

## 2009 Application Trends: MBA Programs in the United Kingdom

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### Introduction

This paper, derived from the GMAC 2009 *Application Trends Survey*, focuses on the responses of full-time one-year MBA programs in the United Kingdom and draws comparisons with aggregate data from similar programs in other European countries and in the United States. For the purposes of this document, programs with a duration of 18 months or less are classified as one-year. Data summarized in this publication represent the responses of 11 participating UK full-time one-year MBA programs—a small fraction of the 102-program sample. In this publication, the term “other Europe” refers to Western and Eastern European countries excluding the United Kingdom. Please note that the one-year program format represents 91 percent of all participating European MBA programs, but only 28 percent of US programs, where the two-year format dominates.

### Key Findings

- Nearly all (91%) participating full-time one-year MBA programs in the United Kingdom reported increased application volume in 2009 compared with the prior year. More than half (56%) of these programs attributed the rise in volume to adverse economic conditions.
- On average, full-time one-year UK MBA programs received more applications per program than their counterparts in other European countries and the United States with, on average, nearly seven applicants competing for each place in the incoming class.
- UK programs continued to attract foreign applicants in 2009 and the vast majority (82%) received more applications from foreign citizens than in 2008. Based on citizenship, foreign applicants accounted, on average, for 94 percent of the applicant pool to full-time one-year MBA programs in the United Kingdom.
- Unlike participants in the United States, which have reported a decline in interest from Indian candidates, UK programs reported an increase, on average. For 89 percent of programs, India accounted for the largest number of applicants, while 56 percent of UK programs reported that the largest increase in applications was from Indian candidates.
- To help prospective students finance their education, all full-time one-year MBA programs in the United Kingdom offered some form of tuition assistance, mostly in the form of scholarships (91%), which were offered, on average, to one-fifth (21%) of incoming students.
- Applicants to UK programs faced greater competition for place than applicants to US or other European programs. Accepted UK applicants, however, were less likely to enroll.

This paper presents, for the first time since the inception of the Application Trends Survey in 2000, a comparison of full-time one-year MBA program application trends across regions. The number of observations also allowed us to focus on a specific country — the United Kingdom. While some UK program trends and characteristics matched those of other European countries, for example, in the applicant pool composition, other UK trends varied quite distinctly from their US and European counterparts, for example in the level of competitiveness.

## Program Profile

The following are characteristics of participating full-time one-year UK MBA programs, which are shown in more detail in Table 1:

- More than a quarter (27%) of responding UK programs, compared with 7 percent to 10 percent in other regions, ranked among the top 50 programs according to average rankings across *Business Week*, the *Financial Times*, and *US News and World Report*.
- UK programs reported larger class sizes, on average.
- The majority (91%) of participating UK programs received government funding.
- All UK programs (100%) had one start date per year.

	UK (n = 11)	Other Europe (n = 31)	US (n = 42)
<b>Tier<sup>a</sup></b>			
First	27%	10%	7%
Second	18%	10%	14%
Third	55%	80%	79%
Total	100%	100%	100%
<b>Class size</b>			
50 students or fewer	55%	80%	66%
51 to 100 students	18%	7%	27%
More than 100 students	27%	13%	7%
Total	100%	100%	100%
<b>Funding sources</b>			
Receives government funding	91%	13%	45%
Program operates with private financing	9%	87%	55%
Total	100%	100%	100%
<b>Enrollment type</b>			
Class begins once a year	100%	59%	76%
Class begins several times a year, including rolling admissions	—	41%	24%
Total	100%	100%	100%

<sup>a</sup> For the purposes of this report, full-time MBA programs were classified by their tier based on the average media rankings across those published by *Business Week*, the *Financial Times*, and *US News and World Report*: First tier programs are those ranked in the top 50 (first through 50th), second tier are next 50 programs (51st through 100th), and third tier are 101st and lower-ranked or unranked programs.

## Applicants

In general, the vast majority of applicants to UK (94%) and European (87%) full-time one-year MBA programs were foreign citizens, compared with approximately half (54%) of the applicants to US programs (Table 2). Based on gender, the United Kingdom had the smallest proportion of women applying in 2009 (26%); however, it had the largest average number of female applicants compared with its European and US counterparts (Table 4).

	UK	Other Europe	US
By citizenship	<i>n</i> = 11	<i>n</i> = 25	<i>n</i> = 40
Domestic	6%	13%	54%
Foreign <sup>a</sup>	94%	87%	46%
Total	100%	100%	100%
By gender	<i>n</i> = 9	<i>n</i> = 29	<i>n</i> = 37
Female	26%	30%	36%
Male	74%	70%	64%
Total	100%	100%	100%

<sup>a</sup> The term “foreign” is defined by applicant citizenship and refers to any applicants whose citizenship differs from that of the country where they have applied. For example, French citizens will be considered foreign by a UK program and UK citizens will be considered foreign by a French program. Foreign applicants include permanent residents of a given country if they do not hold that country’s citizenship.

The majority of UK programs (73%) reported an improvement in applicant academic quality in 2009 compared with 2008. In comparison, slightly more than half of US and other European programs have seen similar improvements (Table 3).

	UK ( <i>n</i> = 11)	Other Europe ( <i>n</i> = 31)	US ( <i>n</i> = 41)
Significantly more academically qualified	9%	—	5%
Moderately more academically qualified	9%	26%	22%
Slightly more academically qualified	55%	26%	27%
About the same quality as last year	27%	48%	39%
Slightly less academically qualified	—	—	7%
Moderately less academically qualified	—	—	—
Significantly less academically qualified	—	—	—
Total	100%	100%	100%
More qualified	73%	52%	54%
About the same	27%	48%	39%
Less qualified	—	—	7%
Total	100%	100%	100%

## Overall Application Trends

On average, full-time one-year MBA programs located in the United Kingdom received larger numbers of total, foreign, and female applications than MBA programs in other European countries or the United States (Table 4).

	UK	Other Europe	US
All applicants	<i>n</i> = 11	<i>n</i> = 31	<i>n</i> = 41
Mean <sup>a</sup>	452	272	140
Median	321	58	118
Domestic applicants	<i>n</i> = 10	<i>n</i> = 21	<i>n</i> = 40
Mean <sup>b</sup>	30	52	73
Median	18	13	53
Foreign <sup>c</sup> applicants	<i>n</i> = 11	<i>n</i> = 29	<i>n</i> = 40
Mean <sup>d</sup>	424	250	63
Median	302	48	26
Female applicants	<i>n</i> = 9	<i>n</i> = 29	<i>n</i> = 37
Mean <sup>a</sup>	131	86	47
Median	110	22	38

<sup>a</sup> The mean difference between subgroups is not statistically significant.

<sup>b</sup>  $F = 3.629$ ;  $df_1 = 2$ ;  $df_2 = 77$ ;  $p < .05$ .

<sup>c</sup> The term "foreign" is defined by applicant citizenship and refers to any applicants whose citizenship differs from that of the country where they have applied. For example, French citizens will be considered foreign by a UK program and UK citizens will be considered foreign by a French program. Foreign applicants include permanent residents of a given country if they do not hold that country's citizenship.

<sup>d</sup>  $F = 5.194$ ;  $df_1 = 2$ ;  $df_2 = 77$ ;  $p < .05$ .

Programs in the United Kingdom were more competitive than their US and European counterparts, with approximately seven applicants, on average, competing for each place in the incoming class (Table 5). Similar figures for other European countries and the United States were 4.0 and 2.8, respectively.

	UK	Other Europe	US
All applicants	<i>n</i> = 11	<i>n</i> = 29	<i>n</i> = 39
Mean <sup>b</sup>	6.9	4.0	2.8
Median	5.4	3.3	2.3

<sup>a</sup> The number of applications per seat is calculated by dividing the number of applications received by a program by the targeted number of students in the incoming class.

<sup>b</sup>  $F = 9.972$ ;  $df_1 = 2$ ;  $df_2 = 76$ ;  $p < .05$ . Bonferroni test showed statistically significant differences,  $\alpha = 0.05$ , between the United Kingdom and other European countries and between the United Kingdom and the United States.

Nearly all (91%) participating UK programs reported an increase in application volume in 2009, with nearly half of programs (46%) receiving significantly more applications than the prior year (Table 6).

	UK (n = 11)	Other Europe (n = 31)	US (n = 40)
Up significantly (+21% or higher)	46%	19%	23%
Up moderately (+11%–20%)	9%	23%	17%
Up slightly (+1%–10%)	36%	19%	30%
Flat (no change from previous year)	9%	10%	3%
Down slightly (-1%–10%)	—	10%	17%
Down moderately (-11%–20%)	—	6%	5%
Down significantly (-21% or lower)	—	13%	5%
Total	100%	100%	100%
Up	91%	61%	70%
Flat	9%	10%	3%
Down	—	29%	27%
Total	100%	100%	100%

Admissions professionals at UK programs attributed the significant growth in 2009 application volume to adverse global economic conditions (Table 7), a view shared by the admissions staff of programs in other European countries and the United States. Despite their higher media rankings, only one in five (22%) UK programs attributed the application volume increase to reputation and rankings.

	UK (n = 11)	Other Europe (n = 31)	US (n = 42)
Provided comments	82%	52%	48%
Economic conditions	56%	63%	85%
Reputation, rankings	22%	31%	10%
Marketing efforts	11%	19%	10%
Program format, content, delivery, or admission requirements	11%	13%	10%
Other reasons <sup>b</sup>	44%	19%	20%

a. Based on optional, open-ended responses.

b. Other reasons reported by the UK respondents included accreditation, demand from Indian citizens, and overall growth in interest from citizens of Central and South Asia.

## Domestic Application Trends

Although domestic applicants accounted for only 6 percent of the 2009 total applicant pool for full-time one-year MBA programs in the United Kingdom, 55 percent of programs reported an increase in applications from domestic candidates compared with 2008 (Table 8).

	UK (n = 11)	Other Europe (n = 29)	US (n = 38)
Up significantly (+21% or higher)	46%	10%	29%
Up moderately (+11%–20%)	—	10%	18%
Up slightly (+1%–10%)	9%	17%	21%
Flat (no change from previous year)	9%	52%	5%
Down slightly (-1%–10%)	18%	7%	16%
Down moderately (-11%–20%)	9%	—	5%
Down significantly (-21% or lower)	9%	3%	5%
Total	100%	100%	100%
Up	55%	38%	68%
Flat	9%	52%	5%
Down	36%	10%	26%
Total	100%	100%	100%

a.  $\chi^2 = 28.218$ ;  $df = 12$ ;  $p < .05$ .

## Foreign Application Trends

In contrast with the prior year, the number of foreign applicants declined in 2009 for 45 percent of one-year programs in the United States and 20 percent of programs in other European countries; however, the majority (82%) of full-time MBA programs in the United Kingdom reported higher numbers of foreign applicants (Table 9).

	UK (n = 11)	Other Europe (n = 30)	US (n = 38)
Up significantly (+21% or higher)	55%	20%	13%
Up moderately (+11%–20%)	9%	10%	8%
Up slightly (+1%–10%)	18%	20%	21%
Flat (no change from previous year)	18%	30%	13%
Down slightly (-1%–10%)	—	7%	21%
Down moderately (-11%–20%)	—	3%	11%
Down significantly (-21% or lower)	—	10%	13%
Total	100%	100%	100%
Up	82%	50%	42%
Flat	18%	30%	13%
Down	—	20%	45%
Total	100%	100%	100%

<sup>a</sup>. The term “foreign” is defined by applicant citizenship and refers to any applicants whose citizenship differs from that of the country where they have applied. For example, French citizens will be considered foreign by a UK program and UK citizens will be considered foreign by a French program. Foreign applicants include permanent residents of a given country if they do not hold that country’s citizenship.

The vast majority (89%) of full-time one-year MBA programs in the United Kingdom received the largest number of applications from India (Table 10). India also topped the list of countries from which UK programs had the largest increase in applicants (Table 11).

	UK (n = 9)	Other Europe (n = 14)	US (n = 15)
India	89%	50%	53%
China, including Taiwan	—	—	40%
United States	—	29%	—
Other countries	11%	21%	7%
Total	100%	100%	100%

a.  $\chi^2 = 18.875$ ; df = 8; p < .05.

**Table 11. Foreign Countries From Which Full-Time One-Year MBA Programs Saw Largest Increase in Applicants, Percentage of Programs: United Kingdom, Other European Countries, United States<sup>a</sup>**

	UK (n = 9)	Other Europe (n = 15)	US (n = 15)
India	56%	7%	27%
Saudi Arabia	22%	—	7%
China, including Taiwan	11%	13%	53%
United States	—	27%	—
Other countries	11%	53%	13%
Total	100%	100%	100%

a.  $\chi^2 = 26.664$ ; df = 8; p < .05.

## Tuition Assistance

In response to student demand in this economically challenging year, all (100%) participating full-time one-year MBA programs in the United Kingdom offered tuition assistance (Table 12). With the majority of programs (91%) having scholarship funds, approximately one-fifth (21%) of incoming students, on average, were expected to benefit (Table 13).

**Table 12. Percentage of Full-Time One-Year MBA Programs Offering Tuition Assistance: United Kingdom, Other European Countries, United States**

	UK (n = 11)	Other Europe (n = 30)	US (n = 39)
Scholarships	91%	87%	67%
Fellowships	—	7%	23%
Stipends	—	3%	36%
Reduced tuition	—	57%	44%
School-to-student loan program	—	13%	15%
On-campus work-study program	—	10%	36%
Assistantships	—	—	15%
Other programs <sup>b</sup>	36%	10%	5%
None of the above—this program does not offer tuition assistance	—	3%	5%

a.  $\chi^2 = 64.499$ ; df = 18; p < .05.

b. Other programs in the United Kingdom offered college scholarships, early-bird schemes, loan programs with a local bank, and studentships.

**Table 13. Percentage of Incoming Students Who Will Be Offered Scholarships by Full-Time One-Year MBA Programs: United Kingdom, Other European Countries, United States**

	UK ( <i>n</i> = 8)	Other Europe ( <i>n</i> = 22)	US ( <i>n</i> = 18)
Mean	21%	21%	44%
Median	20%	17%	39%

a.  $F = 8.256$ ;  $df_1 = 2$ ;  $df_2 = 45$ ;  $p < .05$ .

## Offers, Enrollment, and Class Size

The percentage of full-time one-year MBA program applicants receiving an offer of a place (42%) was lower in the United Kingdom than in other European countries or the United States (Table 14). While this may be attributable to a larger number of applicants per seat (Table 5), accepted UK applicants were also less likely to enroll than their US and European counterparts (39%).

**Table 14. Full-Time One-Year MBA Program Offer and Estimated Enrollment Rates: United Kingdom, Other European Countries, United States**

	UK	Other Europe	US
Percentage of total applicants who received an offer of a place	<i>n</i> = 9	<i>n</i> = 27	<i>n</i> = 36
Mean <sup>a</sup>	42%	56%	61%
Median	35%	65%	63%
Estimated percentage of applicants with a place who enroll	<i>n</i> = 9	<i>n</i> = 26	<i>n</i> = 33
Mean <sup>b</sup>	39%	61%	65%
Median	45%	60%	66%

<sup>a</sup> The mean difference between subgroups is not statistically significant.

<sup>b</sup>  $F = 7.475$ ;  $df_1 = 2$ ;  $df_2 = 65$ ;  $p < .05$ . Bonferroni test showed statistically significant differences,  $\alpha = 0.05$ , between the United Kingdom and other European countries and between the United Kingdom and the United States.

On average, participating full-time one-year UK MBA programs had the largest class size of any of the responding programs (Table 15) and 64 percent of these planned to make more seats available in the incoming class.

	UK (n = 11)	Other Europe (n = 29)	US (n = 36)
Average class size <sup>a</sup>			
Targeted 2009–2010 (#)	85	61	51
Mean	60	35	45
Median			
Actual 2008–2009 (#)			
Mean	76	47	48
Median	40	32	44
Percentage change (%)	11.8%	29.8%	6.3%
Growth plans			
Expect to increase	64%	62%	50%
Do not expect to change	27%	28%	17%
Expect to reduce	9%	10%	33%
Total	100%	100%	100%

<sup>a</sup>. Year-to-year: For the United Kingdom, the mean difference was  $t = 2.868$ ;  $df = 10$ ;  $p < .05$ . For other European countries and the United States, the mean difference is not statistically significant.

## Concluding Note

Findings presented in this paper are based on analysis of the *2009 GMAC Application Trends Survey* data. For questions or comments regarding the study findings, methodology, or data, please contact the GMAC Research and Development Department at [research@gmac.com](mailto:research@gmac.com).

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