

Alumni Perspectives on the Value of Graduate Management Education





Nine in ten alumni report a positive return-on-investment (ROI) from their graduate business education, according to the 4,658 respondents to the recent GMAC survey snapshot. A Net Promoter Score (NPS) of 30 shows that most alumni are likely to recommend their graduate business school to a friend or colleague. This data indicates that the value proposition of a graduate management education is strong; alumni report a high level of satisfaction with their educational outcomes, in line with their career ambitions.

■ Contributor:

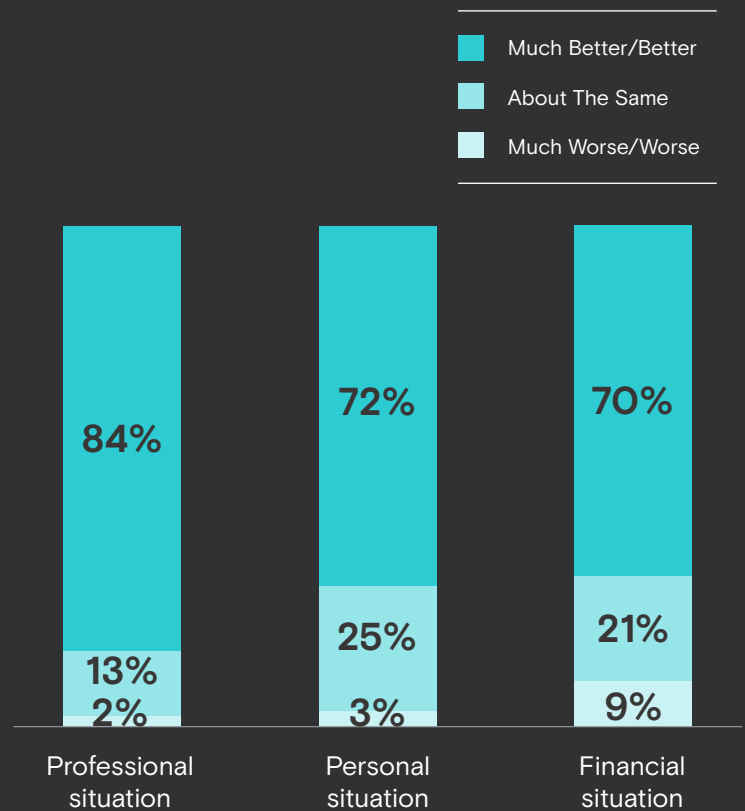
Rahul Choudaha, PhD
Director, Industry Insights &
Research Communications, GMAC
[GMAC.com/Research](https://www.gmac.com/research)

More than 25 years ago, researchers asserted that the understanding of alumni satisfaction is vital for improving higher education program outcomes. Over the years, subsequent studies have looked at other dimensions of alumni satisfaction, including their future supportive behavior such as donations and positive word-of-mouth references to prospective students. The latest data from GMAC provides new insights into the satisfaction of alumni of graduate business schools. This research shares highlights of the survey snapshot based on responses from 4,658 alumni.

The positive impact of GME

Overall, 70 percent of alumni rate the value of their graduate business education as Excellent or Outstanding. This overwhelmingly positive impact is evident across professional, personal, and financial situations: when asked about the impact of business education on various facets of their lives, the majority of alumni say that their professional situation (88%), personal situation (72%), and financial situation (70%) are Much Better or Better.

Percentage of alumni reporting the impact of graduate business education on their personal, professional, and financial situation



Source: Alumni Perspectives 2021 | n=4,658 | [GMAC.com/research](https://www.gmac.com/research)

GME enhances employability

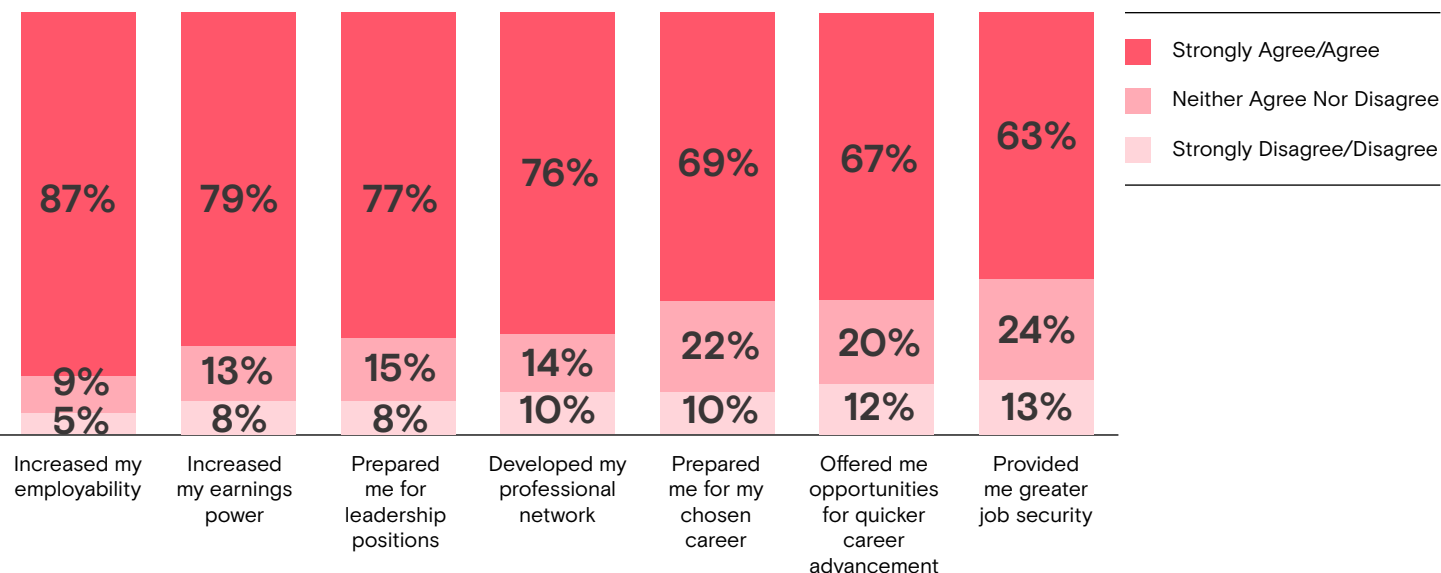
Most alumni agree that a graduate business degree is a catalyst for reaching their specific career outcomes. Alumni respondents Strongly Agree or Agree that GME increased their employability (87%), increased their earnings power (79%), prepared them for leadership positions (77%), developed their professional network (76%), prepared them for their chosen career (69%), provided opportunities for quicker career advancement (67%), and provided them with greater job security (63%).

87% GME increased their employability

79% GME increased their earnings power

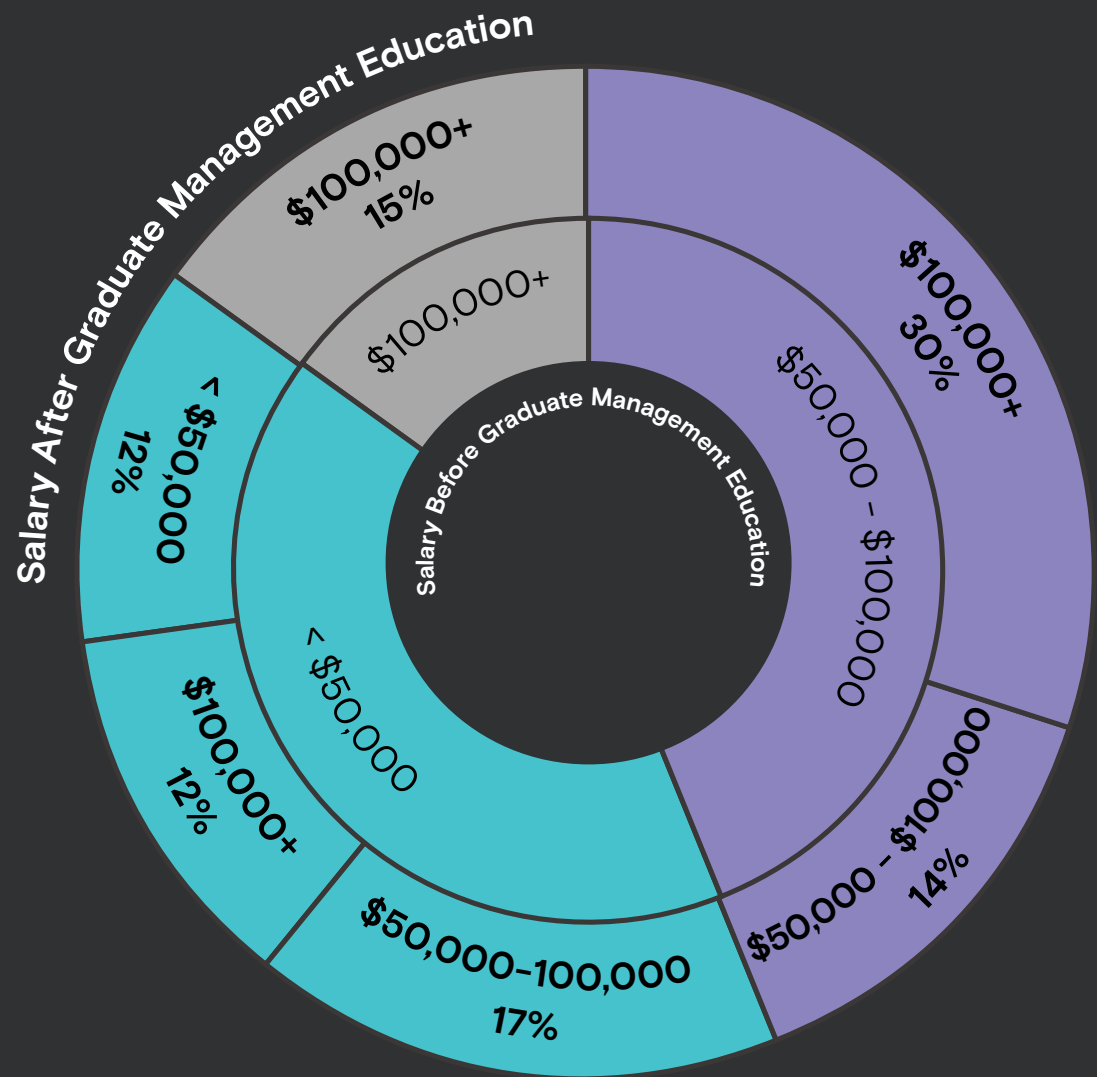
77% GME prepared them for leadership positions

Level of agreement or disagreement among alumni about their graduate business education experience on career aspects



Source: Alumni Perspectives 2021 | n=4,658 | GMAC.com/research

GME boosts salary levels

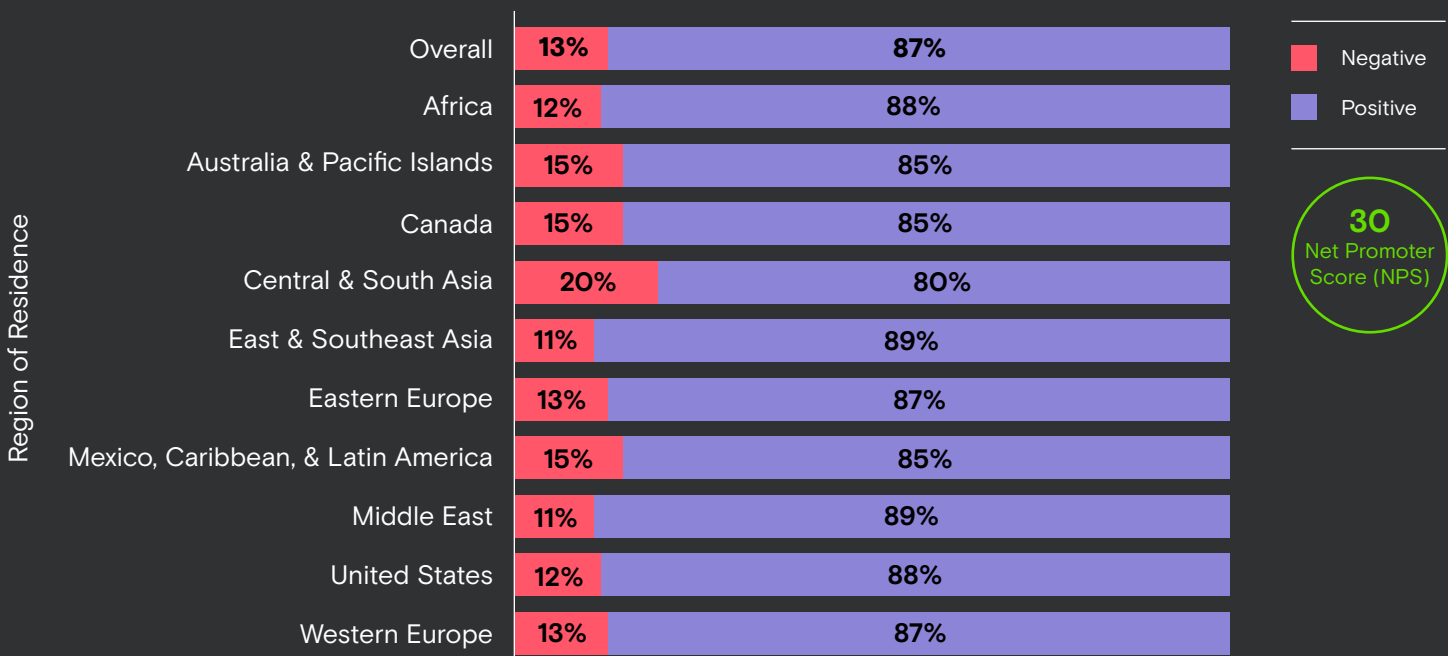


Data shows that nearly 60 percent of alumni increased their median salaries to higher income ranges. For instance, one in three alumni report that their median salary increased from \$50,000-\$100,000 to over \$100,000. Moreover, 12 percent of alumni say that their median salary jumped from less than \$50,000 to over \$100,000. The value of GME is reinforced by the salary premium employers are willing to pay for the skills of graduate management talent. According to the [2021 Corporate Recruiters Survey](#), this salary premium could help an MBA graduate earn us\$3 million more than someone only holding a bachelor's degree.

GME delivers positive ROI

Another measure of value for a graduate management degree is the Net Promoter Score (NPS)—a widely used metric for gauging brand loyalty and customer willingness to recommend a product or service to others. The overall Net Promoter Score among business school alumni is 30, which is greater than scores achieved in most sectors of the economy. Aligning with this is the overall return-on-investment (ROI) alumni report regarding their program. Overall, approximately nine in ten (87%) alumni report a positive ROI from their graduate business education with only slight variations by the region of alumni residence.

Percentage of alumni reporting a positive or negative return-on-investment for their graduate business education



Source: Alumni Perspectives 2021 | n=4,658 | gmac.com/research

*NPS based on likelihood of alumni to recommend their business school on a 10-point scale



Summary

In summary, alumni of graduate business schools report a high level of satisfaction with their experiences, as indicated by their willingness to recommend the program to others. Alumni also agree that their graduate management education adds value on personal, professional, and financial dimensions, with a majority reporting a positive return-on-investment. These findings show that business school alumni place high regard on the value of graduate management education as it provides them with pathways to achieve their career ambitions.

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Methodology

The findings reported here are based on the analysis of data collected in 2020 and 2021 (Jan-Jun) from 4,658 individuals who identified themselves as alumni of graduate management education programs. Nearly 63 percent of respondents were male, 75 percent had seven or more years of work experience, and 56 percent were us citizens. Salary data is based on 640 responses received from April to June 2021. This analysis reflects the sample frame of the [mba.com Prospective Students Survey](#) and should not be used to generalize about the global alumni population.

Net Promoter Score: Alumni were asked, “How likely is it that you would recommend your graduate business school to a friend or colleague?” on a scale of 0 (Not at all likely) to 10 (Extremely likely). Those who respond with 0 to 6 are considered “detractors,” 7 to 8 “passives,” and 9 to 10 “promoters.” Net Promoter score = % of Promoters - % of Detractors. NPS can be as low as -100 (everyone is a detractor) or as high as +100 (everyone is a promoter). A positive NPS (higher than zero) is good, and an NPS of +50 is excellent.

