

2013

GMAC
GRADUATE MANAGEMENT
ADMISSION COUNCIL

Application Trends Survey

SURVEY REPORT



ABOUT THIS STUDY

The 2013 Application Trends Survey conducted by the Graduate Management Admission Council® (GMAC®) is the industry source for comprehensive statistics and timely insights into the demand for graduate management education worldwide. Since 2000, this survey of admission professionals has provided information on application volume trends, applicant pool composition, recruitment strategies, acceptance and enrollment rates, and incoming class size.

The *Application Trends Survey Report* is a product of 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 nearly 6,000 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.

ACCOMPANYING DATA

Schools that participated in the 2013 Application Trends Survey receive an exclusive *Participant Report* that includes this *Survey Report* of findings along with an appendix of *Statistical Data Briefs*, which provide detailed analyses of survey trends by program type, world region, and various demographic factors. Participants also receive online access to the *Application Trends Interactive Benchmark Tool* that allows users to select peer groups of their choosing against which to benchmark their programs. The public summary report for this survey can be downloaded from gmac.com/gmacresearchlibrary. Information on how schools can participate in this study can be found at the end of this report.

A list of business schools that participated in the survey is publicly available at gmac.com/surveys.

SCHOOL SIGN-UP OPEN FOR THE 2014 GMAC SURVEY RESEARCH SERIES

Visit gmac.com/surveysignup today to include your school in upcoming GMAC research studies planned for the fall of 2013 and calendar year 2014. Schools will be able to participate directly in the Alumni Perspectives Survey, which launches in October, and the Preliminary Application Trends Survey scheduled for early 2014. Signup for these upcoming surveys, as well as the GMAC Corporate Recruiters and Global Management Education Graduate surveys, is ongoing throughout the year. So register your programs today to be sure your school will benefit from advanced access to all of GMAC's survey research findings and customized research tools.

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Introduction

Fluctuating demand for graduate-level management degrees worldwide characterizes the findings highlighted in this summary report of the **GMAC 2013 Application Trends Survey**. Now in its 14th year, this assessment of trends in application volumes across an ever-widening spectrum of graduate management programs delivers insights into the shifts in who's applying to graduate business programs and the factors that may help explain why application volumes are changing for the **2013–2014 entrance cycle**.¹

Survey responses were contributed by admissions professionals at 683 graduate management programs from 328 business schools and faculties around the globe. Their insights provide an insider's vantage point for understanding trends in demand for graduate management education. The interplay of regional economic and industry shifts, visa laws, tuition costs, and alternative study options are some of the factors admissions professionals cite as influential forces shaping this year's trends.

Respondents to this year's survey come from 42 different countries and represent schools located in the United States (65%), Europe (13%), Asia-Pacific² (11%), Latin America (6%), Canada (4%), and the Middle East/Africa (1%). Collectively, they represent 482 MBA programs, 187 specialized master's in business programs, 13 doctoral, and one joint degree program in business and management fields.³

Business school professionals use the Application Trends Survey findings to gauge trends, benchmark against other schools, develop recruitment and outreach strategies, share results, set goals internally, and justify resources.

¹ Survey responses were collected from early June to mid-July 2013.

² The Asia-Pacific region includes countries in East and Southeast Asia, Central and South Asia, and Australia and the Pacific Islands. Caution should be used when comparing Asia-Pacific data presented in this report to results reported in the *2012 Application Trends Survey Report*, as Central and South Asia was not included in the 2012 geographic grouping.

³ See the *About this Survey* section of this report for a detailed breakdown of respondents by program type.

Key Findings

Full-Time MBA Programs Report Growth

- For the 2013–2014 academic year, 50 percent of *full-time two-year MBA* programs reported increased application volume compared with 2012 (43% of programs), representing the second consecutive year in which more programs reported rising application volumes over the previous year.
 - Applications to US programs have started to rebound, with the majority of *full-time two-year MBA* programs (52%) reporting increased volume for the first time since 2009.⁴ Growth in the number of foreign applicants (reported by 56% of programs) appears to be fueling rising volumes; however, this growth is counterbalanced by a corresponding decline in the US domestic applicant pool (reported by 59% of programs).
 - Programs in the Asia-Pacific region showed a pattern of slower application growth, with 46 percent of *full-time two-year MBA* programs reporting an increase in the number of applications received—down from 79 percent in 2012. A decline in domestic applications—which typically represent three-fourths of the applicant pool for these MBA programs—principally affected overall volumes for these programs.
 - The majority of *full-time one-year MBA* programs worldwide experienced increased (49%) or steady (4%) application volumes compared with 2012.

- More than half of US-based *full-time one-year MBA* programs saw increased application volume in 2013 (55%), similar to last year when 54 percent of programs reported growth.
- Although 53 percent of *full-time one-year MBA* programs in the Asia-Pacific region⁵ reported increased application volume in 2013, this was down from the 77 percent of programs that reported growth last year. Comparable to the *two-year MBA* programs, this appears to be driven by declining domestic applications.
- Still in the throes of regional economic uncertainty, a majority of European *full-time one-year MBA* programs continued to lose ground, with just 38 percent of programs reporting increased application volume, on par with 2012.

Professional MBA Programs Caught Up in Uncertain Economic Times

- There is a noticeable decline this year in the application volumes reported by MBA programs that serve working professionals—*part-time, executive, flexible, and online MBA*. In fact, one-quarter of *part-time* and *online MBA* programs reported receiving *fewer* applications for the 2013–2014 incoming class than seats available.
- Intensifying demands on employees' time and competition among an increasing number of alternative program types may have contributed to declines in applications for professional MBA programs, even though schools expect applicants to receive continued levels of financial support from employers.

⁴ Based on GMAC Application Trends Survey data collected annually from 2000 to 2013.

⁵ See the *About the Survey* section at the back of this report for a list of countries in the Asia-Pacific region.

A Mixed Picture for Specialized Master's in Business Programs

- Following five years of cumulative growth, fewer than half of the *Master of Accounting* (39%) and *Master of Finance* (48%) programs reported increased or stable application volume.
- Even so, *Master of Finance* programs this year continued to be the most competitive program type for business school applicants on the basis of having the lowest average acceptance rate (40%) and greatest number of applicants per seat (median of 5.7).
- In contrast to other specialized master's programs, the majority of *Master in Management* programs (61%) reported increased application volume for the incoming 2013–2014 class, including 73 percent and 58 percent of European and US programs (respectively).

Tuition Assistance

- A majority of business programs worldwide report offering tuition assistance to incoming students—ranging from 52 percent of *online MBA* programs up to nearly all (96%) *full-time two-year MBA* programs.
- Scholarship awards are the most common type of financial assistance offered across all program types, and may encompass a highly competitive process given the range of students (13% to 43%) receiving such offers.
- Two-thirds (67%) of professional MBA programs reported they expect levels of employer funding in 2013 to remain the same as last year. Sixteen (16%) percent anticipate increased employer funding for applicants this year.

Outreach and Recruiting Efforts

- East and Southeast Asia, Central and South Asia,⁶ and Latin America are the top global recruiting locations for all program types. *Full-time MBA* programs that recruit worldwide cited 23 specific countries where they seek foreign applicants. The United States is a top recruiting location for 23 percent of *full-time MBA* programs located outside of the United States.
- Population groups that programs target most frequently in their recruiting activities include working professionals, undergraduate students, and foreign candidates. Differentiating by region, European programs also actively recruit women and entrepreneur/business owners; US programs also reach out to women, applicants with military backgrounds, and those from underrepresented populations.

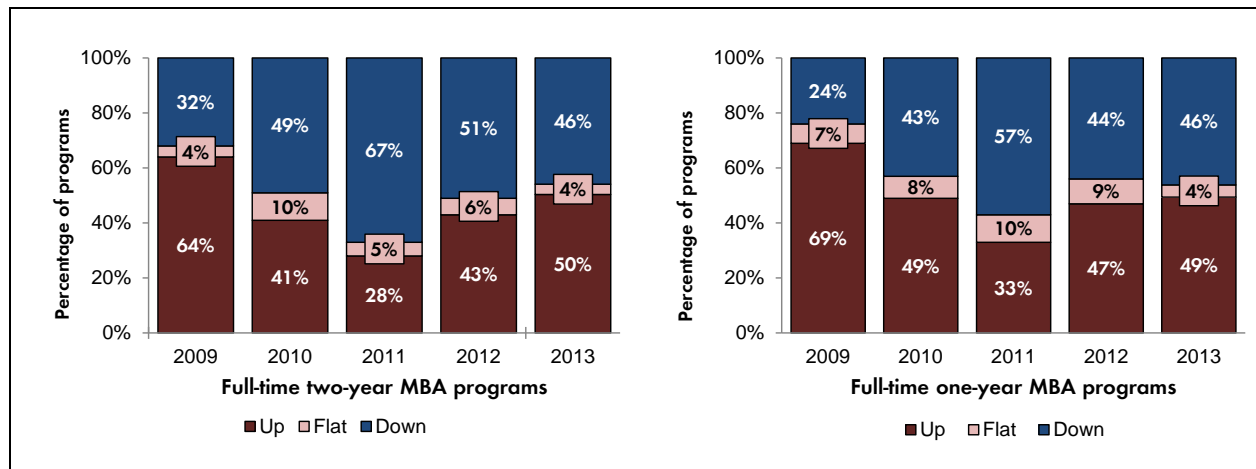
⁶ Countries in the East and Southeast Asia and Central and South Asia regions can be found online in Appendix A of the GMAC 2012 World Geographic Trends Report: <http://www.gmac.com/~media/Files/gmac/Research/Geographic%20Trends/gmac-ty2012-world-trend-3.pdf>

Application Trends for MBA Programs

The 2013–2014 academic year represents the second consecutive year of increased application volume for *full-time MBA* programs, signaling a rebound in applicant demand for full-time MBA study. With more than half of *full-time two-year* (54%) and *full-time one-year* (53%) *MBA* programs reporting increased or stable application volumes in 2013, the situation is much improved over the past two years. This year’s survey results show growth in the proportion of programs with increasing volumes that are edging closer to levels reported by full-time programs in 2009 (Figure 1).

Demand for full-time MBA study options in 2013 showed variations however, depending on program location and fluctuations in applicant pool demographics, specifically citizenship and gender.

Figure 1. Percentage of Full-Time MBA Programs Reporting Change in Application Volume, 2009–2013*



* Data for 2009 to 2012 are from GMAC Application Trends Surveys conducted in those years.

Full-Time Two-Year MBA Programs

Survey findings for 2013 reveal divergent application trends for *full-time two-year MBA* programs in the **United States** and **Asia-Pacific** region.⁷ Changes in both domestic and foreign application volume appear to be driving these trends in both regions (Figure 2).⁸ There were no apparent changes in gender trends for *full-time two-year MBA* programs.

A majority of US programs (52%) reported increased application volumes for the incoming 2013–2014 class, a 20 percent rise over last year in the share of programs reporting volume growth. Increased numbers of foreign candidates appear to be driving growth for US full-time MBA programs, as 56 percent reported growing application volumes from foreign candidates this year

The term *foreign* refers to applicants who are *not* citizens of the country where the program is located.

The term *domestic* refers to applicants who *are* citizens of the country where a program is located.

⁷ Asia-Pacific includes countries in East and Southeast Asia, Central and South Asia, Australia, and the Pacific Islands.

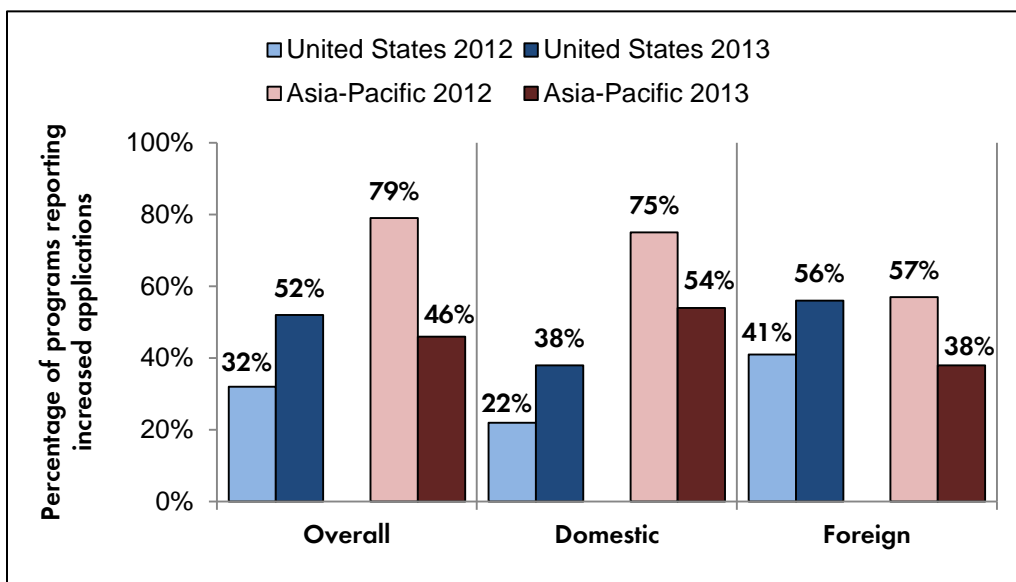
⁸ Trends for *full-time two-year MBA* programs based in Europe and other world regions are not reported due to insufficient data, N < 10.

compared with only 38 percent that reported increases in domestic applications. Domestic application volume for US programs in 2013 was, nevertheless, greater than 2012, when just 22 percent of these programs reported growth in the domestic applications.

In contrast with the United States, a greater share of *full-time two-year MBA* programs in **Asia-Pacific** reported a substantial decline in application volume in 2013 when compared with 2012 survey results. Just 46 percent of programs in the Asia-Pacific region reported increased application volume in 2013 compared with 79 percent in 2012.

The change in Asia-Pacific appears to be driven primarily by declining numbers of domestic applicants, who make up three-fourths (76%) of the applicant pool for MBA programs located in the region. Although a majority of programs reported increased domestic application volume in 2013 (54%), it is much lower compared with 2012 results, when 75 percent of programs reported increased domestic growth.

Figure 2. Full-Time Two-Year MBA Programs Reporting Increased Application Volume, by Citizenship, World Region, and Overall, 2013 vs. 2012*



*Data for 2012 are from the 2012 GMAC Application Trends Survey conducted in 2012.

Full-Time One-Year MBA Programs

Globally, a majority of *full-time one-year MBA* programs reported increased or stable application volumes for 2013–2014 (see Figure 1). Regional program location moderates these results, however (Figure 3).

A majority of *full-time one-year MBA* programs in the **Asia-Pacific** region (53%) continue to report increased volumes; however, this represents a slower rate of growth compared with 2012, when 77 percent of programs reported growth. Similar to *full-time two-year MBA* programs in Asia-Pacific, the domestic applicant pool appears to drive overall volumes for *full-time one-year MBA* programs as well. The slower growth in *full-time one-year MBA* programs located in the Asia-Pacific region is reflected in the decline in programs reporting increased domestic application volumes; 69 percent of these programs reported increased volumes in 2012, compared with 40 percent of programs in 2013. Since *full-time one-year MBA* programs in Asia-Pacific typically have a smaller percentage of domestic applicants (57%) compared with their two-year counterparts (76%), the overall slowdown for one-year programs in 2013 was minimized.

The current slowdown in applications to full-time two-year MBA programs in the Asia-Pacific region is occurring at the same time when the rate of economic growth in the region has slowed, most notably in China.⁹

More than half of *full-time one-year MBA* programs in the **United States** (55%) reported increased application volumes for the 2013–2014 application cycle, on par with 2012 survey findings (54%). Foreign and male candidates appear to be driving this sustained growth; as witnessed by 61 percent of programs that reported increased volume of foreign candidates and 53 percent that reported receiving more applications from men.

Only 38 percent of **European** *full-time one-year MBA* programs witnessed an increase in application volumes in 2013, a proportion similar to 2012 (37%), continuing the lackluster growth in the European applicant pool. This trend appears to be driven by decreased foreign applications as noted by 54 percent of European programs, notwithstanding the 31 percent of programs that reported growth in their foreign applicant pool.

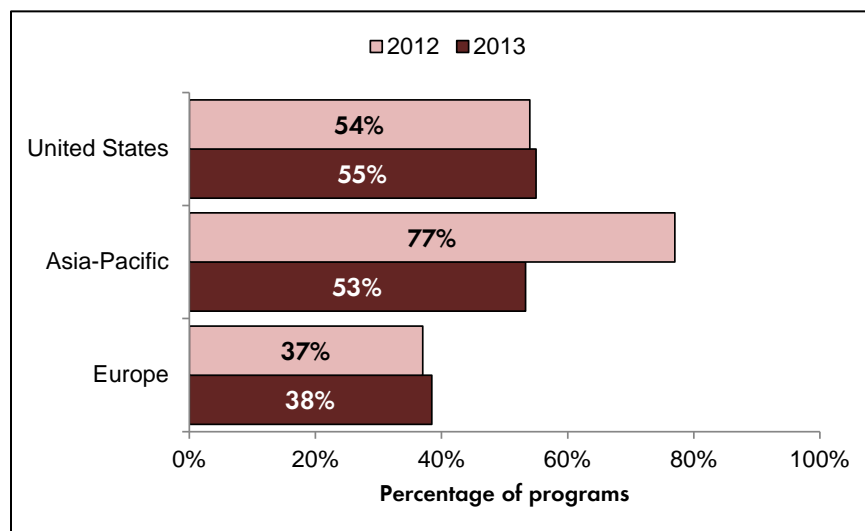
Globally, the distribution of foreign and domestic applicants varied by MBA program type (Table 1).

Table 1. Citizenship Distribution of MBA Program Applicants by Program Type, 2013

	Full-Time 2-Year MBA (N = 135)	Full-Time 1-Year MBA (N = 94)	Part-Time MBA (N = 118)	Flexible MBA (N = 64)	Executive MBA (N = 47)	Online MBA (N = 24)
Foreign	47%	55%	15%	34%	18%	11%
Domestic	53%	45%	85%	66%	82%	89%

⁹ International Monetary Fund. (2013). World Economic Outlook Update. <http://www.imf.org/external/pubs/ft/weo/2013/update/02/index.htm>

Figure 3. Percentage of Full-Time One-Year MBA Programs Reporting Increased Application Volume, by World Region, 2013 vs. 2012*



*Data for 2012 are from the GMAC 2012 Application Trends Survey.

Professional MBA Programs

For the past five years, there has been a softening in application volumes for a category of MBA programs that can be classified as “*professional*” MBA programs. These are graduate business programs that primarily serve working professionals—*part-time*, *flexible*, *online* and *executive MBA* programs (Figure 4).

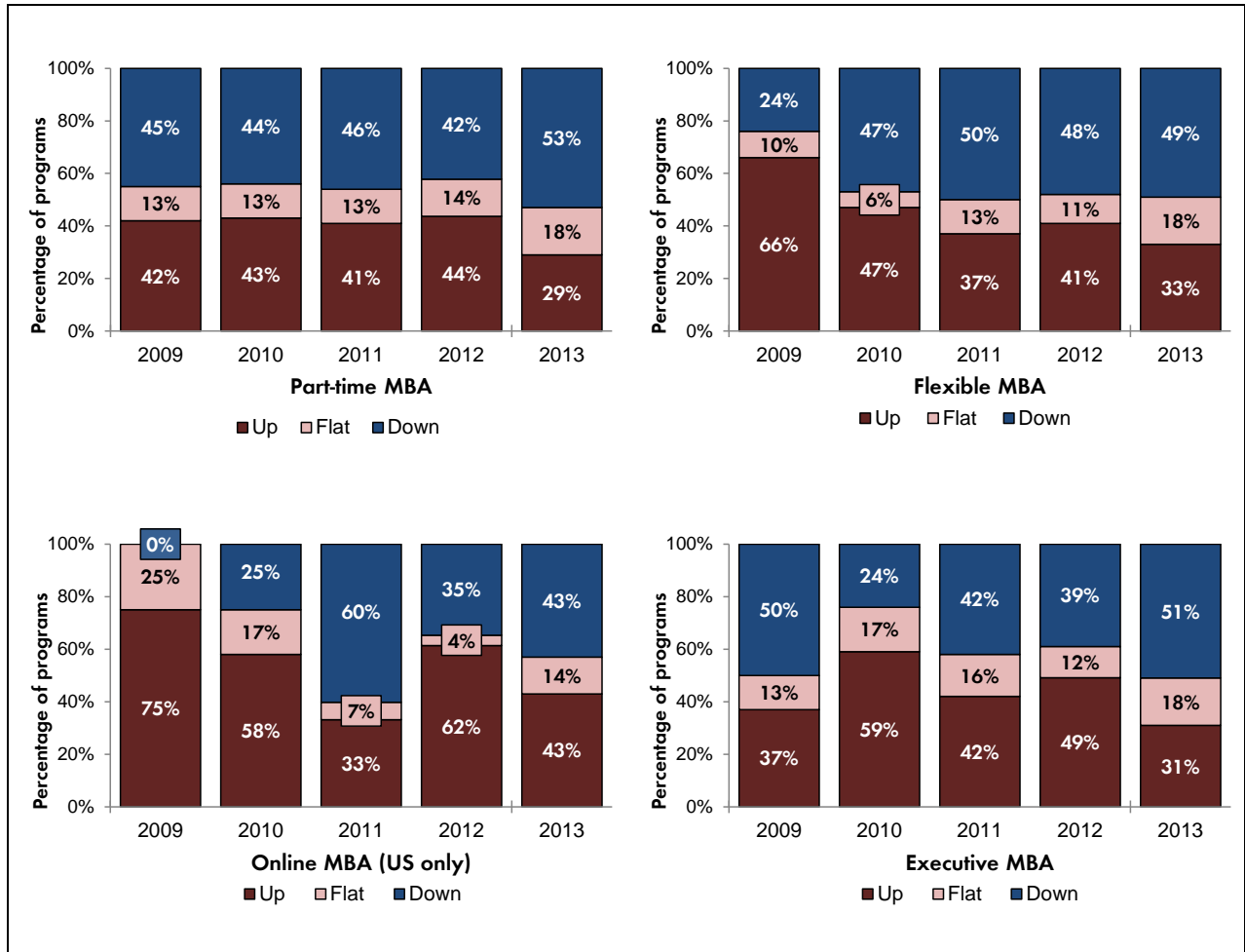
Symbolic of this trend is the fact that this year is the first time since 2009 that the majority of both *part-time MBA* (53%) and *executive MBA* (51%) programs reported declining volumes. Even so, the bulk of *flexible* (51%) *part-time* (47%) and *executive* (49%) MBA programs reported increased or stable application volumes for the incoming class compared with 2012.

The most dramatic drop in applicant volume, when comparing across the spectrum of professional MBA programs, occurred with *executive MBA* programs. More than half (51%) of executive MBA programs received fewer applications this year than they did in 2012. In addition, fewer than a third (31%) of these programs reported increased volumes.

The pattern of declining application volumes for the group of professional MBA programs reflects data analyzed over the past four years from GMAC prospective student surveys that have shown declining student interest in earning degrees from professional MBA programs.¹⁰

¹⁰ GMAC. (2013). mba.com Prospective Students Survey. <http://www.gmac.com/prospectivestudents>

Figure 4. Percentage of Professional MBA Programs Reporting Change in Application Volume,* 2009–2013**



*Percentages may not add to 100 due to rounding.

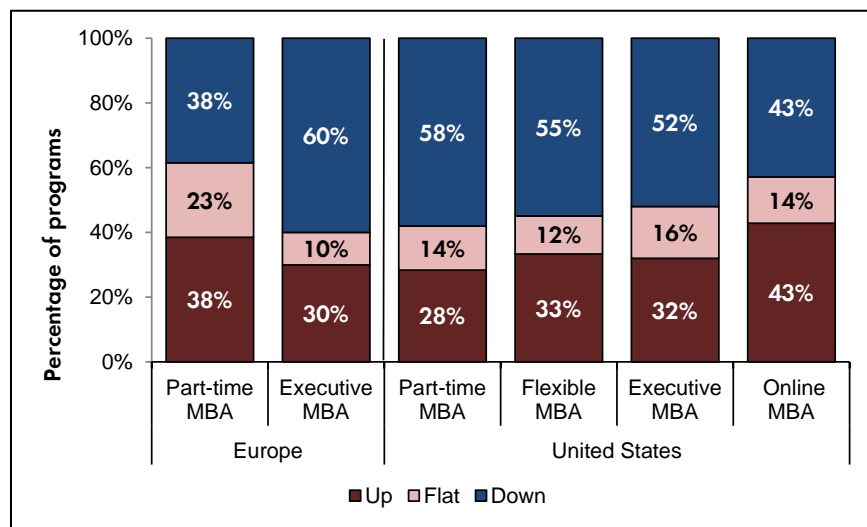
**Data for 2009 to 2012 are from GMAC Application Trends Surveys conducted in those years.

The majority of professional MBA programs saw a decline in applications regardless of world region (Figure 5).¹¹ When asked, however, 67 percent of respondents from professional MBA programs said they expect employer funding levels to remain the same as those seen in 2012.

School professionals attribute the declining application volumes for professional MBA programs to “economic conditions” and “increased competition from other programs,” as well as to “declining employer support.”

- **Part-time MBA** programs in Europe fared better than their US counterparts in application volumes for 2013. A majority of European *part-time MBA* programs (61%) report increasing or stable application volumes compared with 2012. In the United States, 42 percent of *part-time MBA* programs reported increased or steady application volume in 2013 compared with 60 percent of programs last year.
- Although the proportion of European and US **executive MBA** programs that reported increasing applications was similar, more European programs reported declining volume in comparison with the US programs. Fewer applications from men and domestic candidates seem to account for the waning overall volume among *executive MBA* programs in both regions.
- **Online MBA** programs in the United States¹² experienced a balanced share of programs that saw growth and declines in application volume in 2013, while 14 percent reported the same volume as last year. More so than for other reporting groups, caution should be exercised when interpreting findings for online programs due to limited school survey participation.

Figure 5. Change in Application Volume for Professional MBA Programs, Europe and the United States, 2013*



*Percentages may not add to 100 due to rounding.

¹¹ Professional MBA program data only available for European and US-based programs due to insufficient data from other regions, N < 10.

¹² Findings for online MBA programs represent only US-based programs due to insufficient data from other regions, N < 10.

Application Trends for Master's Programs

Application trends for *specialized master's in business* programs show mixed results in this year's survey (Figure 6). *Master in Management* programs continue to show evidence of strong cumulative growth in 2013, with the majority of programs (61%) reporting increased application volume.

The story for master-level programs in accounting and finance is quite different, however. After multiple years of strong application volume, only 48 percent of *Master of Finance* programs and 39 percent of *Master of Accounting* programs reported increased or stable application volume for the incoming 2013–2014 class. This contrasts sharply with 2012 when 68 percent of finance master's and 81 percent of accounting master's programs recorded rising or stable application volumes. In fact, 2013 is the first time in five years that a majority of these programs (53% of finance and 60% of accounting) reported declining application volume. The distribution of foreign and domestic applicants varied by master's program type (Table 2).

Table 2. Citizenship Distribution of Master's Program Applicants by Program Type, 2013

	Master in Management (N = 32)	Master of Accounting (N = 49)	Master of Finance (N = 38)	Master of IT Management (N = 12)	Master of Marketing & Communications (N = 18)
Foreign	61%	52%	78%	60%	52%
Domestic	39%	48%	22%	40%	48%

Master in Management Programs

The continued growth among *Master in Management* programs appears to be driven primarily by foreign applicants. Globally, 62 percent of *Master in Management* programs reported increased applications from foreign candidates in 2013 compared with 40 percent of programs that reported growth in domestic applications:

- Nearly three-quarters (73%) of European-based programs reported increases in application volume.
- In the United States, *Master in Management* programs also saw positive trends in 2013—58 percent reported increases in overall application volume.

Master of Accounting Programs

For the first time in five years, fewer than half of the *Master of Accounting* programs reported growing application volumes.

- Just slightly more than a third (35%) of *Master of Accounting* programs reported increased application volume; 60 percent reported declining volume.
- A large proportion of *Master of Accounting* programs reported declining application volumes for both domestic (55%) and foreign (47%) candidates, as well as for women (51%), who typically fill more than half the seats in these programs.

The term *foreign* refers to applicants who are *not* citizens of the country where the program is located.

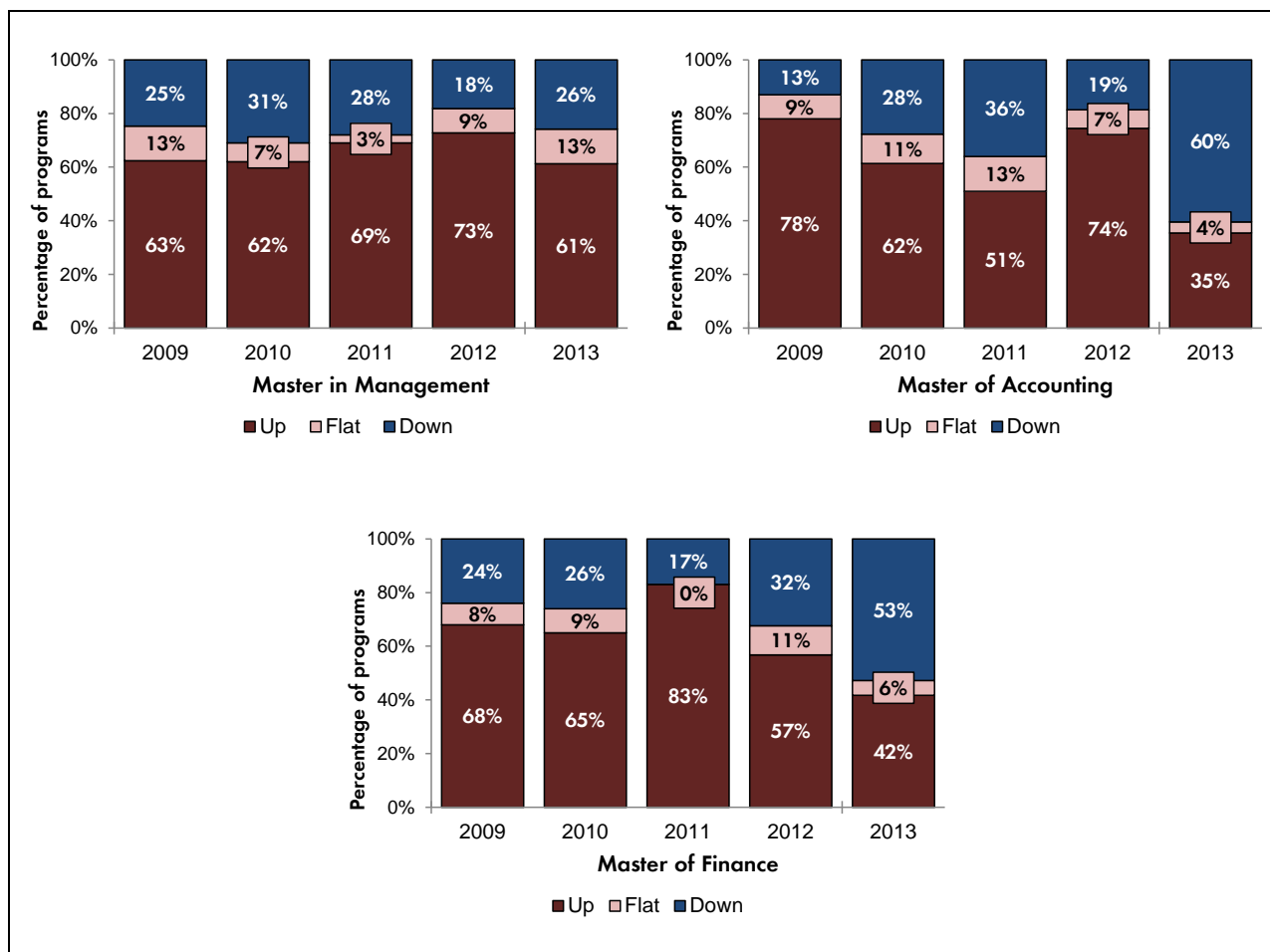
The term *domestic* refers to applicants who *are* citizens of the country where a program is located.

Master of Finance Programs

For the second year in a row, fewer *Master of Finance* programs reported increased application volume compared with the previous year. As noted earlier, 2013 was the first time in five years that a majority of these programs (53%) reported declining volumes.

- A large share of *Master of Finance* programs reported that application volumes for domestic (43%) and foreign (39%) candidates are declining.
- The slowing growth can be attributed to programs receiving fewer applications from foreign candidates in particular. Last year, 63 percent of programs reported receiving increased numbers of foreign applications. In 2013, it dropped to 44 percent of programs. Because the *Master of Finance* applicant pool is dominated by foreign candidates (78% of candidates are foreign), reduced interest from this population has a large impact on overall application volumes.

Figure 6. Specialized Master’s Programs Reporting Change in Application Volume,* 2009–2013**



* Percentages may not sum to 100 due to rounding.

**Data for 2009 to 2012 are from GMAC Application Trends Surveys conducted in those years.

Spotlight on Women Applicants

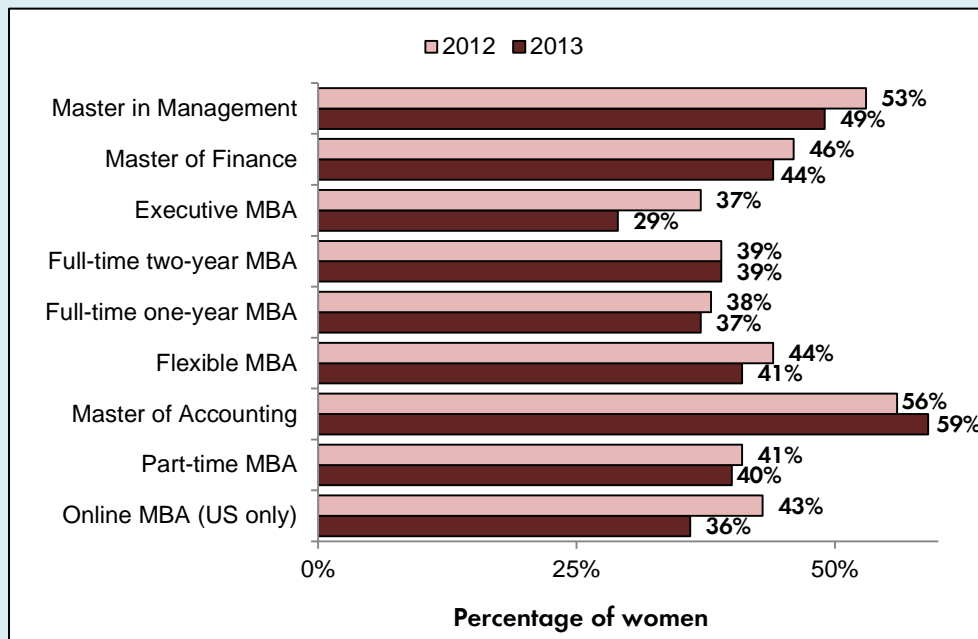
Graduate business schools that participated in this year’s Application Trends Survey received a combined total of **121,413 applications** from women, which represents 36 percent of the collective applicant pool for the 2013–2014 academic year.

Unlike 2012, when women made notable inroads in applicant volume for several MBA and master’s programs, their share of the applicant pool this year contracted a bit, especially in professional MBA programs and specialized master’s programs.

Only two program types saw an increase in the percentage of women in this year’s applicant pool compared with 2012. One is *Master of Accounting* programs, in which women represent a majority (59%) of applicants for the incoming 2013–2014 class, up from 56% last year (Figure 7). Additionally, a greater percentage of master’s programs in IT management reported higher representation from women this year (45%) compared with 2012 (40%).¹³

In contrast, the proportion of women applicants this year decreased compared with 2012 levels for *Master of Finance* and *Master in Management* as well as for *full-time one-year, flexible, part-time, executive, and online MBA* programs. Only *full-time two-year MBA* program applications from women held steady at 39 percent of the applicant pool this year, the same as 2012.

Figure 7. Representation of Women in the Graduate Management Education Applicant Pool, 2012 & 2013*



*Data for 2012 are from the GMAC 2012 Application Trends Survey.

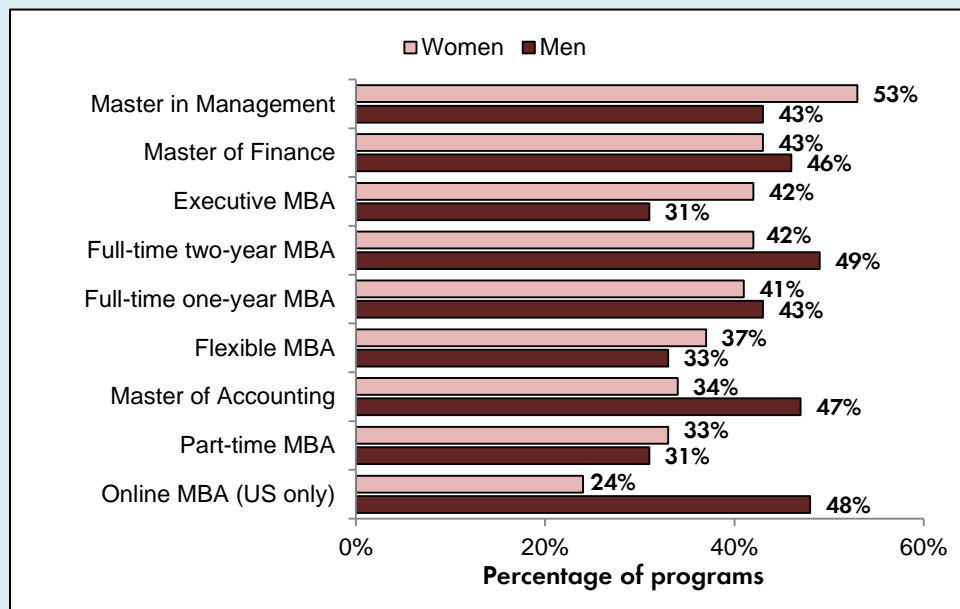
¹³ Data for Master’s in IT Management programs (N = 12) are reported only in the Statistical Data Briefs prepared exclusively for participating programs.

Even though 2013 application volume trends for women mirrored the overall downward trend seen in some program volumes, anywhere from one-third to more than half of programs in this year’s study received increased applications from women. For several program types, the growth in application volume from women exceeded the growth seen in male application volume (Figure 8).

For example:

- More than half (53%) of *Master in Management* programs reported increased applications from women, compared with 43 percent that received increased applications from men.
- *Executive, flexible, and part-time MBA* programs also showed a similar trend—a greater percentage of these programs reported volume growth in female applicants that outpaced the volume growth in male applicants.

Figure 8. Percentage of Programs Reporting Increasing Application Volumes, by Gender, 2013



School Recruitment and Outreach

Application volumes can hinge on the success of school efforts to build a pipeline of future students. As they have done in the past, the vast majority (84%) of graduate management programs actively recruited targeted populations for the 2013–2014 class. Business schools most frequently target three candidate groups: the working professional, the undergraduate student, and the foreign candidate (Table 3), all classic segments of the business school talent pipeline that schools compete for when building their classes.

Table 3. Top Candidate Types Targeted for Outreach, by Program Type and Region, 2013¹⁴

World Region	Program Type	Candidate Types		
		#1	#2	#3
Asia-Pacific	Full-time 2-year MBA	Foreign candidates (68%)	Undergraduates (42%)	Working professionals (36%)
	Full-time 1-year MBA	Foreign candidates (80%)	Working professionals (60%)	Mix of groups
Europe	Full-time 1-year MBA	Foreign candidates (63%)	Women (48%)	Working professionals (41%)
	Part-time MBA	Working professionals (92%)	Foreign candidates (62%)	Undergraduates (23%)
	Executive MBA	Working professionals & foreign candidates (70%)	Women (40%)	Entrepreneurs (20%)
	Master in Management	Foreign candidates (82%)	Undergraduates (45%)	Pre-experience candidates (45%)
United States	Full-time 2-year MBA	Women (72%)	Foreign & military (71%)	Underrepresented populations (62%)
	Full-time 1-year MBA	Undergraduates (61%)	Military (47%)	Foreign candidates (45%)
	Part-time MBA	Working professionals (71%)	Military (54%)	Women (50%)
	Flexible MBA	Undergraduates (67%)	Working professionals (60%)	Foreign candidates (46%)
	Executive MBA	Working professionals (77%)	Women (69%)	Military (68%)
	Online MBA	Working professionals & military (68%)	Undergraduates (42%)	Women (26%)
	Master in Management	Undergraduates (64%)	Foreign candidates (45%)	Mix of groups
	Master of Accounting	Undergraduates (79%)	Working professionals (31%)	Foreign candidates (29%)
	Master of Finance	Undergraduates (64%)	Foreign candidates (46%)	Working professionals (40%)

¹⁴ Top three candidate types that programs targeted for special outreach were chosen from a list of 13 population groups that included women, foreign candidates, underrepresented US populations, underrepresented nationalities, occupational specialties, undergraduate students (general), business undergraduates (specifically), nonbusiness undergraduates (specifically), working professionals, military, LGBT community, pre-experience candidates, and entrepreneurs/business owners. For a definition of terms, please see *Key Survey Definitions* at the back of this report.

Working Professional Outreach

Working professionals, not surprisingly, were the most targeted segment among *professional MBA* programs, which include the *part-time, flexible, online, and executive MBA*. The applicant pools of these programs typically draw interest from candidates with significant years' of prior work experience (Figure 9).

Although financial cost is the most common reservation expressed by prospective students about pursuing a graduate management education, today's working professionals are particularly concerned as well about their time and energy. GMAC prospective student survey research shows that, in comparison with overall responses, a greater percentage of prospective students considering professional MBA programs also have reservations about the following: that demands on their time and energy would be too great, they would need to postpone personal plans, and would have limited time for people important in their lives.¹⁵

Recent business and economic headlines describe workers as being stretched to the limit, with increased responsibilities¹⁶ and longer work hours¹⁷ as the global economy continues to recover—any or all of which might help explain the stagnant and declining applicant pools this year for professional MBA programs.

Ironically, levels of employer funding and financial sponsorship of applicants to professional MBA programs are expected to remain about the same as 2012 and some programs anticipate that more of their incoming class will have such funding.

Candidates for professional MBA programs typically are the most likely to receive financial support from their employers when going back to school to earn a graduate degree. In fact, 16 percent of survey respondents from professional MBA programs expect the percentage of incoming students in 2013–2014 with employer funding to *increase* compared with 2012. Two-thirds (67%) said they expect the share of incoming students receiving employer funding will *remain the same* as 2012.

The search by business schools to fill their classroom seats with working professionals is recognition of rising employer expectations for education and certifications across industries and for all types of jobs, as recently noted in a workplace forecast report published by the Society for Human Resource Management. In the study, 41 percent of human resources professionals anticipate a growing need of employees with advanced degrees, including MBAs.¹⁸

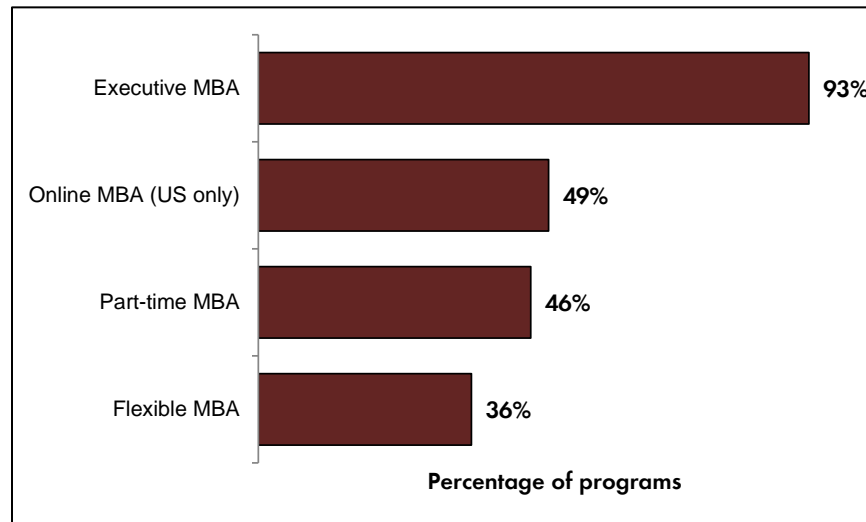
¹⁵ GMAC (2013) mba.com Prospective Students Survey. <http://www.gmac.com/prospectivestudents>.

¹⁶ Fraunheim, E. (2011, Dec. 16) Today's workforce—Pressed and stressed. *Workforce*. <http://www.workforce.com/articles/today-s-workforce-pressed-and-stressed>

¹⁷ Marte, J. (2012, Sept. 6) Overworked employees may see relief in new hiring. MarketWatch, *The Wall St. Journal*. <http://www.marketwatch.com/story/overworked-employees-may-see-relief-in-new-hiring-2012-09-06>

¹⁸ SHRM (2013) *SHRM® Workplace Forecast*. Alexandria, VA: SHRM. <http://www.shrm.org/Research/FutureWorkplaceTrends/Pages/default.aspx>

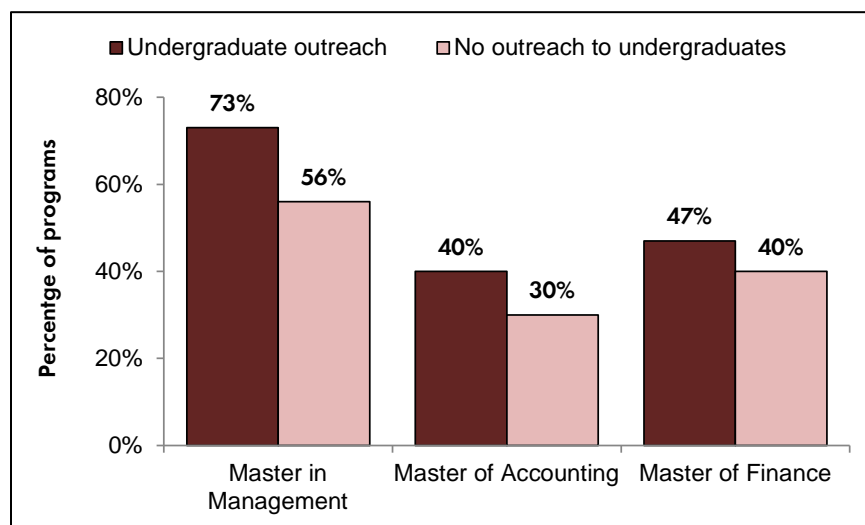
Figure 9. Percentage of 2013 Applicant Pool with 6 or More Years of Work Experience, by Professional Program Type, 2013



Undergraduate Outreach

Undergraduate students continue to be a primary candidate group targeted by *specialized business master's* programs. The applicant pools for these programs reflect a younger age group—72 percent of *Master in Management*, 79 percent of *Master of Accounting*, and 77 percent of *Master of Finance* applicants are 25 years old or younger. Programs that specifically focus their outreach activities on undergraduate students appear to outperform—in terms of increased applications—programs that do not engage in special outreach for this group (Figure 10).

Full-time two-year MBA (59%) and *full-time one-year* (36%) *MBA* programs also actively recruit undergraduates. Programs in the United States are more active in recruiting these students than some of their global counterparts. US-based *full-time two-year MBA* programs (60%) were more likely than their peer programs in Asia-Pacific (42%) to recruit undergraduates. Likewise, *full-time one-year MBA* programs in the United States were the most likely to recruit undergraduates (61%) compared with *full-time one-year MBA* programs in Asia-Pacific (13%) and Europe (11%).

Figure 10. Programs with Increasing Application Volumes, by Undergraduate Outreach, 2013

Foreign Candidate Outreach

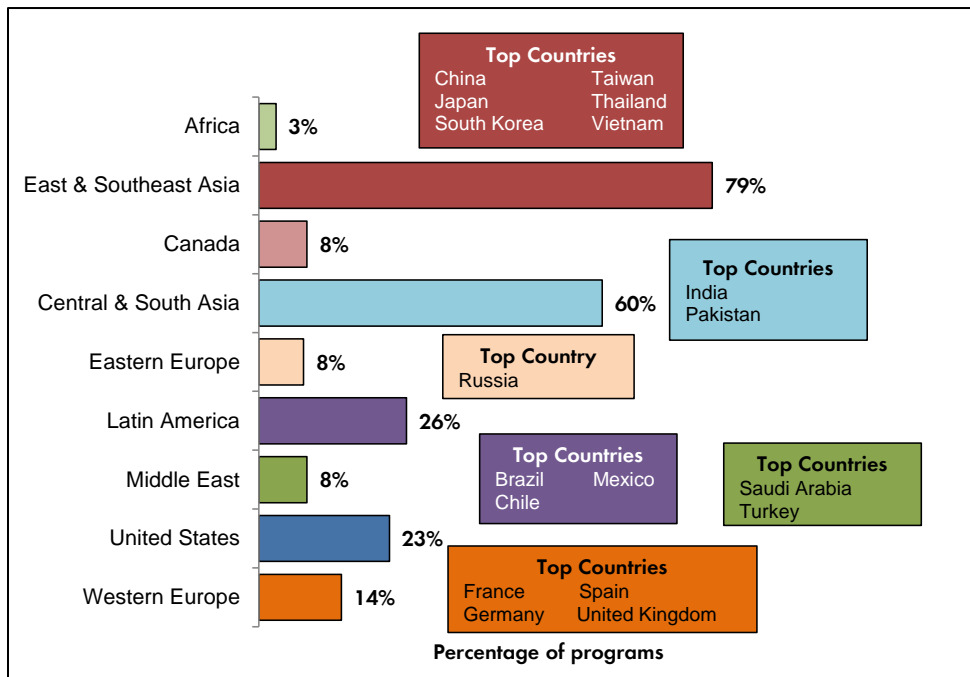
Foreign candidates are one of the most heavily recruited population groups, sought both by full-time MBA and specialized business master's programs worldwide.

- A majority of *full-time one-year* and *two-year MBA* programs in every world region analyzed in this report actively recruited foreign candidates in 2013.
- Full-time MBA programs were the most likely to conduct recruiting efforts in countries located in East and Southeast Asia (79%), Central and South Asia (60%), and Latin America (26%). Figure 11 illustrates the distributions of top country locations within each world region where full-time MBA programs conducted recruiting efforts in 2013 [see Footnote 6].
- About a quarter (23%) of full-time MBA programs located outside the United States recruit in the United States.

Efforts by *specialized master's* programs to recruit foreign candidates differ by specialization and school location:

- European-based *Master in Management* programs (82%) were most likely to actively recruit foreign candidates compared with both specialized masters and MBA programs.
- In the United States, *Master of Finance* (46%) and *Master in Management* (45%) programs were more likely than *Master of Accounting* (29%) programs to actively recruit foreign talent.
- Specialized business master's programs collectively were most likely to recruit foreign candidates located in East and Southeast Asia (71%), Central and South Asia (52%), and Latin America (26%). Figure 12 illustrates the distribution of top country locations within each world region where master's programs conducted recruiting efforts in 2013.
- Sixteen percent (16%) of specialized business master's programs located outside the United States recruit in the United States.

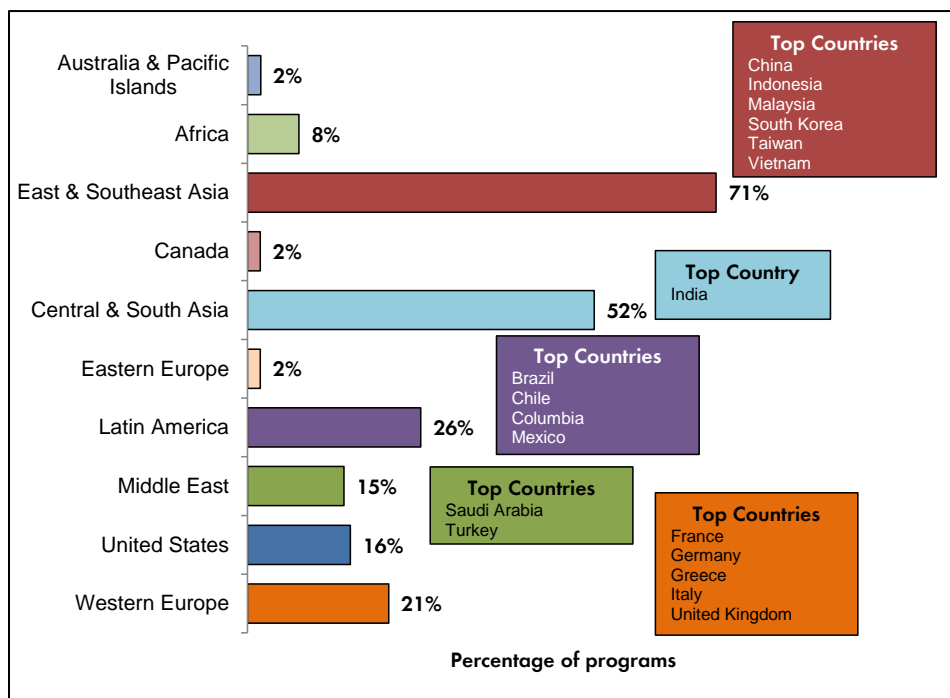
Figure 11. Regions & Countries* Where Full-Time MBA Programs Recruited Foreign Candidates, 2013**



*No full-time MBA programs reported conducting foreign recruitment in Australia or Pacific Islands.

**Top countries represent those mentioned by three or more full-time MBA programs and are listed in alphabetical order.

Figure 12. Regions & Countries Where Specialized Master’s Programs Recruited Foreign Candidates, 2013*



*Top countries represent those mentioned by three or more specialized master’s programs and are listed in alphabetical order.

Foreign Candidate Applicant Pool

Foreign applicants make up a hefty share of the business school applicant pool for *full-time MBA* and *specialized business master's* programs, representing between 47 percent and 78 percent of this year's incoming class, depending on the program type (Figure 13).

Figure 13 illustrates the representation of each of the regional citizenship groups that encompass the **foreign** applicant pool for full-time MBA and specialized masters programs. *Full-time MBA* and *Master in Management* programs receive applications from a broad range of sources in terms of citizenship groups. In contrast, *Master of Accounting* and *Master of Finance* programs are almost singularly dependent upon the East and Southeast Asia region as a source of foreign candidates. In fact, 88 percent of *Master of Accounting* programs report that their single largest source of foreign applicants is China. At the same time, however, nearly half (46%) of *Master of Accounting* programs reported that Chinese citizens also accounted for their greatest decrease in foreign application volume.

This dependence on a single region as a source of candidates may be a contributing factor in changes in application volume seen this year by quantitative master's programs. For the 2013 incoming class, the majority of *Master of Accounting* and *Master of Finance* programs experienced decreased application volumes, marking an about-face from nearly half a decade of year-on-year growth. China's slowing economy and rising unemployment rates, plus increased competition among the expanding number of accounting programs within and outside the United States are all factors that may help explain the declining applicant volume for quantitative master's programs.

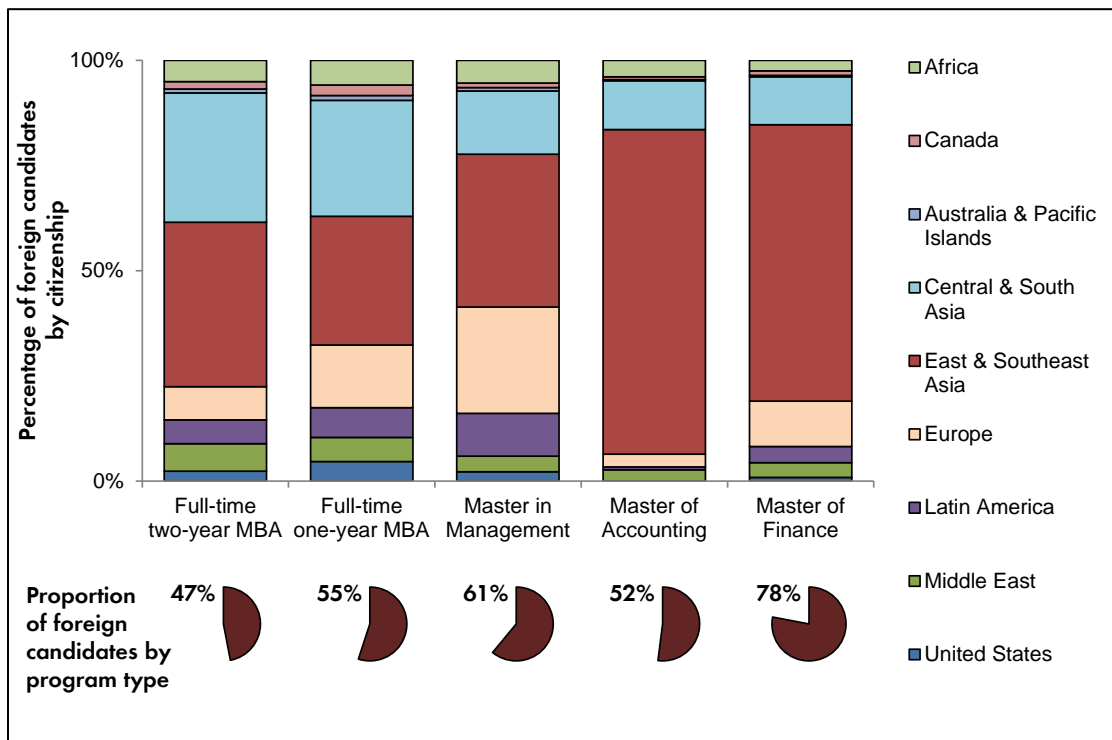
As noted earlier, *full-time MBA* and *Master in Management* programs typically attract a more diverse pool of foreign candidates. For the incoming 2013 class, citizens of countries in Central and South Asia as well as in East and Southeast Asia make up the largest segments of applicants for *full-time two year* (71%), *full-time one-year MBA* (59%), and *Master in Management* (52%) programs. Candidates from other world regions, such as Europe and Latin America, also account for a sizeable proportion of the applicant pool.

Citizens of Middle Eastern countries represent seven percent and six percent, respectively, of the foreign candidate pool for *full-time two-year* and *full-time one-year MBA* programs, about twice the size of their representation in any of the *specialized master's* programs included in this report.

Latin American applicants represent 10 percent of the foreign candidate pool this year for *Master in Management* programs, seven percent of *full-time one-year MBA*, and six percent of foreign applicants to *full-time two-year MBA* programs. *Master of Finance* (4%) and *Master of Accounting* (1%) programs had the smallest share of foreign applicants from Latin America.

European citizens make up a greater percentage of the foreign applicant pool for *Master in Management* programs (25%) in 2013 compared with their representation in the incoming classes for *full-time two-year MBA* (8%) and *full-time one-year MBA* (15%) programs.

Figure 13. Regional Citizenship of Foreign Applicant Pool, by Program Type, 2013*



Tuition Assistance Programs

The top reservations that prospective students cite about pursuing a graduate business degree consistently relate to the high cost of tuition/fees and how to pay for their education [see Footnote 10]. To alleviate these concerns, admissions professionals at a majority of business programs worldwide report offering a variety of tuition assistance options to incoming students—ranging anywhere from 52 percent of *online MBA* programs up to nearly all (96%) *full-time two-year MBA* programs (Figure 14).

Scholarship awards represent the most common type of tuition assistance that business schools offered to incoming students in 2013 (Figure 15). Given the range of students who actually will receive these awards in 2013 (13% to 43%), it appears scholarship programs encompass a highly competitive process (Figure 16).

More *Master in Management* programs (87%) offer scholarships to incoming students compared with any other specialized master’s or MBA programs, although *full-time two-year MBA* programs had the highest average percentage of student scholarship recipients (43%) across all program types. Professional MBA programs (e.g., *executive, part-time, online MBAs*) were the least likely to offer scholarships to incoming students.

Figure 14. Percentage of Programs Offering Tuition Assistance in 2013

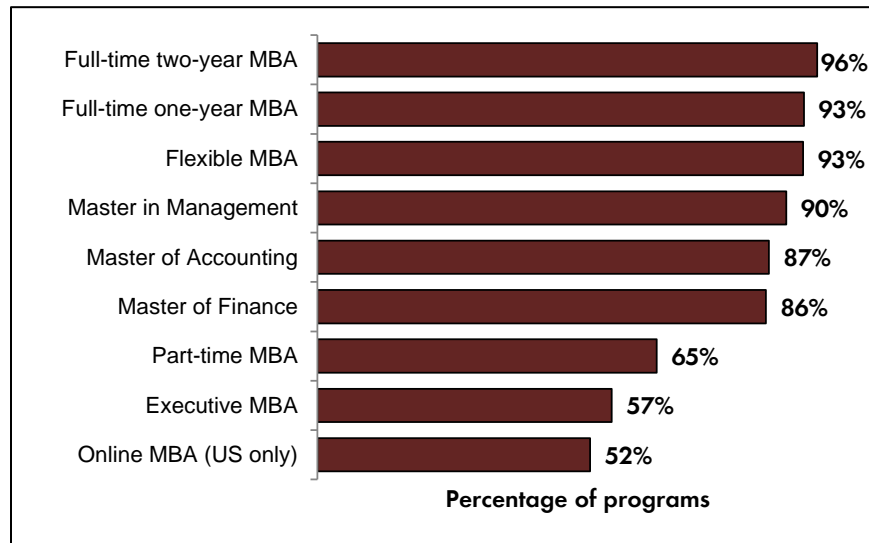
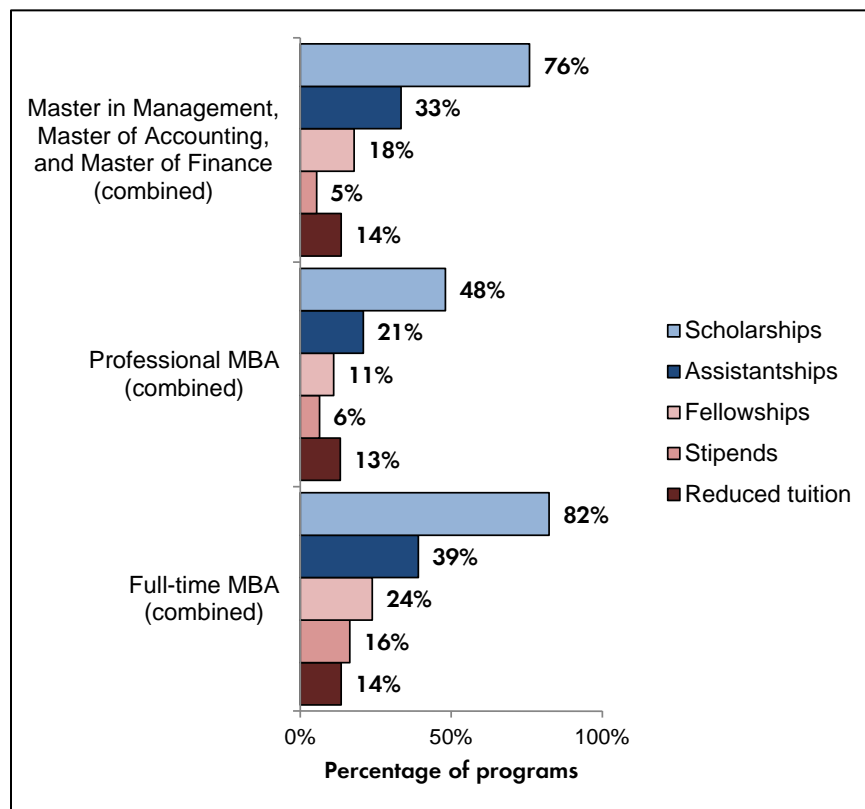
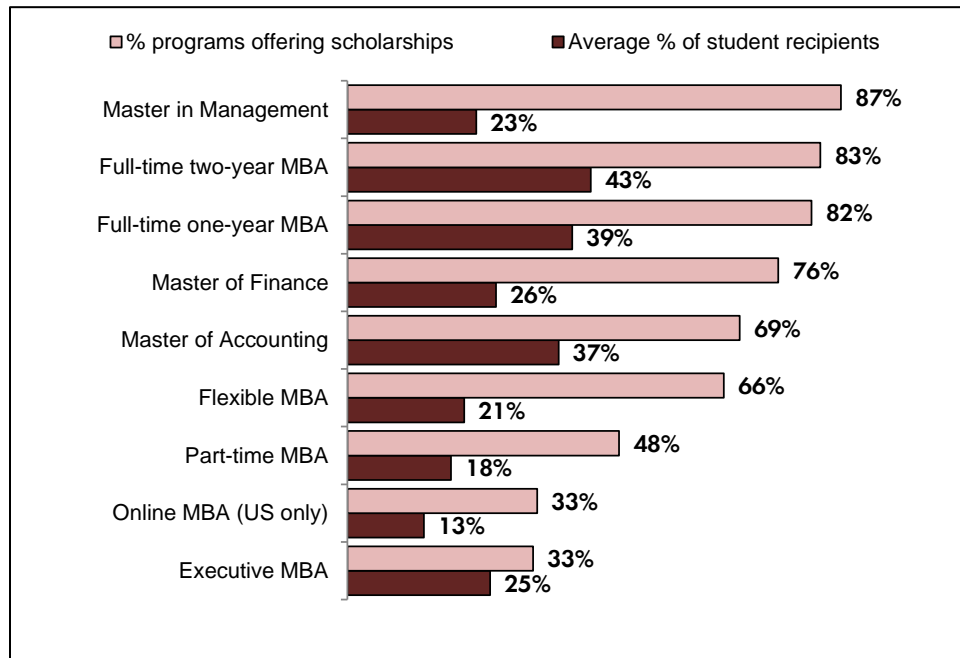


Figure 15. Percentage of Programs Offering Tuition Assistance, by Type of Funding, 2013*



*Percentages due not sum to 100 due to multiple selections.

Figure 16. Scholarship Awards, 2013



Profile of Class of 2013–2014

Full-time MBA programs attracted applicants with consistent levels of prior work experience and rising academic qualifications, compared with 2012.

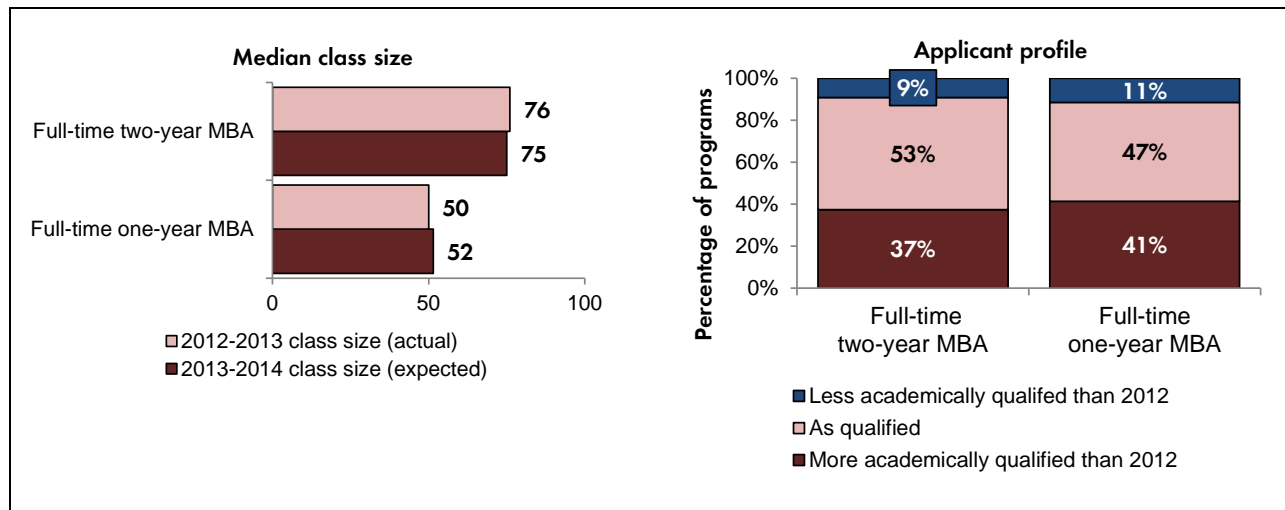
Full-time two-year MBA programs received a median of 4.1 applications for each available spot, and reported the lowest median acceptance rate of the MBA program types (45%), similar to 2012 (Table 4). A typical candidate attracted to *full-time two year MBA* programs has three or more years of work experience, as was the case for 61 percent of applicants in 2013. Nine out of 10 programs reported that this year’s *full-time two-year* applicant pool was either more qualified or just as academically qualified as last year (Figure 17).

Full-time one-year MBA programs received a median of 2.7 applicants per available spot (Table 4), and had an average acceptance rate of 49 percent. Similar to the applicant pool for *two-year MBA* programs, one-year candidates typically have three or more years of work experience (69%). Also, 89 percent of *full-time one-year MBA* programs reported in 2013 that their applicant pool was either more or just as academically qualified as last year’s candidates (Figure 17).

Table 4. Applicants per Available Seat, Full-Time MBA Programs, 2013

	Full-Time Two-Year MBA	Full-Time One-Year MBA
25 th percentile	2.5	1.7
Median	4.1	2.7
75 th percentile	6.3	4.2

Figure 17. Median Class Size & Academic Profile of Applicants,* Full-Time MBA Programs, 2013



*Percentages in applicant profile may not sum to 100 due to rounding.

On average, each of the *professional MBA* programs received slightly more than one application per available seat, suggesting that some of these programs may have difficulty filling their available spots in the 2013–2014 class. For example, one-quarter of *part-time* and *online MBA* programs received *fewer* applications than spots available (Table 5).

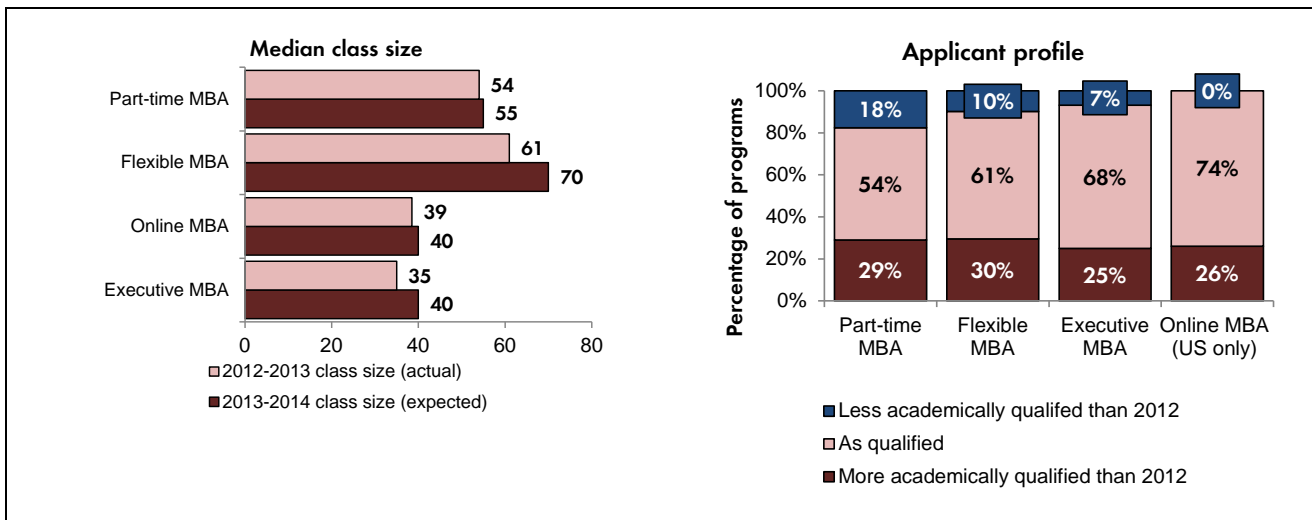
The majority of professional MBA programs reported this year’s candidates are as academically qualified as last year’s (Figure 18). Median acceptance rates in 2013 for professional MBA programs range between 64 percent and 75 percent.

The amount of previous work experience that *professional MBA* candidates bring to their programs is always considerably higher than full-time MBA programs and varies greatly by program type. Sixty-three percent (63%) of *flexible MBA* candidates has three or more years of work experience, compared with 82 percent of *part-time MBA* candidates, 82 percent of *online MBA*, and nearly all (99%) *executive MBA* programs.

Table 5. Applicants Per Available Seat, Professional MBA Programs, 2013

	Part-Time MBA	Flexible MBA	Executive MBA	Online MBA (US only)
25 th percentile	0.9	1.0	1.0	0.9
Median	1.3	1.3	1.3	1.1
75 th percentile	1.8	2.3	1.8	1.8

Figure 18. Median Class Size & Academic Profile of Applicants,* Professional MBA Programs, 2013



*Percentages in applicant profile may not sum to 100 due to rounding.

Master in Management programs received a median of 2.3 applications per available seat in 2013 and reported a 59 percent acceptance rate. Although more than half of *Master of Finance* and *Master of Accounting* programs report declines in application volume in 2013 (see Figure 6), both programs touted a highly competitive pool of candidates (Table 6).

Master of Finance programs continued to be the most competitive program type for business school applicants on the basis of having the lowest median acceptance rate (40%) and greatest average number of applicants per seat (median of 5.7).

Master of Accounting programs received a median 2.9 applications per available seat this year, and reported a median acceptance rate of 52 percent.

Traditionally, *specialized master's in business* programs attract younger students with less work experience. About two-thirds (67%) of this year's applicants to *Master of Accounting* and *Master of Finance* (62%) programs have less than one year or no work experience.

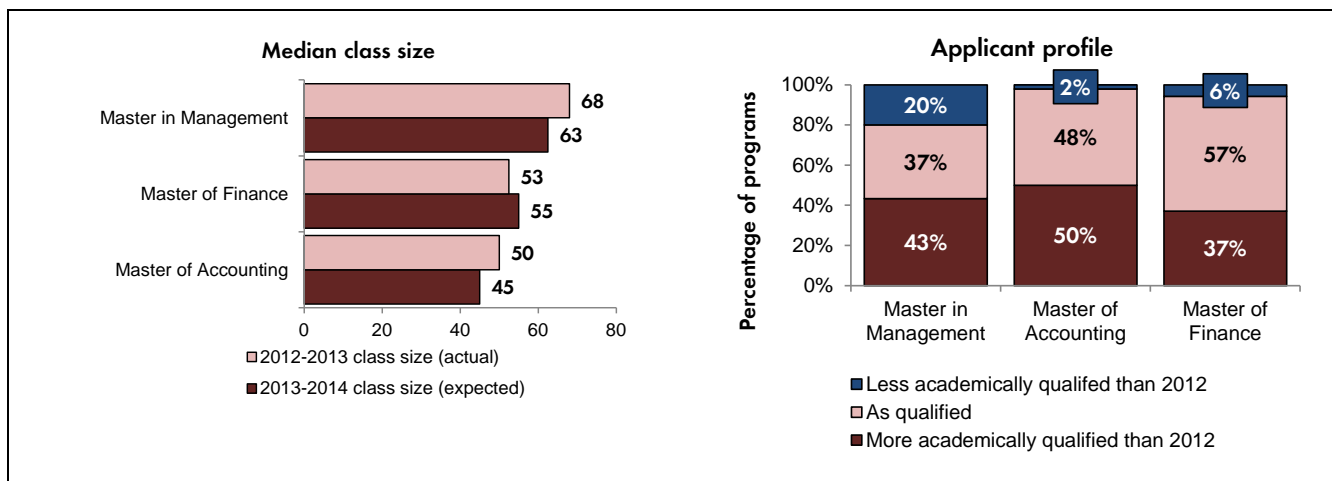
The *Master in Management* applicant pool was more or as academically qualified than last year's pool for 80 percent of programs, although 20 percent of programs indicated this year's candidates were less academically qualified (Figure 19).

Nearly all *Master of Finance* and *Master of Accounting* programs noted applicant pools for 2013 that were more or as academically qualified compared with last year.

Table 6. Applicants Per Available Seat, Specialized Master's Programs, 2013

	Master in Management	Master of Finance	Master of Accounting
25 th percentile	1.3	1.9	1.2
Median	2.3	5.7	2.9
75 th percentile	4.0	10.2	5.5

Figure 19. Median Class Size and Academic Profile of Applicants, Specialized Master’s in Business Programs, 2013



About the Survey

The 14th annual Application Trends Survey was conducted from early June to mid-July 2013. GMAC invited 1,692 graduate business schools and faculties to participate in this year’s survey. By the survey closing date, 328 graduate business schools and faculties had participated in this survey, submitting data for 683 graduate management programs, including 135 *full-time two-year MBA* (including international MBA and two-year PGP programs), 94 *full-time one-year MBA* (including one-year international MBA and one-year PGP programs), 118 *part-time* or *professional MBA*, 64 *flexible MBA*, 47 *executive MBA*, and 24 *online/distance MBA* programs.

Also participating were 49 *Master of Accounting* and *Master of Taxation*, 38 *Master of Finance*, 32 *Master in Management* and *International Management*, 18 *Master in Marketing* and/or *Communications*, 12 *Master of Information Technology* or *Systems*, and 38 other master-level programs in business fields, as well as 13 *PhD* or *DBA* programs.

The survey sample represents 42 countries worldwide and 44 states including the District of Columbia in the United States. Geographically, 447 programs from 211 responding schools were in the United States, 87 programs from 44 schools were in Europe, 77 programs from 45 schools were in the Asia-Pacific region (48 programs from 27 schools in East and Southeast Asia, 15 programs from 14 schools from Central Asia, and 14 programs from 6 schools in Australia and the Pacific Islands region), 40 programs from 4 schools in Latin America, 24 programs from 18 schools in Canada, and 8 programs from 7 responding schools in the Middle East/Africa. Combined, participating programs received 333,972 applications during the 2013–2014 application cycle. Findings reported in this document are based on survey responses that represent data from the responding programs and are not a census of all graduate management programs.

Percentages in tables may not add to 100, due either to multiple responses provided by respondents or to rounding. Data are not reported if the number of responses in a table cell is less than 10. Unless otherwise specified, responses “don’t know,” “prefer not to say,” or “not applicable” are not included. Visit gmac.com/applicationtrends for more details about the survey methodology.

Methodology

The survey questionnaire contained 24 questions that respondents were required to complete in order to qualify as a survey participant. All survey questions might not have been applicable to all responding programs. The survey was conducted online. All application numbers and trends discussed in this report refer to completed applications that contained all documents needed for making an admissions decision, which were received on or about July 1, 2013 for the 2013–2014 incoming class.

For 2012 and 2013, average class sizes, acceptance rates, enrollment rates, and number of applications are reported using medians. Caution should be taken when comparing 2012 and 2013 results to past findings, as these data were often reported using the mean in prior years.

A list of business schools that participated in the survey is publicly available at gmac.com/surveys.

All participating graduate business programs receive this summary report, statistical briefs, and online access to the *Application Trends Interactive Benchmark Tool*, which allows them to compare their survey responses with aggregated responses from their peer programs. All research publications of the Graduate Management Admissions Council, including the Application Trends Survey report series, are complimentary to participating schools.

The opinions and evaluations contained in this report represent those of individual contributors and are not necessarily the views of the Graduate Management Admission Council.

Survey Participation

Next year (2014) will mark the 15th edition of the GMAC Application Trends Survey. Admissions professionals at business schools and universities that offer graduate management programs can secure the survey invitation anytime by visiting gmac.com/surveysignup.

Participation benefits for schools include comprehensive statistics, customized interactive benchmark reports, and advance access to survey findings.

GMAC's application trends research consists of two independent studies. All graduate management programs are eligible to participate in either one or both regardless of their location, affiliation, or admissions structure. MBA programs offered in full-time, part-time, executive, flexible, or distance-learning formats as well as doctoral and specialized master's programs in business are invited.

The *Preliminary Application Trends Survey* is conducted in early February each year. Results from this survey are distributed exclusively to participating schools and provide advance information on the application volume during the early stages of the application cycle for programs that start in August-September and a quick snapshot of the end-of-cycle results for programs that start in January.

A comprehensive *Application Trends Survey* is open from early June to mid-July of each year and is designed to assess longitudinal trends in application volume of a broad spectrum of graduate management programs and provides detailed applicant profile statistics to participating schools. This study has served as a primary source of application trends information for the graduate management education community worldwide for more than a decade through an annual publicly released executive summary.

Visit
gmac.com/benchmark
to see an interactive demo
of the Application Trends
Survey Benchmark
Reporting Tool.

Regional Location of Participating Programs

World geographic classifications used in this report are based on the following categories:

- **Asia-Pacific:** Australia, Bangladesh, China, Hong Kong (SAR of China), India, Japan, Korea (Republic of, South), Malaysia, Pakistan Philippines, Singapore, Taiwan, Thailand, Vietnam
- **Canada:** Canada
- **Europe:** Austria, Belgium, Denmark, Finland, France, Georgia, Germany, Greece, Ireland, Italy, Netherlands, Poland, Portugal, Russian Federation, Spain, Sweden, Switzerland, United Kingdom of Great Britain and Northern Ireland
- **Latin America:** Brazil, Columbia, Mexico
- **Middle East/Africa:** Egypt, Kenya, Nigeria, South Africa, Turkey
- **United States:** United States of America and its territories

In addition, US graduate management programs were grouped geographically using the following regional classifications:

- **Northeast (NE):** Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island
- **Middle Atlantic (MA):** Delaware, District of Columbia, Maryland, Pennsylvania, Virginia
- **Midwest (MW):** Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Ohio, South Dakota, Wisconsin
- **South (S):** Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee
- **Southwest (SW):** Arizona, New Mexico, Oklahoma, Texas
- **West (W):** California, Colorado, Hawaii, Idaho, Nevada, Oregon, Utah, Washington

Key Survey Definitions

The survey questionnaire included the following definitions:

Academic profile includes undergraduate GPA (UGPA), GMAT score, essays, and other indicators of academic quality used by a particular program in the admission process.

Acceptance rate is calculated as the number of acceptance offers divided by the number of total completed applications times 100.

The term *domestic* refers to applicants who are citizens of the country where the program is located.

Enrollment rate is calculated as the number of accepted applicants who enroll divided by the number of all accepted applicants, times 100.

The term *entrepreneurs* refers to individuals contemplating or currently running their own businesses that schools may specifically recruit as potential applicants.

Flexible MBA programs combine full-time and part-time course delivery options for students and are delivered primarily on campus.

The term *foreign* is defined by applicant citizenship and refers to any applicant whose citizenship differs from that of the country where he/she applies. For example, US citizens applying to UK programs would

be considered foreign in the United Kingdom, and UK citizens applying to US programs would be considered foreign in the United States.

The term *LGBT community* includes lesbian, gay, bisexual, and transgender individuals.

The term *occupational specialties* refers to individuals working in particular professions such as engineering, technology, or other occupational categories that schools may target for special recruitment activities.

Percentage distributions based on original survey response categories are often collapsed into broader categories “Up”, “Flat”, or “Down” at the bottom of a table or figure for reader convenience. The category “Up” includes up significantly (21% or higher), up moderately (11% to 20%), and up slightly (1% to 10%). “Flat” means there was no (0%) change from the previous year. “Down” includes down slightly (–1% to –10%), down moderately (–11% to –20%), and down significantly (–21% or lower).

Pre-experience candidates refers to prospective students without professional work experience.

The term *underrepresented nationalities* may include those born in a country where another nationality constitutes the majority and migrants. For example, in Belgium, all nationalities other than Belgian, which is the majority, would be considered underrepresented nationalities.

The term *underrepresented populations* refers to racial or ethnic minorities that include the following groups of US citizens: Hispanic American or Latino, Black or African American, Native Hawaiian or Pacific Islander, and American Indian or Alaska Native. The category does not include Asian Americans.

Contact Information

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

Contributors

Rebecca Estrada, Survey Research Manager, GMAC, questionnaire design, survey administration, analysis, interpretation and analysis of data, and drafting/revising of manuscript for intellectual content; Gregg Schoenfeld, Director, Management Education Research, GMAC, review of questionnaire, collaboration on analysis, and manuscript review; Michelle Sparkman-Renz, Director, Research Communications, GMAC, manuscript review; Paula Bruggeman, Editor-Writer, Manager, R&D, review and editing of manuscript; Veronica Sinz, Lead Publications Manager, GMAC, editorial review and graphic development; Devina Caruthers, Senior Research Coordinator, GMAC, survey support and data review; Tacoma Williams, Research Coordinator, GMAC, survey support; and Lawrence Rudner, Vice President, Research and Development, GMAC, manuscript review.

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The **Application Trends Survey** is one in a series of five annual surveys produced by the Graduate Management Admission Council® that explore relevant issues in graduate management education. Survey reports provide an overview of data in addition to offering context for and discussing implications of the research. They frequently are used to help drive strategic decision-making processes in graduate business schools. All survey reports are available online at gmac.com/surveys. Print copies are free upon request from the GMAC® Research and Development Department at research@gmac.com.

Other surveys include—

mba.com Prospective Students Survey

Who is in the pipeline for a graduate business degree? What factors influence their enrollment decisions? Launched in 2003, this annual survey (formerly known as the mba.com Registrants Survey) profiles prospective students, tracking how and why they move through the pipeline, and what motivates them and gets their attention.

Alumni Perspectives Survey

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

Global Management Education Graduate Survey

What value do business school students place on their education as they prepare to graduate? Premiering in 2000, this survey is conducted every February to provide a comprehensive picture of soon-to-be graduates: who they are, how they chose their schools, how satisfied they are with their education, and where they are headed after they graduate.

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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11921 Freedom Drive, Suite 300
Reston, VA 20190
gmac.com/mba.com

research@gmac.com
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