

Graduate
Management
Admission
Council®

GMAC Research Highlights 2016

The webinar will begin momentarily

Please use the chat box to ask a question

Note: this webinar will be recorded



Welcome from GMAC

Eric Chambers

*Director,
Market Development, Americas*



Today's presenters



Matt Hazenbush

*Research Communications
Senior Manager*



Gregg Schoenfeld

*Director,
Management Education Research*

Topics of discussion

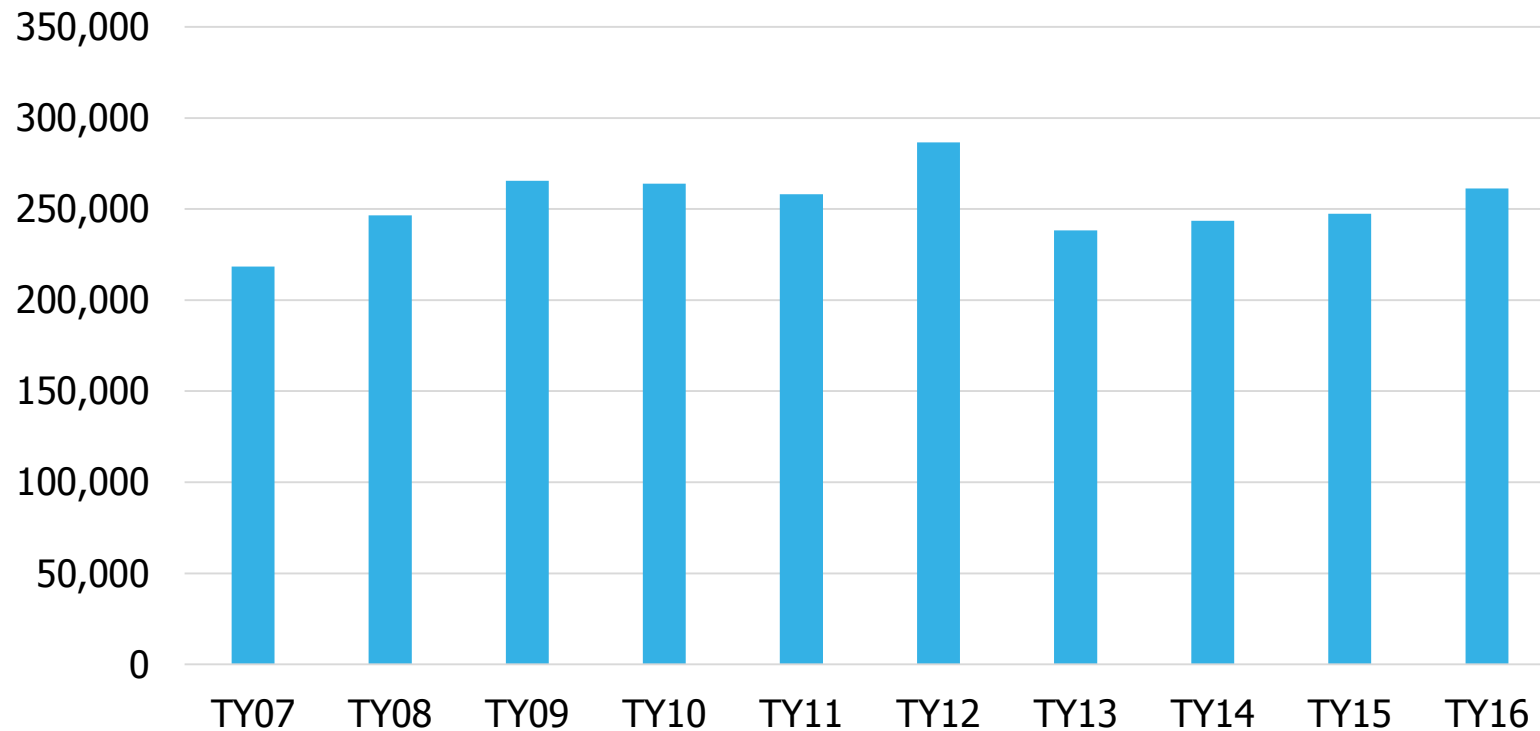
- Growth in GMAT Testing
- Non-MBA Programs
- Value of GME
- Employer Demand
- Global GME Segmentation

Topics of discussion

- *Growth in GMAT Testing*
- Non-MBA Programs
- Value of GME
- Employer Demand
- Global GME Segmentation

Growth in total GMAT[®] testing

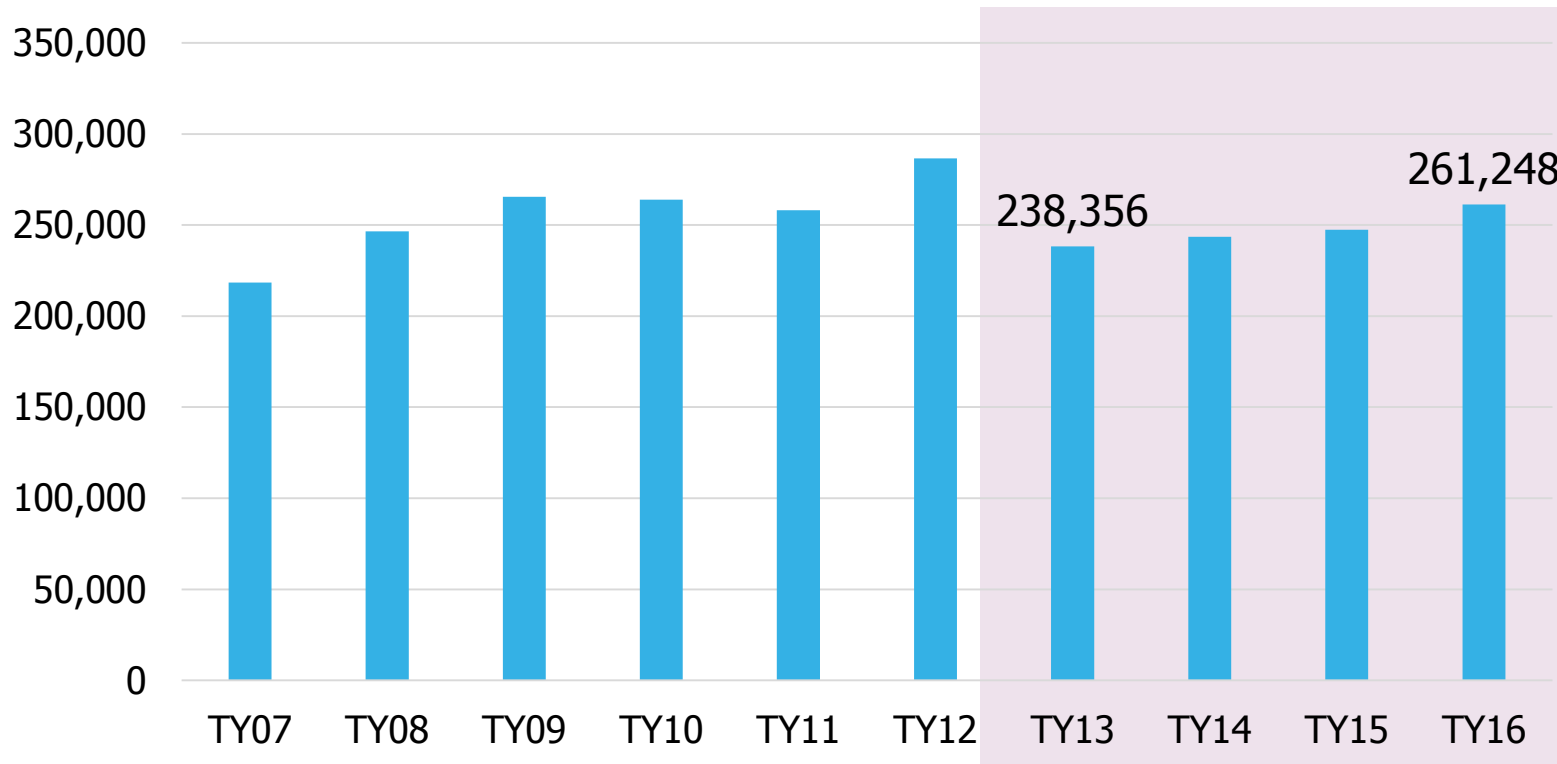
Total exams delivered, TY 2007 - TY 2016



GMAT exam data, TY 2007 – TY 2016

Growth in total GMAT® testing

Total exams delivered, TY 2007 - TY 2016



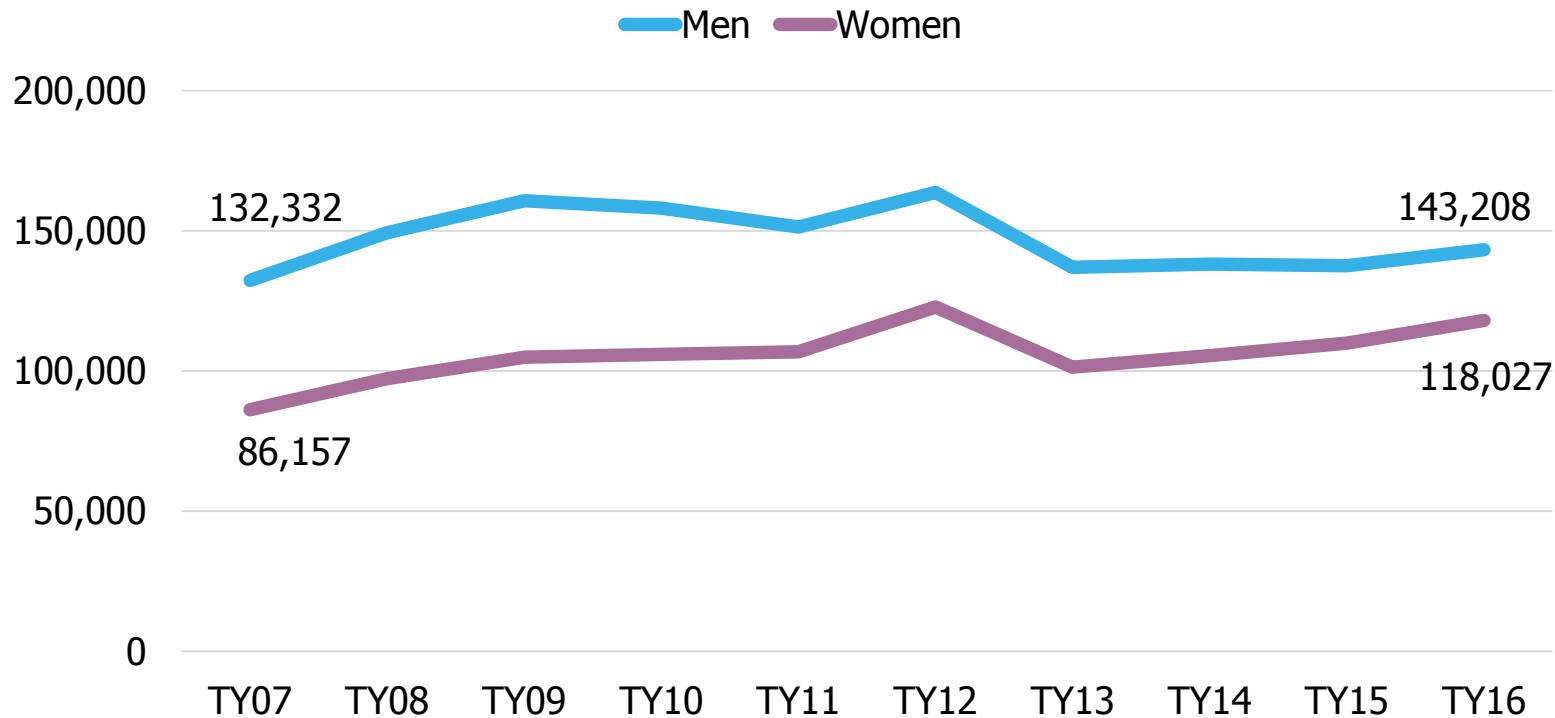
IR era

- 3 straight years of growth
- Growth of **+9.6%**▲ from TY13 to TY16
- Compound annual growth rate (CAGR) from TY13 to TY16: **+2.3%**▲

GMAT exam data, TY 2007 – TY 2016

Growth among women greater than men

Total exams delivered by gender, TY 2007 - TY 2016



10-year CAGR (TY07-TY16)

Men	+0.8%	▲
Women	+3.2%	▲

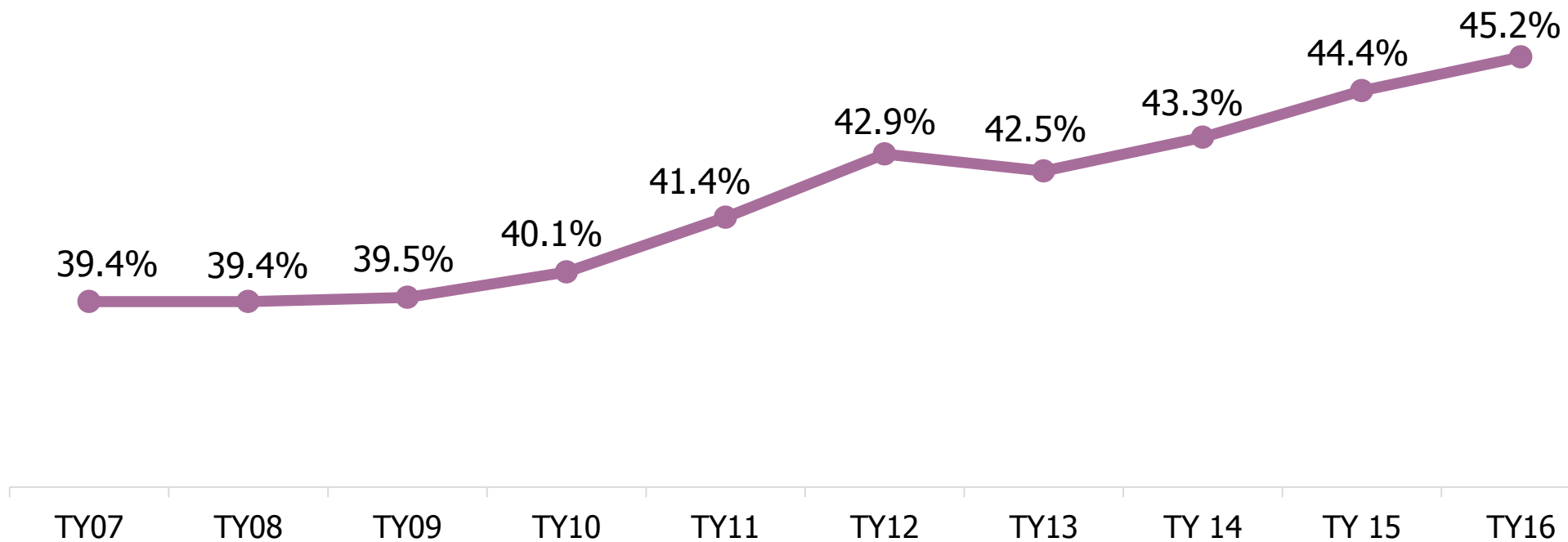
4-year CAGR (TY13-TY16)

Men	+1.1%	▲
Women	+3.9%	▲

GMAT exam data, TY 2007 – TY 2016

Representation of women on upward trend

Percentage of GMAT exams taken by women, TY 2007 - TY 2016



GMAT exam data, TY 2007 – TY 2016

Representation of women on upward trend

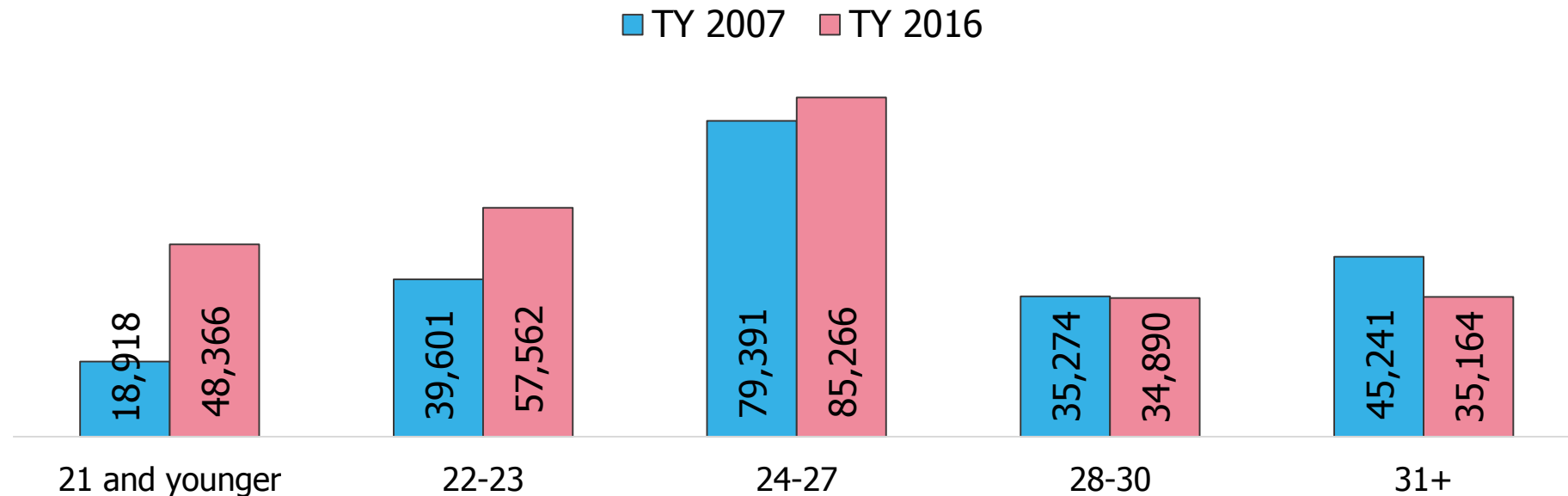
Representation of women in the GME applicant pool, by program type

		2011	2016	% pt. change
MBA	Executive MBA	27%	33%	+6% ▲
	FT 1-Year MBA	34%	36%	+2% ▲
	FT 2-Year MBA	35%	37%	+2% ▲
	Part-Time MBA	37%	41%	+4% ▲
	Online MBA	38%	43%	+5% ▲
Non-MBA	Master of Finance	42%	46%	+4% ▲
	Master in Management	48%	52%	+4% ▲
	Master of Accounting	57%	61%	+4% ▲

GMAC (2011-2016) Application Trends Survey.

Stronger growth among younger prospects

GMAT exams taken by age group, TY 2007 vs. TY 2016



CAGR

+9.8% ▲

+3.8% ▲

+0.7% ►

-0.1% ►

-2.5% ▼

GMAT exam data, TY 2007 – TY 2016

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Fastest growing countries

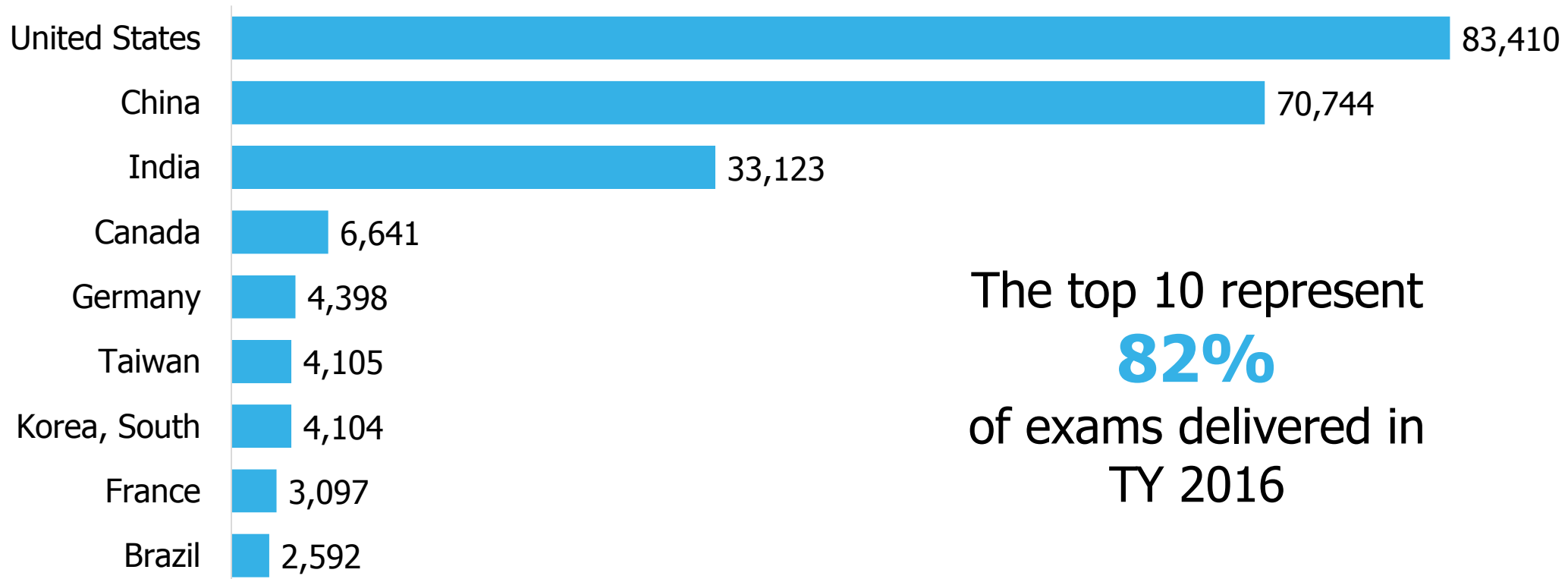
Citizenship groups with greatest 10-year CAGR, TY 2007 – TY 2016



Among countries with 100+ exams taken in TY2016
GMAT exam data, TY 2007 – TY 2016

Top 10 citizenship groups

Top 10 GMAT test taking citizenship groups, TY 2016



The top 10 represent
82%
of exams delivered in
TY 2016

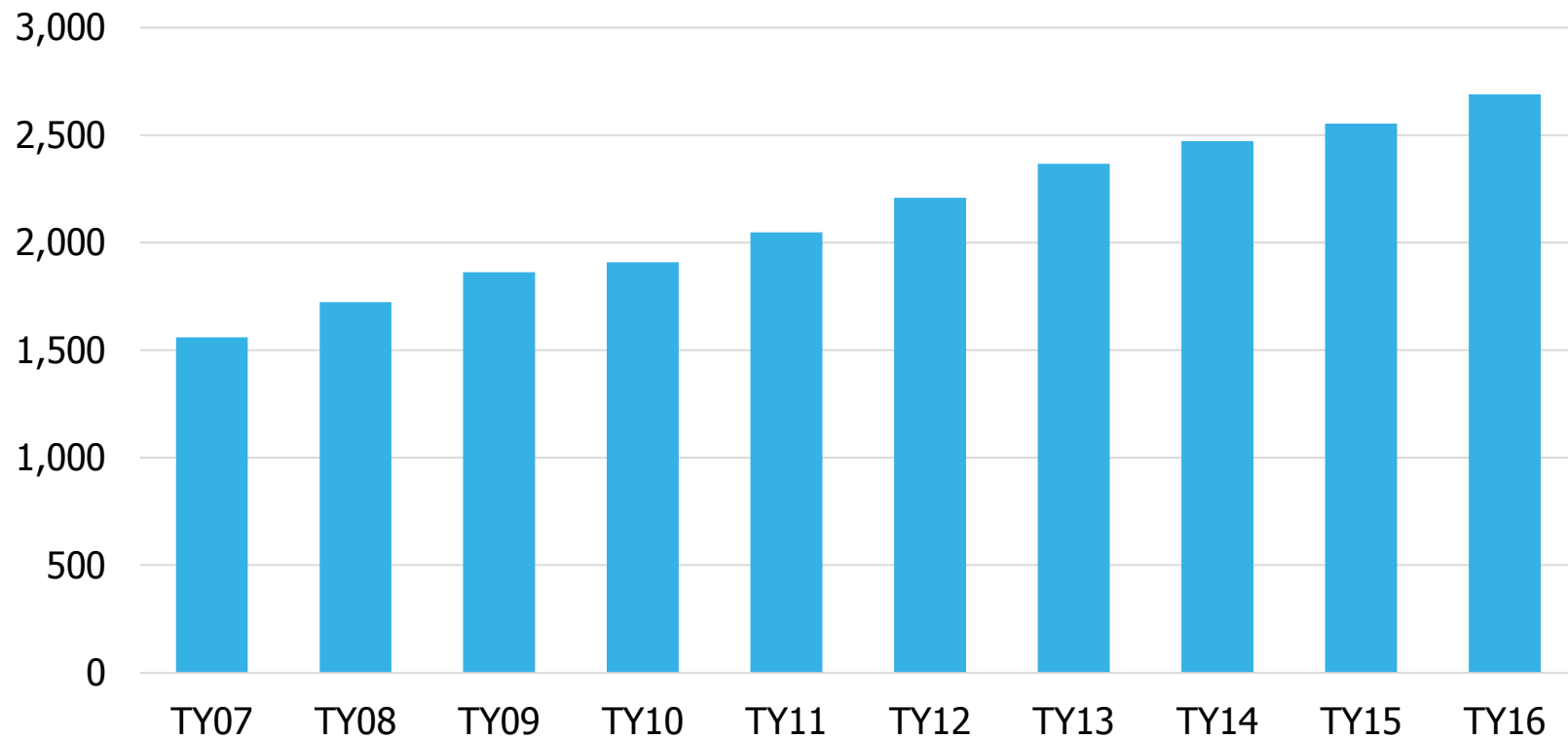
GMAT exam data, TY 2016

Topics of discussion

- Growth in GMAT Testing
- *Non-MBA Programs*
- Value of GME
- Employer Demand
- Global GME Segmentation

Growth of non-MBA master's programs

Non-MBA master's programs receiving score reports, TY 2007 – TY 2016

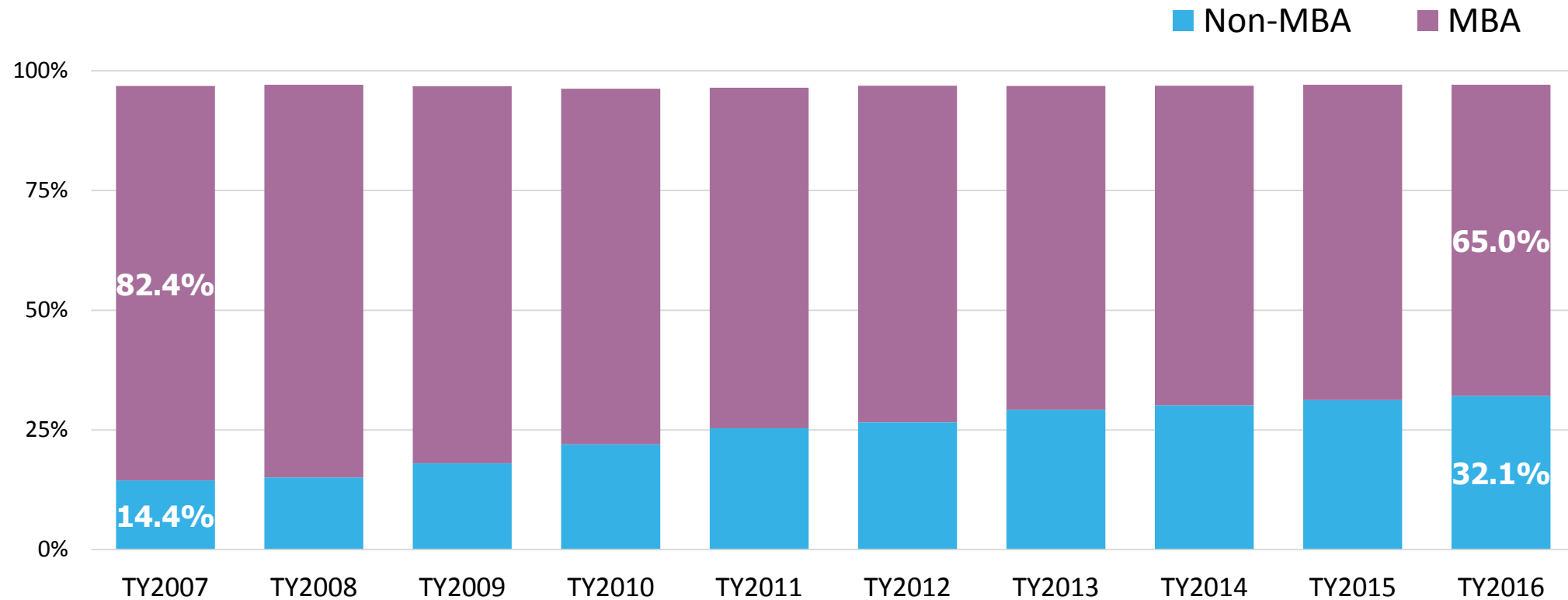


School region	10-yr CAGR
Global	+5.6% ▲
North America	+4.3% ▲
Europe	+10.3% ▲
Asia-Pacific	+10.3% ▲

GMAT data, TY 2007 – TY 2016.

Increase in non-MBA score sending

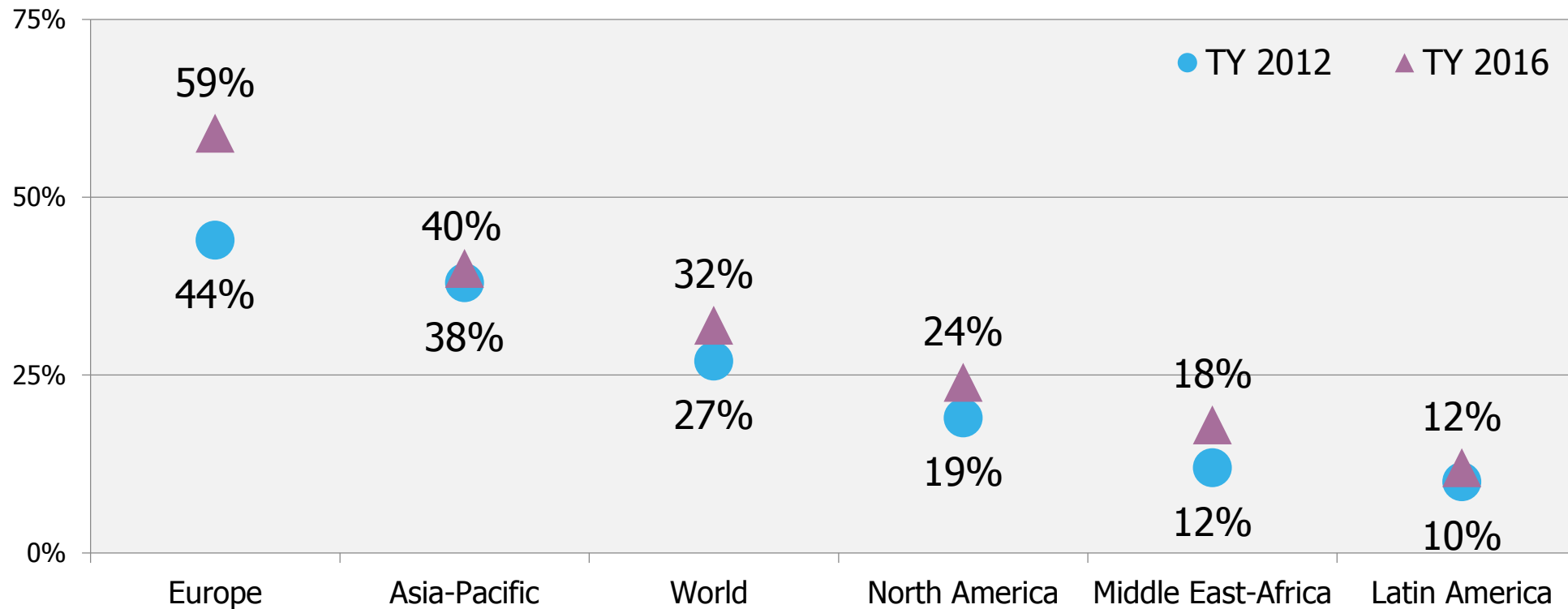
GMAT score sending, TY 2007 – TY 2016



GMAT score sending data, TY 2007 – TY 2016.

Popularity of non-MBA programs globally

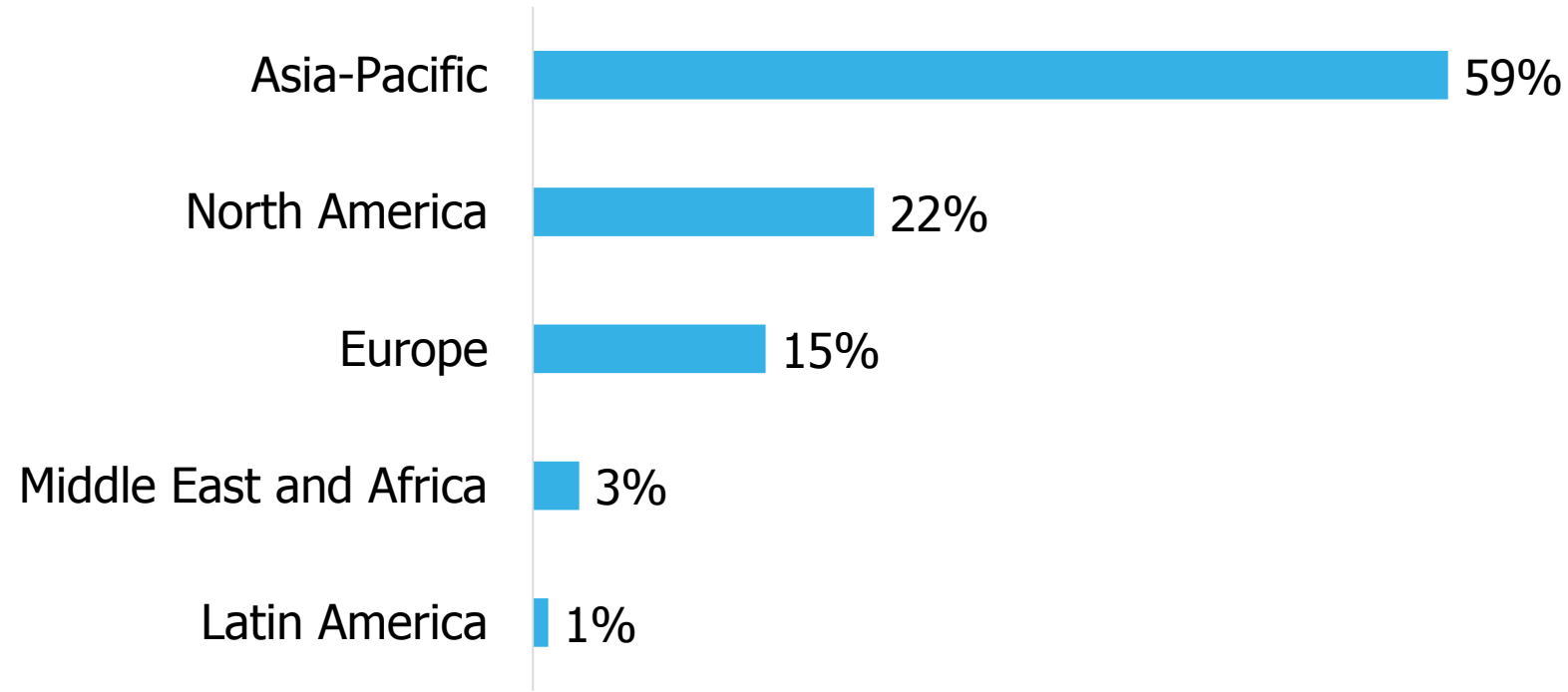
GMAT score sending to non-MBA programs by world region of residence



GMAT score sending data, TY 2012 – TY 2016

Majority of non-MBA candidates from APAC

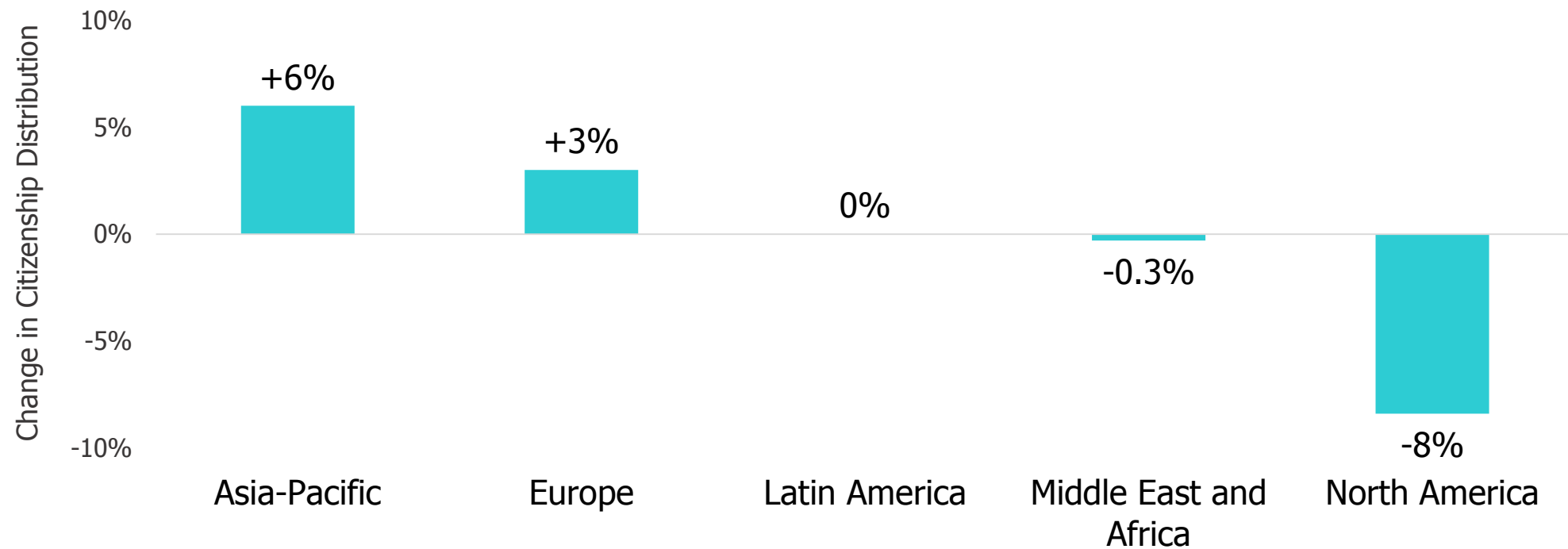
World region of citizenship, non-MBA master's score senders, TY 2016



GMAT score sending data, TY 2016.

Increased share coming from APAC and Europe

Change in distribution of world region of citizenship of non-MBA master's score senders, TY 2012 – TY 2016



GMAT score sending data, TY 2012 – TY 2016.

Where non-MBA candidates want to study

Preferred study destination among those considering non-MBA programs

	Country/region of citizenship			
	US	Europe	East/SE Asia	Central/South Asia
1	US (95%)	Europe (81%)	US (48%)	US (55%)
2	Europe (4%)	US (15%)	Europe (24%)	Europe (17%)
3	East/SE Asia (1%)	East/SE Asia (2%)	East/SE Asia (22%)	Central/South Asia (11%)

GMAC (2016) mba.com Prospective Students Survey.

Reasons for seeking international degree

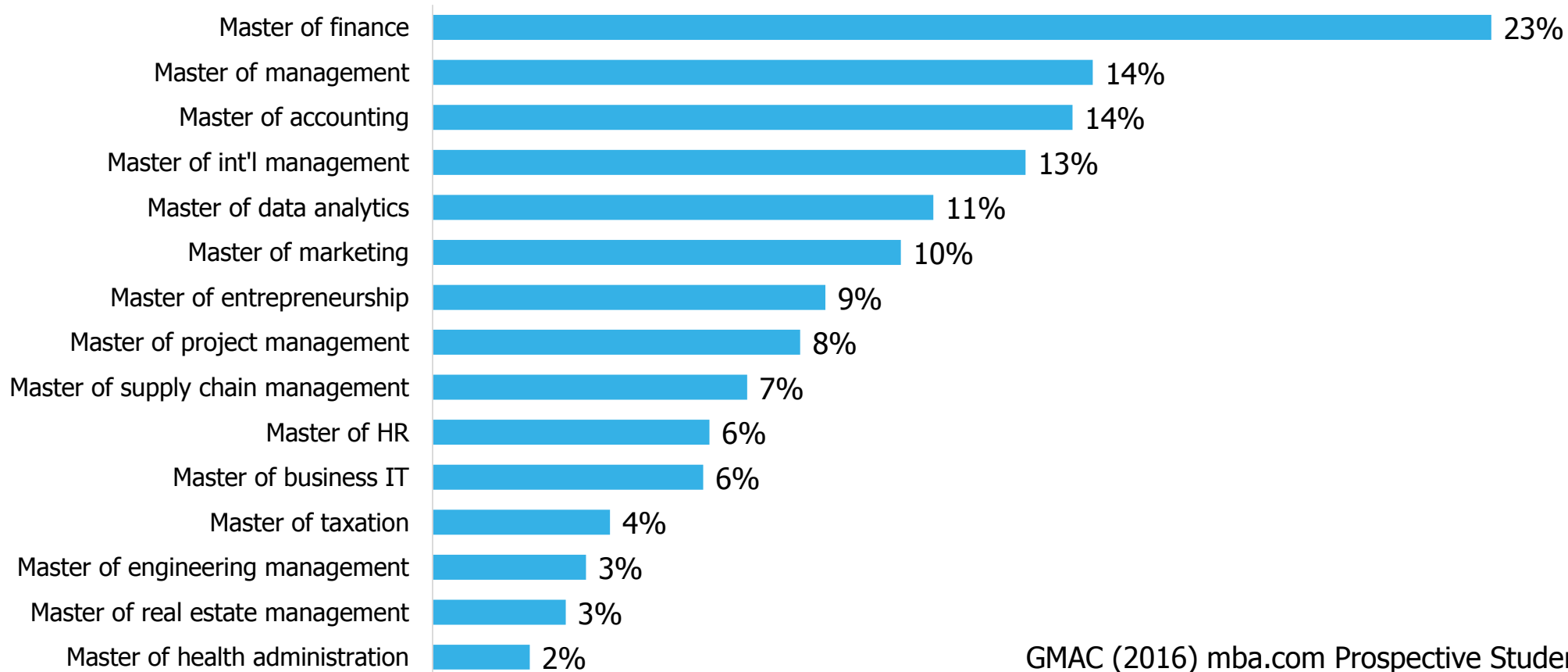
	East/SE Asia	Central/South Asia
Reputation of the education	56%	67%
Better preparation for career	54%	52%
Improved chance of international career	48%	62%
Develop an international network	44%	50%
Attractiveness of location	42%	31%
Safety and security	37%	30%
Learn/improve English language skills	35%	15%
Affordability of tuition	35%	37%

Most international candidates seek study in the US or Europe because of **strength of education reputation** and **improved chance of an international career.**

GMAC (2016) mba.com Prospective Students Survey.

Most popular non-MBA master's programs

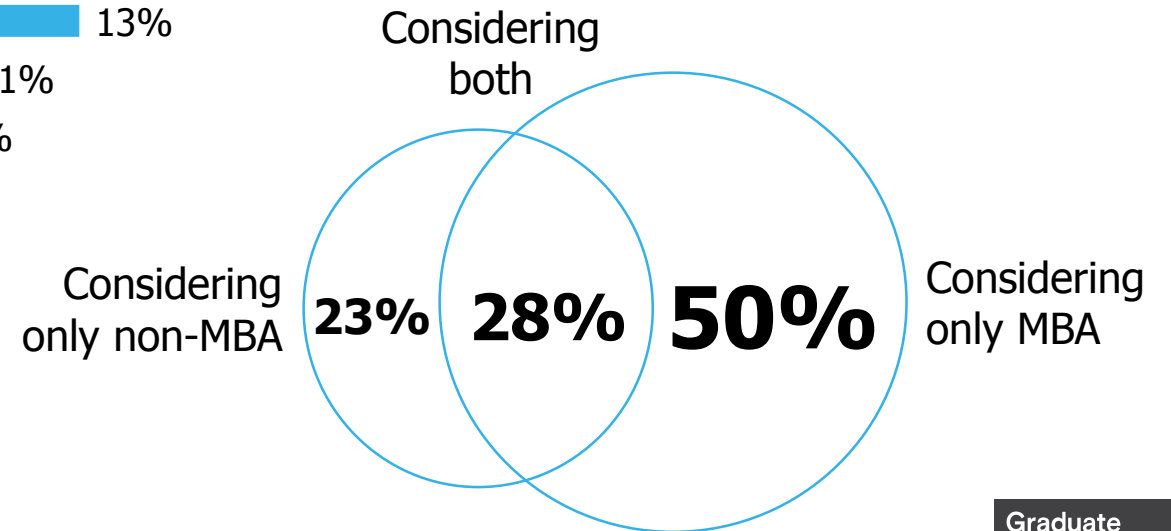
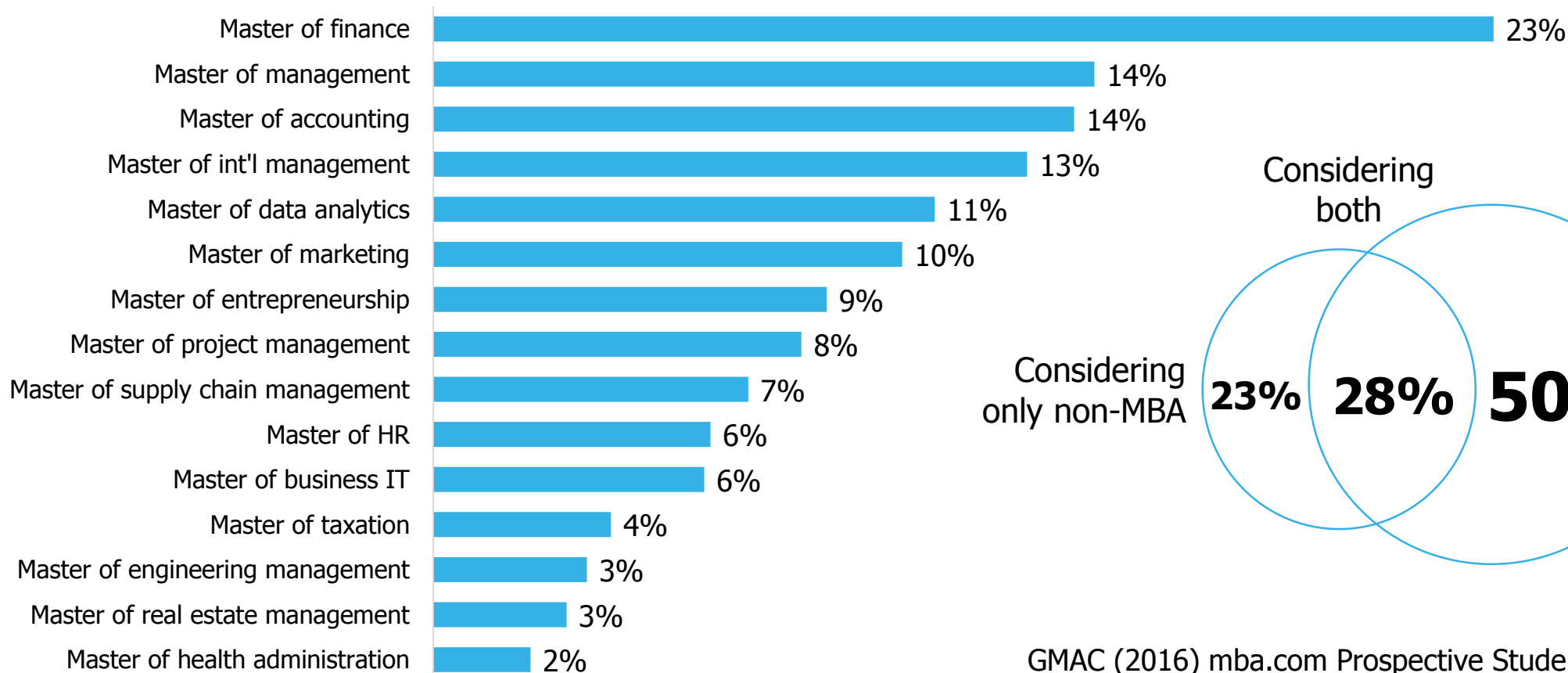
Percentage of candidates interested in specific non-MBA master's program types



GMAC (2016) mba.com Prospective Students Survey.

Most popular non-MBA master's programs

Percentage of candidates interested in specific non-MBA master's program types



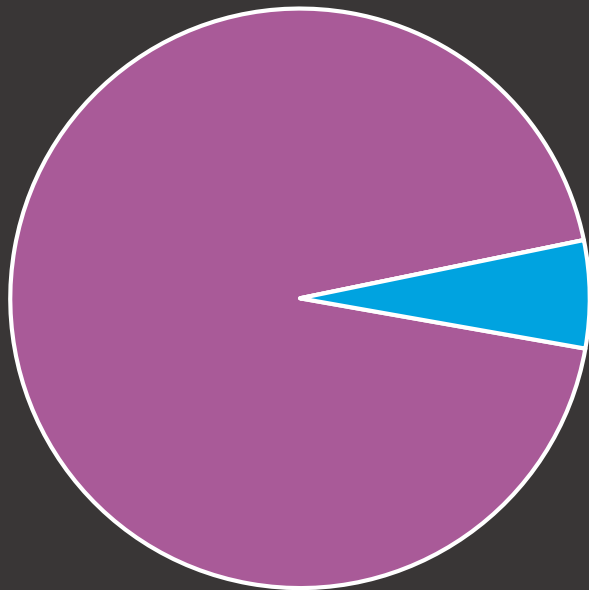
GMAC (2016) mba.com Prospective Students Survey.



Spotlight on Data Analytics

Change in application volume, 2015 vs. 2016

94%
of programs
report increases



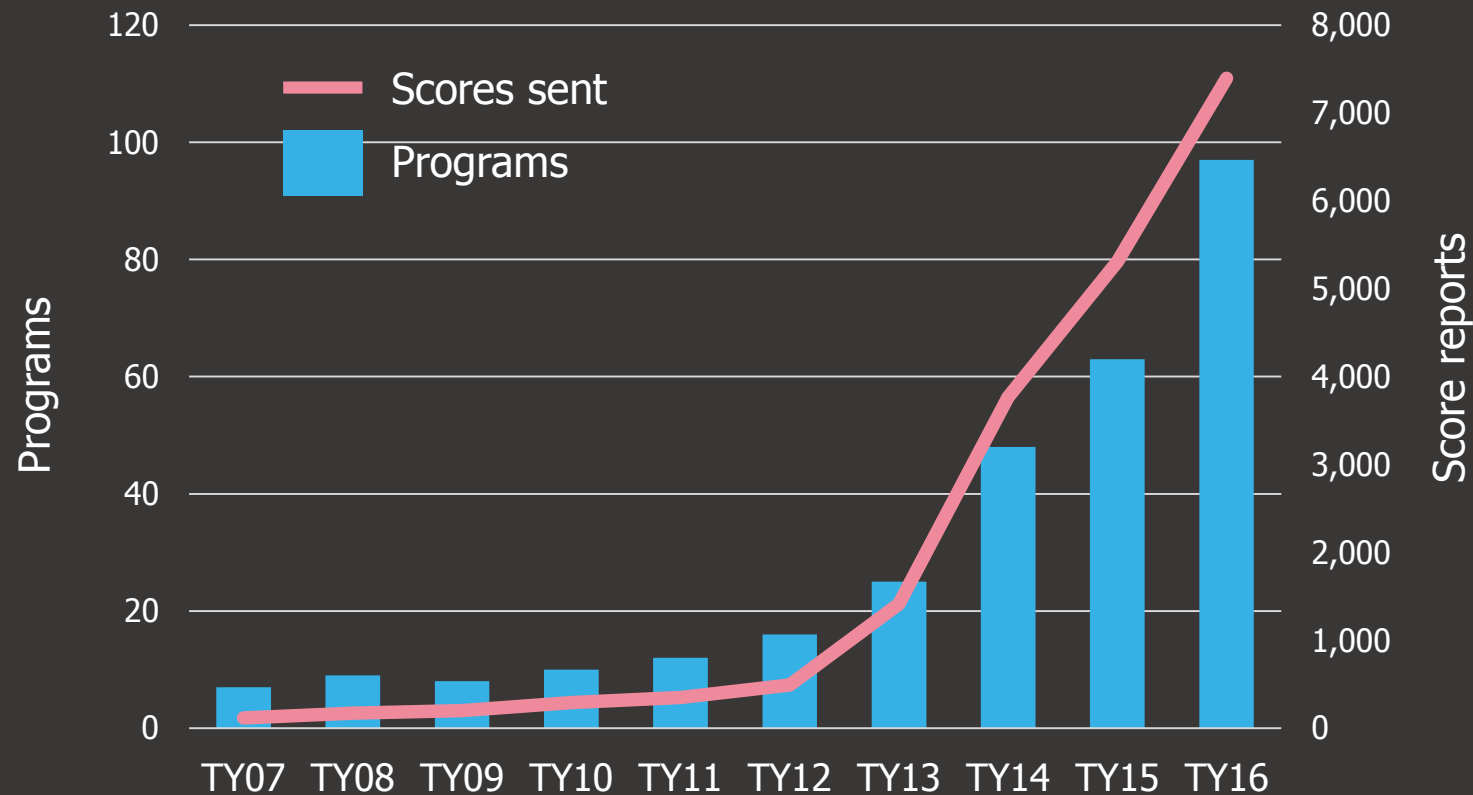
6%
of programs
report
decreases

Applications summary data

Metric	Data
# of reporting programs	25
Median applications	272
Estimated median class size	41
Median applications per seat	4.6
Acceptance rate (est.)	47%
Enrollment rate (est.)	46%

Candidate growth outpacing program growth

Data analytics programs receiving scores vs. score reports received, TY 2007 – TY 2016

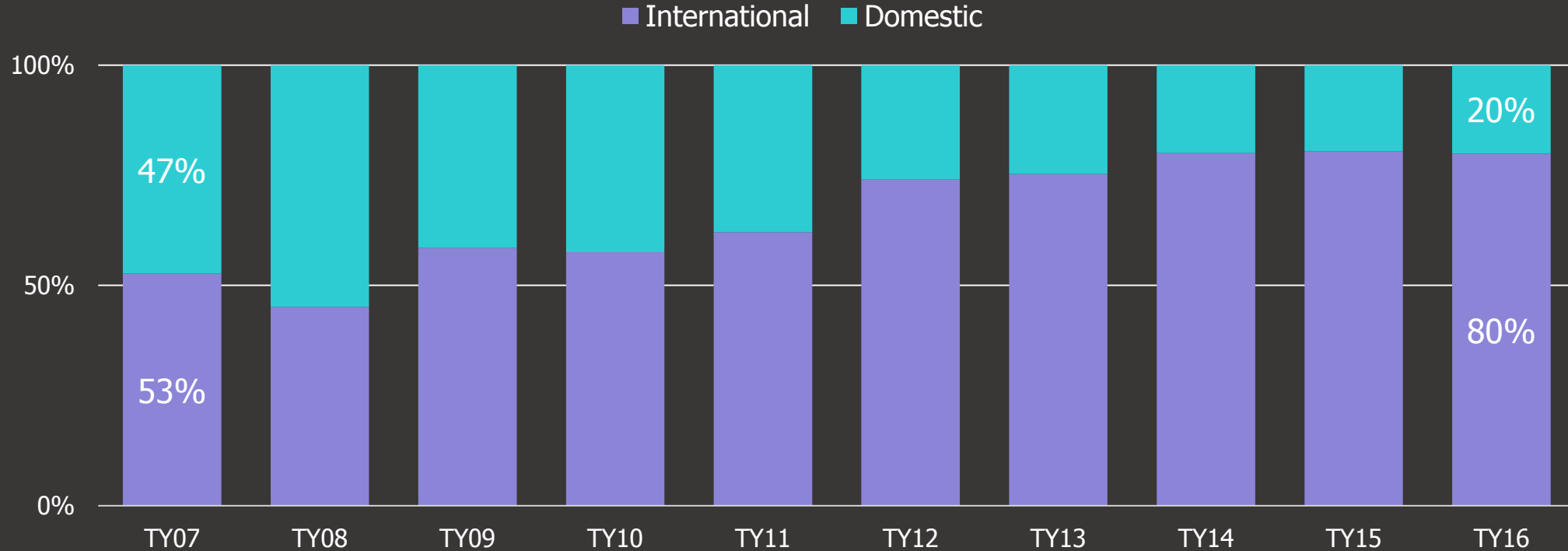


10-year CAGR (TY07-TY16)	
Programs	+30.1% ▲
Candidates	+51.6% ▲

GMAT data, TY 2007 – TY 2016.

International candidates driving growth

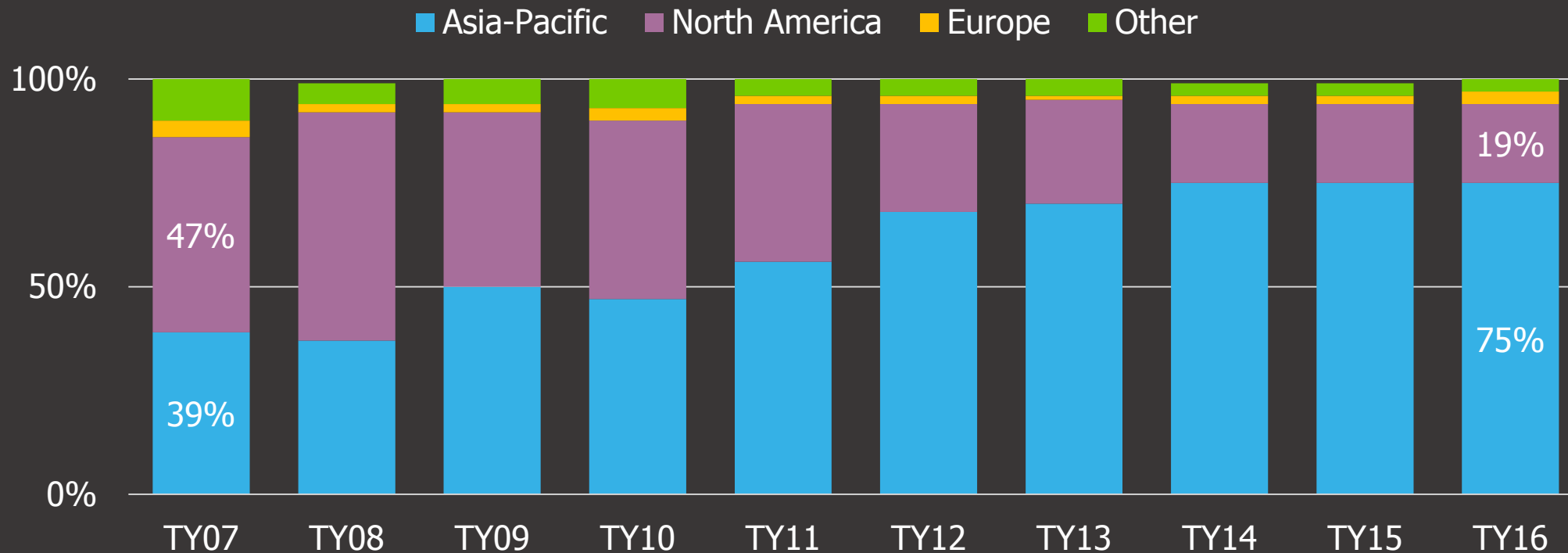
Citizenship status of score senders to Data Analytics programs, TY 2007 – TY 2016



GMAT data, TY 2007 – TY 2016.

International candidates driving growth

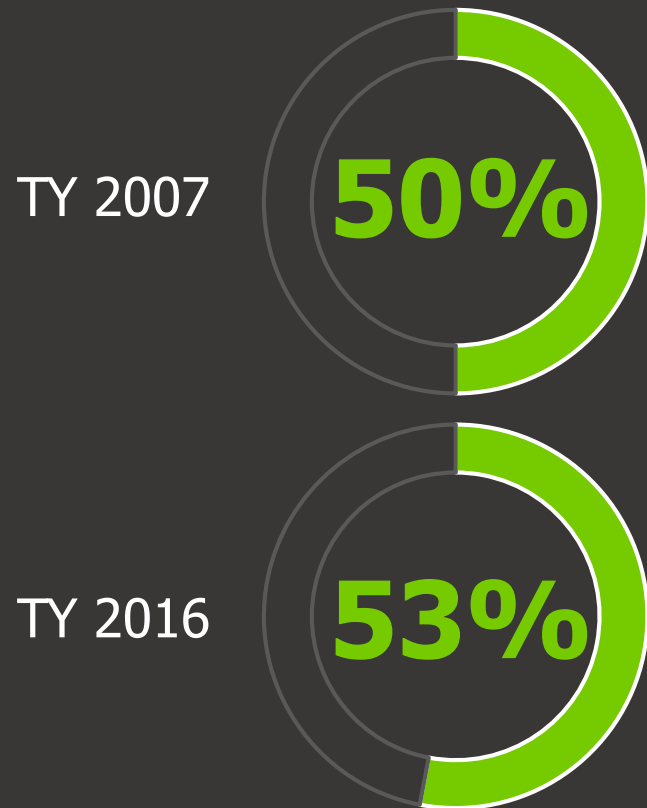
World region of citizenship, Data Analytics score senders, TY 2007 – TY 2016



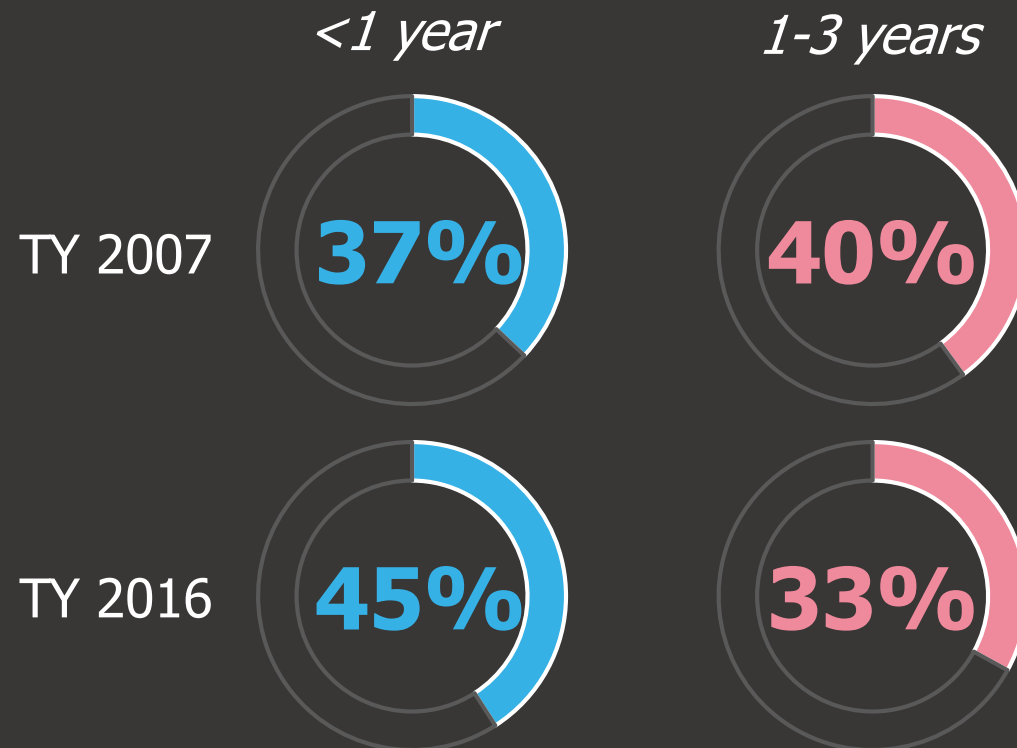
GMAT data, TY 2007 – TY 2016.

Majority women and pre-experience

Percentage of women
Data Analytics score senders



Work experience of
Data Analytics score senders



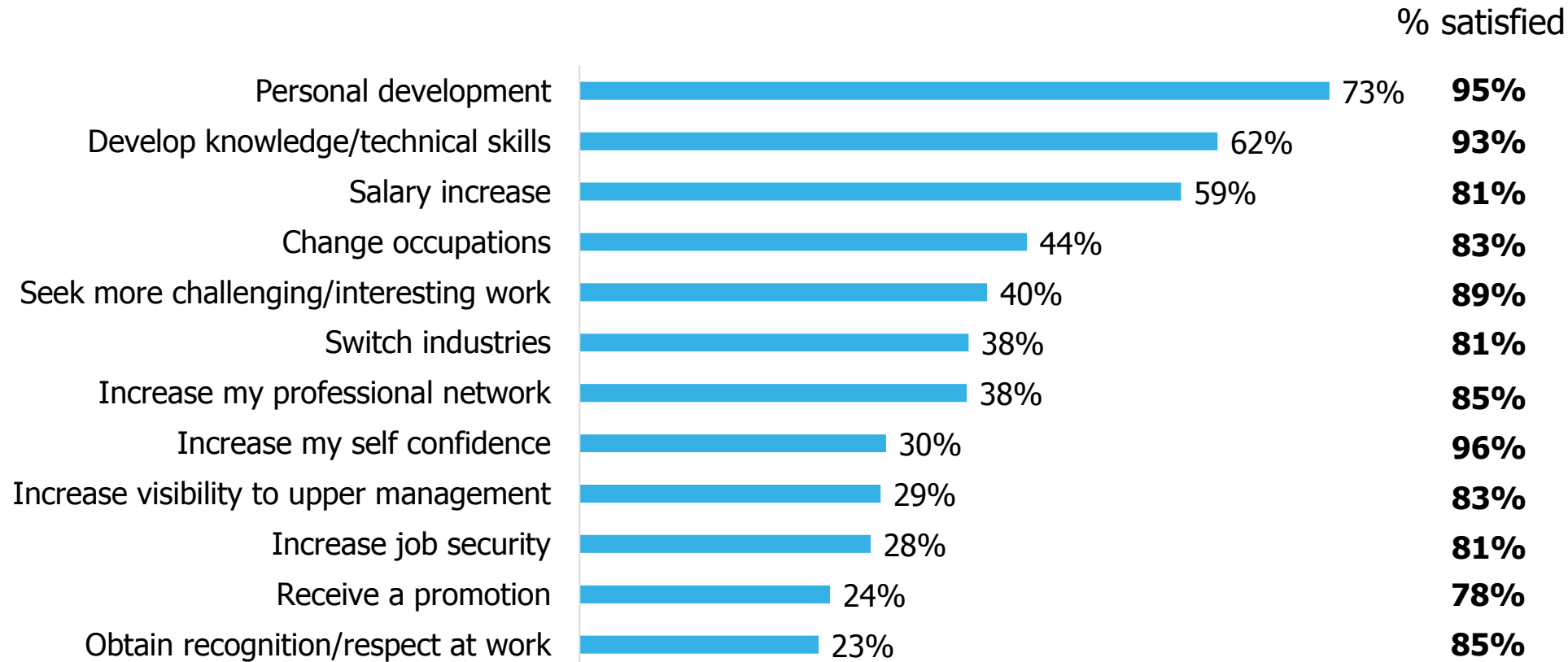
GMAT data, TY 2007 – TY 2016.

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Programs deliver on expectations

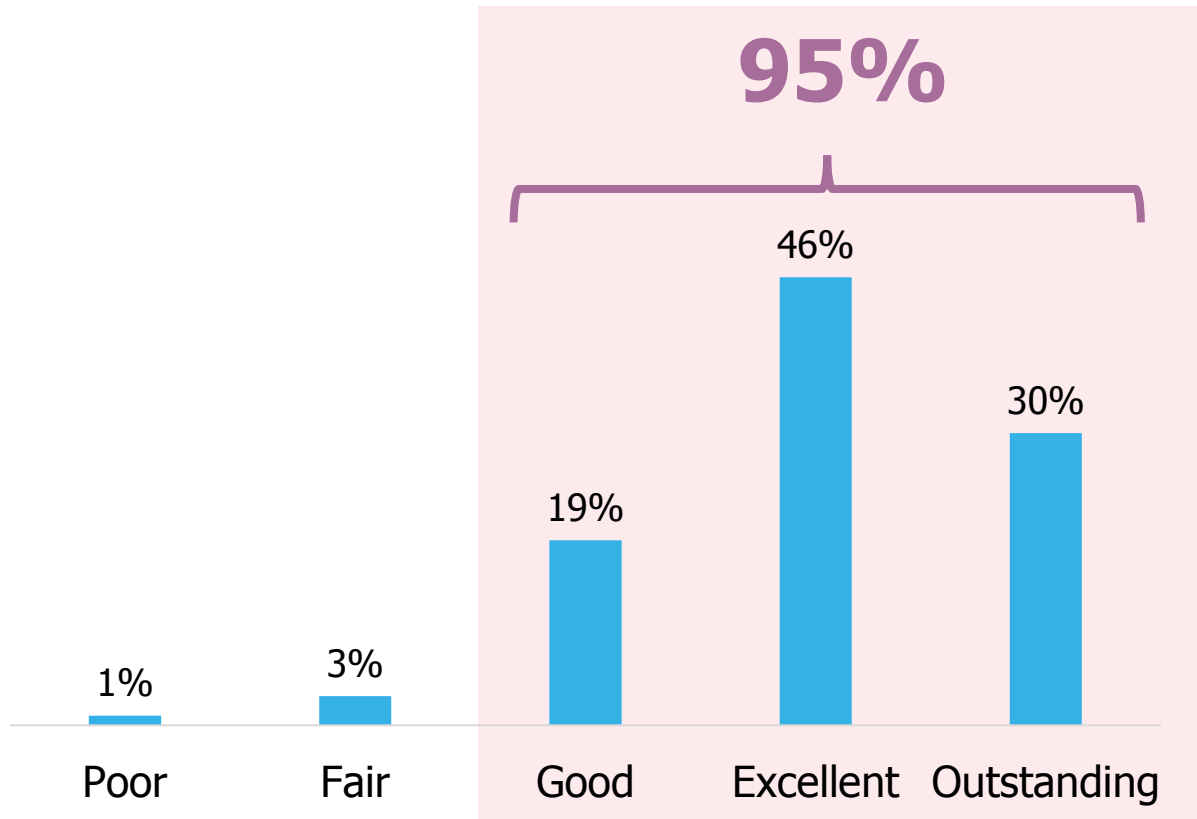
Alumni GME investment decision factors, and percentage satisfied with investment



GMAC (2016) Alumni Perspectives Survey.

Vast majority of alumni value their degree

Rating of value of degree, all program types



Percentage rating good to excellent, by program type

FT 2-yr MBA.....	96%
PT MBA.....	94%
Executive MBA.....	96%
Master of Accounting....	96%
Master of Finance.....	95%

GMAC (2016) Alumni Perspectives Survey.



Value in three dimensions

MBA alumni

Percentage of alumni agreeing their degree was rewarding...

Personally..... **93%**

Professionally... **91%**

Financially..... **82%**

95% Would do it again if given the choice

Non-MBA alumni

Percentage of alumni agreeing their degree was rewarding...

Personally..... **88%**

Professionally... **89%**

Financially..... **77%**

90% Would do it again if given the choice

GMAC (2016) Alumni Perspectives Survey.

Return on investment

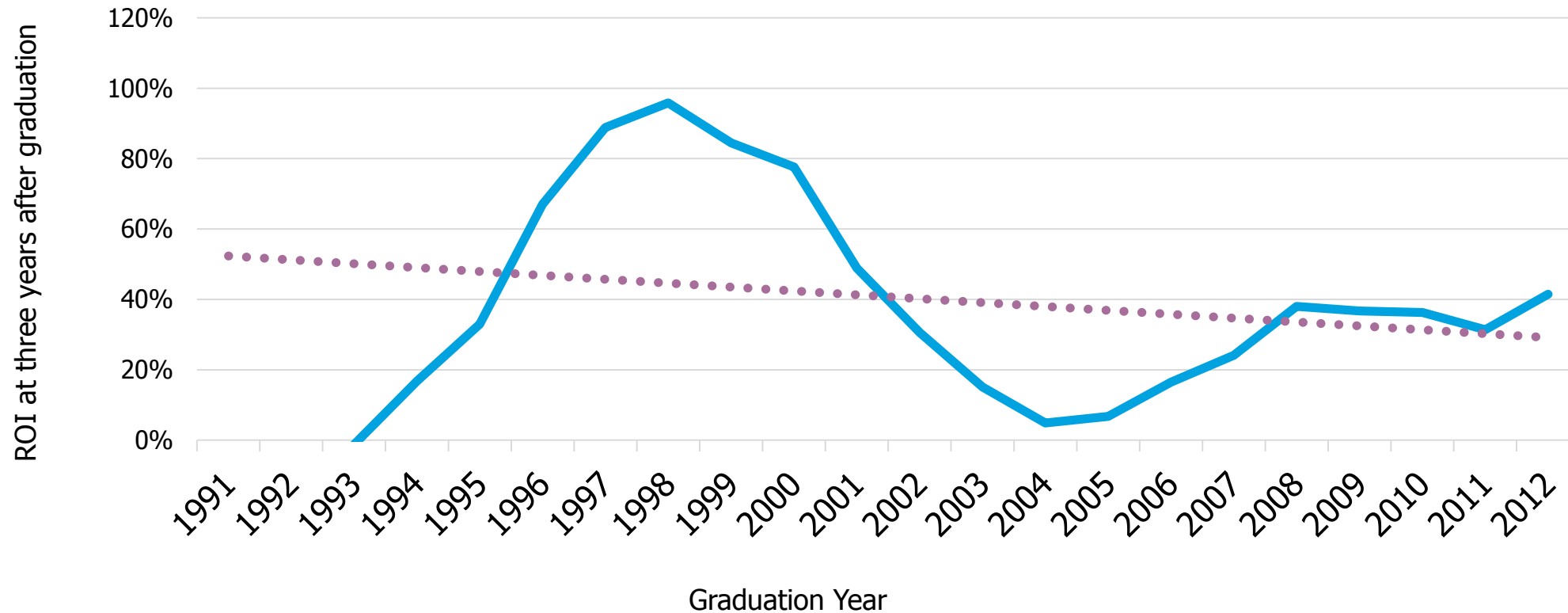
Alumni return on investment, by program type

Program Type	Total Investment	Initial Boost in Base Salary	Years to Recoup Investment
Full-time two-year MBA	\$105,000	\$30,000	3.5
Part-time MBA	\$25,000	\$10,000	2.5
Master of Accounting	\$35,000	\$45,000	0.8
Master of Finance	\$35,000	\$22,500	1.6
Master in Management	\$30,000	\$30,000	1.0

GMAC (2016) Alumni Perspectives Survey.

ROI fluctuation

FT 2-yr MBA ROI three years after graduation, by graduation year (3-year rolling median)

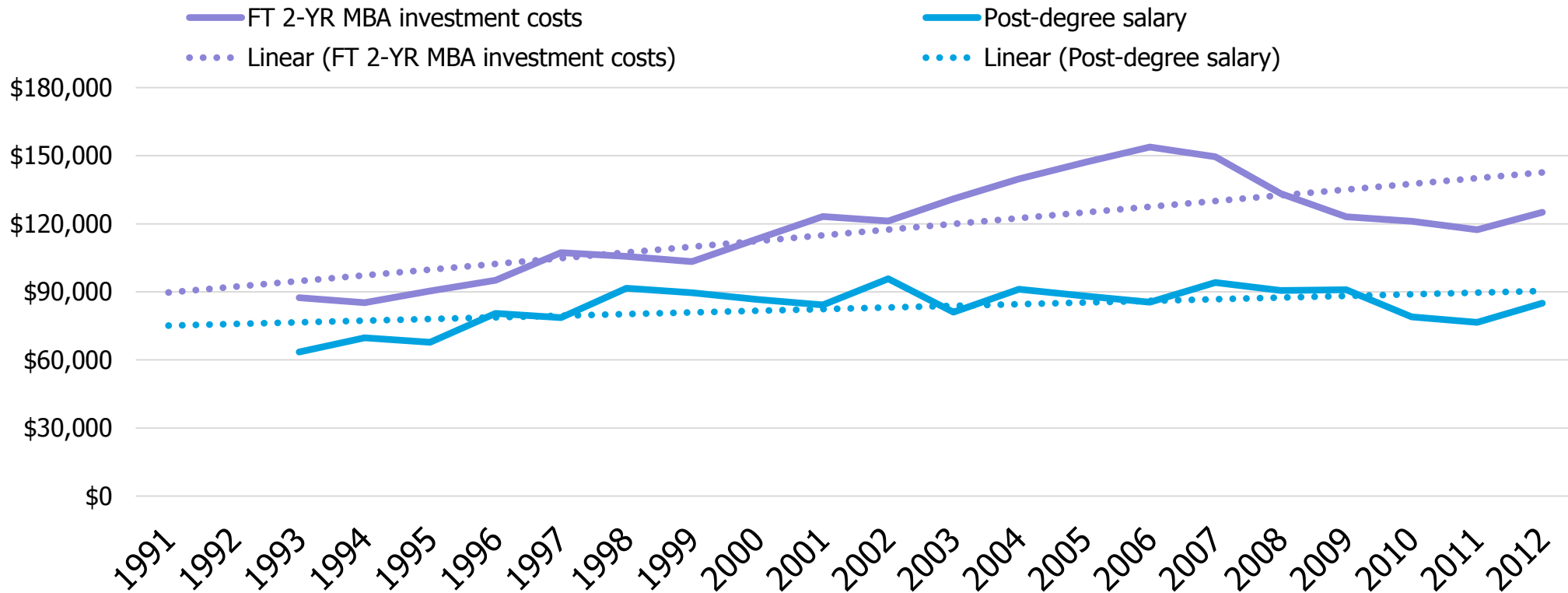


GMAC (2016) Alumni Perspectives Survey.



Investment costs rising faster than salaries

FT 2-yr MBA total investment and post-degree salary (3-year rolling median)

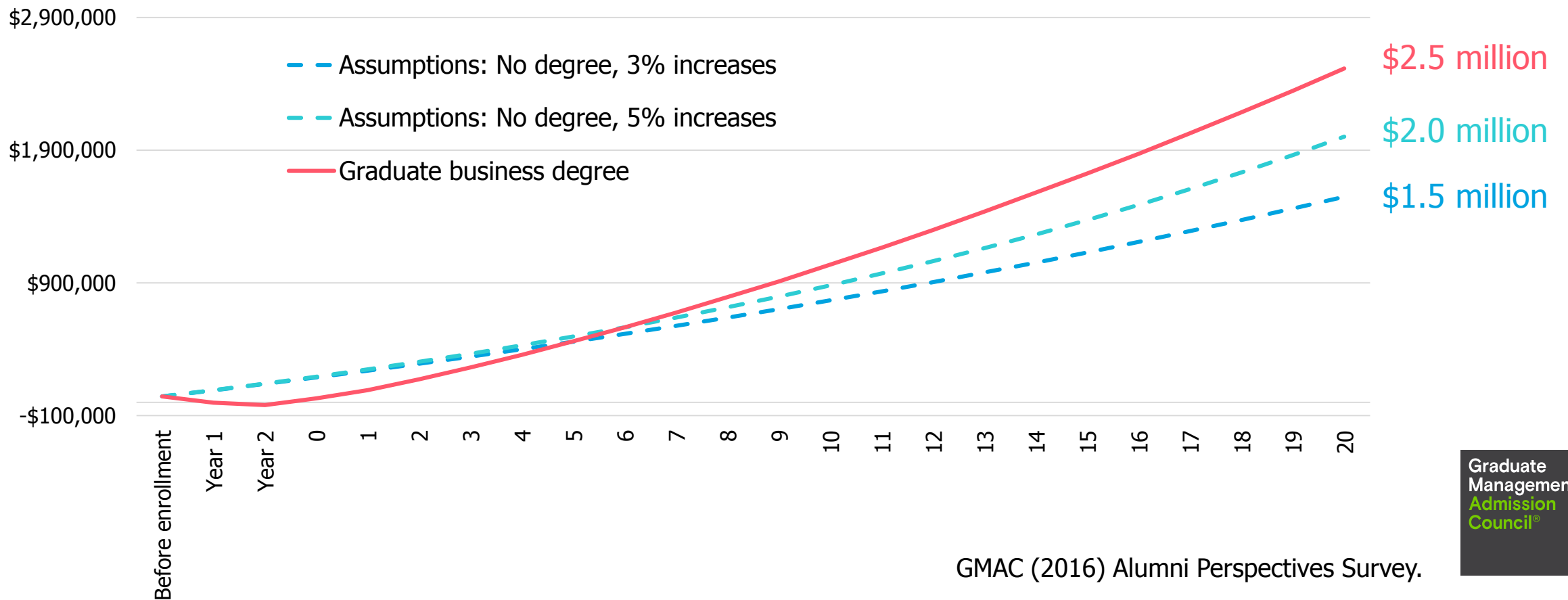


GMAC (2016) Alumni Perspectives Survey.



GME pays off in the long run

Median cumulative base salary and hypothetical no degree scenarios, all program type



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Employers value b-school grads



96%

Percentage of employers who say
**“business school graduates
create value for my company.”**

Percentage of employers who say
**“business school graduates are a priority
in company’s 2017 hiring plans.”**

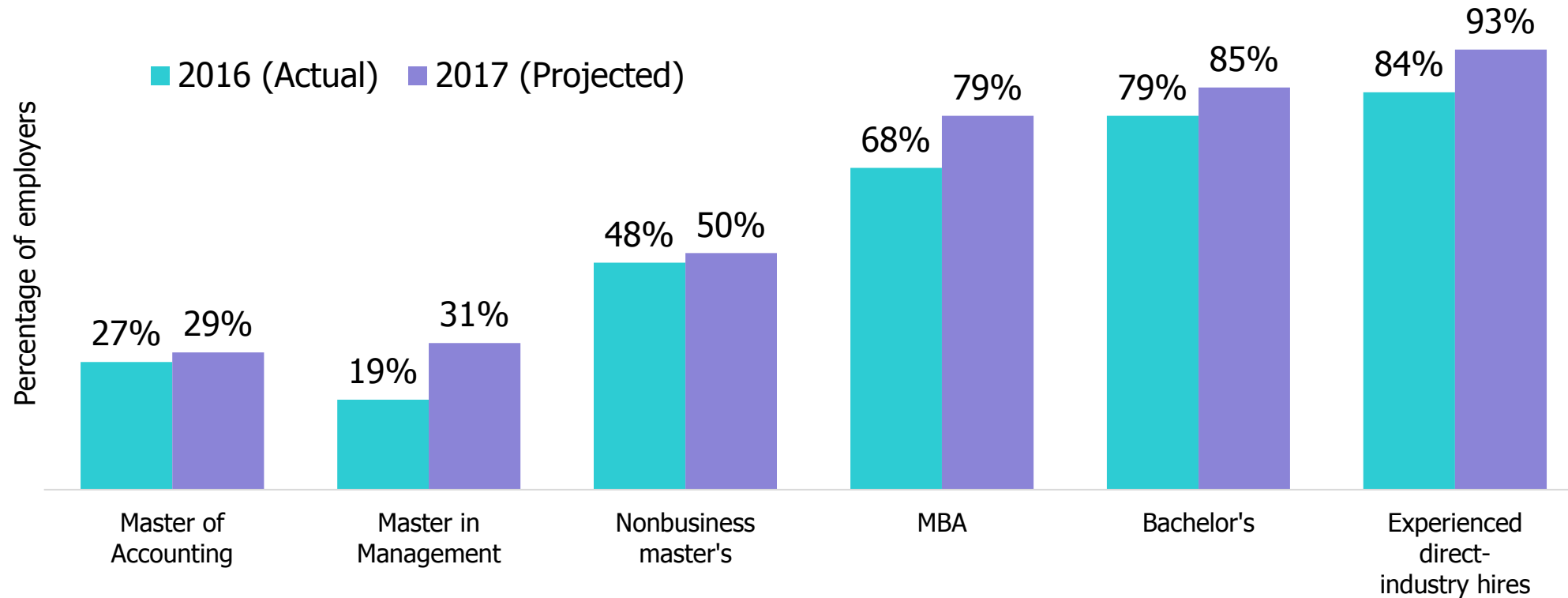


71%

GMAC (2017) Year-End Poll of Employers.

Employers report strong 2017 hiring demand

2016 hiring and 2017 hiring projections, by candidate type



GMAC (2017) Year-End Poll of Employers.



Performance traits sought

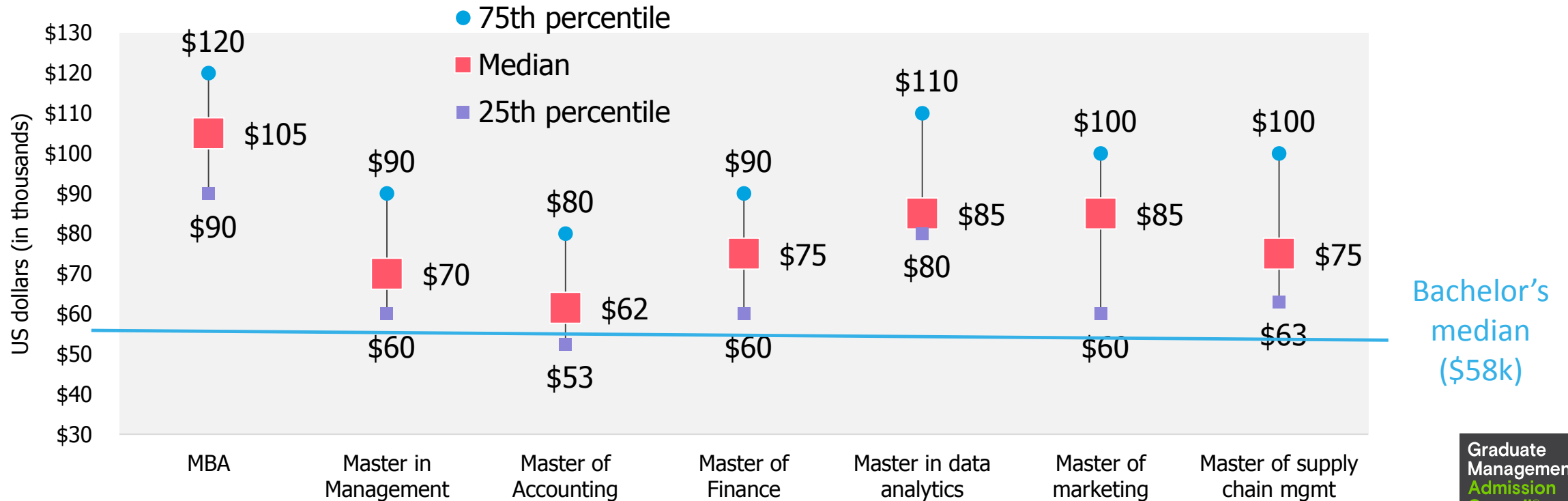
Performance traits and abilities sought by recruiters, by industry

	Overall	Consulting	Finance/ Accounting	Technology	Products/ Services
1	Fit with company culture	Fit with company culture	Fit with company culture	Ability to make an impact	Fit with company culture
2	Ability to participate in and build strong teams	Ability to work in and build strong teams	Ability to work on & build strong teams	Fit with company culture	Leadership potential
3	Ability to make an impact	Ability to make an impact	Ability to make an impact	Ability to work on & build strong teams	Ability to make an impact
4	Leadership potential	Strong business ethics	Leadership potential	Leadership potential	Ability to work in and build strong teams
5	Adaptable	Ability to make an impact	Adaptable	Ability to use data to tell a story	Adaptable

GMAC (2016) Corporate Recruiters Survey.

Master's degree salary premium

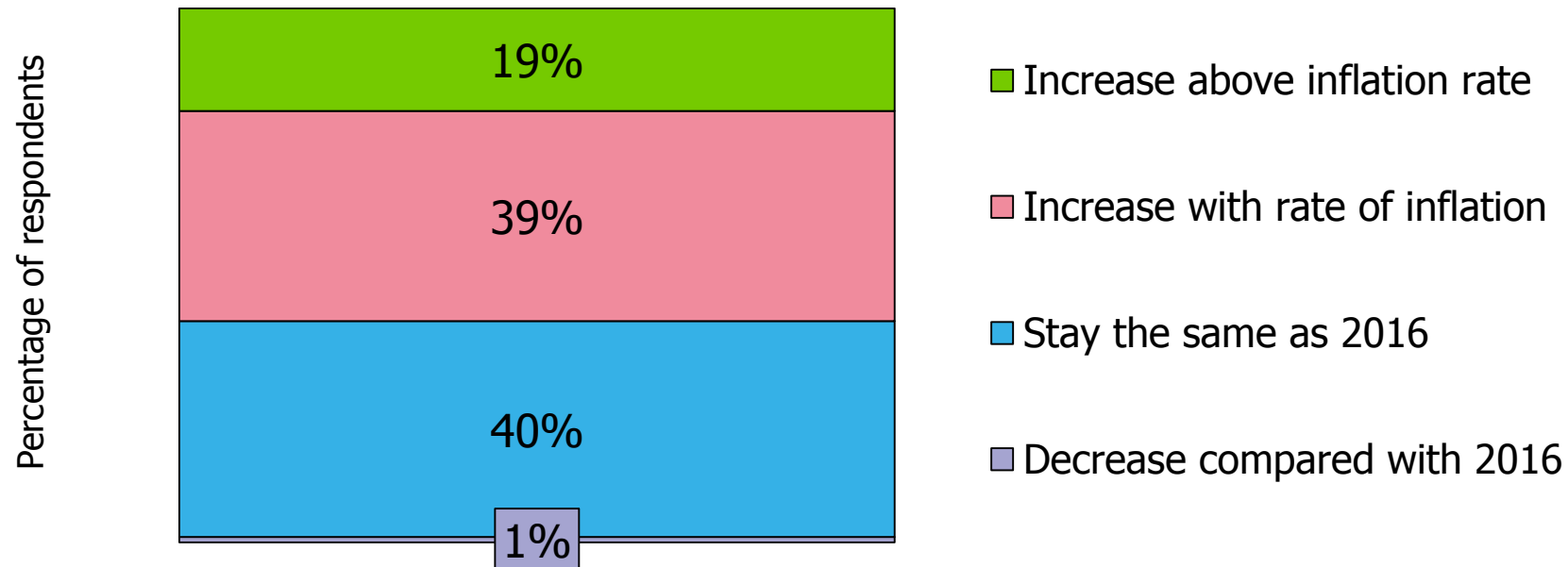
Starting salaries for b-school graduates, by program type



GMAC (2016) Corporate Recruiters Survey.

Salaries on the rise in 2017

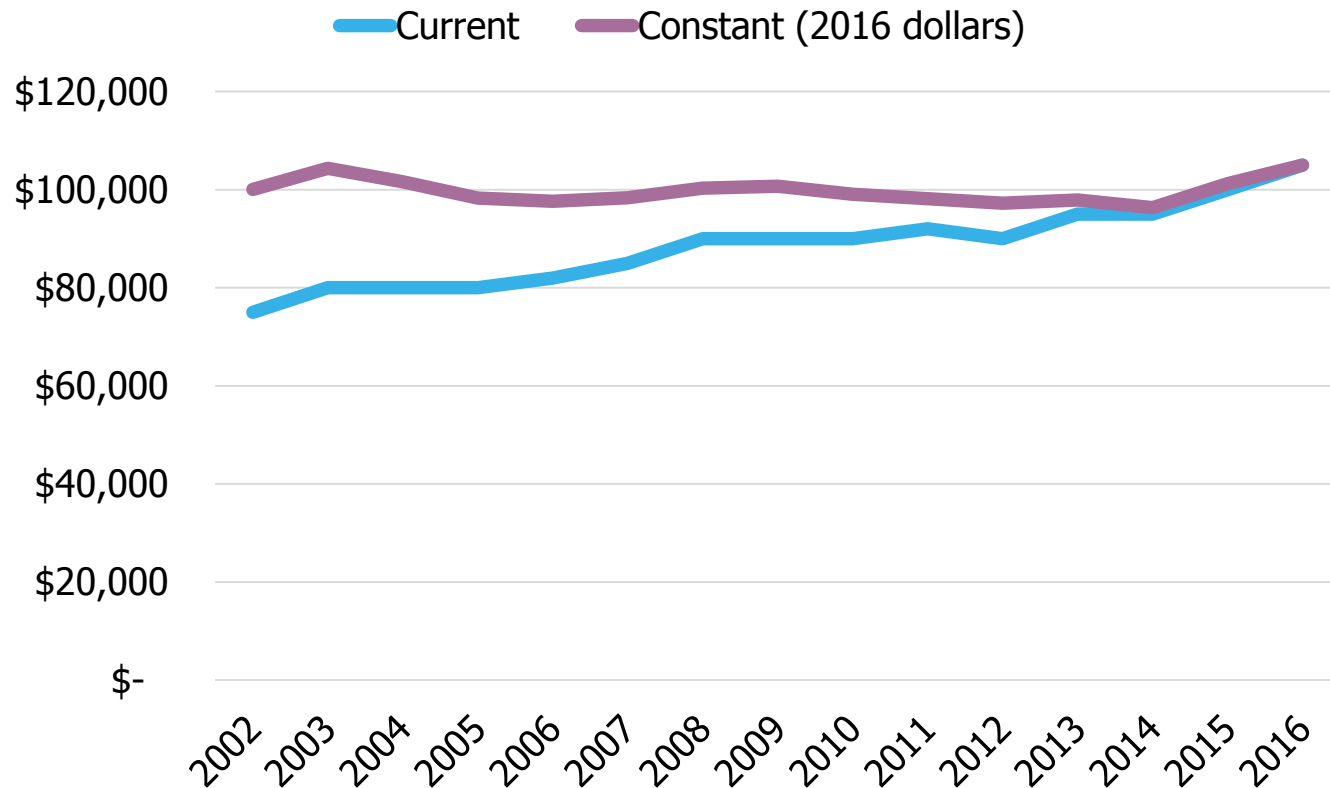
Expected change in 2017 average annual base salaries for MBA hires



GMAC (2017) Year-End Poll of Employers.

MBA starting salaries hold value

MBA starting salaries, present value vs. 2016 constant dollars (US\$)

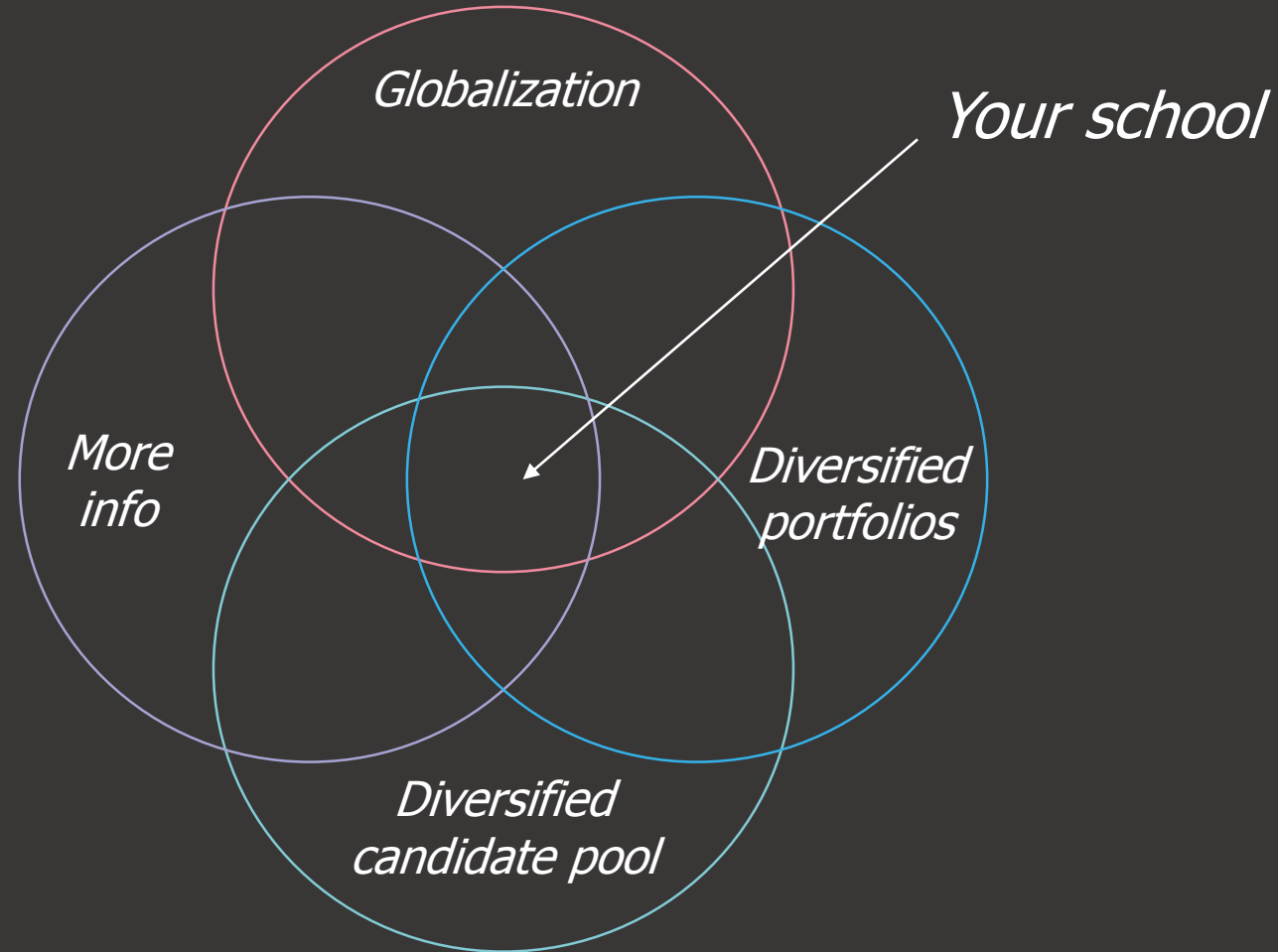


Taking into account inflation, the value of MBA starting salaries has **held steady.**

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The evolving GME landscape



Global candidate segmentation



Motivations
to pursue
GME

Motivations
to apply to a
specific
school

Survey Population

5,900

candidates from the
general population

20-45

years old

2

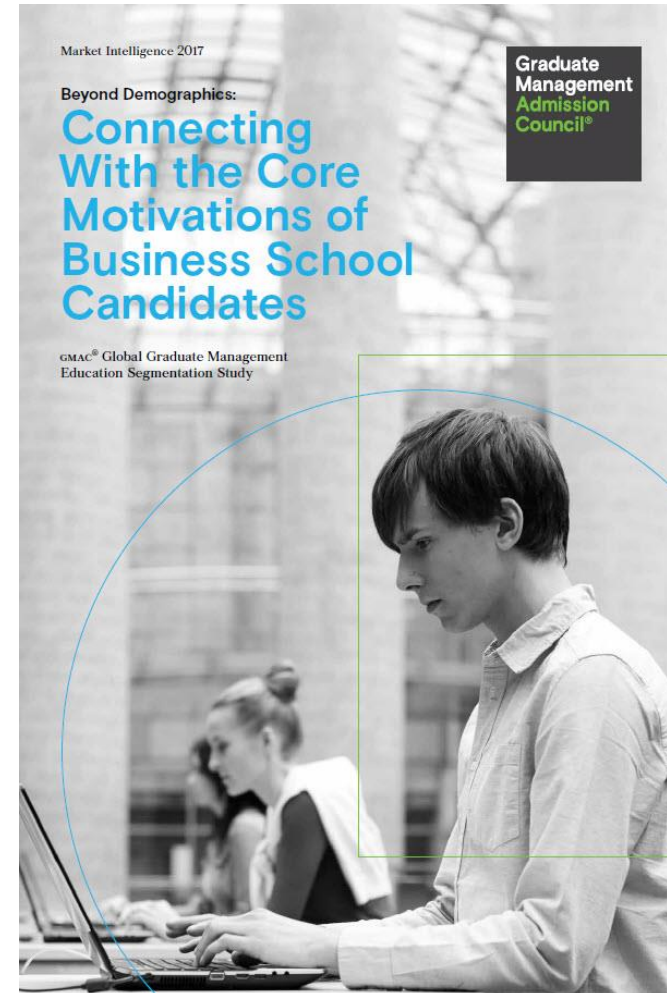
years, or less, since
applying to GME

15

countries

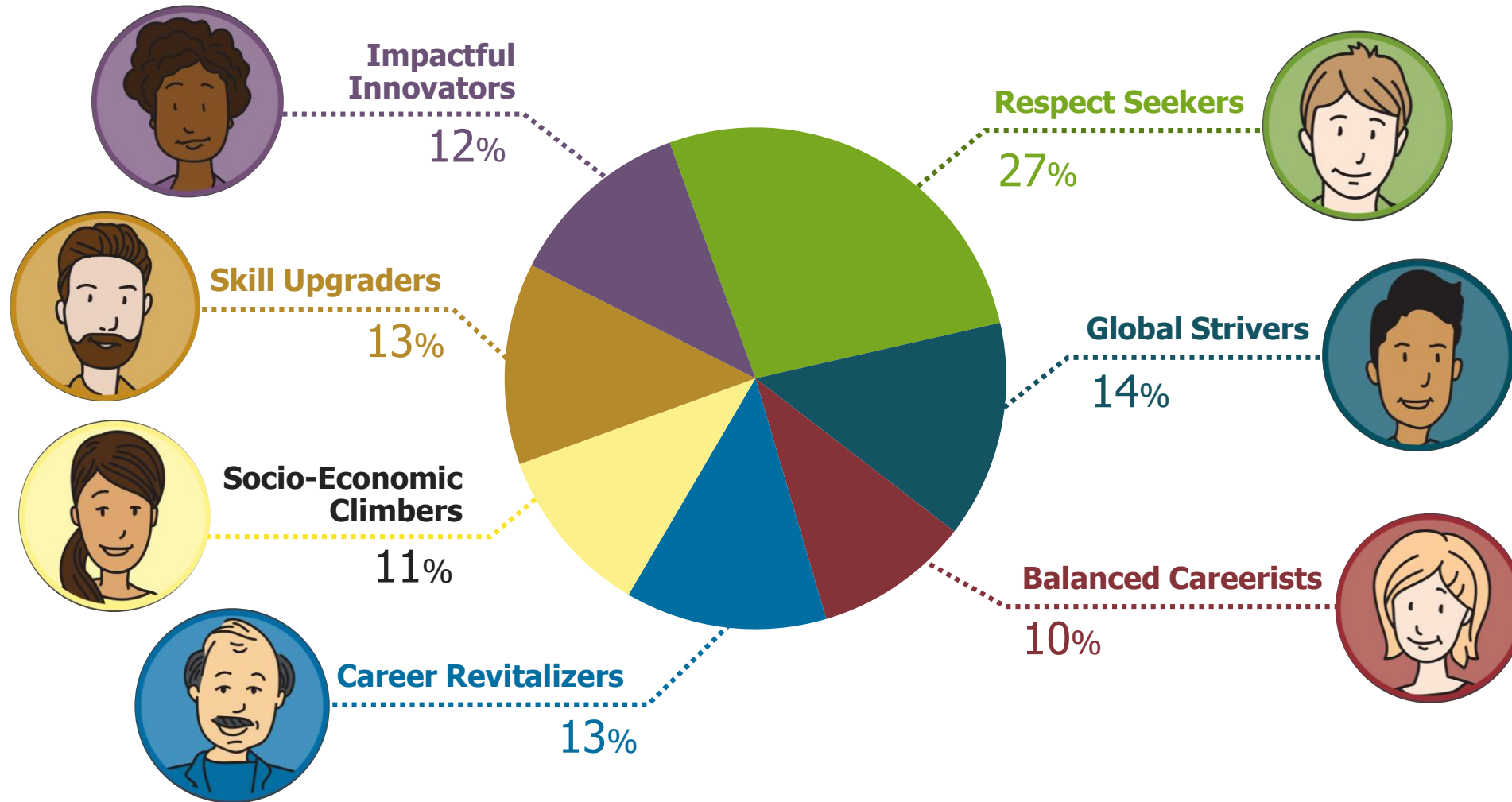
11

languages



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Global GME candidate segments



Implications for business schools

Identify

- Identify which segments you currently attract and admit to your programs using the *Segmentation Tool*

Target

- Target candidate segments for greater outreach
- Effectively market to them with motivation-based messaging

Tailor

- Tailor student experiences based on their study preferences and career aspirations

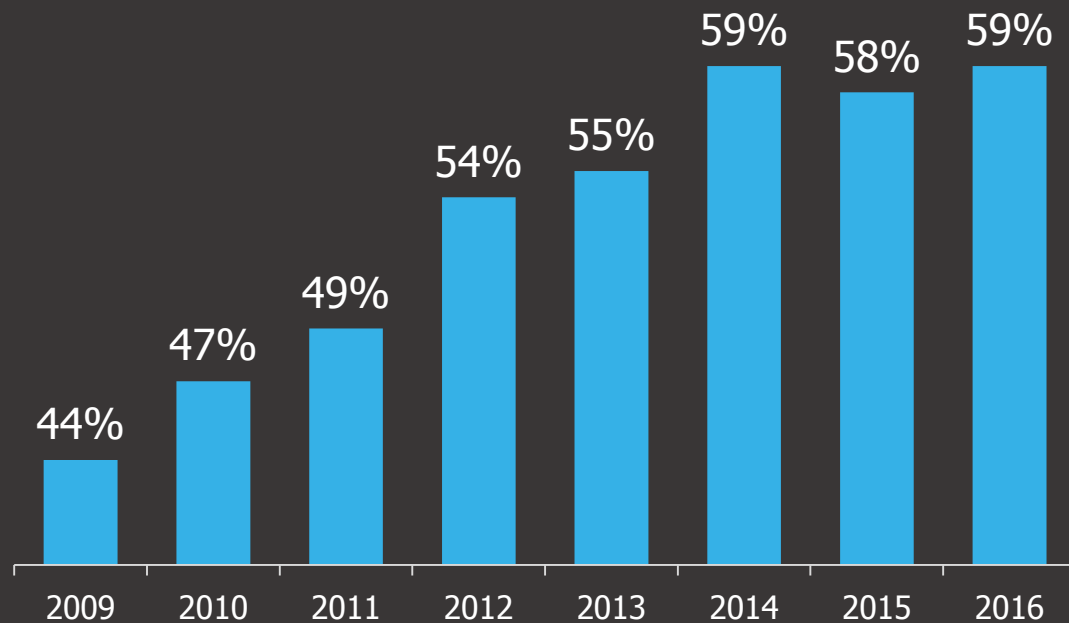
Visit [gmac.com/segments](https://www.gmac.com/segments) for more information

Topics to watch in 2017

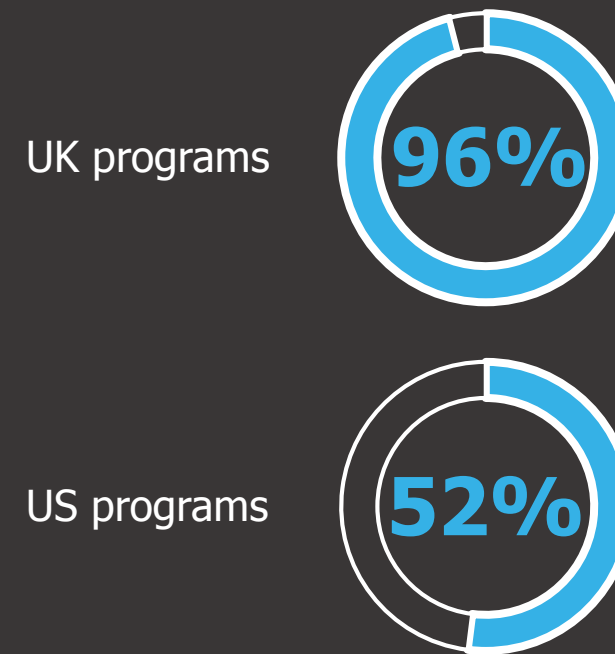
- Political climate and effect on international candidate demand

GME is a globalized market

Percentage of prospective students applying to programs internationally



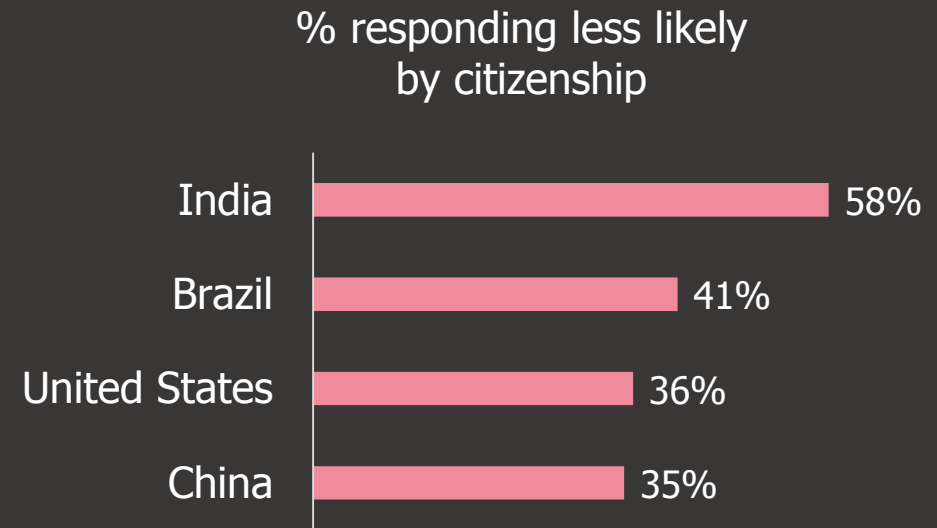
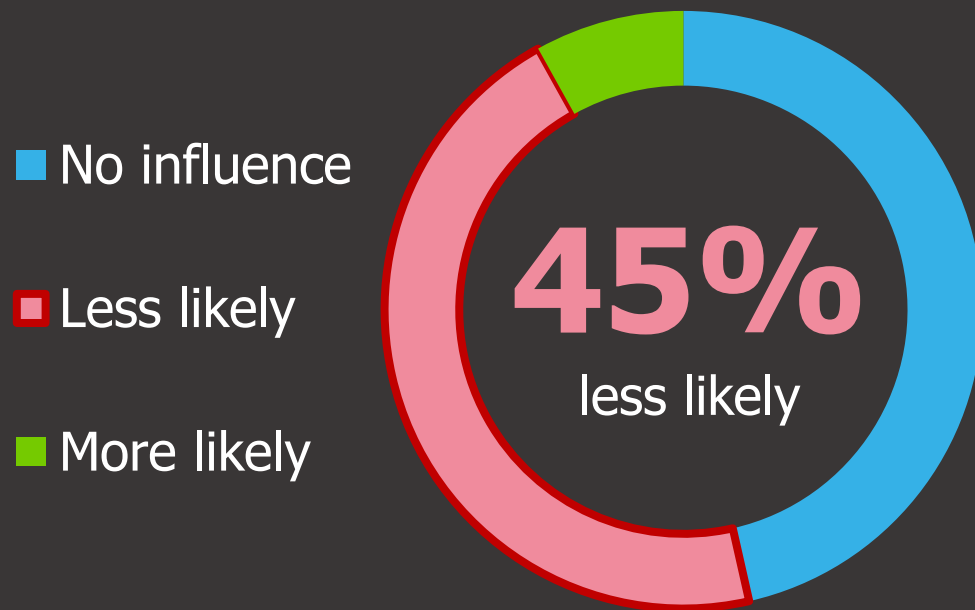
Percentage of score reports received from int'l candidates, TY 2016



GMAC (2016) mba.com Prospective Students Survey.
GMAT score sending data, TY 2016.

Brexit vote in UK

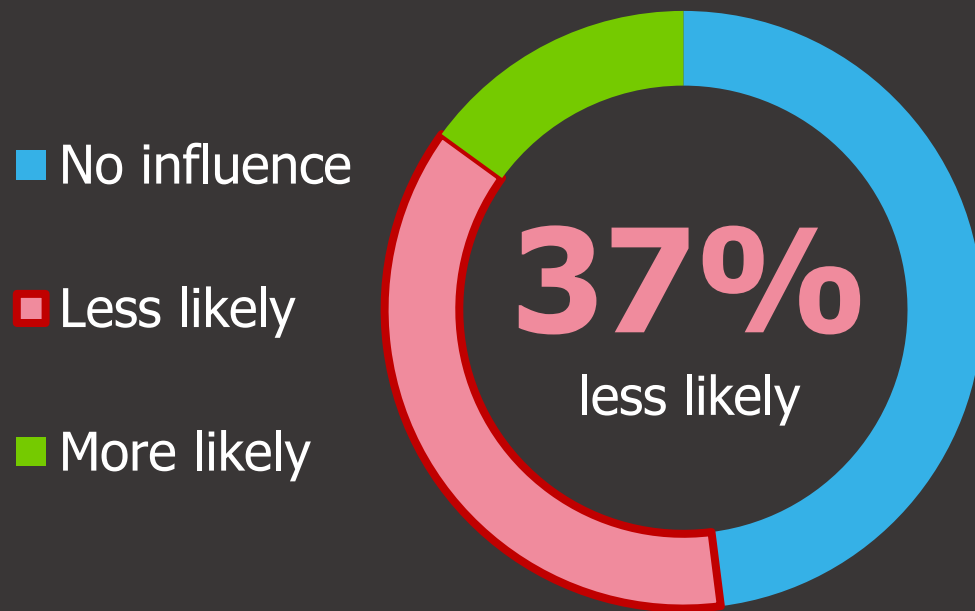
How has the Brexit vote influenced your decision to study in the UK?



Survey of 1,291 non-UK citizen GMAT test takers who sent at least one score report to a UK program in 2016.

US election

How does the outcome of the US election influence your decision to pursue a graduate management education in the US?

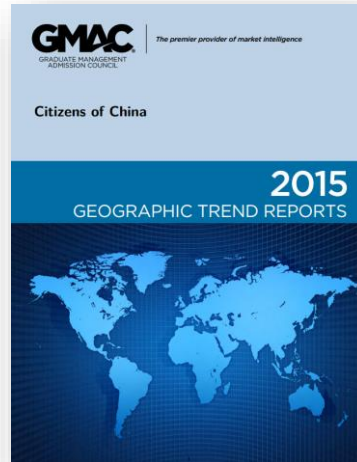


% responding less likely by citizenship



GMAC Research

Advancing the *art* and *science* of admissions to ensure that talent never goes undiscovered



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Q&A

