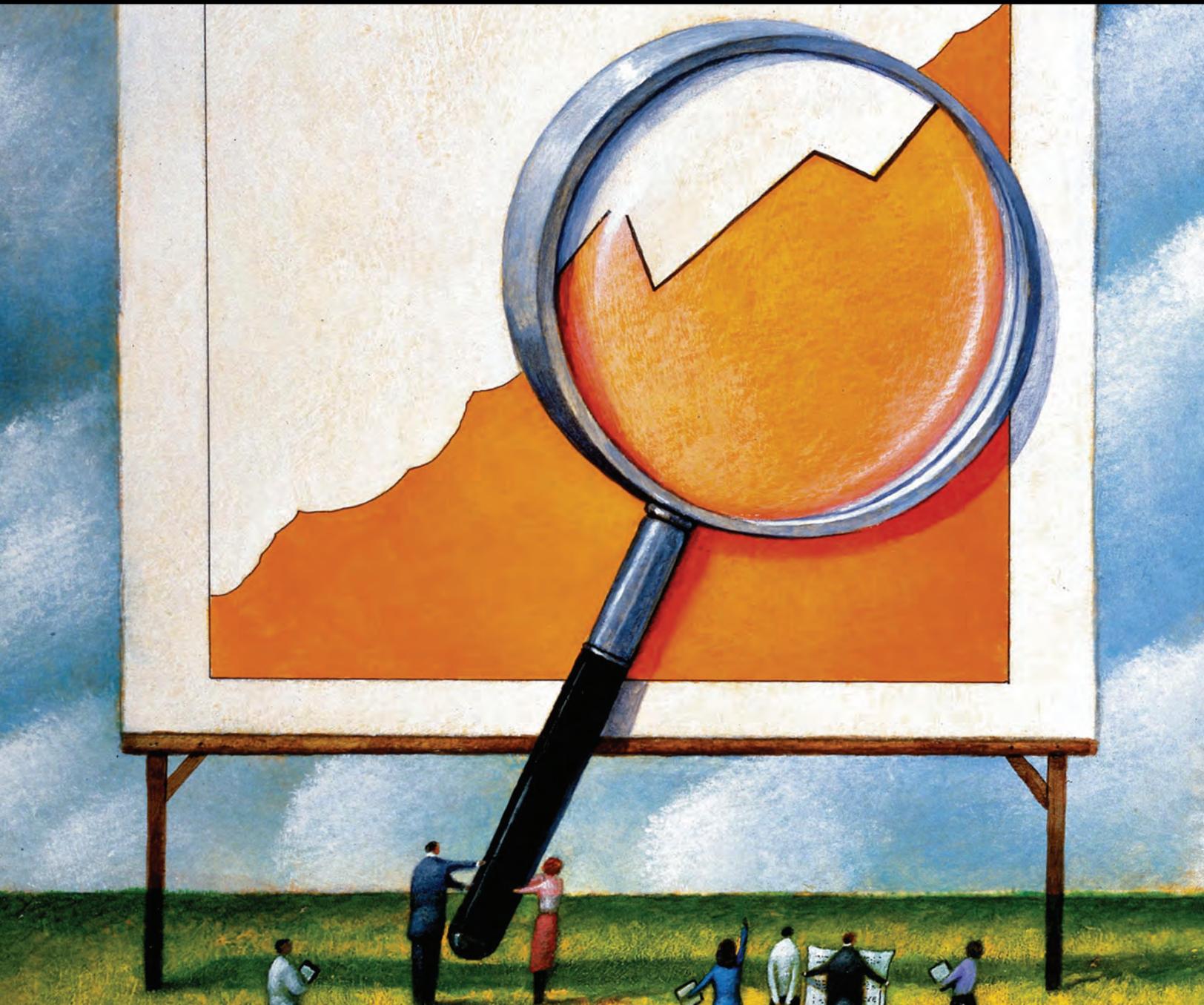


2009

Graduate
Management
Admission
Council®

Application Trends Survey

SURVEY REPORT



The *Application Trends Survey* is a product of the Graduate Management Admission Council (GMAC), a global nonprofit education organization of leading graduate business schools and the owner of the Graduate Management Admission Test® (GMAT®).

The GMAT exam is an important part of the admissions process for more than 4,600 graduate management programs around the world. GMAC is dedicated to creating access to and disseminating information about graduate management education; these schools and others rely on the Council as the premier provider of reliable data about the graduate management education industry.

2	INTRODUCTION
3	Key Findings
4	APPLICATION VOLUME
5	MBA Programs
9	Specialized Master's and Doctoral Programs
11	MARKETING AND RECRUITMENT
11	Marketing Budget
12	Recruitment and Outreach
14	Tuition Assistance
15	APPLICANT PROFILE
15	MBA Programs
16	Specialized Master's and Doctoral Programs
16	International Applicants
18	US Minority Applicants
19	ACCEPTANCE AND ENROLLMENT RATES
20	CONCLUSION
20	Technical Note
20	Contact Information
20	Authorship
20	Acknowledgements

The 10th annual *Application Trends Survey* conducted by the Graduate Management Admission Council (GMAC) marks a decade of timely and reliable insights through comprehensive statistics into the demand for graduate management education worldwide. Responses to this survey, which tracks changes in the volume of applications, were provided by 667 graduate management programs at 332 business schools and faculties worldwide representing 35 countries and 46 US states plus Puerto Rico. Since 2000, this survey of admission professionals has gauged the demand for graduate management education and provided information on applicant pool composition, recruitment strategies and channels, acceptance and enrollment rates, enrollment structure, and incoming class size. This year, the survey also examines the availability and penetration of tuition assistance programs and allocation of recruitment budgets.

The survey data are best interpreted in the context of understanding the factors that affect the higher education market in general and graduate management education in particular. According to the US Department of Education, economic, social, and political factors have a huge impact on the higher education environment. Among major economic drivers are “household income, which represents ability to pay, and an age-specific unemployment rate, which acts as a proxy for opportunity costs faced by students.”¹ During economic recessions, unemployment rates—including age-specific unemployment rates—increase, which has a positive short-term impact on higher education enrollment as opportunity costs decrease. During a prolonged economic downturn, however, “the effect of the per capita income variable dominates the effects of the unemployment rate,” which may result in a reversal of the initial enrollment growth as both the average household income and capacity to finance education decline. In addition, banks that are recovering from deep financial stress often try to reduce credit risks, resulting in higher standards for securing a student loan, especially for international students.

Population trends, educational attainment, and perceived desirability and feasibility² of further education in general—and within a

particular field specifically—are important social factors in determining the size of the prospective postsecondary student pool. English-language proficiency may have an impact in the case of graduate management and especially MBA programs as well, because many business courses are taught in English. That is true even among local programs in non-English-speaking countries.

Political factors that play a role in changes taking place in higher education may range from current government policies and programs geared toward adjusting the number of specialists in specific fields or the number of specific population groups among students, to diplomatic relationships between countries that translate into changes in visa regulations. Unpredictable events such as the SARS and HINI epidemics, social unrest, or hurricanes and other natural disasters similar in scale to Hurricane Katrina in 2005, also have a tremendous impact on local and regional enrollment levels.

On the individual front, opportunity cost and personal capacity to finance education—the two major factors that figure prominently in full-time program application and enrollment trends—also drive trends in programs designed for working professionals, including senior-level managers, who continue their employment while in school. In the workplace, an employer’s

¹Hussar, W., & Bailey, T. (2008). *Projections of education statistics to 2017*. Washington, DC: US Department of Education, National Center for Education Statistics.

²Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50, p. 179-211.

opportunity cost is expressed as the potential gain or loss realized—the difference in cost between hiring a new qualified employee and sponsoring further education to enhance an existing employee’s qualifications. Employer financial capacity is a company’s ability to either hire new personnel or provide tuition assistance programs for existing employees. During times of economic expansion, company balance sheets are typically strong and unemployment rates are typically low. These factors drive up hiring costs and encourage employers to sponsor continuing education for their current employees to achieve a better-educated and more productive workforce. In contrast, during times of economic contraction, qualified professionals are available in greater numbers at lower cost, which decreases the likelihood that a company will provide financial assistance for schooling to current employees. As fewer companies report strong incomes during economic downturns, more firms choose to spend conservatively.

In addition to this macroeconomic environment that drives trends in graduate management education, one cannot underestimate the continuous efforts among business schools to improve their programs by responding to market demand. Furthermore, the work undertaken every day by admissions and marketing professionals to elicit more applications for their schools inspires and renews interest in business and management overall.

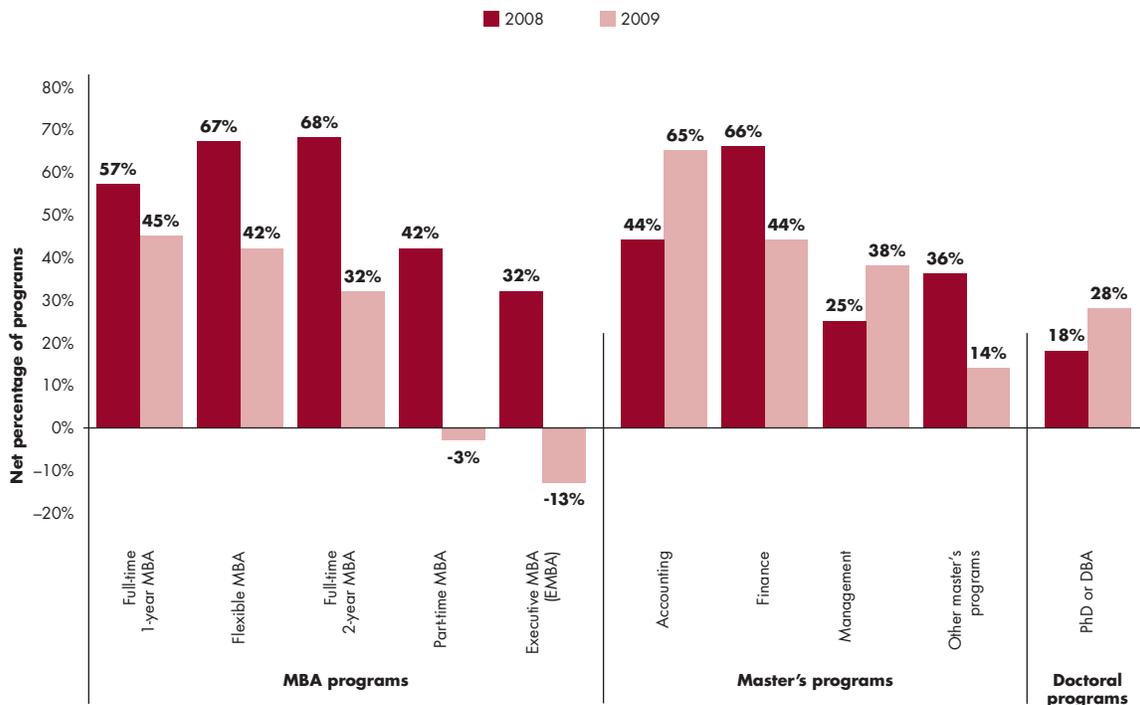
Key Findings

- Graduate management programs participating in the 2009 GMAC® survey received nearly 230,000 completed applications from approximately 75,000 candidates. The number of applications received by individual programs ranged from 3 to more than 9,000.
- One-year full-time MBA programs reported the strongest application volume. Nearly 7 in 10 such programs (69%) indicated growth in the number of applications received over last year. The average number of applications per program increased by 21 percent.
- Flexible MBA programs continued to attract more applications—two-thirds of such programs surveyed (66%) reported an increase in application volume; the average participating program received 14 percent more applications than in 2008.
- Applications are down for half of the EMBA programs (50%); the average number of applications per program declined by 25 percent.
- Part-time MBA programs experienced two distinct trends: Nearly half (45%) reported an average decline of 22 percent in applications, and 42 percent of part-time programs had an average increase of 40 percent. This translated into an overall positive change of 7 percent in part-time program application volume, despite the fact that slightly fewer programs reported an increase in applications than those that reported a decline.
- GMAT test-taking volume continues to be the best leading indicator for trends in MBA program application volume, especially for full-time MBA programs. The slight growth in full-time MBA program application volume (3.3%) over record-high 2008 numbers matched year-to-date trends in GMAT volume.
- Whereas in 2008 the United States spearheaded the growth in the number of applications to full-time MBA programs, it appears that growth in 2009 was primarily driven by programs located in other world regions across all MBA program types.
- Master of Accounting programs stand out among surveyed graduate management programs with the largest proportion (78%) reporting an increase in application volume.
- Application volumes picked up for PhD in Business or Management and DBA programs. More than half of participating doctoral programs (56%), up from 45 percent in 2008 and 33 percent in 2007, reported a positive trend in applications.
- Domestic events accounted for the largest share of graduate management program recruitment budgets (43%) followed by electronic outreach (19%).
- Nearly all full-time MBA (97%) and specialized master’s (91%) programs offered tuition assistance, primarily in the form of scholarships. More than one-third of incoming students (36%), on average, will be awarded scholarships.
- When admissions professionals compared academic qualifications of this year’s candidates with those who applied last year, most reported that applicants either matched or exceeded academic benchmarks set in 2008.

In 2008, a record number of graduate management programs, especially full-time programs, reported increases in applications. So it is not surprising that after a surge in the number of applicants seen last year, application volume appeared to level off across degree and program types in 2009, even as it remained at its highest level. With few exceptions, more than half of the programs continued to experience an upward trend in their application volume, but that proportion of increase diminished compared with last year.

This change in the marketplace is well illustrated by a net trend that accounts for both the proportion of programs seeing an increase in applicant numbers and the proportion of programs reporting a decline in application volume (Figure I). A net percentage shows how many more programs within each group experienced a positive trend over a negative trend and vice versa. For example, if half of the programs reported an increase in application volume (50%) while the other half reported a decline (50%), a net trend (50% – 50% = 0%) would indicate that

there is no change in the marketplace. Thus, Figure I shows that in 2009 more programs within each program and degree type, except among part-time and executive MBA programs, exceeded their 2008 application benchmarks than failed to reach them. Figure I also shows that when comparing 2008 and 2009 net trends across all programs, Master of Accounting and Master of Management programs were the only program types in 2009 for which the percentage of programs reporting a positive trend surpassed the percentage reported in the previous year.



a. Net trend is calculated as the percentage of programs reporting an increase in application volume minus the percentage of programs reporting a decrease in application volume.

Figure 1.
Net Trend^a in Graduate Management Program Overall Application Volume,
2008–2009, Percentage of Programs

MBA Programs

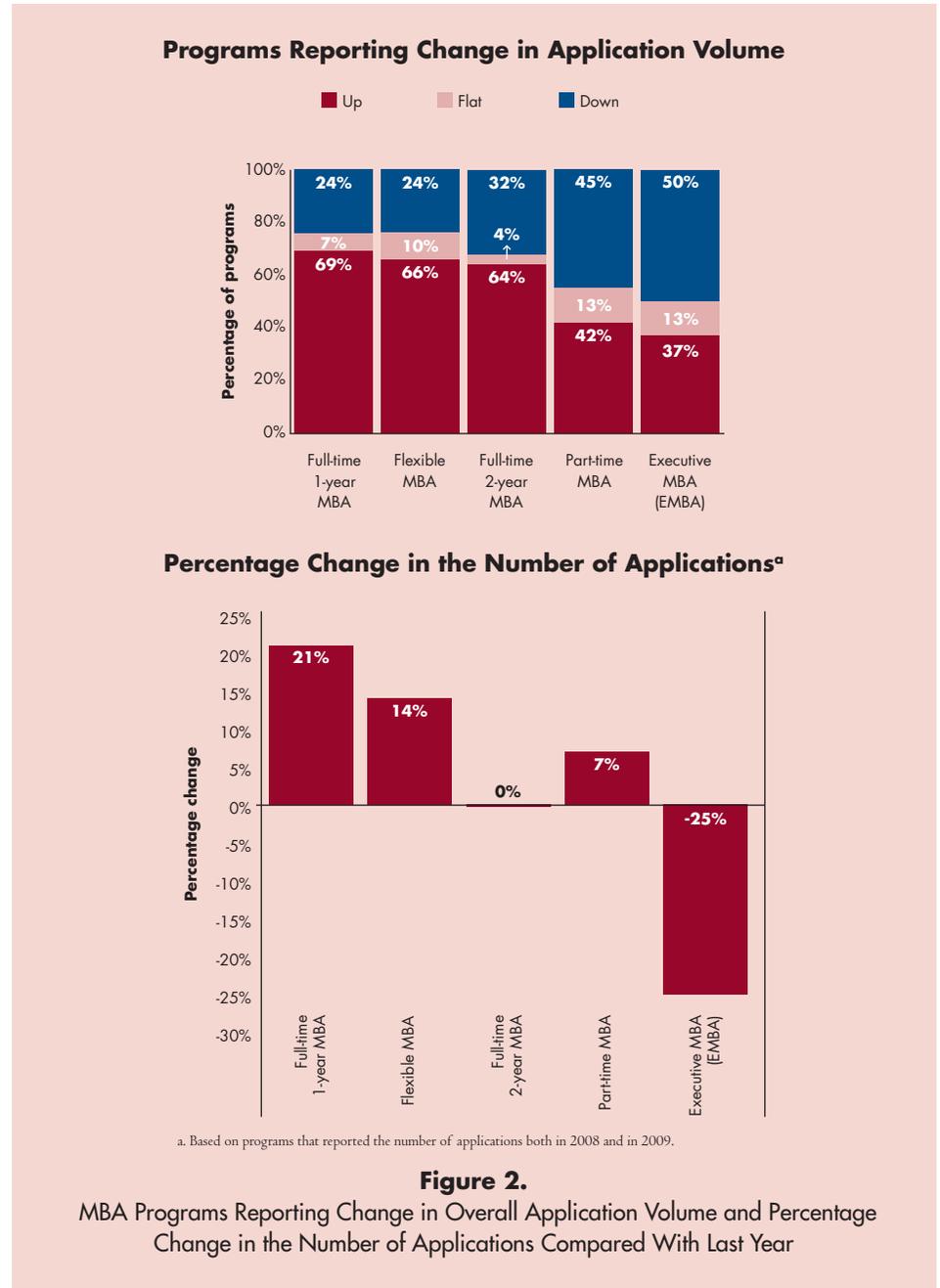
One-year full-time MBA programs (or *accelerated* MBA programs in the US definition), reported the strongest application volume in 2009. Similar to 2008, nearly 7 in 10 programs (69%) indicated growth in the number of applications received over last year (Figure 2). Overall, the average one-year full-time MBA program received 21 percent more applications than it did in 2008. This positive trend in applications to one-year MBA programs was mirrored by flexible on-campus programs that combine both full-time and part-time options for students. Two-thirds of flexible MBA programs (66%) indicated that the number of applications increased compared with last year. The average program received 14 percent more applications than in 2008.

Application volume remained essentially unchanged for participating two-year full-time MBA programs, the majority of which were in the United States (84%).

Not all MBA programs experienced the rewards of growing application volume this year, however. In 2008, more than a quarter (28%) of participating EMBA programs reported a downward trend compared with 2007 with a 4 percent average decline in the number of applications.³ The situation worsened in 2009: Half of the EMBA programs (50%) reported a decline in applications and the average number of applications per program went down by 25 percent (Figure 2). Overall, it appears that many

part-time or professional MBA programs also found it harder to exceed last year's applicant numbers. Two distinct trends were observed. Nearly half (45%) of part-time programs reported an average decline of 22 percent in applications, and 42 percent of programs had an average increase of 40 percent. This translated into an overall positive change of 7 percent in part-time

program application volume despite the fact that slightly fewer programs reported an increase in applications than those that reported a decline. Trends in application volume appeared to be more positive for part-time lockstep than for part-time self-paced programs and for programs with more than 100 students than for smaller programs.



³Graduate Management Admission Council. (2008). *2008 Application Trends Survey Report*.

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According to the US Council of Graduate Schools, the volumes of admissions tests taken are important early indicators of first-year graduate enrollment.
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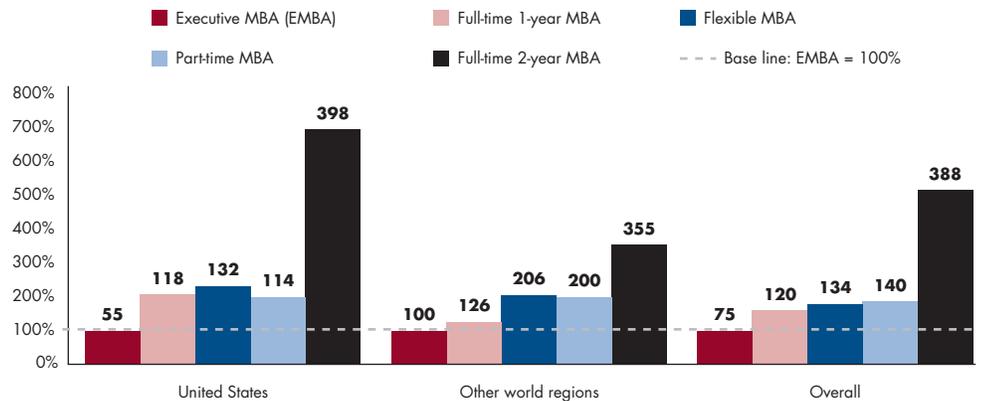
Number of Applications and Early Indicators of Application Volume Trends

At the time this survey was conducted, participating MBA programs had received a total of 193,324 completed applications, and many had not yet reached their application deadlines. The number of applications per program varied greatly and ranged from 4 to more than 9,000 applications. A comparison of the median number of applications by program type reveals that a typical two-year full-time MBA program received approximately three times as many applications as one-year full-time, flexible, or part-time MBA programs and five times as many applications as EMBA programs (Figure 3). The relative differences in application volumes to various MBA program types were similar between the United States and other world regions with one exception: The magnitude of such a difference regarding full-time two-year MBA programs was quite noticeable. In the United States, a typical two-year MBA program (or *traditional* MBA

program in the US definition) receives seven times as many applications as a typical EMBA program, whereas a typical two-year program outside of the United States only receives three and a half times as many applications.

Consistent with earlier findings, this year’s survey responses showed a strong correlation between the number of applications received and the size of the program, especially among full-time MBA programs. In addition, the level of program competitiveness significantly contributed to the difference in application numbers among programs, even when controlled by program size.

According to the US Council of Graduate Schools, the volumes of admissions tests taken are important early indicators of first-year graduate enrollment—specifically, GRE volume for graduate schools in arts and science and GMAT volume for business programs⁴. The GMAT exam, which is used for admissions at more than 4,600 graduate management programs around the world,



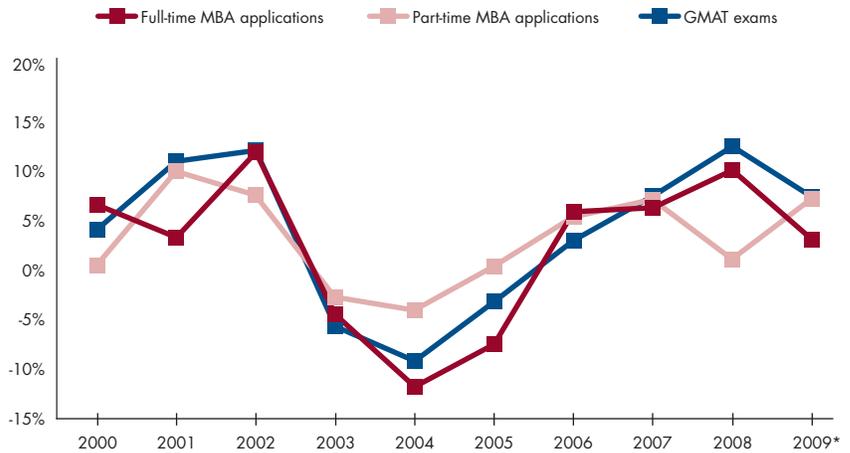
a. Median number of applications to EMBA programs represents 100 percent.

Figure 3.
 Relative^a Applicant Pool Size of Various MBA Programs Based on Median Number of Applications per Program, by World Region

⁴Bell, N. (2009). Data sources: GRE and GMAT test-taking trends. *Communicator*, April 2009. Retrieved from http://www.cgsnet.org/portals/0/pdf/DataSources_2009_04.pdf on August 1, 2009.

may also provide an advanced look at trends in application volume to programs in various parts of the world outside the United States. Non-US citizens account for nearly half (49%) the GMAT tests taken.⁵

GMAT test-taking data and corresponding *Application Trends Survey* data confirmed that a strong correlation indeed exists between changes in the number of MBA program applications received, especially for full-time MBA programs, and changes in GMAT testing volume (Figure 4). The number of GMAT tests taken increased by 7.6 percent from 2008 to 2009, topping the record-high 2008 numbers, which corresponded with a positive change of 3.3 percent in the number of applications that participating full-time MBA programs received during the 2009 application cycle. Last year, for example, a 10 percent growth in full-time MBA program application volume was accompanied by a 13 percent growth in GMAT test-taking volume.



*Note: GMAT exams for 2009 updated August 12, 2009.
 a. Source: Graduate Management Admission Council®. *Profiles of Graduate Management Admission Test Candidates and Current GMAT Volume* at gmac.com.

Figure 4.
 Percentage Change in Number of GMAT Exams Taken^a and Number of Applications Received by Full-Time and Part-Time MBA Programs, 2000–2009

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The number of GMAT tests taken increased by 7.6 percent from 2008 to 2009, which corresponded with a positive change of 3.3 percent in the number of applications received by participating full-time MBA programs during the 2009 application cycle.

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⁵ Graduate Management Admission Council. (2008). *Profile of Graduate Management Admission Test® Candidates, 2003–04 to 2007–08*. Retrieved from <http://www.gmac.com/NR/rdonlyres/F3B73942-8A93-4FC2-BB8D-1E8735158B80/0/ProfileofGMATCandidates0408.pdf> on August 1, 2009.

Regional Trends

Full-time MBA programs located in the Asia-Pacific region and the United States received more applications on average (843 and 733 per program, respectively) than programs in Europe or Canada did (393 and 346 per program, respectively). Despite receiving significantly more applications than other regions in 2009, 15 percent fewer programs in Asia-Pacific and the United States reported that their 2009 application volume surpassed that of 2008 (Figure 5). Europe, largely here represented by Western European countries, was the only region where more full-time MBA programs indicated stronger application volume in 2009 (72%) than in 2008 (67%). GMAT score-sending patterns in testing year 2008, which showed a growing proportion of European and Asian citizens sending their score reports to Europe, also pointed to a growing market share for European programs⁶. In 2008, the United States led the growth in number of applications to full-time MBA programs. In 2009, however, it appears growth was primarily driven by programs located in other world regions across all MBA program types.

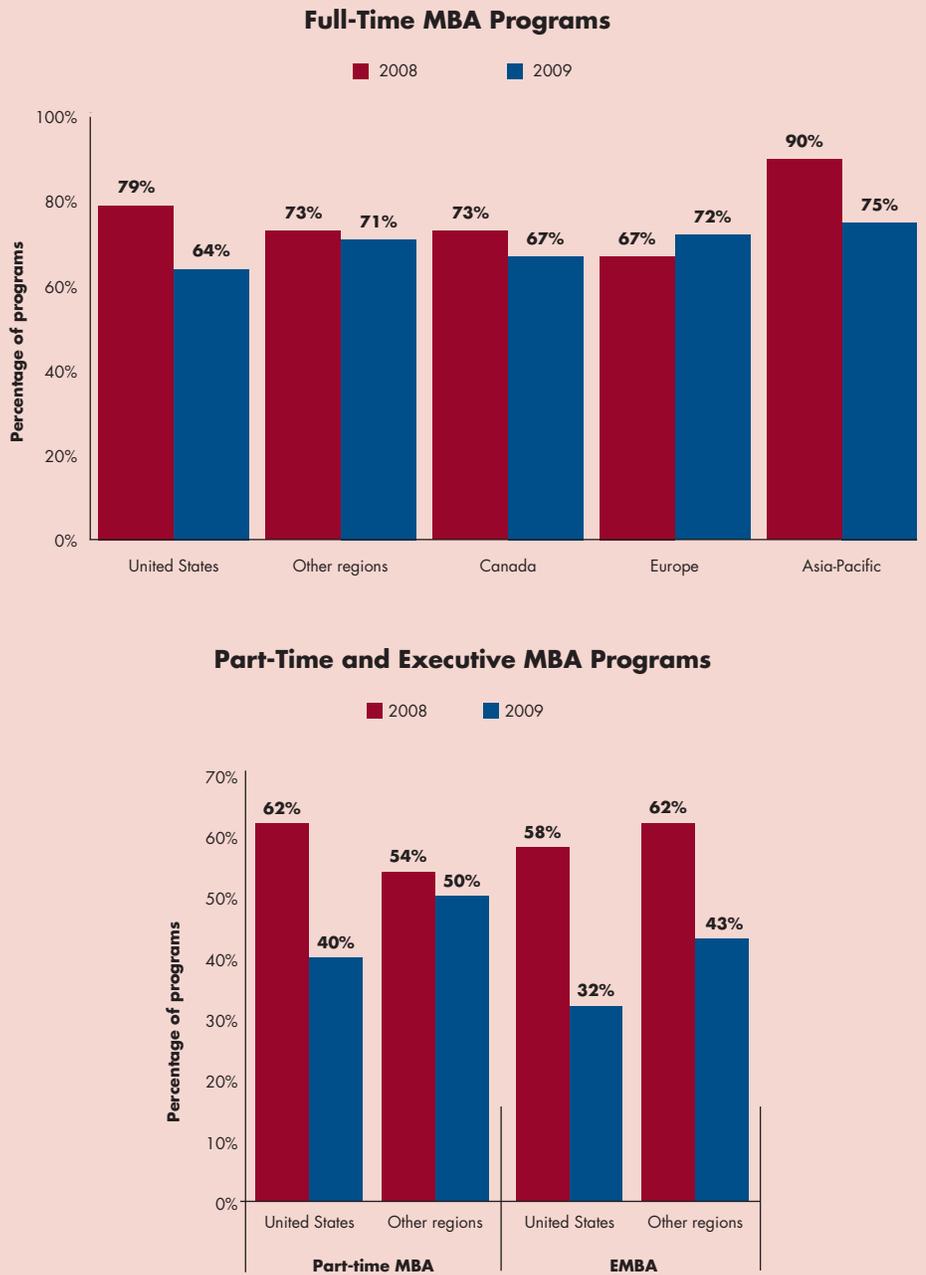


Figure 5.
MBA Programs Reporting Increase in Application Volume,
2008–2009, by World Region

⁶ Graduate Management Admission Council. (2009). *World Geographic Trend Report for GMAT Examinees, 2004–2008*.

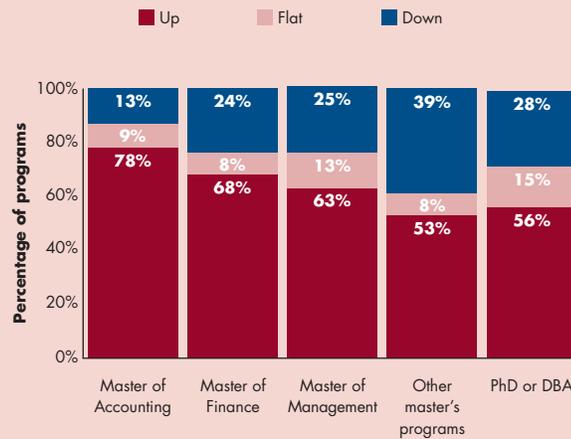
Specialized Master's and Doctoral Programs

Although more than half of master's programs specializing in other business fields across all surveyed degree types reported an increase in overall application numbers, Master of Accounting programs stand out. Most accounting programs (78%)—the largest proportion among surveyed graduate management programs—reported that application volume is up (Figure 6). This is a substantial increase from last year, when a 65 percent upward trend was reported for such programs. According to one survey participant, Master of Accounting appears to be a “recession-proof” degree, as admissions professionals for those programs continue to receive a growing number of applications during the ongoing economic downturn.

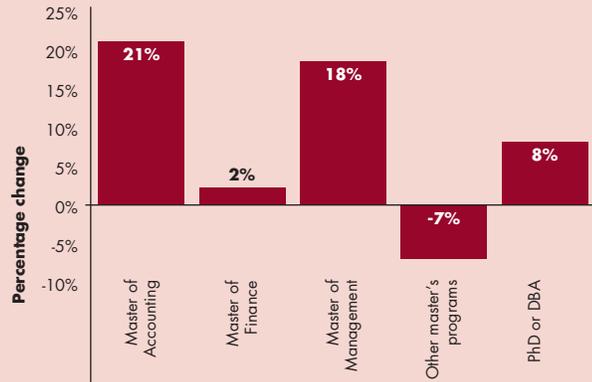
Master of Finance programs, which last year showed the most positive growth in application numbers among specialized master's programs, experienced a slight slowdown in 2009 as the application trend for Master of Management programs improved. Although one in four (25%) Master of Management programs reported a decline in application volume in 2009, that proportion is lower than the proportion reported in 2008 (38%).

Application volume picked up for PhD in Business or Management and DBA programs (Figure 6). More than half of participating doctoral programs (56%), up from 45 percent in 2008 and 33 percent in 2007, reported that their application volume increased over last year's. The average doctoral program received 8 percent more applications in 2009 than in 2008.

Programs Reporting Change in Application Volume



Percentage Change in the Number of Applications^a



a. Based on programs that reported the number of applications both in 2008 and in 2009.

Figure 6. Specialized Master's and Doctoral Programs Reporting Change in Overall Application Volume and Percentage Change in Number of Applications Compared With 2008

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In testing year 2008,
one-fifth of GMAT examinees (21%)
indicated they were going to
pursue a degree other than
an MBA or EMBA.
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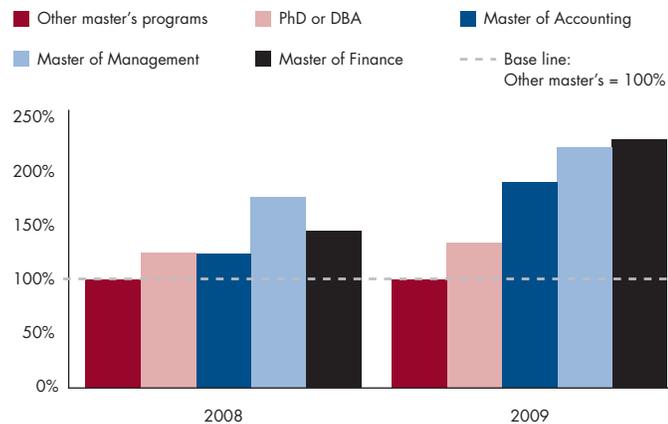
Number of Applications

By the time this survey was in circulation, 160 participating master’s programs had received a total of 31,424 completed applications. The number of applications per program ranged from a minimum of 3 to a maximum of 5,000 applications. The 40 participating doctoral programs received 5,418 applications combined, with the number of applications per program ranging from 4 to more than 700. In 2009, a typical specialized master’s or doctoral program received fewer applications than a typical MBA program.

A comparison of the median number of applications by degree type based on two years of application volume data for specialized master’s programs showed that the difference between programs with the largest and smallest applicant pools was less pronounced (Figure 7) than differences among various types of MBA programs (Figure 3). This would suggest a more even distribution of applications

among specialized master’s programs. Yet, the number of applications sent to Master of Management and Master of Finance programs consistently exceeded those sent to other master’s programs in both years studied.

In testing year 2008, one-fifth of GMAT examinees (21%) indicated they were going to pursue a degree other than an MBA or EMBA. This percentage includes 7 percent who intended to enroll in Masters in Accountancy programs and 2 percent considering DBA programs.⁷ During the last decade, the testing volume for such business programs (based on intended field of study) increased by 76 percent from about 22,000 exams in 2000 to nearly 40,000 exams in 2008. The growing number of GMAT examinees who intend to pursue graduate management programs other than MBA may serve as a rough approximation for the application trends in specialized master’s and doctoral programs in business fields.



a. Median number of applications to other specialized master’s programs offering Master of Marketing, Master of Human Resource Management, Master of Health Administration, Master of Business Information Technology, and several other degrees in business represents 100 percent.

Figure 7.
 Relative^a Applicant Pool Size of Specialized Master’s Programs Based on Median Number of Applications per Program, 2008–2009, by Degree Type

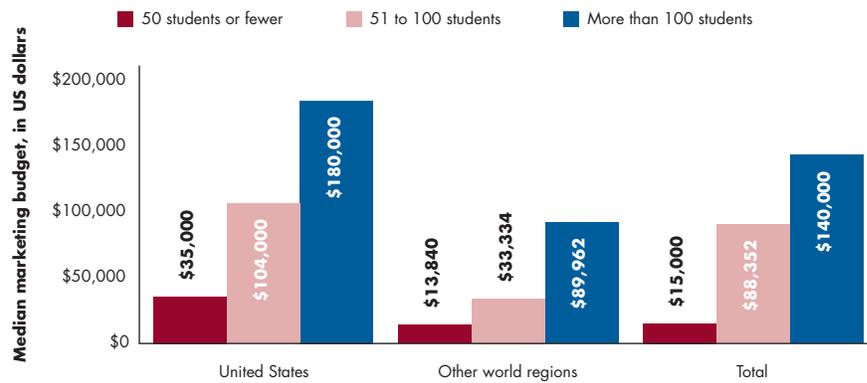
⁷ Graduate Management Admission Council. GMAT® Interactive Profile. Available at gmac.com.

According to WirthlinWorldwide, a former marketing and communications strategy firm that was bought by Harris Interactive, marketing is a powerful and essential tool “to create a distinct identity, to target and reach the right audiences, and to communicate their promises in order to be winners in the 21st century”.⁸ Business schools recognize the importance of promoting their brands, positioning their programs, and gaining a bigger market share through advertising and public relations as well as field marketing. During an economic recession, however, marketing expenditures are usually the first to be cut as businesses, including business schools, reduce spending. With limited resources, business school admissions and marketing professionals are constantly calculating the most effective ways to allocate their budgets among important marketing functions and recruitment channels.

Marketing Budget

The 2009 marketing budget per graduate management program ranged from a median of \$15,000 at surveyed programs with fewer than 50 students per class to \$140,000 at programs with more than 100 students per class (Figure 8). Based on median expenditures per program, a typical MBA program budgeted significantly more money for marketing activities than a typical specialized master’s or doctoral program did. Among MBA programs, the marketing budgets for full-time programs were typically the largest.

Most graduate management programs across degree and program types had the same amount of money available to target desired candidates and communicate strategically with audiences this year as they did last year. That said, between 20 percent and 30 percent of programs budgeted more, and 10 percent to 30 percent budgeted less than in 2008 (Figure 9).



a. Local currencies are converted into US dollars based on June 17, 2009, interbank exchange rates.

Figure 8. Median Marketing Budget of Graduate Management Programs, by World Region and Class Size, in US Dollars^a

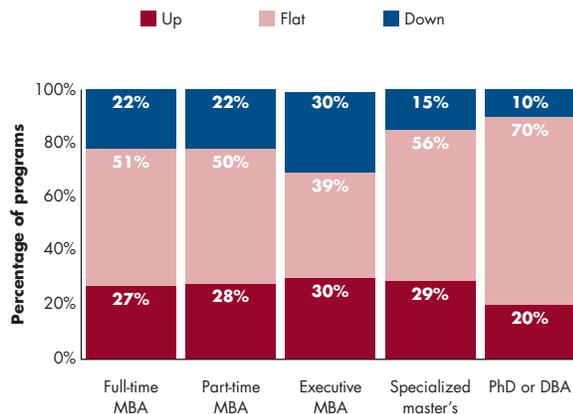


Figure 9. Graduate Management Programs Reporting Change in Marketing Budgets Compared With Last Year

⁸Aldrich, A., & Richardson, N. (2004). *Getting the most bang for marketing dollars*. WirthlinWorldwide, Inc.

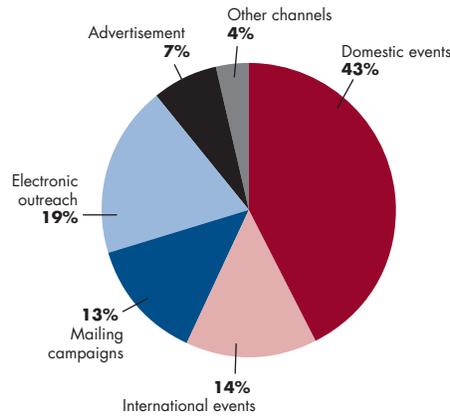


Figure 10.
Allocation of Graduate Management Program Recruitment Budget

Recruitment and Outreach

Some business schools designate recruitment and outreach activities as part of their marketing functions, while other schools consider recruitment activities either as a stand-alone function or some combination of functions. Thus, depending on the school, the candidate recruitment budget may or may not be part of a program’s marketing budget, as previously discussed.

By communications channel, domestic events accounted for the largest share of graduate management program recruitment budgets (43%; Figure 10). Based on its share of expenditures, electronic outreach, which includes email campaigns, online chats, instant messaging (IM), social networking sites, and website enhancements, was the next major recruitment tool. Nearly one-fifth of the average recruitment budget (19%) was allocated to electronic outreach. Attention to electronic channels is not surprising. Electronic outreach allows graduate management programs to target their candidate segments appropriately. According to consumer research conducted by Scarborough Research group, the 25- to 34-year-old age group represents nearly one-third (31%) of the overall population (6%) classified as “digital savvy consumers.”⁹

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⁹Scarborough Research. (2008). *Understanding the digital savvy consumer*. Retrieved from http://www.scarborough.com/press_releases/Digital%20Savvy%20Free%20Study%20FINAL%205.12.08.pdf on August 4, 2009.

Consistent with earlier findings, more than half of participating graduate management programs across most degree and program types conducted special recruitment or outreach for the incoming class applicants. Special recruitment may include recruiting visits to organizations (schools or companies) with a high proportion of individuals from targeted groups, organizing or participating in

recruitment fairs designed specifically for targeted groups, or developing special recruiting materials, such as outreach brochures targeted to specific population groups. Although different programs focused on different population groups (Figure II), special recruitment efforts tended to increase the proportion of the targeted population among program applicants.

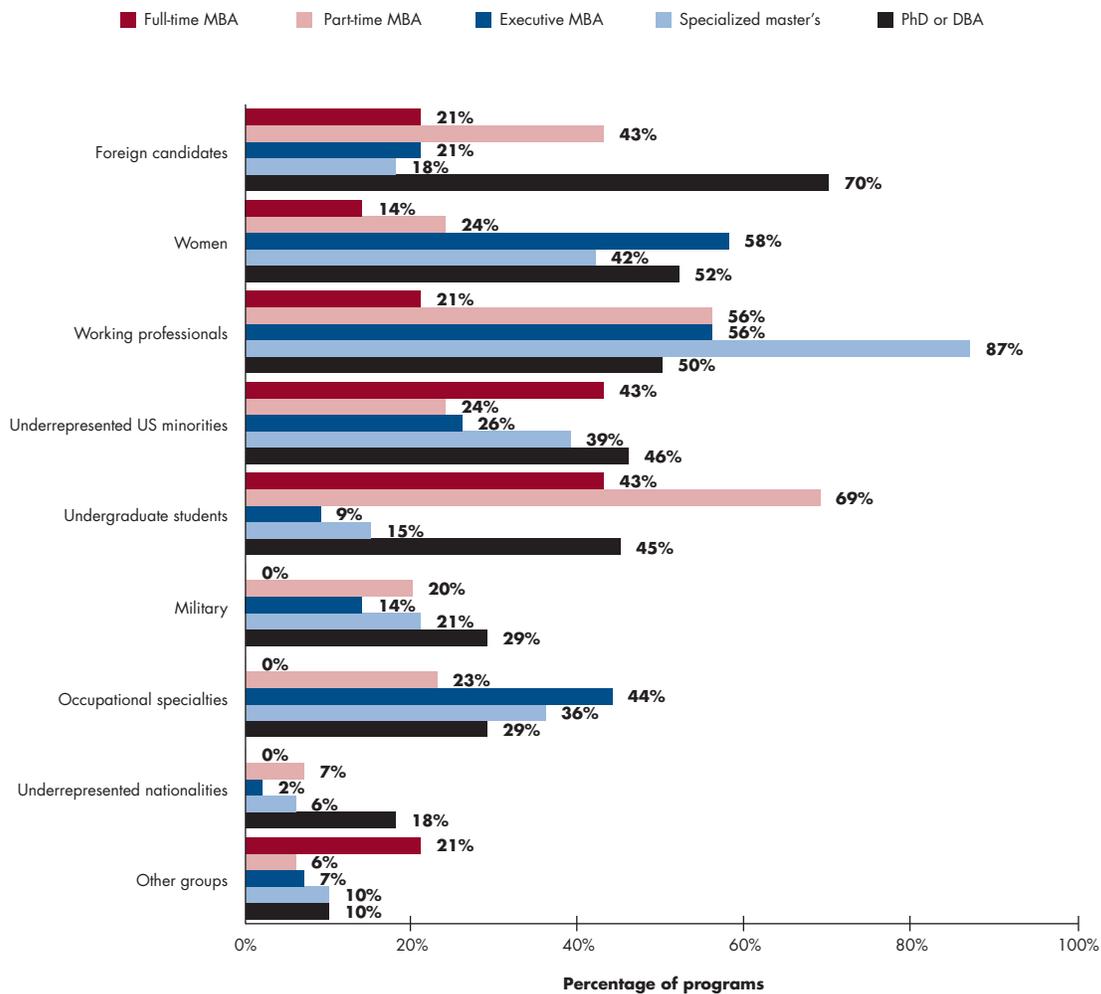


Figure 11.
Population Groups Selected for Special Recruitment or Outreach

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Full-time MBA programs continued to attract international applicants, but with slightly lower proportion in 2009 compared with 2008, primarily due to a drop in the percentage of foreign applicants to two-year MBA programs in the United States.

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Tuition Assistance

In addition to their marketing, recruitment, and outreach efforts, business schools use a variety of tools to attract the right candidates and help those candidates finance their education, especially those that plan to leave their jobs for one or two years to pursue graduate management education full time. Tuition assistance is especially important during

economic downturns when household incomes substantially decrease. Nearly all full-time MBA and specialized master's programs (97% and 91%, respectively) offered tuition assistance programs, primarily through scholarships (Figure 12). Programs with scholarship funds reported that more than one-third of incoming students (36%), on average, would be awarded a scholarship in 2009.

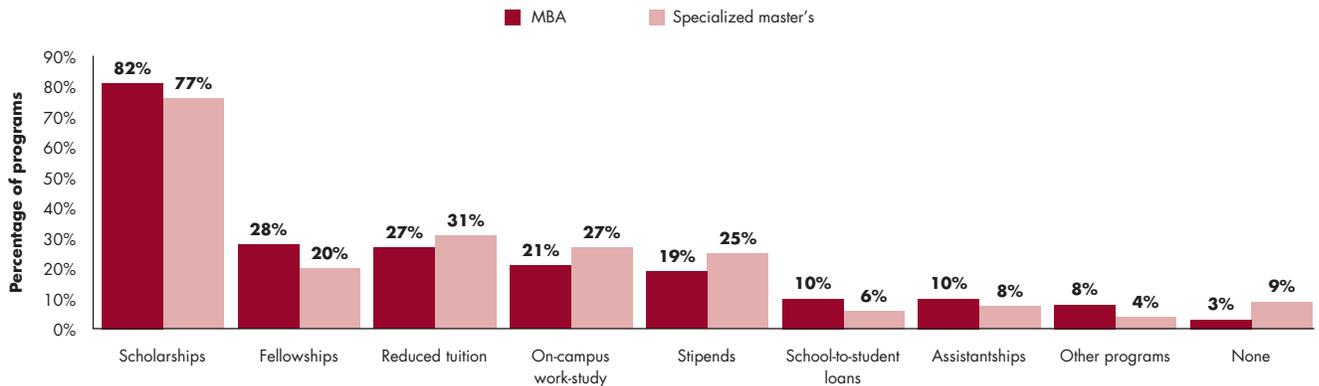


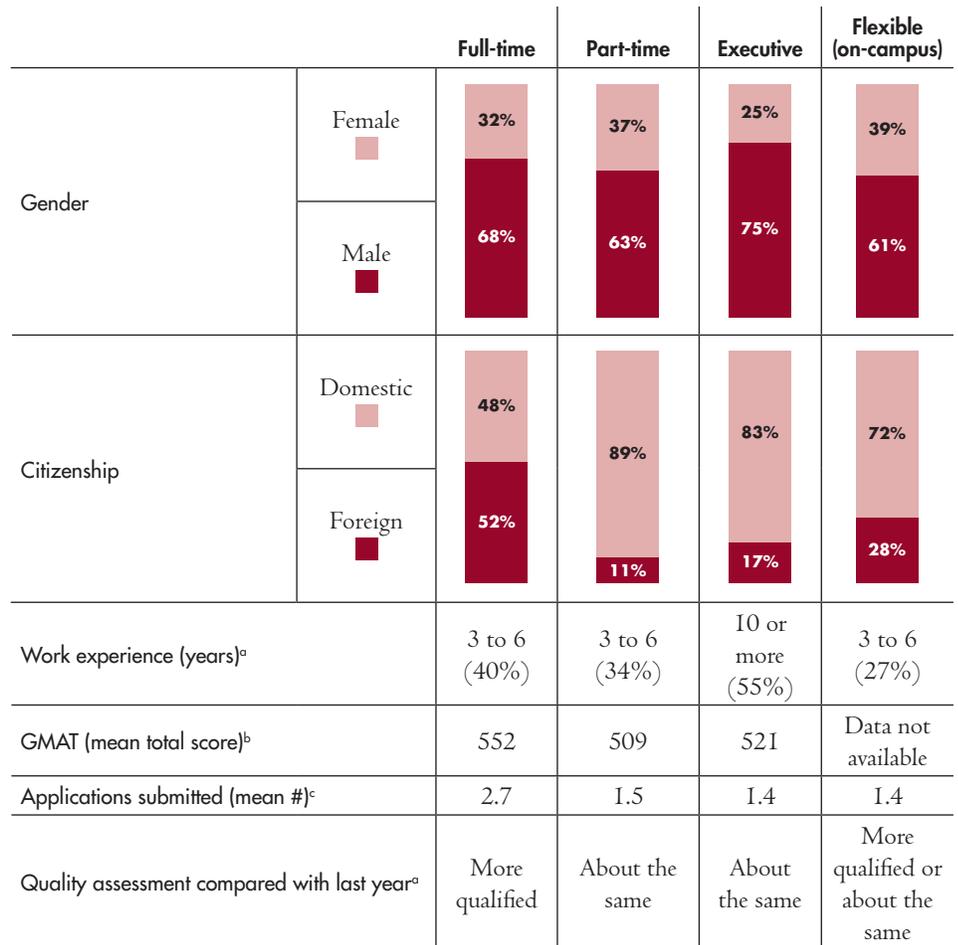
Figure 12.
Full-Time Graduate Management Programs Offering Tuition Assistance

Modern management requires “breaking complex tasks into small, repeatable steps, enforcing adherence to standard operating procedures, measuring costs and profits to the penny, coordinating the efforts of tens of thousands of employees, and synchronizing operations on a global scale.”¹⁰ Every year, a great number of men and women around the world apply to business schools, taking the first major step toward gaining the theoretical and practical knowledge of such modern management concepts. Applicants are looking for their best fit from among a variety of programs offered in the field of graduate management education, and admissions professionals are also selecting for best fit. They craft classes by choosing among candidates with various aspirations and backgrounds who might successfully complete a rigorous program.

MBA Programs

As expected, program specifics and type of delivery draw different candidates to MBA programs (Figure I3). Consistent with findings in previous years, the 2009 applicant pools for flexible and part-time MBA programs represented the greatest gender diversity, whereas applications to executive programs were primarily submitted by men (75%). Full-time MBA programs continued to attract international applicants; however, the proportion of foreign citizens slightly decreased from 56 percent in 2008 to 52 percent in 2009. A drop in the percentage of foreign applicants in the pool for two-year MBA programs in the United States—from 53 percent to 47 percent—contributed the most to this change.

When admissions professionals compared academic qualifications of this year’s candidates with last year’s applicants, most reported that applicants either matched or exceeded academic benchmarks set in 2008.



a. Based on modes of categorical variable distributions.
 b. Source: Profile of Graduate Management Admission Test® Candidates, 2003–2004 to 2007–2008.
 c. Source: mba.com Registrants Survey Q1–Q2, 2009.

Figure 13.
 Snapshot of MBA Program Candidates

¹⁰Hamel, G. (2007). *The future of management*. Boston: Harvard Business School Press.

Specialized Master's and Doctoral Programs

Applicants to specialized master's programs were relatively evenly distributed by gender and citizenship (Figure 14). Consistent with 2008, Master of Accounting programs reported the greatest percentage of female applicants (62%) among surveyed graduate management programs, and

Master of Finance reported the most international candidates (60%) among all master-level programs, including MBA. Unlike MBA program candidates, specialized master's applicants were the most likely to pursue an advanced degree in business or management right after completing their undergraduate studies and with less than a year of work experience.

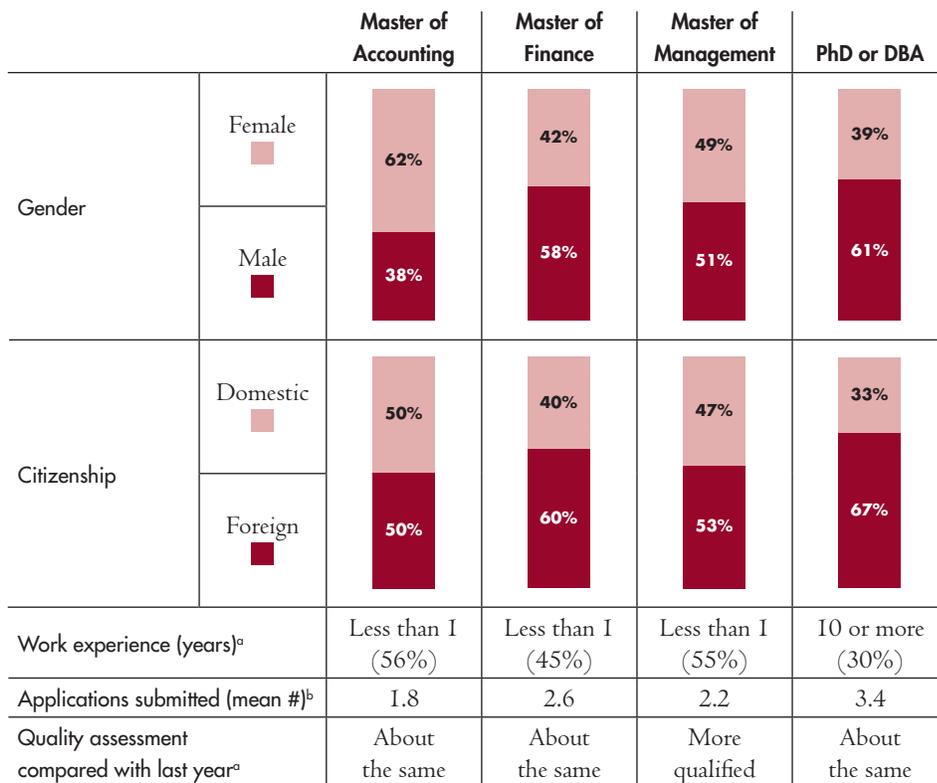
International Applicants

Economic downturn and uncertainty around the world may be affecting international student mobility. For example, *The Chronicle of Higher Education* projects, based on interviews with officials at the US Department of State and various university officials, that foreign-student enrollments in the United States are likely to climb in 2009 and then decline in the future because of candidates' growing inability to afford tuition, visa restrictions, and

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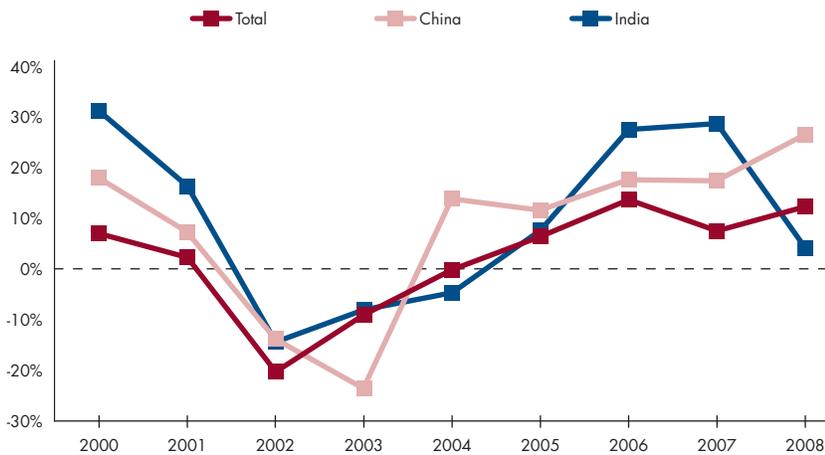
a. Based on modes of categorical variable distributions.
 b. Source: *mha.com Registrants Survey Q1-Q2, 2009.*

Figure 14.
 Snapshot of Specialized Master's and Doctoral Program Candidates

fewer job opportunities.¹¹ Meanwhile, full-time MBA programs in the United States have already experienced a slowdown in the application flow from foreign candidates. Only 48 percent of US full-time MBA programs reported an increase in the number of applications from foreign citizens in 2009, compared with 79 percent of programs last year. A recent deceleration in the number of US student visas issued to Indian nationals (Figure 15) who may intend to study in graduate or undergraduate programs was

in line with a trend observed by full-time MBA program admissions professionals. Of the 42 percent of US full-time MBA programs reporting a decline in the number of foreign applicants, 70 percent experienced the largest decrease in number of applications from Indian citizens. Among other factors, significant currency devaluation, especially in regions with floating exchange rates such as India, may have contributed to this trend, thus significantly increasing tuition and room and board.

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**Of the 42 percent of
 US full-time MBA programs reporting a
 decline in foreign applicants,
 70 percent experienced the largest
 decrease from Indian citizens.**
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Source: US Department of State, Nonimmigrant Visas Issued (www.travel.state.gov/visa).

Figure 15.
 Percentage Change in Number of Student Visas Issued by
 US Department of State, 2000–2008

¹¹ Fischer, K. (2009). Foreign-student enrollments are likely to climb, but trouble may lie ahead. *The Chronicle of Higher Education*, July 30, 2009. Retrieved from <http://chronicle.com/article/Foreign-Student-Enrollments/47514/?key=ST4ldVBkNncdMCFtLCNOejWbXR5Jkt+YHBBbH0abFIV> on July 31, 2009.

•••••
More than half of the full-time MBA programs (53%) expected to increase the size of their new class, whereas nearly half of the EMBA programs (49%) did not expect to grow in 2009.
 •••••

US Minority Applicants

Pursuing intellectual diversity in their class enrollments, graduate management programs in the United States encourage minority candidates to apply as they strive to create a synergy of rich experiences brought by candidates of various backgrounds. Overall, the proportion of Hispanic, Latino, African American, Asian, Native Hawaiian, Pacific Islander, American Indian, or Alaska Native applicants combined increased slightly across all program types in 2009. Executive MBA

programs (22%) followed by flexible (19%) and part-time programs (18%) received the greatest share of applications from these minority groups (Figure 16). Similar to the trend for the overall number of applications submitted to graduate management programs, the number of minority applications received varied by program size. For example, full-time MBA programs received a median of 29 applications per program, and master’s programs, which are typically smaller, a median of 5 applications per program from minority candidates in 2009.

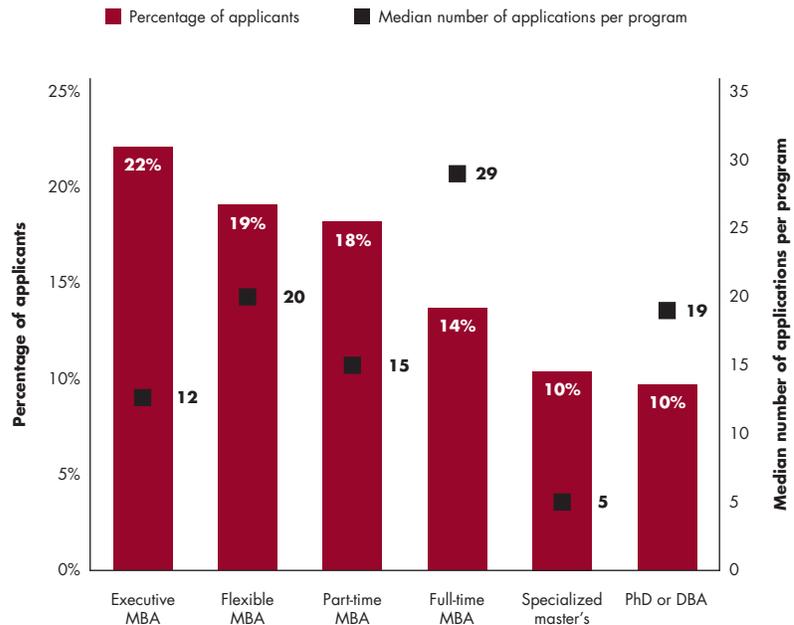
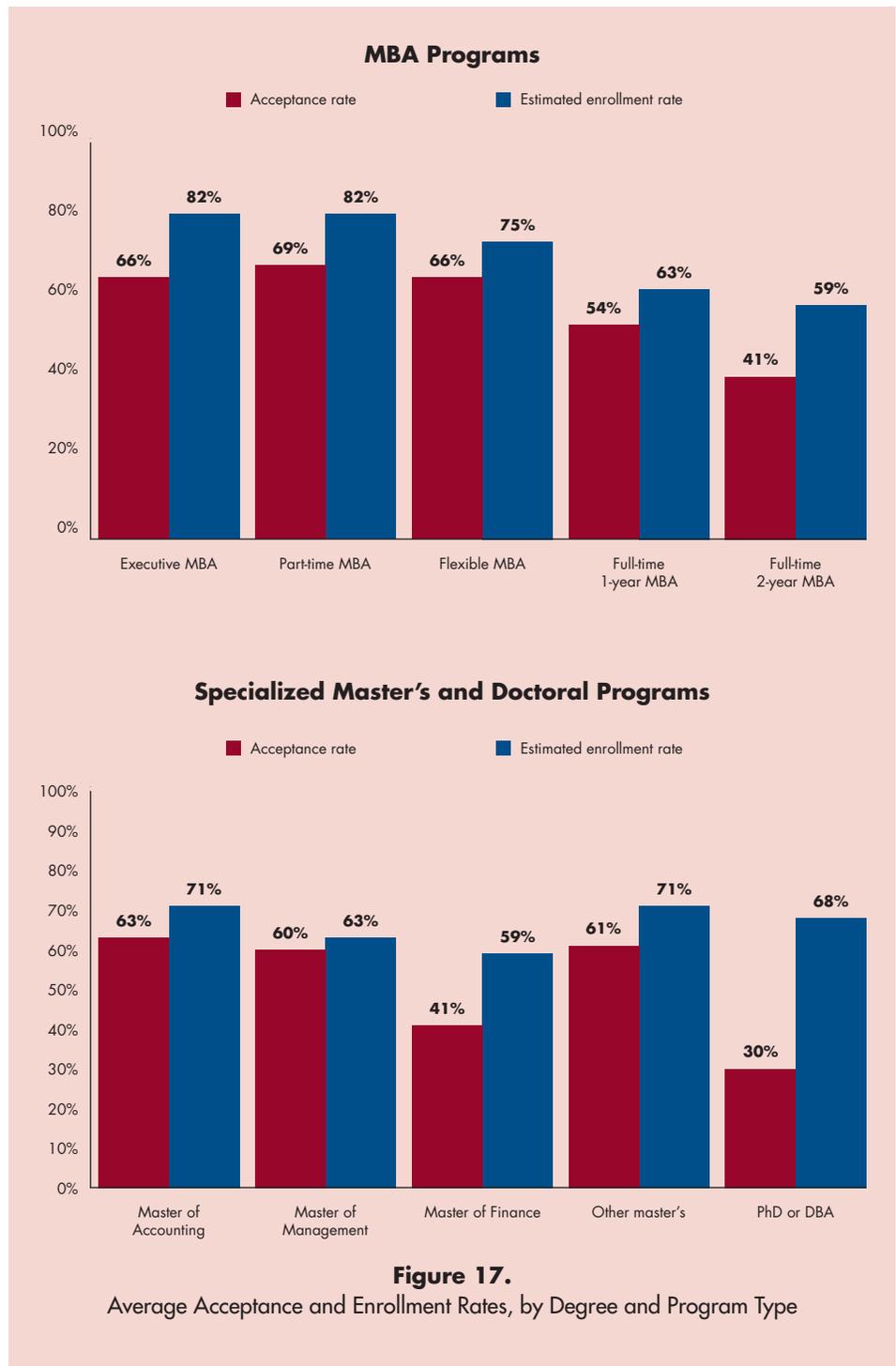


Figure 16.
 Racial Minority Candidates in US Graduate Management Program Applicant Pools

Similar to 2008, two-year MBA programs reported the lowest acceptance rates among MBA programs, and Master of Finance programs reported the lowest acceptance rates among specialized master's programs (Figure 17). As expected, there was a strong negative correlation throughout all types of degrees and programs surveyed between the number of applications received and the percentage of applicants accepted ($R = -0.4$, $p < 0.01$), especially among doctoral ($R = -0.6$, $p < 0.01$) and full-time MBA programs ($R = -0.5$, $p < 0.01$). The vast majority (82%) of applicants accepted to EMBA and part-time MBA programs were likely to enroll in 2009. Relatively low average enrollment rates for full-time two-year MBA and Master of Finance programs (59%) can be partially explained by applicant behavior. Applicants interested in these two programs apply to three schools, on average (Figures I3 and I4).

An increase in the number of applications received can lead a school to grow its programs or become more selective, whereas a decline in application volume might result in a smaller class or drive a program redesign. Following trends in application volume, more than half of the full-time MBA programs (53%) expected to increase the size of their new class, whereas nearly half of the EMBA programs (49%) did not expect to grow in 2009.



After three years of strong growth, graduate management program application volume leveled off in 2009. Historical patterns observed in the higher education market suggest that application flow to MBA and other programs is likely to decrease in the coming years, especially in the United States. A probable future decline, however, does not indicate the lack of interest in business education but merely the continuance of a normal cycle that will see other peaks in the future. Thus, school expectations and plans should account for the changing environment, particularly considering that individual school marketing and recruitment efforts greatly contribute to application cycle success, even as social and economic factors have their impact.

Technical Note

The 10th annual *Application Trends Survey* was conducted from May 27 to July 8, 2009. Three hundred thirty-two graduate business schools and faculties participated in this survey by submitting data for 667 graduate management programs, including 467 MBA programs, 160 specialized master's programs, and 40 doctoral programs in business. Overall, 453 programs from 226 responding schools were in the United States; 101 programs from 57 schools were in Europe; 61 programs from 21 schools were in the Asia-Pacific region; 33 programs from 17 schools were in Canada; and 19 programs from 11 responding schools were in other world regions. Findings reported in this document are based on survey responses, which represent data from the responding programs, and are not a census of all graduate management programs.

These findings are based on analysis of survey data reported in the *2009 Application Trends Comprehensive Data Report*. The *Comprehensive Data Report*, which is available exclusively to participating

business schools, contains detailed data tables and analysis of the survey responses by graduate management program type, program length, world and US geographic locations, class size, enrollment type, program tier, and school governance, along with overall analysis. The *Comprehensive Data Report* also presents findings for online or distance-learning MBA programs that were not highlighted in this publication due to the low number of responses. The *2009 Comprehensive Data Report* additionally provides a list of verbatim comments from admissions professionals on reasons why graduate management programs experienced a change in application volume this year compared with last year. The open-ended comments also include general comments that are related to industry trends and issues. A list of business schools that participated in the survey is publicly available at <http://www.gmac.com/surveys>.

Participating graduate business programs, in addition to receiving copies of this report and the *Comprehensive Data Report*, receive individualized benchmarking reports that compare their responses with aggregate responses from their peer programs.

Contact Information

For questions or comments regarding the study findings, methodology, or data, please contact the GMAC Research and Development Department at research@gmac.com.

Authorship

The following individual made significant contributions to the concept, design, analysis and interpretation of data, and the drafting/ revising of the manuscript for intellectual content:

Marina Murray, Manager, Applied Research, Research and Development, Graduate Management Admission Council (GMAC).

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The Graduate Management Admission Council extends sincere appreciation to the business school admissions professionals who generously contributed both time and information to the *2009 Application Trends Survey*. Their participation in this research ensures the continuous availability of application trends statistics for the graduate management education industry, prospective students, researchers, media, and the general public.

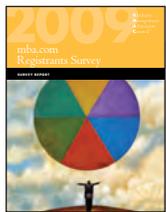
The **Application Trends Survey** is one in a series of five annual or biannual surveys produced by the Graduate Management Admission Council®. The surveys are designed to explore relevant issues, offering data at various depths, depending on the desire of the user and the participation of the school. Survey reports provide an overview of the data in addition to giving context for and implications of the research. They are frequently used to help drive strategic decision-making processes in graduate business schools. All survey reports are available on the web (www.gmac.com/surveys). Print copies (while supplies last) are free upon request from the GMAC® Research and Development department, research@gmac.com.

Other surveys include—



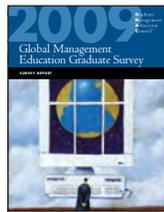
Corporate Recruiters Survey

Who hires management graduates and why? What are the hiring plans in various industries? How do companies decide where to recruit? Launched in 2001–2002, this annual survey helps schools better understand the job market, clarify employer expectations, and benchmark their career services practices. Employers use the survey results to benchmark the recruitment activities of their companies.



mba.com Registrants Survey

Who is in the pipeline for a degree? What makes them decide to apply now or wait? Launched in 2003, this annual survey tells who prospective students are (including detailed profiles), how and why they move through the pipeline, and what motivates them and gets their attention.



Global Management Education Graduate Survey

What do students think about their management education experience as they prepare to graduate? Launched in 2000, this annual survey is conducted every February to provide a comprehensive picture of who these students are and where they are headed after they graduate, as well as how they chose their schools and how satisfied they are with their education.



Alumni Perspectives Survey

What happens to graduate management students after they graduate and begin to evaluate the value of their degrees? Launched in 2001, these biannual surveys follow graduates long-term to understand their career progression, their expectations, their attitudes about work, their assessment of their education, and general market trends.

Graduate
Management
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1600 Tysons Boulevard
Suite 1400
McLean, Virginia 22102
USA

surveys@gmac.com

www.gmac.com/surveys

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