

B-School Follow Up: Class of 2015

November 2015

Results from a recent poll of the graduate business school class of 2015 reveal that these alumni experienced strong professional momentum in the months following graduation, specifically in the form of high employment rates, increased salaries, and a broad array of job opportunities worldwide—successful outcomes that they highly attribute to the value of their graduate management education.

The poll asked MBA and specialized business master's degree-holders in the class of 2015 to provide an update on their current employment status, including industry, job function, job level and location, and salary, as well as to evaluate the educational outcomes and overall value of their degree and indicate their likelihood to recommend their graduate management education to others.

Key Findings

- Overall, 88 percent of job seekers in the business school class of 2015 were employed at the time of the survey, which took place approximately three to four months post-graduation.
- The 2015 class of full-time two-year MBA alumni report an employment rate of 91 percent—five percentage points greater than the class of 2014.
- The fall employment rate for class of 2015 alumni holding a specialized business master's degree also rose significantly compared with last year—84 percent versus 75 percent in September 2014.
- Recent class of 2015 business school alumni secured employment this year across a broad array of industries. The top industries of employment are products and services (20% of respondents), finance and accounting (18%), technology (17%), and consulting (16%).
- A majority (57%) of employed alumni work in mid-level positions, 22 percent hold entry-level jobs, 18 percent are senior-level, and 3 percent are executive-level.
- Alumni of full-time two-year MBA programs working in the United States report a median annual starting salary of US\$94,900 in 2015, compared with US\$92,500 in 2014.
- Globally, 73 percent of employed class of 2015 alumni agree they could not have obtained their current job without their graduate management education. Eighty-one percent are satisfied with their current job.
- The six percent of employed alumni who self-identify as entrepreneurs are satisfied with their decision to be business owners. Ninety-seven percent of these alumni indicate they were satisfied (26%) or very satisfied (71%) with their entrepreneurial experience.
- Regardless of employment status, the majority of class of 2015 alumni agree that their education developed their skills, expanded their network, and prepared them for the job market.
- The vast majority of class of 2015 alumni (96%) would recommend their program to others, regardless of employment status, program type attended, or citizenship.

About the Data

This Data-to-Go brief summarizes the findings of an annual follow-up poll of recent business school alumni conducted in September and October 2015 by the Graduate Management Admission Council® (GMAC®).

Findings represent responses from 652 class of 2015 alumni—a 21 percent response rate—from 92 business schools around the world. By citizenship, nearly half of the survey respondents (313) are from the United States, 121 are from Asia-Pacific, 74 are from Europe, 63 from Latin America, 39 from Africa/Middle East, and 27 from Canada.ⁱ

The 2015 alumni follow-up poll collected data from individuals who responded to the *Global Management Education Graduate Survey*—the GMAC exit survey of graduating management students in their final semester of business school—conducted in early 2015.

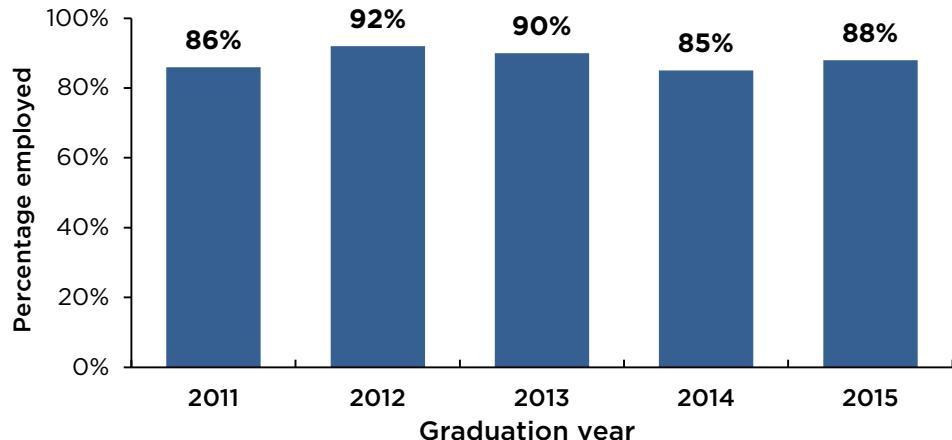
Visit gmac.com/globalgrads to download copies of this report as well as the summary report of the *2015 Global Management Education Graduate Survey*.

Employment Status

As of September 2015—three to four months after graduation—88 percent of job seekers in the class of 2015 report being employed. This proportion of employed alumni is up slightly from the class of 2014 (85%), and on par with graduating classes for the past five years (**Figure 1**). The September job rate for class of 2015 alumni represents a considerable gain over results reported in GMAC's exit survey of graduating students conducted in February and March of this year—two to three months prior to graduation—when 59 percent of the 2015 graduating class indicated they had received an early job offer.ⁱ

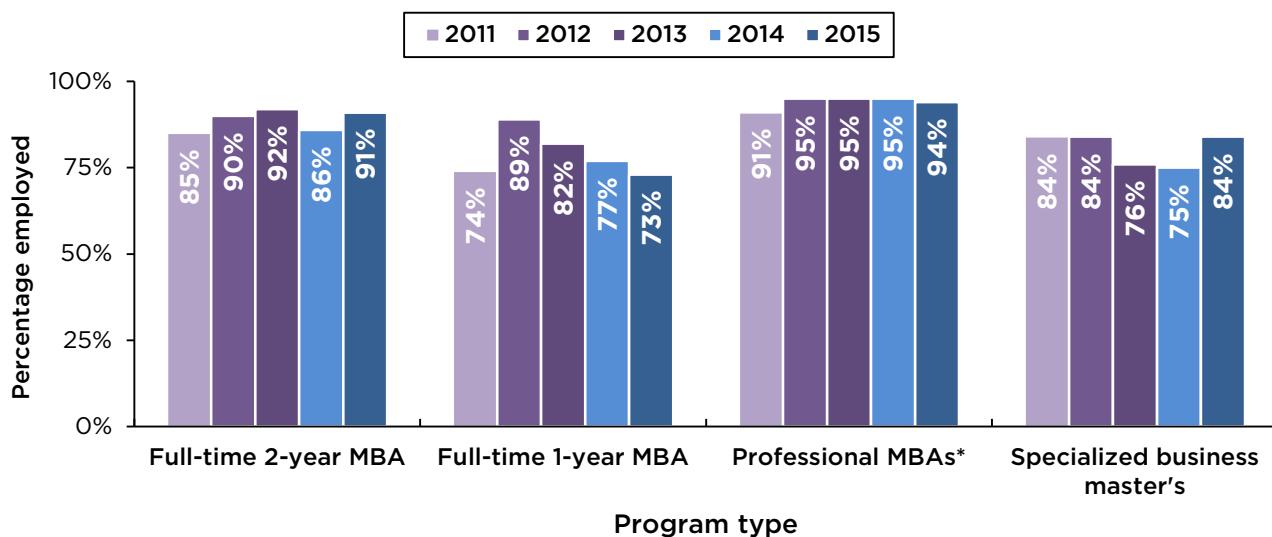
- Ninety-one percent of full-time two-year MBA alumni were employed at the time of the September 2015 poll—for an employment rate five percentage points higher than last year (**Figure 2**).
- The employment rate for full-time one-year MBA alumni in the class of 2015 represents the third straight year of decline in employment numbers for these alumni and a five-year low (73%).
- Class of 2015 alumni from professional MBA programs (part-time/flexible, online, and executive MBA) report an employment rate of 94 percent, on par with the previous five years. Professional MBA students typically work while enrolled in a program and tend to remain with their current employer upon graduation.
- The employment rate for 2015 alumni of specialized business master's programs,ⁱⁱ who tend to have less prior work experience than MBA alumni, was 84 percent—notably higher than last year's class (75%).

Figure 1. Employment Rate Among Alumni Shortly After Graduation, 2011–2015



Source: Data from class years 2011 to 2012 represent findings reported in prior GMAC Alumni Perspectives Survey reports. Alumni data for class years 2013 through 2015 are from the GMAC Alumni Polls conducted in those years.

Figure 2. Alumni Employment Status by Graduation Year and Program Type, Classes of 2011–2015



Source: Data from class years 2011 through 2012 represent findings reported in prior GMAC Alumni Perspectives Survey reports. Alumni data for class years 2013 through 2015 are from the GMAC Alumni Polls conducted in those years.

*Professional MBAs include part-time, online, and executive MBA programs.

Note: Excludes alumni not working and not searching for employment.

An examination of employment status by citizenship reveals US citizens in the class of 2015 were employed at a rate of 93 percent—consistent with last year and six percent greater than the job rate reported for US citizens five years ago (**Figure 3**).

Among other world regions, Latin American citizens had the next highest employment rate at 89 percent, followed by 83 percent for citizens of Asia-Pacific,ⁱⁱⁱ and 74 percent for European citizens.

International and Domestic Employment Status

As noted in the findings of the 2015 *Global Management Education Graduate Survey* published in June, a key factor in early job search success for graduate business students is their status as either a *domestic* or an *international* student.^{iv}

Employment rates for the class of 2015 alumni polled in September 2015 varied for each group. More than 9 in 10 (92%) alumni who studied in their country of citizenship (domestic) were employed at the time of the September alumni poll, compared with 79 percent of alumni who had studied outside their country of citizenship (international).

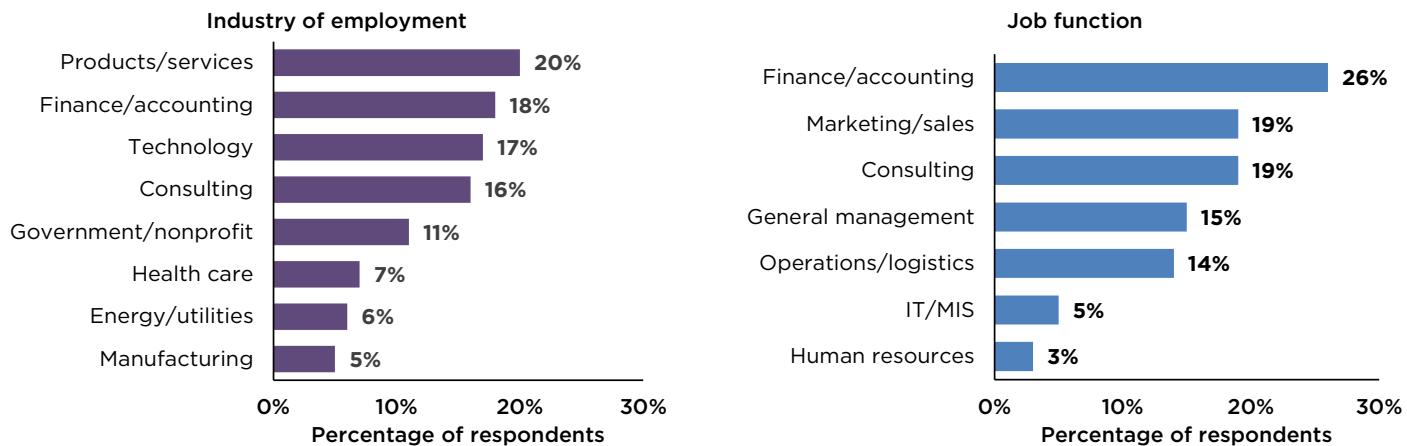
The September employment figures for both groups of alumni are a vast improvement on the job search results reported for business school graduates surveyed in the spring, when 70 percent of domestic students and 42 percent of international students reported receiving job offers prior to graduation.^v

Among class of 2015 alumni still seeking jobs several months after graduation, domestic alumni were most likely to cite lack of jobs that pay enough or lack of industry or functional experience as reasons for their unemployed status. International alumni still seeking jobs were more likely to cite visa/paperwork issues and difficulty re-entering the job market after taking a break.

Industry and Job Function

Worldwide, the most common industries of employment for the class of 2015 are products and services (20% of respondents), finance and accounting (18%), technology (17%) and consulting (16%). Positions in finance and accounting (26%), consulting (19%), and marketing and sales (19%) are the top job functions for which class of 2015 alumni accepted job offers (**Figure 4**).

Figure 4. Industry and Job Function of Employed Alumni, Class of 2015*



*Industry and job function results exclude "Other" category responses. Percentages may not sum to 100 due to rounding.

Globally, the share of alumni employed in the technology sector has grown over the last five years, from 12 percent for the class of 2011 to 17 percent for this year's alumni. Compared with other world regions, the Asia-Pacific region has the highest proportion of recent 2015 alumni employed in tech-related fields—26 percent—compared with 17 percent of alumni from Latin America, 16 percent from Europe, and 15 percent from the United States.

Job Levels

Globally, a majority of employed alumni in the class of 2015 work in mid-level positions (57%), followed by 22 percent in entry-level, 18 percent in senior-level, and 3 percent in executive-level jobs. Job levels vary by program type, possibly related to alumni levels of pre-degree work experience:

- Nearly 2 in 3 (64%) specialized business master's degree-holders hold entry-level positions;
- Two-thirds of full-time two-year MBA alumni (67%) and full-time one-year MBA alumni (68%) hold mid-level positions; and
- Class of 2015 alumni of professional MBA programs are the most likely to hold senior-level (25%) and executive (8%) positions compared with other graduate business programs, though the majority still have mid-level positions (55%).

Thirty-five percent of employed class of 2015 alumni are currently supervising other employees. Among alumni holding senior-level positions or above, 72 percent supervise other employees. The same is true of just 31 percent of mid-level and 10 percent of entry-level job-holders.

Work Location and Organization Size

Overall, the majority (78%) of class of 2015 respondents hold jobs within their country of citizenship, but there is considerable regional variation. In addition, a majority of class of 2015 alumni work for multinational organizations, which also varies by region:

- Ninety-seven percent of US citizens work in the United States. Overall, nearly 3 in 5 (59%) US citizens work for multinational organizations and 19 percent work for national organizations.
- Forty-five percent of European citizens work outside their country of citizenship. Among all European respondents, 76 percent work for multinational organizations—the largest share among the world regions analyzed in this brief.
- Nearly 3 in 5 (59%) citizens of Asia-Pacific countries work outside their country of citizenship—among this group, 94 percent work outside of the Asia-Pacific region. Overall, 70 percent of alumni respondents from Asia-Pacific work for multinational organizations.
- The majority (72%) of Latin American citizens work inside their country of citizenship. Among all Latin American respondents, 57 percent work for multinational organizations, and 19 percent work for national and regional organizations, respectively.

Compensation

Alumni salaries vary by many factors, including years of prior work experience, work location, regional cost of living differences, industry, and job level, for example. Caution is advised in salary comparisons due to differences in response rates.^{vi}

- The median salary offered in 2015 to alumni of full-time two-year MBA programs who work in the United States was US\$94,900, with additional compensation of US\$15,000, in comparison to median salaries of US\$92,500 and additional compensation of US\$12,250 reported in 2014.
- Class of 2015 alumni of part-time MBA programs who work in the United States report a median annual salary of US\$75,000, with additional compensation of US\$12,000. It should be noted that salary data for part-time MBA alumni may not reflect immediate increases over their pre-degree salaries since most of these alumni continued to work for the same employers after graduation.

By regional work location, and regardless of program type, median starting salaries vary considerably. Class of 2015 alumni working in the United States earn a median salary, not including additional compensation, of US\$90,000, compared with a median of US\$60,000 earned by alumni in Latin America, US\$56,880 in Europe, and US\$37,844 in Asia-Pacific (**Table 1**).

Table 1. Comparison of Median Annual Starting Salaries* for Class of 2015 Alumni, All Program Types, by Work Location**

Work Location**	US Dollars			
	25 th Percentile	Median	75 th Percentile	N
Asia-Pacific	\$18,431	\$37,844	\$75,689	45
Europe	\$28,668	\$56,880	\$96,696	51
Latin America	\$35,000	\$60,000	\$80,000	38
United States	\$59,800	\$90,000	\$107,000	313

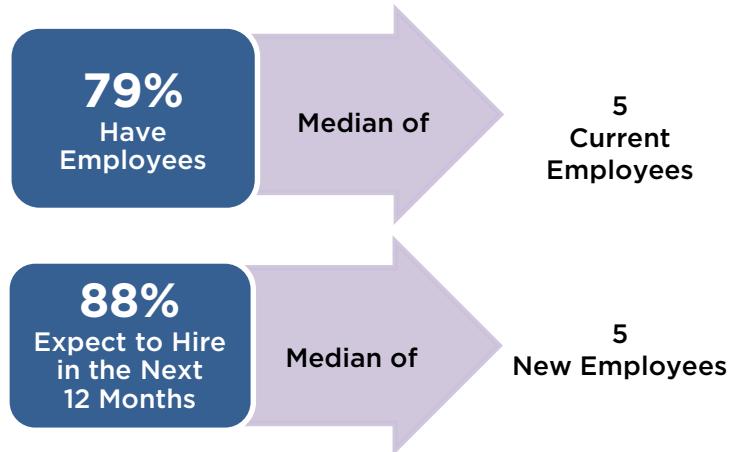
*Represents annual salary only; does not include additional compensation.

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

- Nearly 3 in 4 (73%) class of 2015 alumni agree they could not have obtained their job without their graduate management education.
- Eight in 10 (81%) class of 2015 alumni with jobs are satisfied with their current employment. Alumni of professional MBA programs are the least likely to be satisfied with their current job (68%) compared with 96 percent of full-time MBA alumni, for example. Most alumni of professional MBA programs tend to stay with their current employer in the near term following graduation.

Entrepreneurship/Self-Employment

- Six percent of class of 2015 alumni, who report being employed at the time of this follow-up poll, identify themselves as entrepreneurs/self-employed.
- Self-employed alumni operate a variety of business types, including sole proprietorships (29% of respondents), partnerships (29%), and LLC or S-corporations (38%).
- A majority of self-employed alumni (79%) have employees and expect to hire employees in the next 12 months (88%) (**Figure 5**).
- Nearly one-third (32%) of self-employed alumni classify the scope of their business as multinational. A quarter (24%) report their business has a national scope, 29 percent regional, and 15 percent local.
- Almost all self-employed alumni (97%) feel their graduate management education provided them with the knowledge, skills and abilities to develop their business.
- Class of 2015 alumni who operate their own businesses are satisfied with their decision to do so. Ninety-seven percent indicated they were satisfied (26%) or very satisfied (71%) with their entrepreneurial experience.

Figure 5. Jobs Created by Self-Employed Alumni, Class of 2015

Job Seekers

Twelve percent of the class of 2015 respondents were unemployed at the time of the survey and continuing their job search.^{vii} The percentage of alumni who continue to seek employment is much lower for US citizens (7%) compared with 18 percent for non-US citizens.

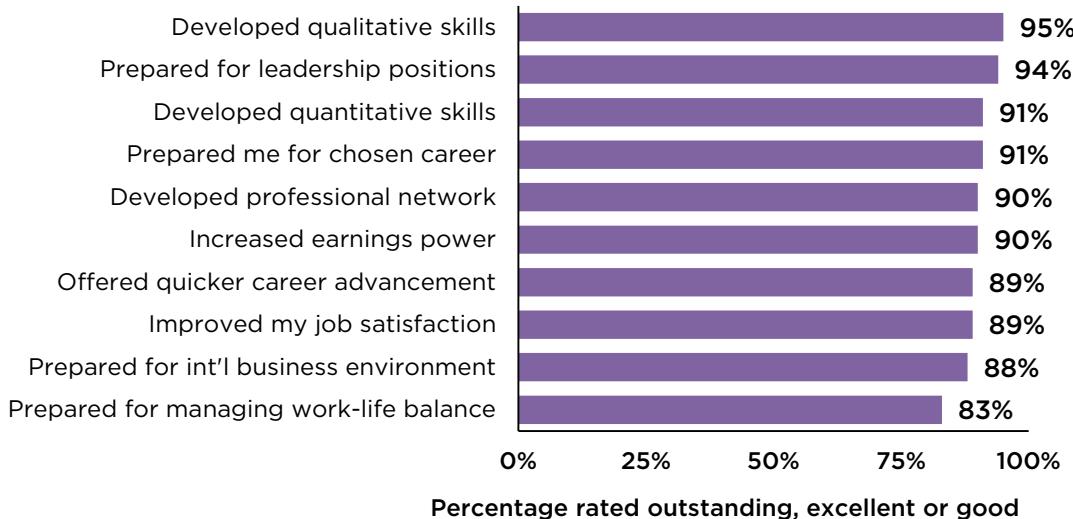
- At the time of the survey, unemployed alumni seeking jobs were searching in multiple industries—a majority were searching in the consulting (68%) and products and services (60%) sectors.
- The most common job functions sought by job-seeking class of 2015 alumni are consulting (65%), marketing and sales (58%), and general management (58%).
- The most common job search methods unemployed alumni are using include online job search sites (81%), company websites (80%), their network of personal contacts (71%), and their business school career services office (65%).
- Unemployed alumni most frequently report seeking mid-level positions (70%), followed by entry-level positions (38%), senior-level (26%), and executive-level (4%) positions.

- The primary reasons these alumni report for not yet securing a job are lack of relevant industry or functional experience (39% of unemployed respondents), inability to find a job that pays enough (23%), lack of sufficient years of work experience (23%), being overqualified (23%), and seeking employment after a break from working (23%).

Educational Outcomes

Regardless of employment status, the vast majority of class of 2015 alumni agree their graduate management education helped to develop their skills, expand their network, and prepare them for the job market (**Figure 6**).

Figure 6. Outcomes Related to Graduate Management Education, Class of 2015

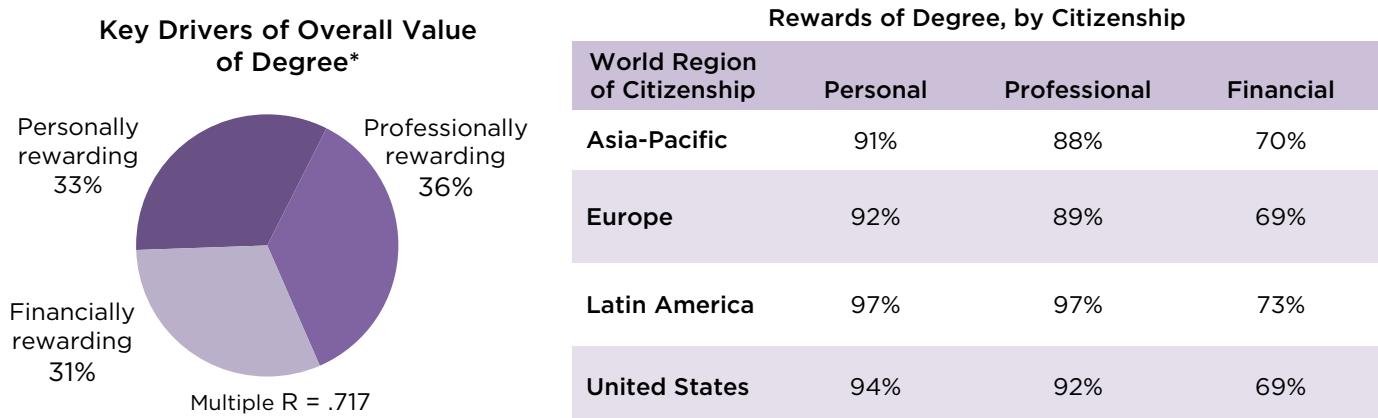


- The majority of employed alumni from the class of 2015 cite the development of qualitative skills (95% of respondents), preparation for leadership positions (94%), development of quantitative skills (92%), and preparation for chosen career (92%) as their top educational outcomes.
- Self-employed alumni responding to the follow-up poll unanimously agreed (100%) their graduate management education resulted in improved job satisfaction, increased earnings power, and development of qualitative analysis skills.
- Alumni still seeking employment agree their management education developed their qualitative analysis skills (96% of respondents), prepared them for leadership positions (90%), prepared them to work in an international business environment and developed their quantitative analysis skills (88% respectively).

Value of Graduate Management Education

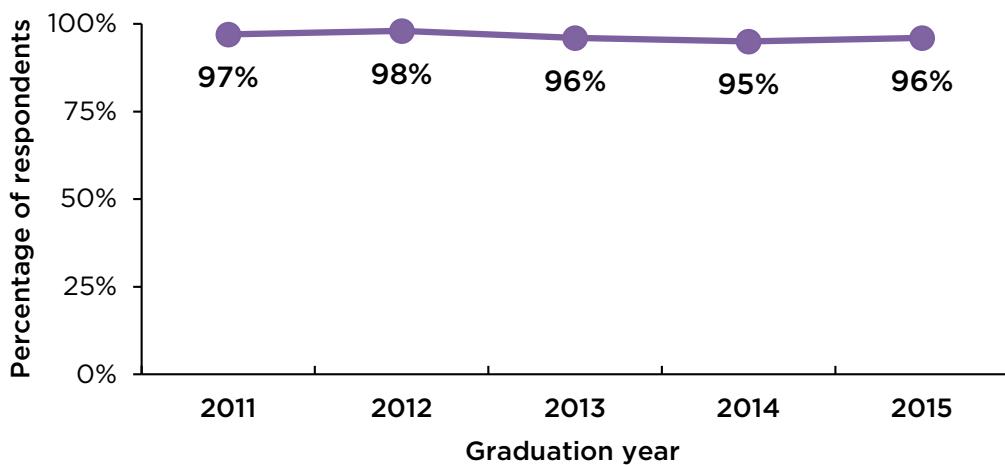
The vast majority of class of 2015 alumni (96%) rate the value of their graduate management degree as outstanding, excellent, or good.

- Recent alumni's perceived value of their graduate management education degrees increases over time. When analyzing responses from alumni who responded both to the September 2015 poll and to the *Global Management Education Graduate Survey* conducted earlier this year, the percentage of respondents indicating their degree was outstanding, excellent or good increased from 90 percent.
- When asked in the September poll about the advantages gained from pursuing a graduate management degree, alumni most often agree that the personal and professional outcomes are as rewarding as the financial gains. Key driver analysis of the overall value of their education shows that the statistical strength of the relationship between these rewards and overall value is relatively equal among professional (36%), personal (33%) and financial (31%) rewards (**Figure 7**).

Figure 7. Key Drivers of Overall Value (Pratt Index) and Rewards of Degree, by Alumni Citizenship, Class of 2015

*Pratt Index = $(\beta^*r)/R^2$, 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 class of 2015 alumni (96%) would recommend their program to others, regardless of employment status, program type attended, or citizenship (Figure 8).

Figure 8. Alumni Intent to Recommend Graduate Management Education, by Graduation Year, Classes of 2011-2015

Source: Data from class years 2011 through 2012 represent findings reported in past GMAC Alumni Perspectives Surveys. Data for the class years 2013 through 2015 are from the GMAC Alumni Polls conducted in those years.

Contact Information

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

Contributors

The following individuals from the Research Services Department in the GMAC School Products Division made significant contributions to the publication of this report: **Matthew Hazenbush**, Research Communications Manager, interpretation of data and drafting of the manuscript; **Rhonda Daniel**, Survey Research Manager, questionnaire development, data analysis and preparation, and manuscript review; **Rebecca Estrada-Worthington**, Survey Research Manager, survey management, and manuscript and data review; **Paula Bruggeman**, Research Publications Manager, editorial review and production management; **Devina Caruthers**, Research Associate Manager, survey administration; **Gregg Schoenfeld**, Director, Management Education Research, manuscript review; **Alex Chisholm**, Senior Director, Research Services, manuscript review; **Tacoma Williams**, Research Senior Coordinator, quality assurance; and **Bob Alig**, Executive Vice President, School Products Division, manuscript review.

Acknowledgements

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ⁱ GMAC (2015) Global Management Education Graduate Survey.

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 For purposes of this report, the Asia-Pacific region includes respondent locations in Australia and Pacific Islands, Central and South Asia, and East and Southeast Asia.

^{iv} As defined in this report, the term "domestic student" refers to students who attend school located in their country of citizenship. An "international student" refers to individuals who are either studying outside their country of citizenship, and/or seek to work in a location outside their country of citizenship.

^v GMAC (2015) Global Management Education Graduate Survey.

^{vi} 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. Five percent (5%) of the employed alumni in the class of 2015 selected this option when responding to the survey. Median starting salaries are not shown by program type for alumni of other world regions due to insufficient response rates.

^{vii} At the time the alumni poll was conducted, two percent of respondents indicated they are not working and *not* seeking employment. Their responses were excluded from the analysis of poll respondents who reported they are not working but currently seeking employment.

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