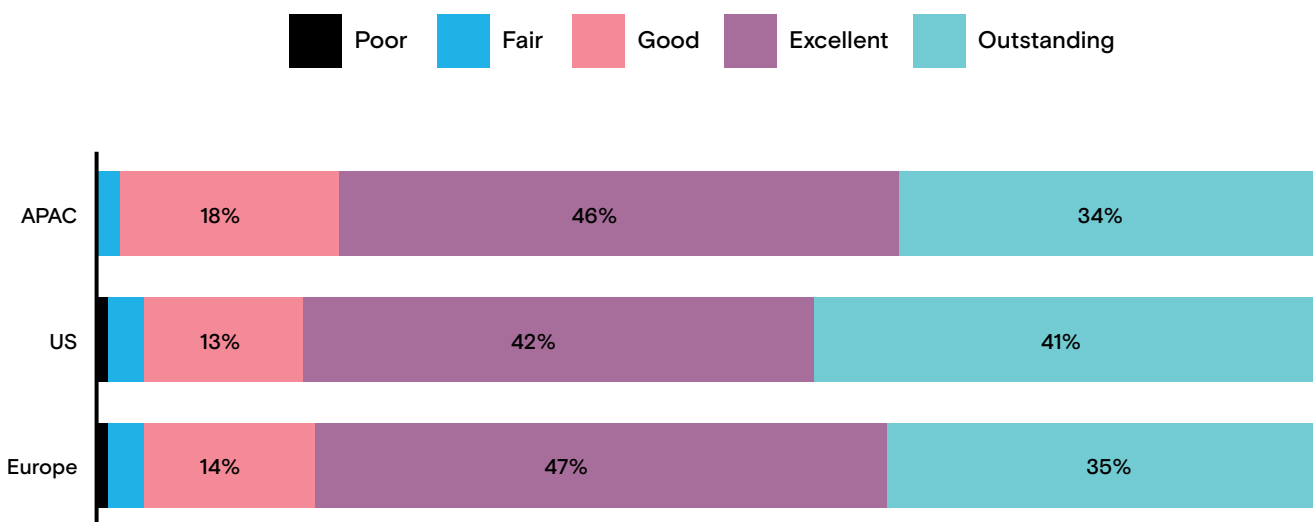
Alumni perception of value of MiM degree, by citizenship, 2017



Source: GMAC Alumni Perspectives Survey. Data collected in 2016.

Data reflects survey responses from MiM alumni with citizenship from Asia-Pacific (n=74), US (n=112), and Europe (n=306).

Alumni perception of value of full-time MBA degree, by citizenship, 2017



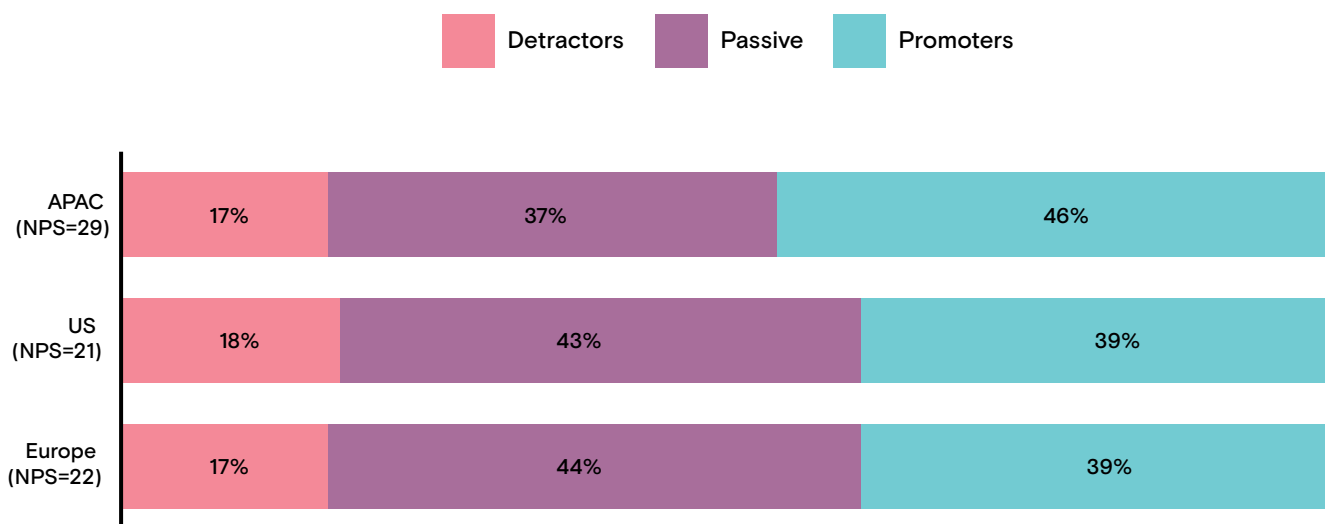
Source: GMAC Alumni Perspectives Survey. Data collected in 2016.

Data reflects survey responses from full-time MBA alumni with citizenship from Asia-Pacific (n=469), US (n=4,859), and Europe (n=298).

Another measure of alumni's perception of the value of their degree is the Net Promoter Score (NPS)—a widely used industry metric for gauging consumer brand or customer loyalty.³⁸ This metric measures alumni's likelihood to recommend their graduate business program to others. Though the NPS for Master in Management alumni is positive—indicating more alumni would actively promote

their alma maters rather than detract from their school's brand—MiM alumni are less positive than full-time MBA alumni.³⁹ Taken together with alumni's perception of value, the NPS data indicate that MiM programs do not provide graduates with the same level of value as full-time MBA programs.

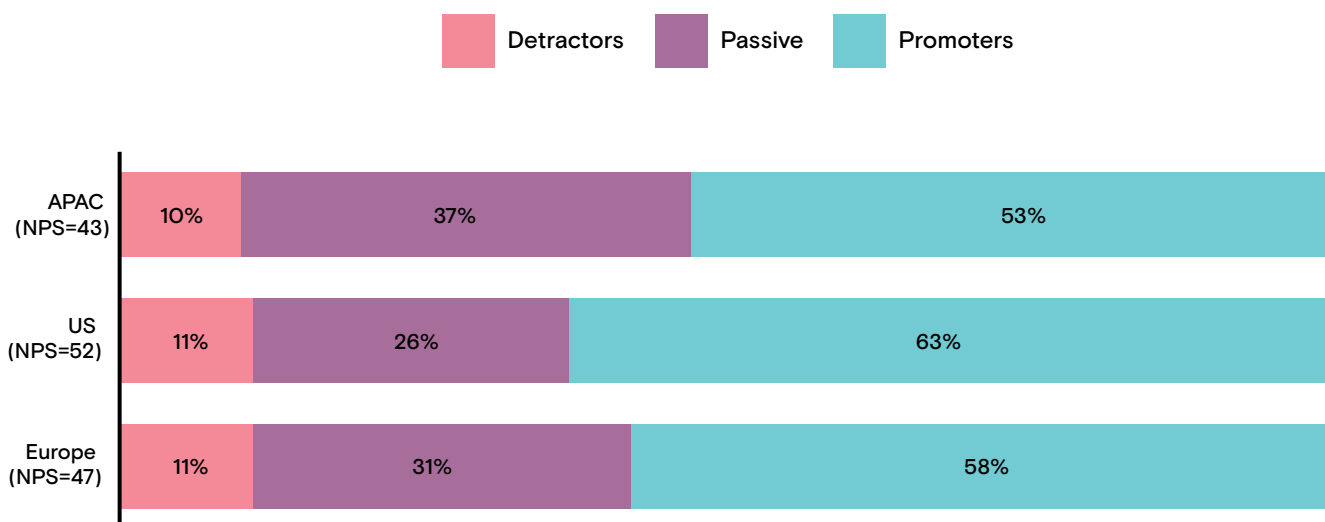
Net Promoter Score (NPS) among MiM alumni, by citizenship, 2017



Source: GMAC Alumni Perspectives Survey. Data collected in 2016.

Data reflects survey responses from MiM alumni with citizenship from Asia-Pacific (n=74), US (n=112), and Europe (n=306).

Net Promoter Score (NPS) among full-time MBA alumni, by citizenship, 2017



Source: GMAC Alumni Perspectives Survey. Data collected in 2016.

Data reflects survey responses from full-time MBA alumni with citizenship from Asia-Pacific (n=469), US (n=4,859), and Europe (n=298).

³⁸Satmetrix (2016). Net Promoter Score: The Basics. <https://satmetrix.com/nps-score-model/>

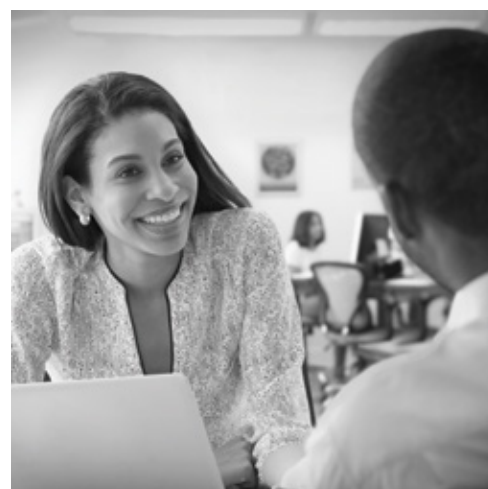
³⁹Graduate Management Admission Council (2017). Alumni Perspectives Survey. Data collected in 2016

Continuing Education

Are MiM graduates viable future MBA candidates? Overall, MiM graduates are nearly twice as likely as full-time MBA graduates to say that they plan to pursue another graduate-level degree program. About 1 in 5 (18%) MiM alumni across world regions has plans to earn an additional degree, compared with 1 in 10 (10%) full-time MBA graduates. MiM alumni and full-time MBA alumni are equally as likely to say they have plans to complete a certification program or an individual business course or class.

Specifically, among business school alumni working in the US who GMAC surveyed in 2016, 21 percent of MiM graduates and 9 percent of full-time MBA graduates plan to pursue another degree program. A larger share of MiM graduates plan to complete certification programs (36%) and individual courses (28%) compared with full-time MBA graduates (24% and 20%, respectively).

Overall, MiM alumni working in Europe are less likely to have continuing education plans. Among MiM alumni, 16 percent plan to pursue another degree, 24 percent plan to complete a certification program, and just 14 percent plan to take individual courses. Significantly more full-time MBA alumni in Europe plan to take individual courses (35%).



Business school alumni continuing education plans, by program type and work location, 2017

| | Global | | US | | Europe | |
|------------------------|---------------|-----|---------------|-----|---------------|-----|
| | Full-time MBA | MiM | Full-time MBA | MiM | Full-time MBA | MiM |
| Another degree program | 10% | 18% | 9% | 21% | 10% | 16% |
| Certification programs | 25% | 25% | 24% | 36% | 18% | 24% |
| Individual courses | 21% | 20% | 20% | 28% | 35% | 14% |

Source: GMAC Alumni Perspectives Survey. Data collected in 2016.

Data reflects survey responses from MiM alumni with citizenship from Asia-Pacific (n=74), US (n=112), and Europe (n=306), as well as full-time MBA alumni with citizenship from Asia-Pacific (n=469), US (n=4,859), and Europe (n=298).

Conclusions and Recommendations

The rapid expansion of mīm programs, starting in Europe and progressing to the MBA-focused markets of the us and Asia-Pacific, has caused many business school leaders to grapple with understanding the strategic role of the mīm in their program portfolios. Through a wide-ranging exploration of GMAC data, this paper has highlighted key insights that may help leaders better define the role of mīm programs at their institutions and in the larger marketplace for global graduate business education.

Asia-Pacific candidates—mostly from China—have been driving the growth in mīm demand. The biggest shift seen over the past 10 GMAT testing years is the growing pipeline of candidates from Asia-Pacific countries. The share of unique mīm score senders from the Asia-Pacific region grew from 34 percent in TY 2007 to 54 percent in TY 2016. This has been primarily driven by growing demand from China (33% of unique mīm score senders in TY 2016) and India (14%).

mīm candidates from China account for much of the difference in gender representation between mīm and full-time MBA candidates. China accounts for one-third of unique mīm GMAT score senders, and more than two-thirds of mīm candidates from China are women (68%). If one excludes Chinese candidates from the global mīm candidate population, the female-to-male gender ratio resembles that seen among full-time MBA only score senders (39% women, 61% men).

mīm programs and full-time MBA programs largely are not directly competing for the same candidates. Among unique GMAT test takers who sent at least one score report to either a mīm or full-time MBA program in TY 2016, just 6 percent sent score reports to both program types. Among citizenship groups in which the mīm is most popular—Europe and China—the overlap is slightly larger, but still only accounts for about 1 in 10 unique candidates.

European mīm candidates are a more well-defined group than us mīm candidates, and there are more of them. Most European mīm candidates very recently completed their bachelor's degree (average age of 22.7), nearly 4 in 5 majored in business (78%), and about half belong to the Global Striver segment (48%). us mīm candidates have a wider age range (average age of 25.6) and mix of majors and segments. The legacy of the traditional

“first degree” in continental Europe likely gives an advantage to European mim programs over us mim programs—where there is a well-defined path of completing the equivalent of a master’s-level credential in the same subject they had studied previously before entering the workforce. Europeans accounted for 28 percent of unique mim GMAT score senders in TY 2016, compared with just 11 percent for us test takers. Among European citizens, the ratio of mim candidates to full-time MBA candidates is nearly 1 to 1, compared with roughly a 1 to 30 ratio among us candidates.⁴⁰

A greater proportion of employers in Europe and Asia-Pacific hire mim graduates compared with the us.

In 2017, 68 percent of European companies and 74 percent of Asia-Pacific companies reported hiring mim graduates in 2016, compared with just 44 percent of us companies that hire these candidates.⁴¹ mim graduates typically enter the workforce in entry- and mid-level positions.⁴²

mim graduates enter the workforce at lower-level positions than full-time MBA graduates, and do not demand the same salary level. Among the Class of 2015, most mim graduates are in entry-level positions (55%), whereas most full-time MBA graduates are in mid-level positions (67%). As a result, mim graduates demand a lower starting salary. Even accounting for greater opportunity and investment costs, full-time MBA alumni outearn mim alumni in cumulative base salary over 20 years following graduation. The gap is wider in Europe. European mim alumni earn €1.2 million over 20 years after earning their degree compared with €2.3 million for European full-time MBA alumni—a difference of €1.1 million. For us alumni, mim graduates earn us\$2.0 million compared with us\$2.7 million for full-time MBA graduates—a difference of about us\$700,000.

mim alumni value their degree, but not as much as full-time MBA alumni. Though a majority of mim graduates from Europe (54%), the us (68%), and Asia-Pacific (54%) rate the value of their degree as excellent or outstanding, a much greater majority of full-time MBA graduates say the same.

mim graduates are nearly twice as likely as full-time MBA graduates to have plans to pursue another graduate-level degree program. About 1 in 5 (18%) mim alumni from all world regions have plans to earn an additional degree, compared with 1 in 10 (10%) full-time MBA graduates. mim alumni and full-time MBA alumni are equally as likely to say they have plans to complete a certification program or individual courses.

What guidance do these insights offer to help define the role of the mim in business school’s program portfolios in comparison with full-time MBA programs? Clearly, the degrees largely serve distinct types of candidates at different stages of their careers and provide different outcomes.

The timing and curriculum of the full-time MBA defines its role as a *career accelerator*. Most candidates enter programs with some professional experience under their belt to inform their next steps, the course content gives them practical lessons in management grounded in real-life scenarios, and graduates leave the program ready to ascend into roles with increasing levels of responsibility and widening organizational scope. The value proposition of full-time MBA programs is the power of the degree to benefit graduates’ careers in the long term. One could say that an MBA is not training you for your first job after business school, but training you for your second, third, or fourth job after business school.

The role of the mim in business schools’ program portfolios, in contrast, should focus more on helping pre-experience candidates successfully *launch* their careers. Most candidates enter programs with little to no professional experience, perhaps unable to gain the type of job opportunity they’d prefer after completing their bachelor’s degrees. For the many international mim candidates, perhaps they are unable to gain the type of job opportunity they’d prefer in their chosen work destination. The course content, grounded in management fundamentals, lays a sound foundation on which graduates can begin to build a career. Graduates exit the program with a credential that signals to employers that this person is prepared to succeed in entry or mid-level positions and they should expect this person to outperform bachelor’s graduates entering the workforce right out of undergrad. For international mim graduates, their degree has the added benefit of signaling to employers that they are acclimated to the regional language and business culture. With this in mind, the value proposition espoused to pre-experience mim candidates should be grounded in short-term outcomes. The mim is a degree of expedience—it gives its graduates pragmatic training to get their foot in the door of a career in business.

In this respect, then, it should not be surprising that full-time MBA alumni tend to rate the value of their degree more favorably than mim alumni. The mim, by design, provides a short-term benefit of establishing graduates in a business career, in contrast to the long-term value proposition of the full-time MBA. With this in mind, the mim cannot, and should not, be marketed as a replacement or substitute for an MBA. For some, breaking into the highest levels of their organizations may require that mim alumni earn an MBA, either as a part of a full-time program or as a part-time, executive, or online MBA candidate.

⁴⁰Graduate Management Admission Council. GMAT testing data (TY 2016).

⁴¹Graduate Management Admission Council (2017). Corporate Recruiters Survey.

⁴²Graduate Management Admission Council (2017). Alumni Perspectives Survey.

Recommendations for Business Schools

Based on the research outlined in this paper, business schools with mīm programs—or schools considering starting a new mīm program—might consider the following recommendations in planning for the sustainable future of their program.

Business schools need to differentiate the value propositions of their mīm and full-time MBA programs.

mīm programs and full-time MBA programs serve different purposes for distinct types of candidates and provide different outcomes. This should be apparent in program marketing materials and recruiters' person-to-person communications with candidates. The value proposition of mīm programs is that they provide training for inexperienced candidates to successfully launch their careers in business. The value proposition for full-time MBA programs is that they provide advanced training to experienced professionals to accelerate their climb into roles with increasing levels of responsibility and widening organizational scope. Failure to differentiate these value propositions could potentially do harm to a business school's overall brand, particularly at schools where the overall brand identity is most closely associated with its full-time MBA program.



European mim programs have an advantage in appealing to international Global Striver candidates.

About half of European mim candidates belong to the Global Striver segment, a segment of candidates focused on enhancing their opportunities for global employment. Because the largest segment of Asia-Pacific candidates seeking mim programs outside of Asia-Pacific is also Global Striver, European programs seeking to differentiate themselves from their us competitors in recruiting Asia-Pacific candidates should communicate the international orientation of their programs' students, curriculum, and career outcomes, in addition to highlighting favorable post-work visa programs in their countries.

Asia-Pacific mim programs should highlight international employment opportunities to retain more of the region's top mim candidate talent. Among both Asia-Pacific mim candidates sending GMAT score reports in-region and out-of-region, the majority are Global Strivers. These candidates are uniquely motivated to pursue a degree to enhance their options for international career opportunities. For Asia-Pacific business schools to retain a greater share of their mim candidate base, they need to convey that a mim degree earned at their institution opens doors to careers both inside and outside of Asia. The recent shift in the us political climate is an opportunity for Asia-Pacific schools to recruit candidates who might otherwise apply to us mim programs. Asia-Pacific schools interested in recruiting mim candidates from Western countries would likely have more success in Europe than the us, given their ratio of Global Strivers among European candidates.

European and us mim programs should not count on ever-growing demand from Asia-Pacific candidates. Though the expanding Asia-Pacific candidate pipeline has swelled application volumes to European and us mim programs over the past 10 years, a number of factors will likely slow this growth in the near future. Population projections from the us Census International Data Base show that the population of 20 to 29 year-olds in China is expected to decline from 206.4 million in 2017 to 159.0 million in 2025 as a delayed effect of the one-child policy.⁴³ Although expanding economic opportunity will likely mean the continued growth of higher education participation in

China, demand from Chinese mim candidates will likely level off with time. Though the student-age population projections in India are trending in the opposite direction, India remains an MBA market—a scenario unlikely to change in the short term. At the same time, competition from Asia-Pacific business schools will only increase as they continue to build out their mim offerings. In the us, the current political sentiment toward restrictive immigration and visa policy has already shown its potential to hurt international candidate demand. These factors taken together should signal to us schools that developing their in-region pipelines is necessary to ensure their mim program's sustainable future.

In developing a recruitment strategy for pre-experience domestic candidates, us mim programs should not necessarily look to European mim programs as a model. The success of European mim programs in recruiting among candidates who majored in business as undergraduates is due in part to the legacy of the “first degree” in continental Europe—there is an established norm of completing the equivalent of a master's level credential in the same subject they had previously studied before entering the workforce. us mim programs cannot hope to replicate this. An alternative, market-driven approach would be for pre-experience us mim programs to focus their recruitment on non-business bachelor's graduates who stand to benefit most from the mim value proposition. Research from the Georgetown University Center on Education and the Workforce shows that recent bachelor's graduates in the us who majored in liberal arts and public service disciplines—such as social sciences, arts, psychology and social work, and communications—have the highest unemployment rates and lowest salary levels among recent graduates.⁴⁴ Recent research on us adult bachelor's earners by the Strada Education Network and Gallup shows that 48 percent of liberal arts majors and 41 percent of public service majors say they would study a different major if they could do it again.⁴⁵ These candidates would likely be receptive to the value proposition of a mim—a marketable credential to successfully launch a career in business.

⁴³US Census International Data Base (IDB). Data retrieved August 2017. <https://www.census.gov/population/international/data/idb/informationGateway.php>

⁴⁴Carnevale, Anthony P. and Cheah, Ban (2015). From Hard Times to Better Times: College Majors, Unemployment, and Earnings. The Georgetown University Center on Education and the Workforce. <https://cew.georgetown.edu/wp-content/uploads/HardTimes2015-Report.pdf>

⁴⁵Gallup-Strada Education Network (2017). On Second Thought: U.S. Adults Reflect on Their Education Decisions. <http://www.gallup.com/reports/208535/gallup-strada-education-ecp-inaugural-report-2017.aspx>

us mim programs need to engage us employers to foster demand for mim graduates. Fewer than half of us employers hired mim graduates in 2016 (44%), compared with 68 percent of European companies and 74 percent of Asia-Pacific companies, according to GMAC employer survey data. Because the value proposition of the mim is so grounded in short-term employment outcomes, it's critical for us mim programs be able to demonstrate to candidates that completing their program is the best way to get their business career started on the right foot. A significant part of a sustainability strategy for any us mim program needs to include a plan to engage with employers to convey the impact that mim graduates can have at their companies and persuade them to hire mim graduates at a rate comparable to full-time MBA graduates.

Take care in setting the outcomes expectations of mim candidates. mim candidates should not expect to enter the workforce at the same level or earn the same as full-time MBA graduates following graduation. Most pre-experience mim graduates will start their careers in entry-level positions, whereas full-time MBA graduates typically exit business school and reenter the workforce at the mid-level or above, enabling them to demand a higher starting salary. Even accounting for greater opportunity and investment costs, full-time MBA alumni outearn mim alumni in cumulative base salary over 20 years following graduation. For some mim graduates, breaking into the highest levels of their organizations may require earning an MBA, either as a part of a full-time program or as a part-time, executive, or online MBA candidate.

Today's mim graduates could be tomorrow's full-time, part-time, or executive MBA candidate. Business schools should continue to engage with their mim alumni in the years following their graduation, as approximately 1 in 5 of them may consider completing an MBA program. Among such alumni, schools have an inside track for recruiting them to their MBA programs. mim alumni three to six years removed from the completion of their mim program will likely be at a stage in their career development where they might consider an additional credential to break into the highest levels of their organization.



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Analysis and Review

The following individuals at the Graduate Management Admission Council made significant contributions to the preparation of this report: **Justin Trost**, Business Analysis Manager, lead analyst; **Gregg Schoenfeld**, Director, Management Education Research, analytical and manuscript review; **Jennifer Martin**, Senior Director, Financial Planning and Analysis and Assistant Treasurer, manuscript review; **Sam Reimer**, Chief Financial Officer, manuscript review; **Sabrina White**, Vice President, Americas, manuscript review; **Betty Su**, Chief Marketing Officer, manuscript review; **Sangeet Chowfla**, President and Chief Executive Officer, manuscript review.

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Appendix

Figure A.1: Overview of Segment Characteristics

| Segment | Core Motivation | Defining Characteristics | Value Proposition |
|-------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Respect Seeker | <i>"A graduate business degree will give me the status and respect that I crave."</i> | <ul style="list-style-type: none"> • Overrepresented in North America and Europe • Apply younger and at parent's suggestion • Prefer full-time study and MBA programs • Apply to 2+ schools | GME graduates are part of an elite club. |
| Global Striver | <i>"I am committed to exploring the world of opportunities that awaits."</i> | <ul style="list-style-type: none"> • Oriented to achievement and have an international focus • Would be willing to pay whatever it takes to go to one of the top-ranked schools • Emphasis on rankings and academic reputation of school • Apply to more schools than any other segment | There's no limit to what you can achieve with a graduate management education. |
| Balanced Careerist | <i>"I want to advance, but school must not disrupt my life."</i> | <ul style="list-style-type: none"> • Motivated by convenience in selection of a school • Prefer part-time study • More likely to live in a suburban or rural area • Motivated to pursue business school to earn more money | With so many flexible programs and class options, you can fit a graduate management degree into your life. |
| Career Revitalizer | <i>"I need to take my career to the next level to be successful."</i> | <ul style="list-style-type: none"> • Overrepresented in China • Prefer part-time study • More likely to apply later in their career • Motivated by a desire to have more control over the future and advance more quickly | Obtaining a graduate management degree is a smart investment in your future. |
| Socio-economic Climber | <i>"I want to achieve everything my parents could only dream of."</i> | <ul style="list-style-type: none"> • Motivated by the desire to earn more money and provide for their children • Overrepresented in Brazil, Mexico, and Russia • Prefer part-time study • Biggest challenge is funding | Graduate management education can help you bring your dreams to life. |
| Skill Upgrader | <i>"I want to be recognized for my expertise."</i> | <ul style="list-style-type: none"> • More interested in MBA programs • Motivated by the desire to improve their skill set so they can be perceived as experts • Most male-dominated segment • Focused on school culture and experience in selecting a school | A graduate management degree will give you the expertise to succeed. |
| Impactful Innovator | <i>"I have great ideas. I just need the skills to bring them to life."</i> | <ul style="list-style-type: none"> • Overrepresented in Africa and Indonesia • Motivated to build skills to use for impacting society • More likely to be self-employed • Set apart by a more optimistic and curious personality | A graduate business degree will give you the skills and connections to change the world. |

Source: GMAC Global GME Segmentation Study (2016).

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