



B-School Follow Up: Class of 2013

Results from the September 2013 alumni poll show the class of 2013 MBA and other specialized business master's alumni remain successful in finding employment opportunities across job sectors and value the rewards they've received from their graduate business degree.

Most importantly, despite lingering economic uncertainty, nearly all (90%) new business school alumni of the class of 2013 attribute their career preparedness to their graduate management education.

The poll asked class of 2013 alumni to provide detailed information about their current employment status, including industry, job function, job level, location of employment, and salary. For the first time, the poll also studied entrepreneurs as job creators and asked about their future hiring plans. In addition, alumni were asked to evaluate the outcomes of their graduate management educational experience, rate the overall value of their degree, and indicate whether they would recommend a graduate management education to others.

Key Findings

- The newest class of MBA and master's degree-holders posted very robust employment rates in 2013. Overall, 90 percent of the class of 2013 alumni were employed, down slightly from the 92 percent of class of 2012 alumni with jobs in September 2012 but higher than employment levels seen five years ago (84%).
- Graduate management alumni continue to find opportunities across industries, with the majority (57%) employed in the products and services, finance and accounting, and consulting sectors.
- Three-quarters (74%) of the class of 2013 say they could not have obtained their job without their graduate management education, a finding that echoes results in previous years.
- Regardless of employment status, the vast majority of class of 2013 alumni feel their education developed their qualitative (95%) and quantitative (92%) skills, expanded their network (90%), and prepared them for the job market (90%).
- Class of 2013 alumni (96%) rate the value of their degree as outstanding, excellent, or good, and the vast majority (96%) of the class of 2013 would recommend a graduate management education to others.
- A graduate management education continues to offer alumni high levels of personal, professional, and financial rewards.

About the Data

This brief summarizes the findings of an annual poll of new business school alumni conducted each September by the Graduate Management Admission Council (GMAC).

The September 2013 follow-up study gathered data from students who responded to the *Global Management Education Graduate Survey*—the GMAC exit survey of graduating management students in their final year of business school—conducted in early 2013.

Findings represent responses from 915 class of 2013 alumni—a 19 percent response rate—from 129 business schools around the world. A profile of respondents by citizenship shows that 433 alumni come from the United States, 129 from India, 109 from Latin America, 96 from elsewhere in the Asia and Australia/Pacific Islands region, 89 from Europe, 25 from Canada, and 20 from the Middle East/Africa region.ⁱ

Employment Status

Ninety percent (90%) of class of 2013 alumni were employed as of September 2013, which includes five percent identified as entrepreneurs/self-employed. This is an improvement upon the 60 percent of job seekers from the class of 2013 who reported they had received a job offer prior to graduation in the GMAC student exit survey a few months earlier. Moreover, class of 2013 alumni reported improved employment status compared with the majority of global alumni from the past five years (Figure 1).

- Ninety-two percent (92%) of full-time two-year MBA alumni were employed at the time of the alumni poll—the highest level reported since the class of 2009 (Figure 2).
- Four out of five (82%) full-time one-year MBA alumni were employed, a slightly lower employment rate than that seen in 2012, but an increase compared with each of the three years prior.
- Class of 2013 alumni from professional MBA programs (part-time, online, and executive MBA) reported high employment rates (95%). These alumni typically work while enrolled in a program and remain with their current employer upon graduation.
- The employment rate for non-MBA business master’s degree holders,ⁱⁱ who tend to have less prior work experience than MBA graduates, was lower than in prior years—76 percent of these 2013 alumni had jobs after graduation, compared with 84 percent of the class of 2012.

Figure 1. Employment Rate Among Alumni Shortly After Graduation, 2009 Through 2013

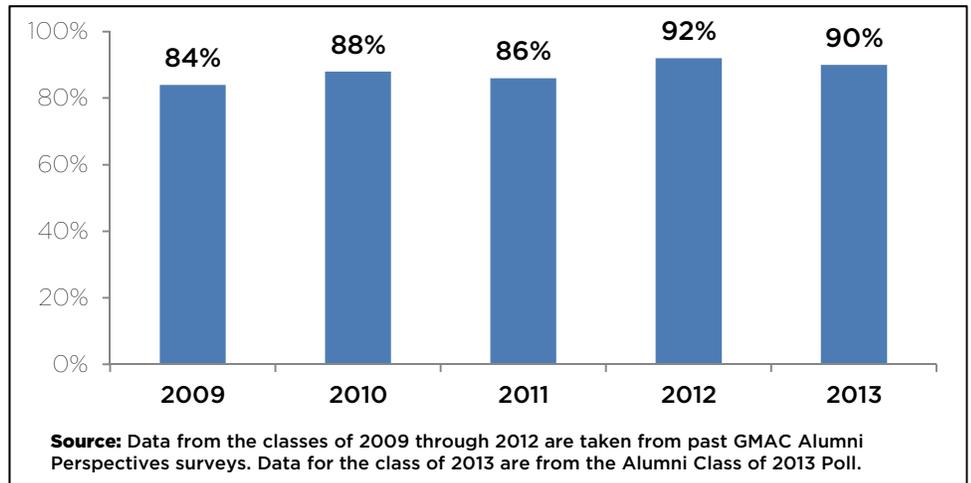
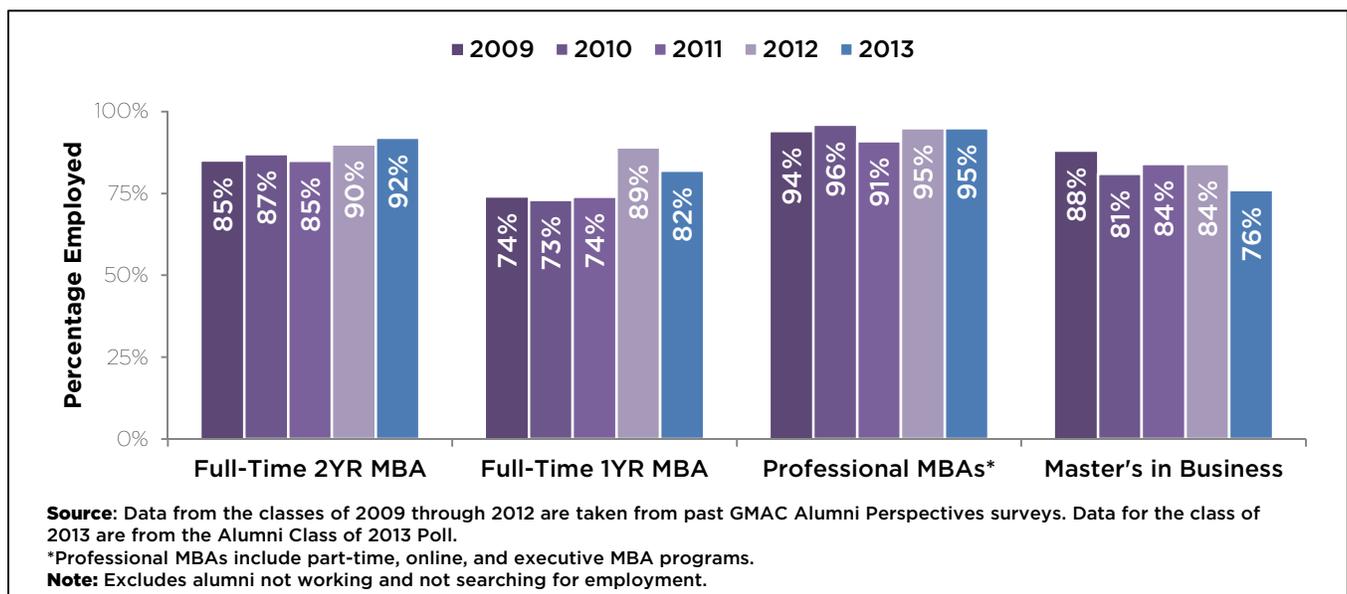
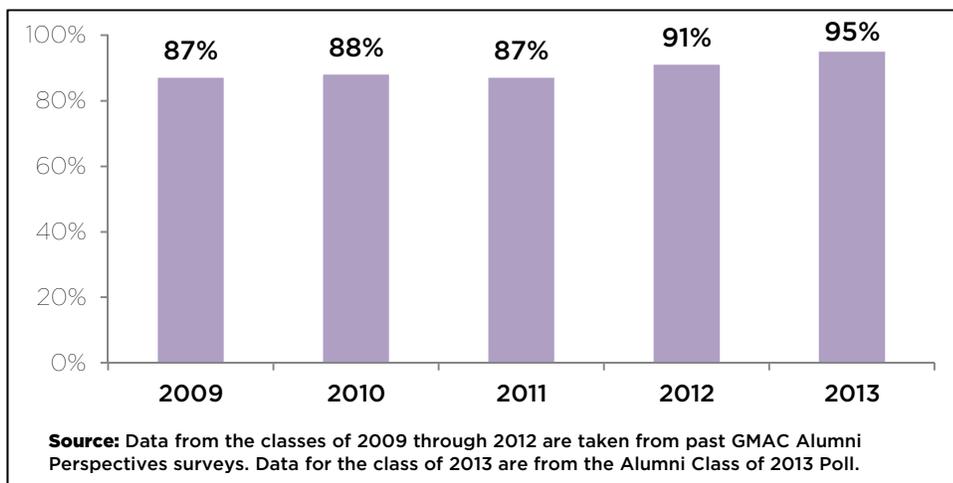


Figure 2. Alumni Employment Status by Graduation Year and Program Type



Employment status for class of 2013 alumni also varies by citizenship, with 95 percent of US respondents employed, 92 percent of Latin Americans, 87 percent of Indians, 82 percent of Europeans, and 85 percent of respondents from Asia-Pacific countries. Longitudinal data available for US citizens show that class of 2013 alumni reported improved employment status compared with classes in the past five years (Figure 3).

Figure 3. Employment Rate Among US Citizens, Classes of 2009 to 2013



Industry, Job Function, and Job Level

The three most common industries of employment for the class of 2013 alumni—products and services, finance and accounting, and consulting—remain consistent with prior years. By function, positions in finance and accounting, consulting, and marketing and sales continue to be most popular for the class of 2013 (Figure 4).

Figure 4. Industry and Function of Employment, Class of 2013

Industry		Function	
Products/services	21%	Finance/accounting	22%
Finance/accounting	19%	Consulting	19%
Consulting	17%	Marketing/sales	19%
Technology	15%	General management	18%
Manufacturing	9%	Operations/logistics	13%
Government/nonprofit	8%	IT/MIS	6%
Health care	6%	Human resources	3%
Energy/utilities	5%		

- Globally, interest in the technology industry has grown in the last five years, from 12 percent in 2009 to 15 percent in 2013 (Table 1).

A majority of the class of 2013 (61%) job holders work in mid-level positions, while 14 percent hold entry-level positions, 20 percent are in senior-level positions, and 6 percent have executive-level status in their organizations. Job levels do vary by program type, however, possibly reflective of alumni levels of pre-degree work experience:

- Half (50%) of non-MBA business master’s graduates hold entry-level positions.
- Seventy-one percent (71%) of full-time two-year MBAs and 62 percent of full-time one-year MBAs hold mid-level positions.
- The majority of alumni in senior-level (60%) and executive (76%) positions graduated from professional MBA programs.

Table 1. Percentage Employed in Technology Industry

Citizenship	Class of 2009	Class of 2013
Global	12%	15%
US	11%	13%
Asia-Pacific, including Central Asia	17%	21%
Europe	16%	15%
Latin America	15%	12%

- Nearly 2 in 5 alumni (39%) have supervisory roles with direct report staff. A third (33%) of alumni in mid-level jobs, 66 percent of alumni at the senior-level, and 84 percent of executives hold supervisory positions. Only eight percent of alumni in entry-level positions are supervisors.
- Mid-level supervisors indicated a median number of 4 direct reports, senior level supervisors indicated 5 direct reports, and executive supervisors indicated 15 direct reports.

Work Location

The vast majority (81%) of class of 2013 alumni hold jobs within their country of citizenship, with some regional exceptions:

- Ninety-seven percent (97%) of US citizens *work in* the United States, and more than half (58%) *work for* multinational organizations.
- Although 44 percent of European citizens work outside their country of citizenship, more than half (52%) work within Europe. In addition, 74 percent work for multinational organizations.
- A third of Indian citizens (33%) work outside their country of citizenship. Three-quarters (76%) of Indian citizens work for multinational organizations.
- About a quarter (26%) of citizens of Asia-Pacific countries work outside their country of citizenship and the majority (80%) work outside the Asia-Pacific region. Fifty-eight percent (58%) of citizens of Asia-Pacific countries work for multinational organizations.
- More than a quarter (28%) of Latin American citizens works outside their country of citizenship and 76 percent of them work outside Latin America. In addition, 54 percent of Latin American citizens work for multinational organizations.

Compensation

Salaries for business school graduates vary by many factors, including years of work experience, regional cost of living differences, industry, and job level, for example. Caution is advised in salary comparisons due to differences in response rates.ⁱⁱⁱ

- The median starting annual salary offered to US citizens who graduated from a full-time two-year MBA in 2013 is US\$90,000, with a bonus and additional compensation of US\$10,000 (Figure 5).
- US citizens who graduated from part-time MBA programs reported a median annual salary of US\$85,000.
- Citizens of India who graduated from full-time two-year MBA programs reported a median starting salary of US\$34,988.

Figure 5. Median Starting Salary and Additional Compensation for Full-Time Two-Year MBA US Citizens, by Graduation Year



- European citizens who graduated from full-time one-year MBA programs reported the greatest median starting salary at US\$101,093.

Table 2. Comparison of Median Annual Starting Salaries, Class of 2013, by Work Location*

Work Location	US Dollars			N
	25 th Percentile	Median	75 th Percentile	
Asia-Pacific	\$19,944	\$36,850	\$98,967	60
Europe	\$53,916	\$94,353	\$119,809	65
India	\$15,904	\$23,855	\$34,988	66
Latin America	\$27,764	\$47,677	\$79,067	61
United States	\$64,945	\$87,500	\$105,000	404

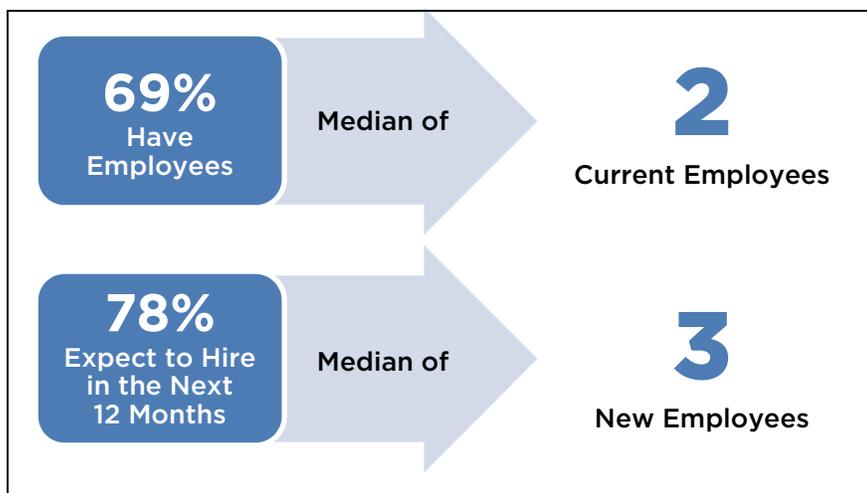
*Analysis conducted by work location without regard to program type.

- Three-quarters (74%) of class of 2013 alumni agree they could not have obtained their job without their graduate management education, a finding that mirrors the class of 2012 findings of 76 percent.
- Four out of five employed alumni (80%) are satisfied with their current job. Job satisfaction did not vary by job level or supervisory status.

Entrepreneurship/Self-Employment

- Five percent (5%) of class of 2013 alumni reported they are entrepreneurs/self-employed.
- Self-employed alumni operate a variety of business types, including sole proprietorships (29% of respondents), partnerships (31%), and LLC or S-corporations (27%).
- A majority of self-employed alumni (69%) have employees and/or expect to hire employees in the next 12 months (Figure 6).
- More than one-third (38%) of self-employed alumni classify the scope of their business as multinational, followed by national (22% of respondents), with regional and local equally sharing the remaining 40 percent (20% each).
- The three most common industries for class of 2013 alumni entrepreneurs are consulting (27%), technology (23%), and products and services (23%).
- Globally, class of 2013 entrepreneurs reported median annual business revenue of US\$128,569.
- Nine out of 10 (91%) entrepreneurs in the class of 2013 are satisfied with the experience of being self-employed, and 87 percent reported that their education provided them with the essential knowledge, skills, and abilities to develop their business.

Figure 6. Jobs Created by Self-Employed Alumni



Unemployed

Ten percent (10%) of the class of 2013 alumni were unemployed at the time of the survey, similar to the eight percent unemployment level reported by the class of 2012.

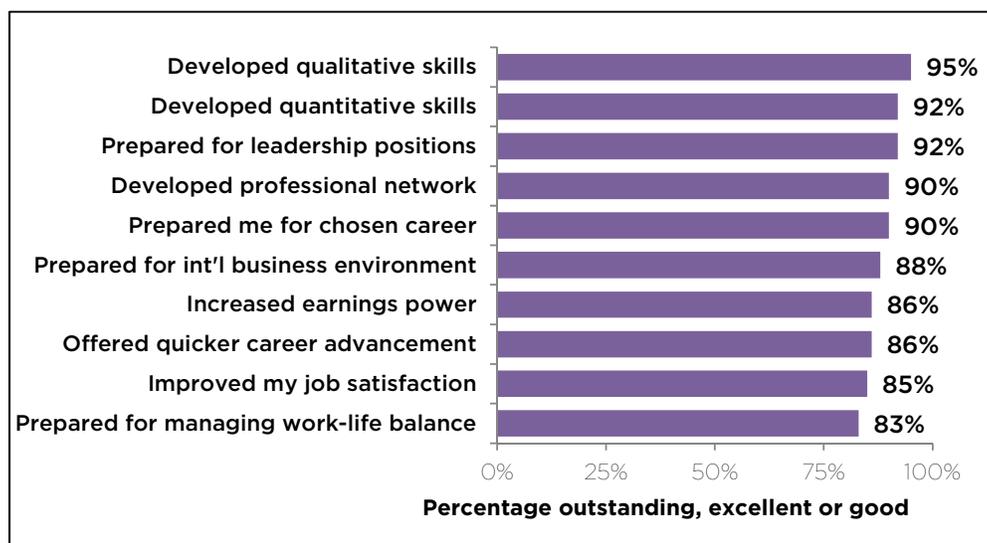
- Job seekers are searching for employment in multiple industries (median of three industries), although a majority are focusing their job search in the products and services, consulting, and finance and accounting sectors—mirroring the industry makeup of employed alumni.

- The most common job function sought is general management (63%), followed by consulting (61%), and marketing and sales (57%).
- The primary reasons alumni reported for not yet securing employment are lack of relevant industry or functional experience, inability to find a job that pays enough, and inability to find an interesting job.
- Alumni job-seekers are considering multiple job levels. Two out of five (43%) alumni are looking for entry-level jobs, while 66 percent are seeking mid-level employment. Just less than a third (29%) are seeking senior positions, while 13 percent are targeting executive-level positions.

Educational Outcomes

Regardless of employment status, the vast majority of the class of 2013 agreed their education developed their skills, expanded their network, and prepared them for the job market (Figure 7).

Figure 7. Outcomes Related to Graduate Management Education



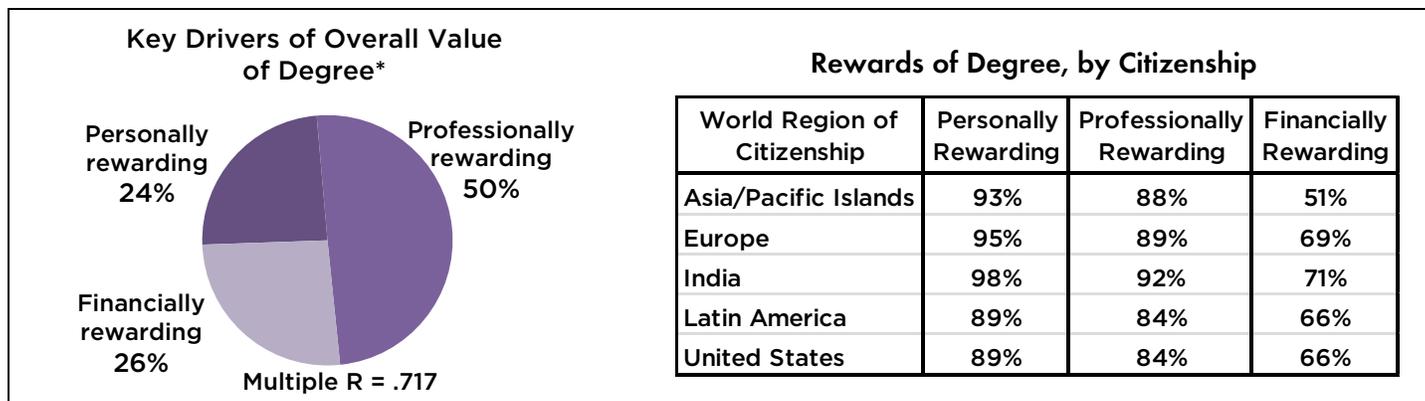
- Development of qualitative skills, preparation for leadership positions, and advanced quantitative skills were the top educational outcomes employed alumni cited.
- Key educational outcomes that self-employed alumni reported include development of qualitative skills, learning to work in an international business environment, and increased earning power.
- Alumni who are still seeking employment agreed their management education helped them develop their qualitative and quantitative skills and prepared them for leadership positions.

Value of Graduate Management Education

Nearly all class of 2013 alumni (96%) rate the value of their graduate management degree as outstanding, excellent, or good, similar to the value assessment rendered by the class of 2012 (95%).

- The class of 2013 highly values their education regardless of employment status. Ninety-seven percent (97%) of alumni working for an employer rated their education highly, compared with 91 percent of entrepreneurs, and 89 percent of current job seekers.
- When asked in the survey about the advantages from having pursued a graduate management degree, alumni reported most often the personal rewards gained rather than the financial or professional gains. Key driver analysis of the overall value of education show, however, that the statistical strength of the relationship between professional rewards and overall value is greatest. In fact, the professional rewards (50%) from earning a graduate business are nearly double that of the share of financial (26%) or personal (24%) rewards (Figure 8).

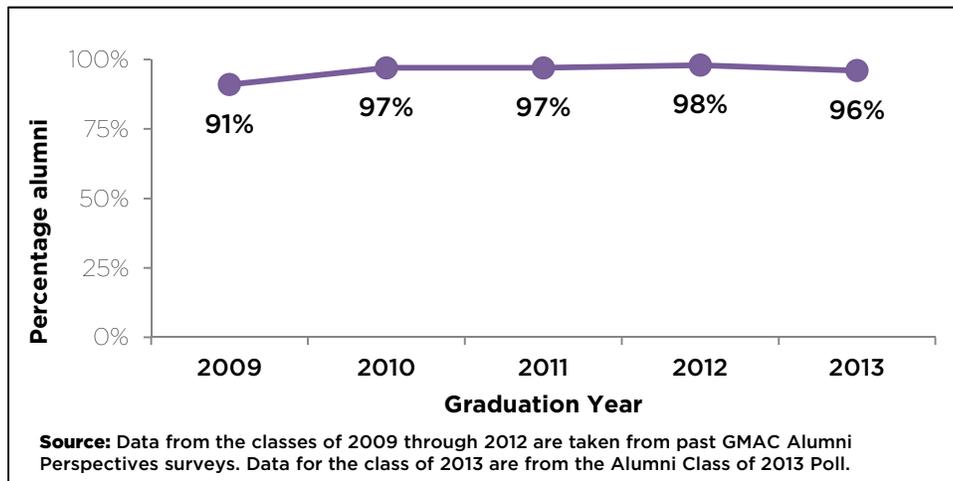
Figure 8. Key Drivers of Overall Value (Pratt Index) and Rewards of Degree by Citizenship



*Pratt Index = $(\beta \cdot r) / R^2$, where β is the standardized regression coefficient, r is the simple Pearson correlation coefficient, and R^2 is the proportion of the variance explained by the regression model

- The vast majority of the class of 2013 (96%) would recommend their program, regardless of employment status, program type attended, or citizenship (Figure 9).
- Retrospectively, more than 9 in 10 (92%) alumni reported they would still have pursued their degree knowing what they know now. This finding remains consistent over time.

Figure 9. Recommend Graduate Management Education, by Graduation Year



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.

ⁱ Citizenship information was not available for 14 respondents, and as a result the regional and country subtotals do not sum to the total number of respondents.
ⁱⁱ Respondents with specialized business master’s degrees include alumni primarily from Master of Accounting, Master in Management/International Management, and Master of Finance programs, as well as other degree types.
ⁱⁱⁱ Due to the sensitive nature of salary data, survey respondents were provided the option “prefer not to say” in the section of the survey requesting current compensation. Seven percent (7%) of the employed alumni in the class of 2013 selected this option when responding to the survey.

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