

SURVEY REPORT

2006

Application Trends Survey

**Graduate
Management
Admission
Council®**

Creating Access to Graduate Business Education®

The **Application Trends Survey**

is a product of the Graduate Management Admission Council® (GMAC®), a global not-for-profit 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 3,700 graduate management programs at 1,700 schools 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.

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In June, the Graduate Management Admission Council® (GMAC®) conducted the 2006 Application Trends Survey, an online survey of graduate business school professionals. GMAC® invited representatives from 362 graduate business schools, via e-mail, to participate in the survey, which is designed to determine year-to-year trends in graduate business school application volume. A total of 230 programs from 147 schools participated in the survey. Fifteen percent of the responding programs are non-U.S. programs, and the other 85% are U.S. programs, which is a slight over-representation of U.S. programs among participants. This report summarizes their responses.

This Application Trends Survey of 2006 tracks the percentage changes in the number of graduate business school applications for enrollment in the 2006 school year compared with the number of applications for the 2005 school year. Business schools report the percentage changes overall and for specific subgroups of applicants, including domestic, foreign, female, and U.S. minority applicants.

In this report, we highlight how business school application volume has changed, the types of programs most affected, and the external factors that might influence these trends, including special outreach for recruiting population subgroups, academic qualifications of applicants, and changes in the targeted entering class size.

Key findings:

- The majority of programs report that application volume has increased in the 2006 application cycle when compared with the number of applications received during the 2005 cycle.
- Nearly twice as many full-time, part-time, and executive programs report female applicant volume is up when compared with 2005, and 22% of full-time programs report that the increase is significant.
- More than half (58%) of executive programs and nearly three-quarters (73%) of full-time programs report foreign applicant volume is up, and of those, 21% and 31%, respectively, report a significant improvement, which is a notable change over 2005, when these programs reported an average decline in foreign applicant volume.

Many types of Masters in Business Administration (MBA) programs exist today. There are full-time two-year traditional programs, full-time accelerated/one-year programs, part-time programs, and executive programs that lead to the MBA degree. Additionally, there has been a worldwide increase in the number of degree programs available to prospective students. In the United States, there has been a 10% increase in the number of business schools available since 1999, and India has seen a 53% increase in the number of business schools since 1999¹. With the diverse program selection and growing number of MBA programs available, students at various stages in life and career can earn an MBA degree that fits their needs.

The increased variety and number of programs have created a highly competitive market for many graduate business schools, with schools and programs competing to increase their pool of applicants. For instance, an increase in applicants can help a school grow its program or can help schools become more selective in their admission decisions. Understanding applicant behavior can help schools use their

resources to create marketing programs to target suitable candidates, which can help generate increased application volume.

Application volume is, in part, determined by the number of prospective students seeking a graduate management education and the number of applications each prospective student submits to graduate management education programs. One indicator of the size of the applicant pool is based on the number of Graduate Management Admission Test® (GMAT®) exams and the number of GMAT® score reports sent to schools. Figure I shows the average number of score reports submitted by GMAT® test takers over time. On average, each test taker has submitted about three to four score reports to schools between 1999-00 and 2004-05. Based on a survey of prospective students², the average number of applications submitted by an applicant who considered a full-time two-year traditional program is 3.2. The average number for those considering full-time one-year accelerated programs is 2.0. For both part-time and executive programs the average is 1.5 applications. The next section of the report explores application volume for the 2006 application cycle.

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Competition grows as the number and variety of graduate business programs increase. Since 1999, the number of U.S. business schools has increased by 10%; the number of business schools in India has risen by 53%.
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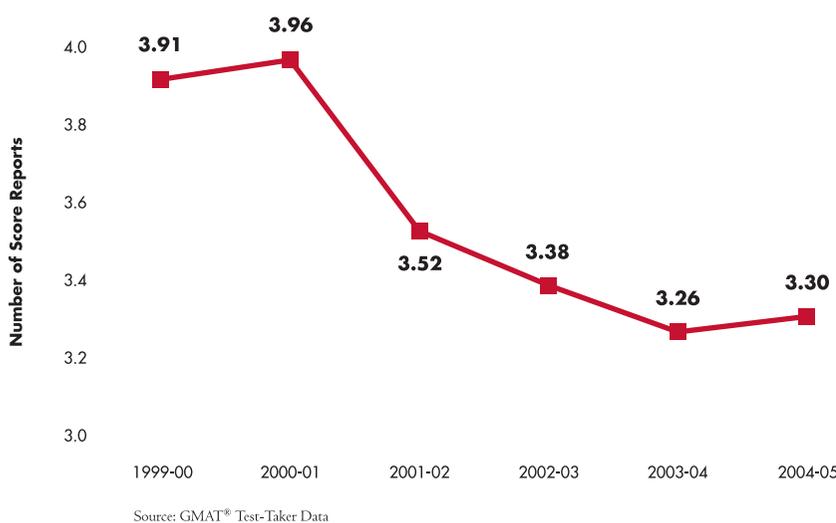


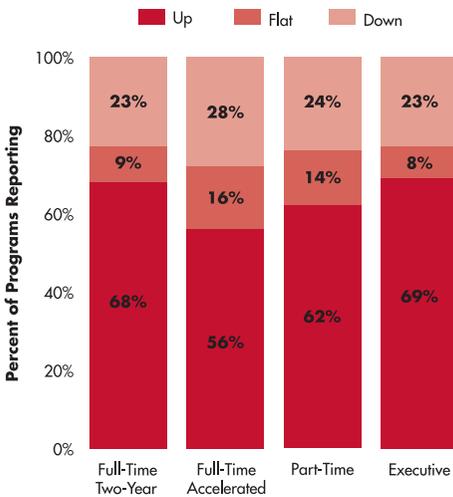
Figure 1.
 Average Number of GMAT® Score Reports Sent Per Examinee: Year-to-Year Trends

¹ According to the U.S. Department of Education, Table 256, and the GMAC® global database, as of August 2006.
² Schoenfeld, G. (2005). mba.com Registrants Survey 2005. Graduate Management Admission Council®.

The majority of programs (Figure 2) report that application volume has increased in the 2006 application cycle compared with the volume received during the 2005 application cycle. About two-thirds of full-time two-year programs, part-time programs, and executive programs report that application volume is up, and 56% of full-time accelerated programs report application volume is up. These increases in application volume are good news for graduate management programs.

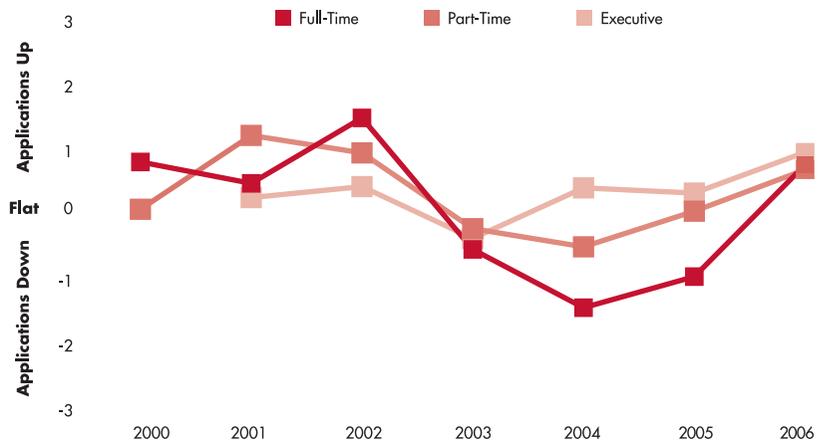
Trends in Application Volume

As shown in Figure 3, application volume in 2006 has improved compared with the past three years. Each of the MBA program types, on average, has experienced a slight increase in application volume in 2006 compared with 2005. Executive MBA programs have experienced the greatest increase in application volume over the last year compared with all previous years. Although part-time and full-time MBA programs have not reached the rate of year-to-year increases seen in 2001 and 2002, the volume of applications for the current year has improved considerably compared with the past three years.



Source: Application Trends Survey 2006. GMAC®

Figure 2.
2006 Application Volume Compared to 2005, by Program Type



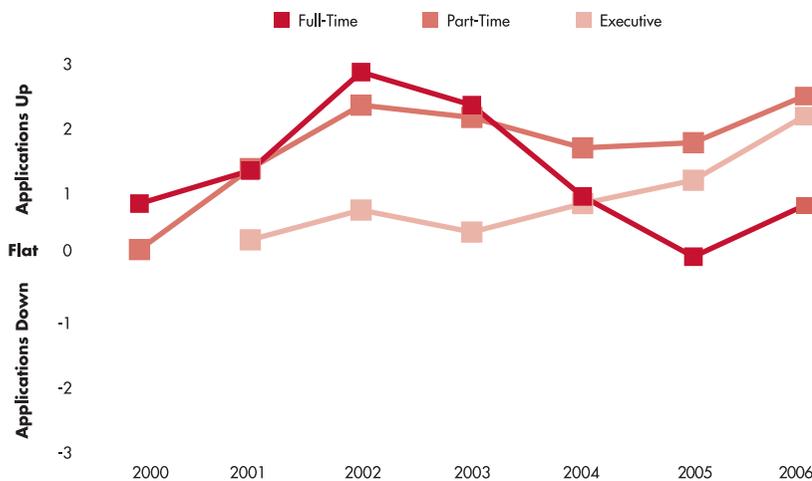
*Scale: 3 = significantly up; 2 = moderately up; 1 = slightly up; 0 = flat; -1 = slightly down; -2 = moderately down; -3 = significantly down
Source: Application Trends Surveys 2000 to 2006, GMAC®

Figure 3.
Year-to-Year Application Trends, by Program Type

Using 1999 as a baseline year for full-time and part-time programs and 2000 for executive programs, application volume is analyzed by computing the sum of the average change in application volume for each of the preceding years (Figure 4). For full-time programs, even with a few years of declining volume, application volume is up slightly in 2006 compared with the baseline year. Part-time and executive programs have realized moderate to significant gains in application volume on average compared to the baseline. Overall, when compared to the baseline, application volume for all program types is up.

According to the U.S. Census Bureau, “Over the next 30 years, a steady increase in educational attainment levels should be observed in the U.S. population age 25

and over³.” With an increasing percentage of individuals enrolling in school⁴ and the growing number of individuals in the MBA target age group of 25 to 30, the combined data projects that “as the U.S. population increases in size, so does its enrollment at all levels of public and private education⁵.” Survey respondents indicate that about a third (31%) of full-time programs and more than half (55%) of part-time programs are planning to increase the size of their incoming class in 2006, which is a greater percentage compared with 2005, when only 18% of full-time programs and 30% of part-time programs planned to increase their class size. As such, it appears that MBA programs are beginning to adjust to this potential increase in enrollments.



*Full-time and part-time baseline year = 1999; Executive baseline year = 2000
 Scale: 3 = significantly up; 2 = moderately up; 1 = slightly up; 0 = flat;
 -1 = slightly down; -2 = moderately down; -3 = significantly down.
 Source: Application Trends Surveys 2000 to 2006, GMAC®

Figure 4.
 Change in Application Volume Compared with Baseline*, by Program Type

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Application volume for all program types is up in 2006. Future enrollment increases are predicted by U.S. Census Bureau data; in 2006, about a third of full-time programs and more than half of part-time programs are planning to increase the size of incoming classes.

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³Day, J.C. and Bauman, K.J. (2000). Have We Reached the Top? Educational Attainment Projections of the US Population. Working Paper Series No. 43. Population Division, U.S. Census Bureau.

⁴Shin, H.B. (2005) School Enrollment—Social and Economic Characteristics of Students: October 2003. Current Population Reports P20-554. U.S. Census Bureau.

⁵U.S. Department of Education, National Center for Education Statistics. (2006). The Condition of Education 2006 (NCES 2006-071). Washington, DC: U.S. Government Printing Office.

Female Applicants

There are many indicators that suggest women will continue to make great strides in earning advanced education degrees. More than a third (35%) of all 12th graders in 2003-04 expect to continue their schooling through graduate school, and of that group, more of those students are female than male [5]. In 2003-04, 59% of all graduate level degrees earned were awarded to women, which is a significant gain compared with the 49% awarded to women in 1979-80 [5].

In 2006, 64% of full-time, 47% of part-time, and 50% of executive programs report that the volume of female appli-

cants is up. This is nearly twice as many programs that reported female applicant volume was up, compared with 2005. As shown in Figure 5, after three consecutive years of declining applications from females among full-time programs, 2006 shows a marked improvement—22% of full-time programs report that applications from females is up significantly compared with the 3% that reported significant improvements in 2005. After a slight drop in increased application volume in 2002, part-time programs have maintained a steady, but small, increase in applications from females from year-to-year. Similarly, executive programs have maintained a slow but steady increase in the number of female applicants.

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The 2006 application cycle shows a marked improvement in the number of women who applied to graduate business programs, with 64% of full-time, 47% of part-time and 50% of executive programs reporting more female applicants.

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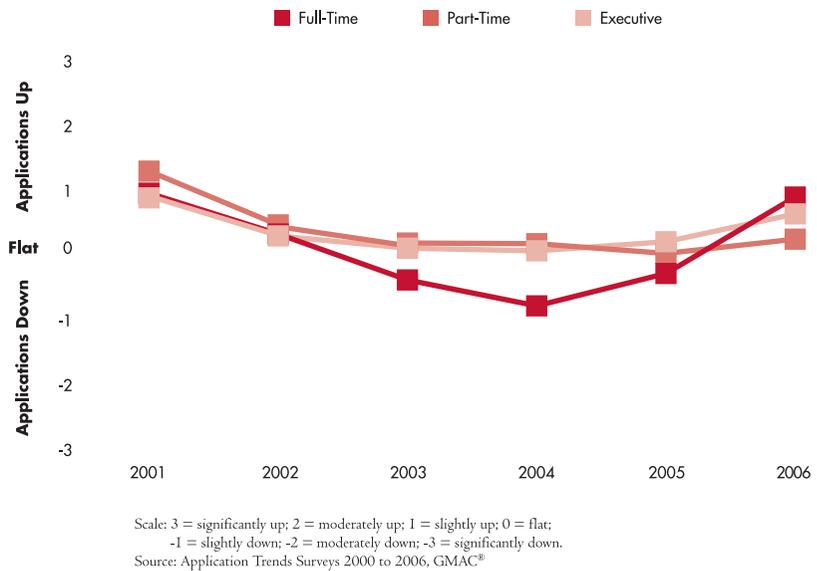
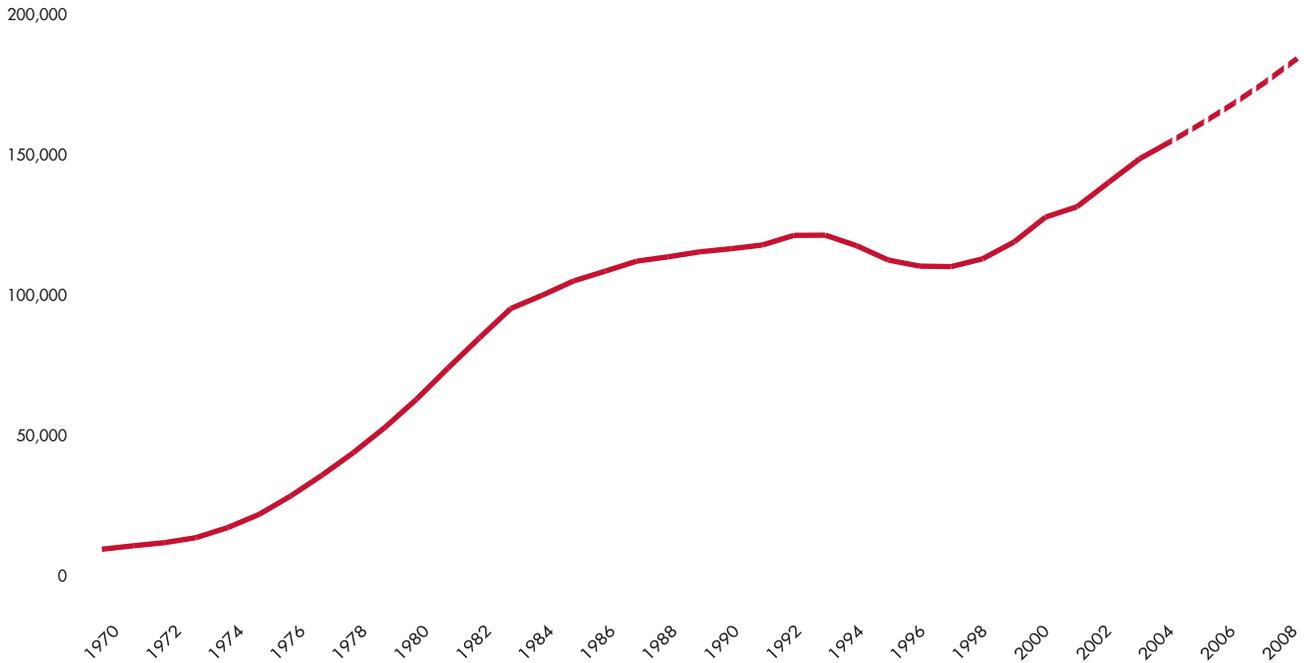


Figure 5.
Female Applications, by Program Type



Source: U.S. Department of Education, National Center for Education Statistics, Earned Degrees Conferred, 1955-56 through 1963-64; Higher Education General Information Survey, 1965-66 through 1985-86; and Integrated Postsecondary Education Data System 1986-87 through 2003-04.
NOTE: Dotted line is based on an ARIMA (0,2,0) model where R² = 0.996 and MAPE = 2.021.

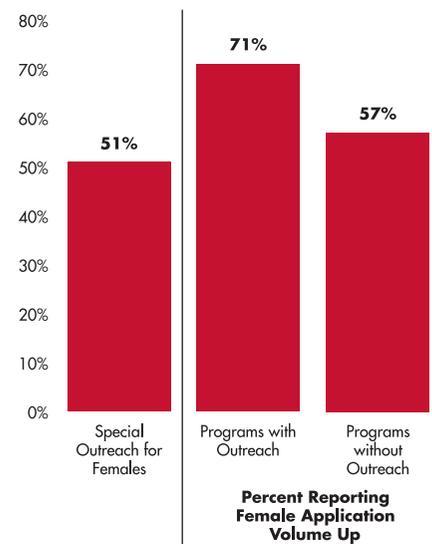
Figure 6.
Number of Bachelor Degrees in Business Conferred Over Time (Females)

Overall, the U.S. Census Bureau reported that within the United States “business was the most popular major of those with bachelor’s degrees and was one of the most common among people with vocational certificates, associate’s, or advanced degrees⁶.” In 2001-02, the number of women who earned a bachelor’s degree in business surpassed the number of men who earned the degree in the United States for the first time⁷. Figure 6 shows the trend in bachelor’s degrees conferred to women in business, which shows a continual increase in the number of women earning the degree. Considering that 60% of individuals who received a bachelor’s degree in Business and enrolled in a post-baccalaureate degree

program enrolled in a business program [6], the prospect for increased enrollment in graduate management programs by women is conceivable.

Special Outreach to Female Applicants

About half of all full-time programs have special outreach programs designed to attract female applicants. Full-time programs that have special outreach programs for females are 25% more likely than full-time programs without special outreach programs to report increases in application volume among females in 2006 (Figure 7).



Source: Application Trends Survey 2006, GMAC®

Figure 7.
Special Outreach Programs for Female Applicants and Their Effect on Application Volume (Full-Time Programs)

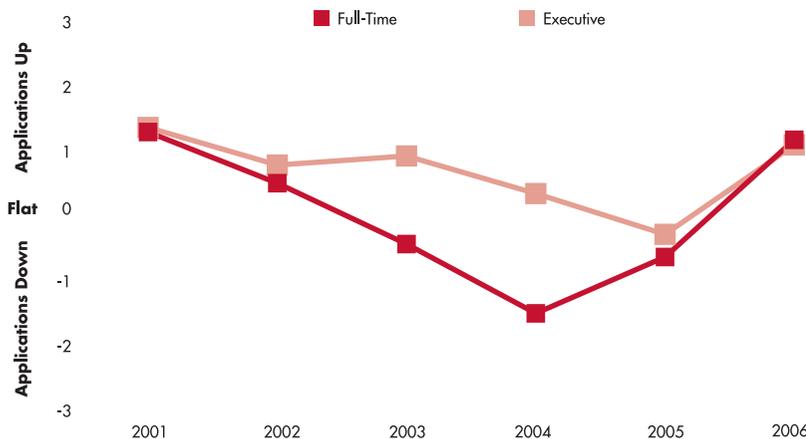
⁶Ryan, C.L. (2005). What it's Worth: Field of Training and Economic Status in 2001. P70-98. U.S. Census Bureau.

⁷U.S. Department of Education, National Center for Education Statistics, Earned Degrees Conferred, 1955-56 through 1963-64; Higher Education General Information Survey, 1965-66 through 1985-86; and Integrated Postsecondary Education Data System 1986-87 through 2003-04.

Foreign Applicants

There has been an impressive turnaround in the percentage of programs reporting improved foreign application volume in 2006 (Figure 8). In 2005, full-time and executive programs reported, on average, that application volume among foreign applicants was down compared with the previous year. In 2006, not only do 58% of executive programs report that application volume among foreign applicants is up, but about a fifth (21%) report the volume is up significantly compared with the previous year. Among full-time programs, the increase in foreign applicants is even more dramatic. Nearly three-quarters (73%) of full-time programs report that foreign application volume is up, and 31% state that it is up significantly.

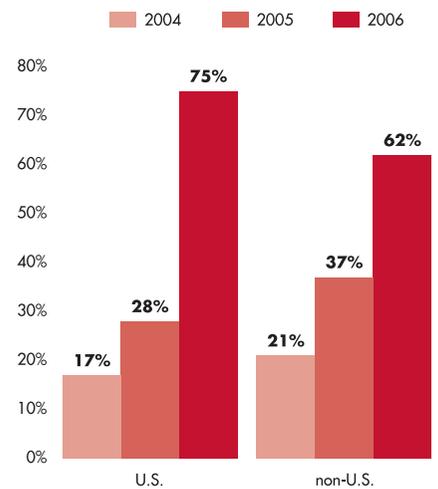
• • • • •
 Nearly three quarters of full-time programs report a larger number of applications from foreign students; 31% state that foreign application volume is up significantly.
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*Scale: 3 = significantly up; 2 = moderately up; 1 = slightly up; 0 = flat; -1 = slightly down; -2 = moderately down; -3 = significantly down
 Source: Application Trends Surveys 2000 to 2006, GMAC®

Figure 8. Foreign Applications, by Program Type

Overall, foreign application volume is up around the world. The percentage of full-time programs reporting increased application volume among foreign applicants (Figure 9) has dramatically increased in 2006 compared with the previous years. Nearly three times as many full-time programs in the U.S. report that foreign application volume is up in 2006 compared with 2005, and almost twice as many non-U.S. programs report increased foreign application volume in 2006 compared with 2005. Among programs in the United States, the greatest number of foreign applications arrived from India, Taiwan, and China. Programs outside the United States received their greatest number of foreign applicants from India, China, and the United States.



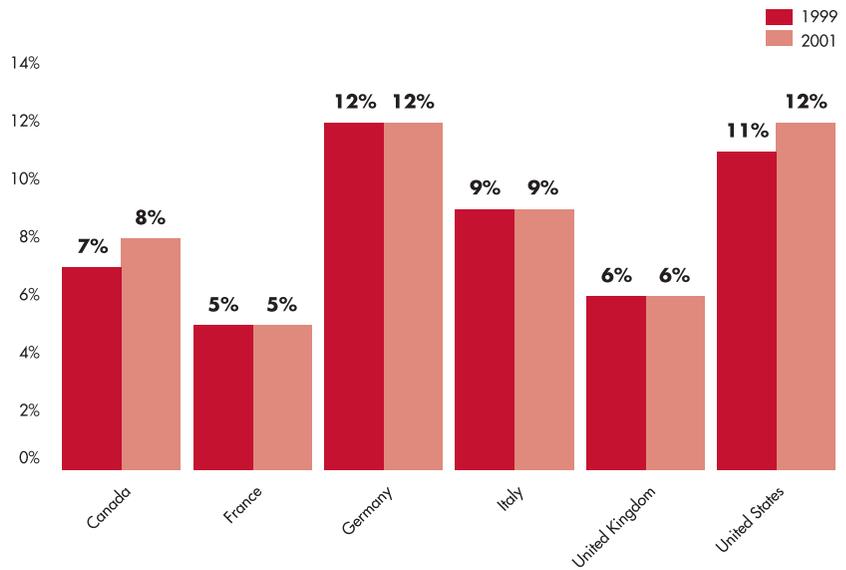
Source: Application Trends Surveys 2004 to 2006, GMAC®

Figure 9. Percent of Full-Time Programs Reporting an Increase in Foreign Applications, by Program Location

There continues to be growth in post-secondary education around the world⁸. “Enrollment in education in China has expanded by 25 percent since 1995,” and in India enrollment increased by 51% [8]. The rate of enrollment in higher education among selected countries (Figure 10) has remained relatively stable, yet the size of the MBA targeted population—individuals ages 25 to 29—is expected to grow in the United States, Canada, and France⁹. While the rate of enrollment does not appear to be changing, the number of enrolled should increase with the growing population in each of the countries. However, data from Germany, Italy, and the United Kingdom project a decreasing population in the selected age group, which may result in future declines in the number of domestic students enrolled in higher education in those countries.

Higher education enrollment can be supplemented with foreign students for those countries with declining population figures. “In 2004, at least 2.5 million tertiary students [in all disciplines] studied outside of their home countries compared to 1.75 million just five years earlier, representing a 41% increase since 1999 [8].” Among the selected countries with declining populations for the MBA target age group, the United Kingdom hosts 12% of the world’s mobile students, Germany hosts 11%, and Italy hosts 2%. Among countries not reporting declines, the United States hosts 23%, France hosts 10%, and Australia hosts 7% of the

world’s mobile students [8]. Furthermore, England received 12% of all GMAT[®] score reports from citizens of Western European countries, 7% from Eastern European countries, and 4% from Asian countries; Italy received 2% of all score reports from Western Europe and 1% from Eastern Europe; and Germany received 1% of score reports from Eastern Europe among GMAT[®] test takers age 25 to 30¹⁰. Even with projected declines in the targeted population among various countries, it appears business schools can maintain increasing applications and enrollment by increasing their foreign applications.



Source: Organization for Economic Cooperation and Development (OECD), Education Database, 2001. And U.S. Department of Commerce, Census Bureau, Current Population Survey (CPS).

Figure 10.
Percent of 25 to 29 Year Olds Enrolled in Higher Education in 1999 and 2001, by Select Countries

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The MBA target population — individuals ages 25–29 — is expected to grow in the United States, Canada, and France while it decreases in Germany, Italy, and the United Kingdom. However, business schools in countries with projected declines can maintain enrollment by increasing foreign applications.

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⁸ UNESCO (2006), Global Education Digest 2006 Comparing Education Statistics Across the World. UNESCO Institute for Statistics.
⁹ Data Sources: Canada-Statistics Canada, CANSIM (www.statcan.ca/); France-INSEE volume, Tableaux de l'Economie Francaise-Edition 2005-2006 (www.insee.fr/); Germany-Federal Statistics Office (www.destatis.de/); Italy-GeoDemo (www.istat.it/); United Kingdom-National Statistics (www.statistics.gov.uk/)
¹⁰ Peyton, J. (2006) Geographic Trend Report for Examinees Taking the Graduate Management Admission Test[®], 2001 to 2005. GMAC[®] Research Reports, RR-06-02, March 7, 2006. Graduate Management Admission Council[®].

Special Outreach to Foreign Applicants

Among the full-time programs (Figure 11), 44% report having a special outreach program for foreign applicants. Non-U.S. full-time programs (67%) are significantly more likely than U.S. programs (40%) to have special outreach for foreign applicants. However, statistically, there is no difference in the percentage of full-time programs outside the United States reporting that foreign applications are up when compared

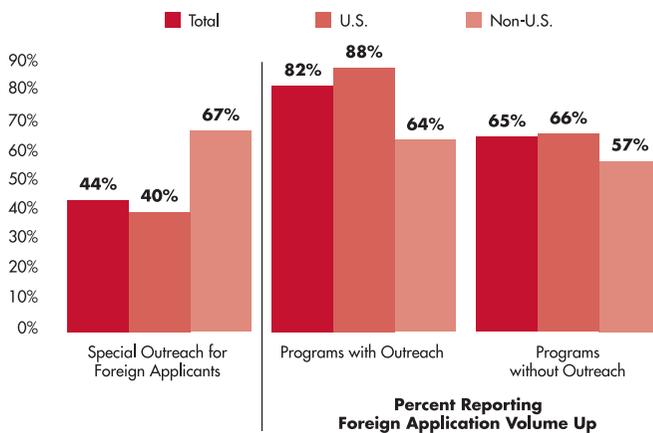
by whether they have special outreach programs for foreign applicants. But that does not hold true within the United States. U.S. schools with a special outreach program for foreign applicants are significantly more likely than schools that do not have an outreach program to report that application volume among foreign applicants is up.

Figure 12 shows the locations from which full-time programs actively recruit around the world. The majority of full-time programs actively recruit in the United States, Asia, and Latin America. Additionally, 46% recruit in Western Europe, and nearly a third recruit in Canada and Central Asia.

Non-U.S. programs are significantly more likely than U.S. programs to actively recruit in the following locations:

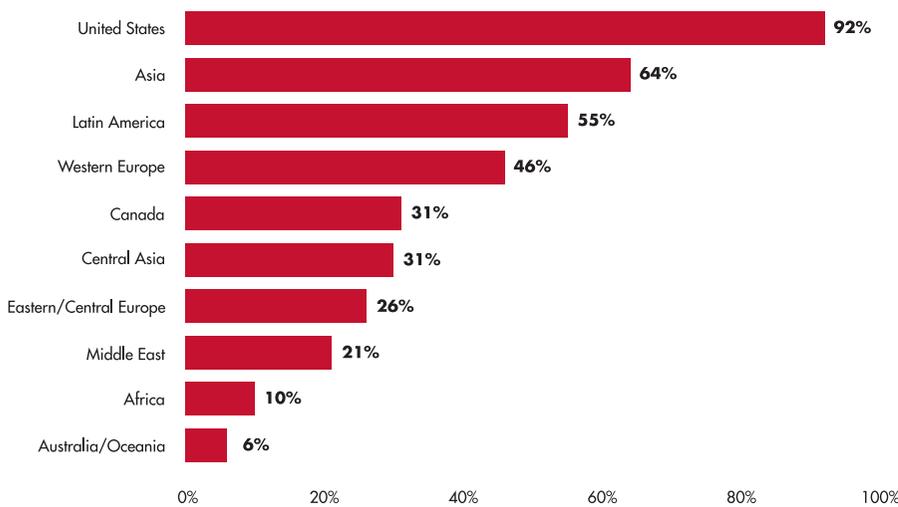
- Asia—recruited by 90% of non-U.S. programs and 59% of U.S. programs
- Central Asia—recruited by 52% of non-U.S. programs and 26% of U.S. programs
- Canada—recruited by 76% of non-U.S. programs and 23% of U.S. programs
- Latin America—recruited by 81% of non-U.S. programs and 50% of U.S. programs
- Eastern and Central Europe—recruited by 62% of non-U.S. programs and 19% of U.S. programs
- Western Europe—recruited by 86% of non-U.S. programs and 38% of U.S. programs

Among non-U.S. programs (60%) that actively recruit in the United States, 77% recruit in the Northeast, 44% recruit in the Mid-Atlantic and Western States, 28% recruit in the Midwest, 17% recruit in the South, and 11% recruit in the Southwest.



Source: Application Trends Survey 2006, GMAC®

Figure 11. Special Outreach Programs for Foreign Applicants and Their Effect on Application Volume (Full-Time Programs)



Source: Application Trends Survey 2006, GMAC®

Figure 12. Active Recruiting in Various World Regions (Full-Time Programs)

Program Selection by Age

Each program type attracts a distinct set of applicants who wish to acquire the MBA degree, and applicant age provides clues to the program type preferred. There is a distinct pattern among the various age groups. Younger respondents are more likely than older respondents to have enrolled in one of the full-time programs, and younger respondents are less likely to have enrolled in a part-time program. Older respondents, on the other hand, are more likely to have enrolled in an executive program compared to younger respondents. The average age and the 95% confidence interval from a sample of prospective students [2] who had enrolled in an MBA program by October 2005 are shown in Figure 13.

Graduate business schools are on the cusp of ushering in a new generation of students—the Millennials (so named because the first of this generation gradu-

ated high school in 2000), who may bring with them different drivers for success in a graduate business program. These Millennials are beginning to enter the applicant pool, especially among full-time programs. About a fifth of the Millennials (21%) surveyed in 2005 had enrolled in a graduate business program, and half were planning to apply to a graduate business school in the future [2]. Among those who are planning to apply to a graduate business program, 56% report that they were going to apply in 2006, and 16% were going to apply in 2007 or later [2]. Given what we know about age and program type preference, it's likely these individuals will enter the applicant pool for part-time and executive programs in the near future. As this generation moves into the various program types, we may witness changes in applicant behavior. The next three sections of this report explore current application trends for each of the program types.

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Younger respondents are more likely to have enrolled in a full-time program.
Older respondents are more likely to have enrolled in an executive program.
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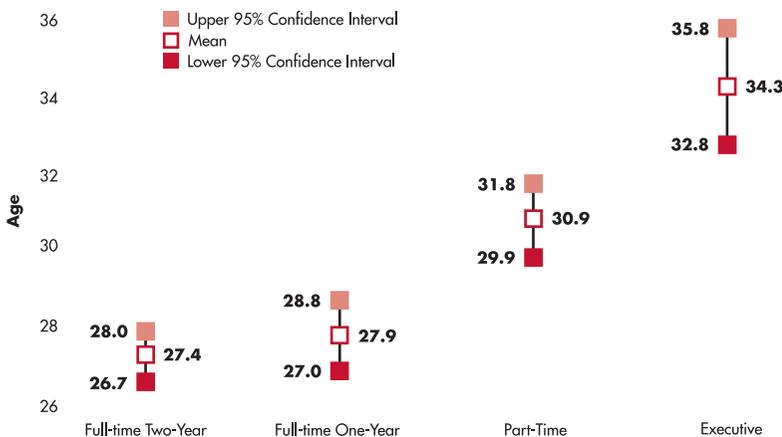
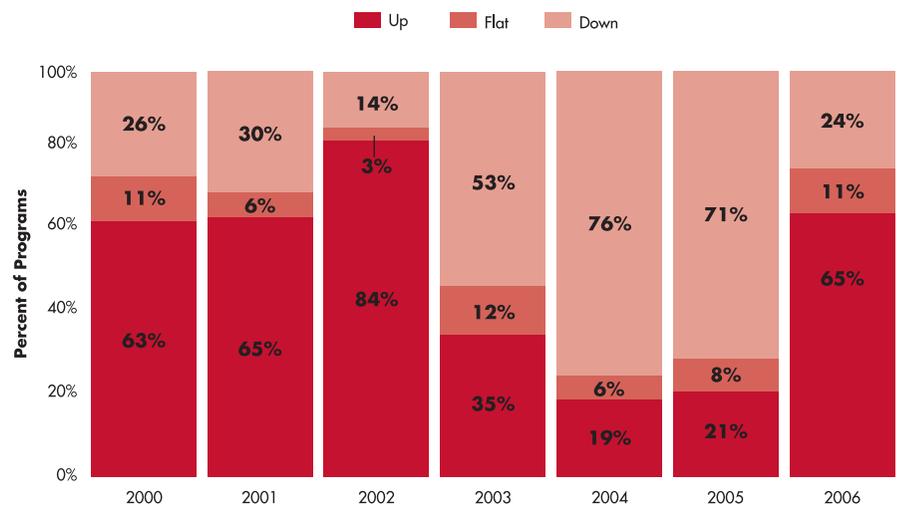


Figure 13.
 Age of Individuals at the Time of Enrollment in an MBA Program (2005)

General Application Trends

Considering that “some business school critics and media outlets [are] questioning the validity and future of traditional two-year business programs¹¹” after a few years of declining applications, it is noteworthy that there has been an impressive rebound in the percentage of programs reporting that

applications are up. Figure 14 shows the year-to-year trends in the percentage of full-time MBA programs reporting application volume. Nearly two-thirds of full-time programs report that application volume is up in 2006, which is more than three times the number of programs in 2005 and 2004 that reported application volume was up.



Source: Application Trends Surveys 2000 to 2006, GMAC®

Figure 14.
Year-to-Year Application Trends: Full-Time Programs

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Applications for full-time programs have posted an impressive rebound. Nearly two-thirds of full-time programs report that 2006 application volume is up, more than three times the number of programs showing increased applications in 2005 and 2004.

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¹¹ Mast, C. (n.d.) Challenges Facing Management Education: An Overview and Analysis of Recent Criticism.

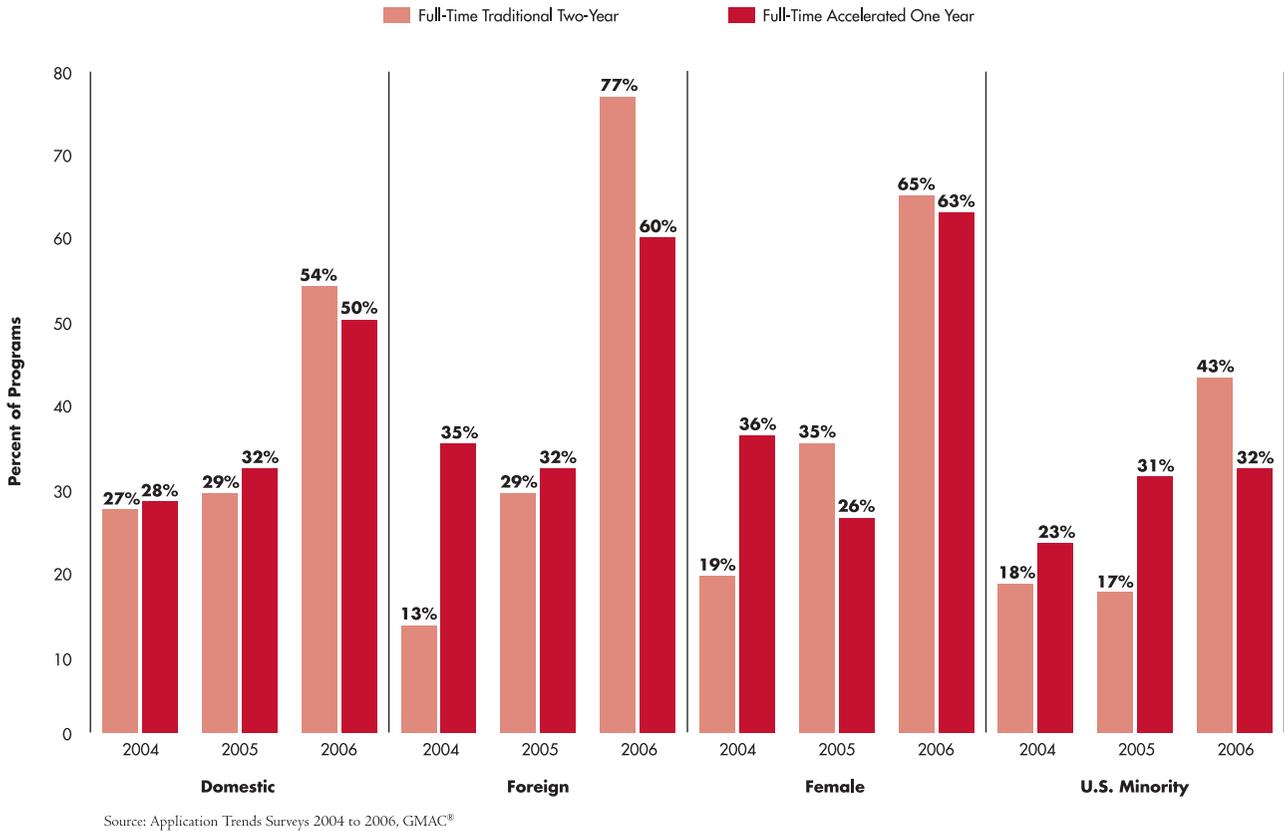


Figure 15.
Percent of Full-Time Programs Reporting Increased Applications, by Type of Full-Time Program

As shown in Figure 15, there is a steady increase in the percentage of programs, full-time two-year and full-time accelerated, reporting that application volume is up in each of the categories. About half of the full-time programs report that domestic application volume is up in 2006 and more than half report that foreign application volume is up. Additionally, about a third of full-time two-year programs (29%) and full-time accelerated programs (37%) report that foreign application volume is up significantly compared with 2005. Nearly two-thirds of programs report that application volume among females is up in 2006—this is about twice as many programs compared with 2005.

Although less than a majority of programs report that application volume among U.S. minorities is up in 2006, the percentage of programs reporting increasing application volume has been trending upward over the past few years.

Among full-time programs that report a positive change in application volume from foreign applicants, the top five countries producing the greatest number of those applications are in Asia. About three-fifths (61%) of programs report an increase in applications from India, 43% of programs report an increase from Taiwan, 34% report an increase from China, 16% from Korea, and 8% from Japan.

Application Trends, by School Location

The percentage of full-time programs in the U.S. and outside the U.S. that have experienced a rise in application volume has dramatically increased in 2006 compared with 2005 (Figure 16). While a greater percentage of non-U.S. programs compared with U.S. programs experienced an increase in

domestic applicants in 2006, a greater percentage of U.S. programs compared with non-U.S. programs experienced an increase in foreign applications. Both U.S. and non-U.S. programs experienced an increase in female applicants in 2006 compared with 2005—about twice as many programs in 2006 report increased applications from females compared with 2005.

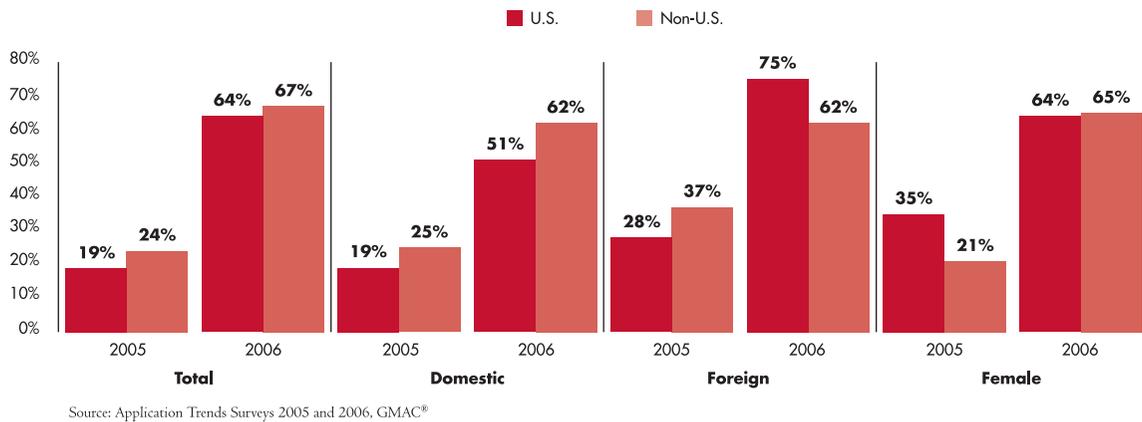


Figure 16.
Percent of Full-Time Programs Reporting Increased Applications, by World Region



About twice as many full-time programs in 2006 report increased applications from females compared with 2005.



Applicant Quality

With the rise in the number of applicants, there may be speculation that the quality of applicants is on the decline. However, as shown in Figure 17, the percentage of programs reporting that the quality of the applicant to full-time programs is higher in 2006 is greater compared with the previous two years. It appears that, even with increased applications, schools have a pool of high-quality applicants from which to choose.

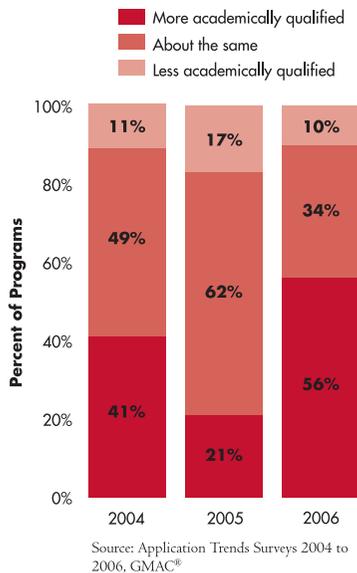


Figure 17.
Quality of Applicants (Full-Time Programs)

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The quality of applicants, as judged by their schools, is higher than in the two previous years, even as the pool increases. In 2006, 56% of programs characterized their applicants as “more academically qualified” compared to previous years; in 2005, only 21% said applicants were more qualified.

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About two-thirds of part-time MBA programs report an increase in volume and 49% report that their applicants are more qualified. The application slump of the past few years has apparently reversed course – there is a 35% rise in the number of programs reporting an increase in applications in 2006, compared to 2005, and a 130% rise compared to 2004.

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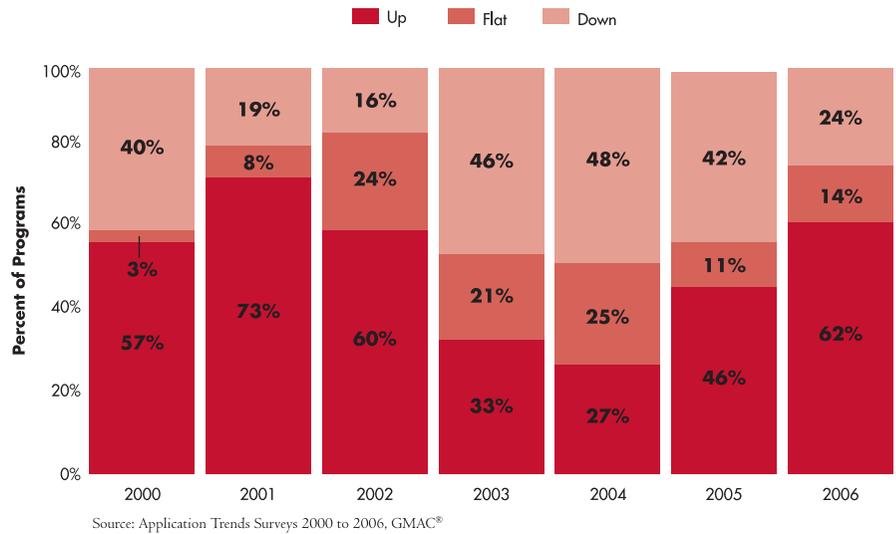


Figure 18.
Year-to-Year Application Trends: Part-Time Programs

General Application Trends

The majority—about two-thirds (62%)—of part-time MBA programs report an increase in application volume (Figure 18), and a fifth (20%) of part-time programs report that application volume in 2006 has increased significantly. Not since 2002 has a majority of part-time programs reported an increase in application volume. As with full-time programs, it appears that the application slump of the past few years has reversed course. There is a 35% increase in the number of programs reporting an

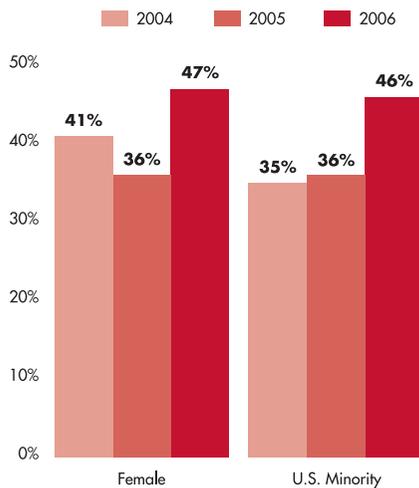
increase in applications in 2006 compared with 2005, and there is a 130% increase compared with 2004.

To accommodate the increase in application volume, 55% of part-time programs plan to increase their class size. As with full-time programs, the increase in applications and class size does not mean a decline in academic qualifications of the student body. In 2006, 49% of part-time programs report that the applicants are more qualified than the previous year, and 41% report that quality has remained the same.

Special Outreach Programs

About half (49%) of part-time programs have special outreach programs to help recruit applicants. Overall, 29% have special outreach programs for women and 25% have programs for U.S. minorities. Nearly half of all part-time programs report increases in application volume for females (47%) and U.S. minorities (46%) in 2006 (Figure 19). Compared with 2005, 31% more part-time programs report an increase in female applicants, and there is a 27% increase in programs reporting an increase in U.S. minority applicants.

“Educational attainment has ceased to be fixed in early adulthood, especially among members of ethnic and racial minorities [3].” This statement, along with information that part-time MBA students tend to be older compared with full-time program students (Figure 13), may account for some of the increases in application volume among U.S. minorities in part-time MBA programs.



Source: Application Trends Surveys 2004 and 2006, GMAC®

Figure 19.

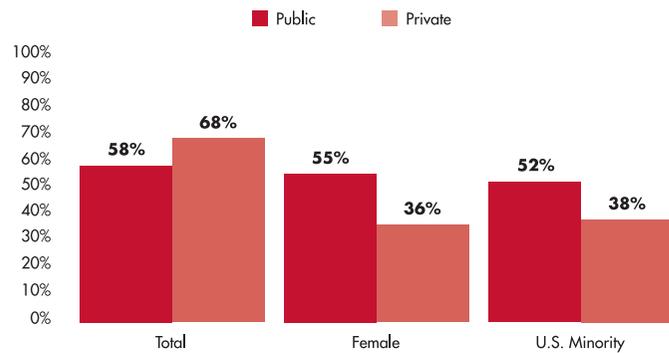
Percent of Part-Time Programs Reporting Increased Applications, Year-to-Year

.....
 Nearly half of all
 part-time programs responding
 reported increases in
 application volume
 from women (47%) and
 from minorities (46%).

Application Trends, by School Type

Figure 20 presents the percentage of part-time programs reporting an increase in application volume by school type, whether the program is part of a public or private university. Overall, 68% of private part-time programs experienced an increase in application volume compared with 58% of public part-time

programs. However, more than half (55%) of public programs compared with about a third (36%) of private programs experienced an increase in female applicants in 2006. Additionally, 52% of public programs compared with 38% of private programs experienced an increase in application volume among U.S. minorities.



Source: Application Trends Survey 2006, GMAC®

Figure 20.
Percent of Part-Time Programs Reporting Increased Applications, by School Type



Overall, part-time programs at private universities were more likely than those at public universities to see application increases (68% compared to 58%). However, part-time programs at public universities were significantly more likely to report increases in female and minority applicants.



General Application Trends

In 2006, the greatest percentage of executive programs report an increase in application volume since GMAC® began tracking application volume among executive programs in 2001 (Figure 21). More than two-thirds (69%) of executive programs reports that application volume in 2006 increased compared with the previous year. About a fifth (19%) of executive programs report that application volume increased significantly. Last year, 3% of executive programs reported that application volume was down moderately and 5% reported that volume was down significantly—this year none of the executive programs reported that that application volume was down either moderately or significantly.

Female and U.S. Minority Applicants

There are continued increases in females applying to executive programs (Figure 22). In 2006, half of executive programs report that application volume increased compared with 36% in 2005 and 34% in 2004. About a third (35%) of executive programs report an increase in U.S. minority applicants in 2006. This is nearly double the number of executive programs in 2005 (18%) that reported an increase in U.S. minority applications. Thirty-five percent of executive programs have special outreach for women and 19% for U.S. minorities.

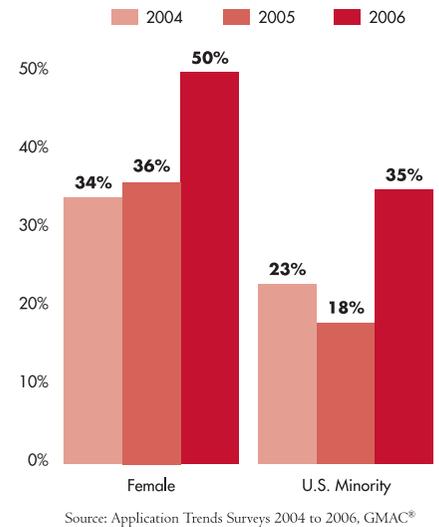


Figure 22. Percent of Executive Programs Reporting Increased Applications, Year-to-Year

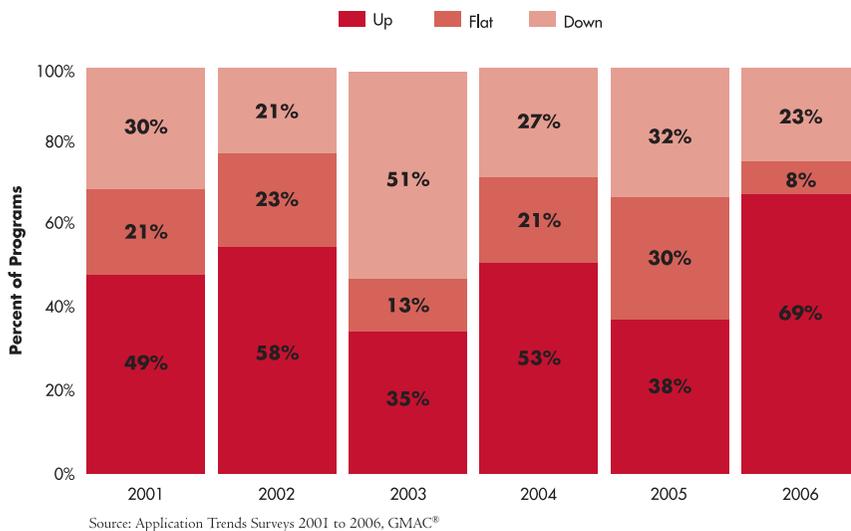


Figure 21. Year-to-Year Application Trends: Executive Programs



The increase in application volume to graduate management programs appears to be fueled by significantly larger numbers of foreign applicants and women. Because quality of applicants is high, many MBA programs are choosing to increase the size of incoming classes.



The numbers reported by the 2006 Application Trends Survey indicate that the dire predictions of the demise of graduate management education have been unheralded. After a few years of slight decline, application volume has noticeably rebounded. The drive in application volume appears to be fueled by increasing foreign applicants and female applicants. And while application volume is on the rise, the quality of the applicants has not fallen. MBA programs, as a result, are increasing their class sizes to accommodate the highly qualified and increasing applicant pool.

Methodology

The sample for the survey is selected from the GMAC® internal database of GMAT® exam-using schools. To encourage schools to participate, schools were offered customized benchmarking reports. A total of 362 graduate business schools were invited via e-mail to participate in the survey. A total of 230 programs from 147 schools participated in the survey—a 41% response rate at the school level. The questionnaire was available at the online survey site from May 31, 2006, through July 7, 2006. Two weeks into this time period, a reminder e-mail message was sent to non-respondents. More than half (57%) of the respondents reported data for full-time programs, 32% reported for part-time programs, and 11% reported for executive programs. The distribution of program types reported by

participating schools is similar to the distribution of programs among schools using the GMAT® exam, where 55% of the programs are full-time, 34% are part-time, and 11% are executive programs.

Contact Information

For questions or comments regarding study findings, methodology, or data, please contact the GMAC® Research and Development department at research@gmac.com or visit www.gmac.com/surveys.

To participate in next year’s survey, contact Gregg Schoenfeld, Manager, Applied Research, at surveys@gmac.com, or call +1-703-245-4242.

Authorship

The following individual(s) made significant contributions to the concept and design or analysis and interpretation of data, drafting/revising of the manuscript for intellectual content, and final approval of the manuscript to be published:

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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 at research@gmac.com.

Other surveys include—

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 MBA® Graduate Survey

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

MBA Alumni Perspectives Survey

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

Corporate Recruiters Survey

Who hires MBAs 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 MBA recruitment activities of their companies.

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