Increasing Graduate Management Education Candidate Diversity: Improving Attraction to Underrepresented Segments

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Graduate Management Education Challenges in a Changing America

As the ethnic and racial composition of the United States continues to undergo seismic change, U.S. institutions, in order to maintain growth, are confronted with attracting, recruiting, and retaining their “fair share” of participation from historically underrepresented groups. Graduate management education (GME) is no exception.

Bolstered both by immigration and higher birth rates among certain population segments, the country is moving toward what demographers have coined a “majority-minority” future where traditional “minority” groups will become a majority. U.S. Census Bureau projections estimate that the United States will reach this milestone in 2043 and continue to evolve thereafter.1 Majority-minority populations are already present in four states – California, Hawaii, New Mexico, and Texas.2

The changing population is even more pronounced among younger age groups. 45% of 20- to 30-year-olds currently identify themselves as being a minority population, and in 2020 the under-18 U.S. age demographic is projected majority-minority.3

In light of these population dynamics, graduate management education faces new challenges. U.S. business schools increasingly are finding it difficult to recruit qualified domestic candidates for their programs and that challenge is amplified among key ethnic and racial groups that are proportionately underrepresented among Graduate Management Admission Test® (GMAT®) test takers, GME applicants,

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and enrollees. These underrepresented populations ("URPs") include people of Hispanic origin, African Americans, and Native Americans.

Test-taking data tracked by the Graduate Management Admission Council (GMAC) highlight some of the challenges facing graduate management education relative to these underrepresented populations:

- **African-Americans and Hispanics** comprise 12% and 18% of the U.S. population, respectively, but represent just 8% and 7%, respectively, of unique U.S. GMAT test takers.\(^4\)
- **URP candidates** consistently score 100 points lower on the GMAT exam than other U.S. citizens, often making them less desirable candidates for many “selective” business school programs.
- According to the 2015 GMAC Application Trends Survey, nearly 3 in 5 U.S. business school programs (59%) reported applications from URP groups were either down (28%) or flat (31%).
- Data from the National Center for Education Statistics (2000–2013) indicate URPs make up 37% of the population pursuing graduate management degrees at for-profit institutions.\(^6\)

As the diversity of the U.S. population continues to increase, new strategies are needed for graduate business programs to more effectively appeal to these segments of growing importance. Addressing this challenge and its increasing impact over time continues to be a focus of GMAC.

**GMAC URP Research**

To complement past studies of underrepresented populations conducted by the GMAC Research Services group, GMAC partnered with globalsojourn (a market research and strategy firm) to undertake a primary research effort in 2015. The purpose of the effort was to gain insights into the dynamics of URP perceptions, interest, and pursuit of graduate management education. This paper offers a snapshot of that research including key findings, implications, and recommended actions for applying the insights to improve GME attraction within these underrepresented cultural segments.

**Research Objectives**

Specific objectives for this research effort were to provide insights into the URP population and their path to graduate management education including:

1. Perceptions of business careers vis-a-vis other career choices,
2. Consideration of graduate management education relative to education and work experience,
3. Key motivators to consider GME,
4. Factors that influence consideration of available GME formats including for-profit and non-profit programs, accreditation, and full time, part-time, and online programs,
5. Barriers to pursuing GME among URPs, and
6. Key influencers of consideration and decision.

\(^4\) U.S. Census data, [https://www.census.gov](https://www.census.gov)

\(^5\) GMAT exam data based on unique U.S. GMAT examinees who took the exam in TY 2015.\(^5\)

\(^6\) NCES data, [http://nces.ed.gov](http://nces.ed.gov)
**Research Methodology**

A two-stage research methodology was applied to this effort including both qualitative and quantitative methods as shown below.

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Phase 2</th>
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<tbody>
<tr>
<td><strong>Qualitative</strong></td>
<td><strong>Quantitative</strong></td>
</tr>
<tr>
<td><strong>Objective</strong></td>
<td><strong>Test hypotheses</strong></td>
</tr>
<tr>
<td>• Develop initial hypotheses</td>
<td>• Quantify results</td>
</tr>
<tr>
<td>• Gain deep qualitative input</td>
<td></td>
</tr>
<tr>
<td><strong>Methodology</strong></td>
<td><strong>Web-based survey</strong></td>
</tr>
<tr>
<td>• Online individual in-depth interviews</td>
<td></td>
</tr>
<tr>
<td><strong>Respondent Base</strong></td>
<td><strong>Prospective URP GME students at all levels</strong></td>
</tr>
<tr>
<td>• Prospective URP GME students at all levels</td>
<td>• Supplemental sample of mba.com registrants</td>
</tr>
<tr>
<td>• Current URP GME students</td>
<td></td>
</tr>
<tr>
<td>• Academic and guidance counselors</td>
<td></td>
</tr>
<tr>
<td>• Parents</td>
<td></td>
</tr>
</tbody>
</table>

For research purposes, students of U.S. underrepresented populations were defined as follows:

- Self-identified as African American, Native American, or of Hispanic origin,
- If born outside of the United States, arrived in the United States before age 12, and
- Be neutral or interested in pursuing graduate education beyond their Bachelor’s degree.

The research sample included representation of four key subgroups:

- College-bound high school seniors,
- College freshmen and sophomores,
- College juniors and seniors, and
- Working professionals with undergraduate degrees completed within the past five years.

Research was fielded between June and August 2015. It should be noted that the scope of this research did not include respondents beyond the definitions above so comparative data for those outside of that sample population are not available.
Qualitative Research Sample

A total of 84 in-depth online interviews were completed in June 2015 representing both prospective URP students and influencers at various points in the education system as shown below.

<table>
<thead>
<tr>
<th>College Students</th>
<th>Post Graduate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High School</td>
<td>Fresh/Soph</td>
</tr>
<tr>
<td>URPs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Students</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Working Professionals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrators and Advisors</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Teachers/Professors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admissions Officers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parents</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Interviews were conducted online using web-based video software and averaged 22 minutes in length.

Beyond representation by life stage, the qualitative samples of URP candidates and advisors were recruited to ensure representation by gender, ethnicity/cultural identify, institution type (PWC - predominantly white institutions; HSI - Hispanic serving institutions; HBCU - Historically Black Colleges and Universities) and geography, as shown below.
Quantitative Research Sample

In August and September of 2015, a total of 1,216 online surveys were completed among underrepresented populations representing different education levels and diverse race and ethnicity groups, as shown in the table below.

<table>
<thead>
<tr>
<th></th>
<th>College-Bound High School Seniors</th>
<th>College Freshman/Sophomores</th>
<th>College Juniors/Senior</th>
<th>Working Professionals (Post College)</th>
<th>Current Graduate Management Education Students</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of total sample</td>
<td>186</td>
<td>352</td>
<td>356</td>
<td>300</td>
<td>22</td>
<td>1,216</td>
</tr>
<tr>
<td>% by Race*</td>
<td>7%</td>
<td>9%</td>
<td>19%</td>
<td>21%</td>
<td>18%</td>
<td>15%</td>
</tr>
<tr>
<td>White/Caucasian</td>
<td>65%</td>
<td>67%</td>
<td>61%</td>
<td>63%</td>
<td>68%</td>
<td>64%</td>
</tr>
<tr>
<td>African American</td>
<td>6%</td>
<td>9%</td>
<td>5%</td>
<td>5%</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>Native American</td>
<td>--</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>--</td>
<td>1%</td>
</tr>
<tr>
<td>Asian</td>
<td>22%</td>
<td>14%</td>
<td>14%</td>
<td>10%</td>
<td>5%</td>
<td>13%</td>
</tr>
<tr>
<td>Other</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>% Hispanic Origin, any race*</td>
<td>35%</td>
<td>37%</td>
<td>43%</td>
<td>47%</td>
<td>36%</td>
<td>42%</td>
</tr>
</tbody>
</table>

*People of Hispanic Origin may self-identify with any race and are included in the totals by race above.

Online quantitative interviews averaged 21 minutes in length.
Summary and Key Themes

The research reveals that the path to graduate management education for URPs is a journey of discovery for both the prospective student and their families. For a variety of reasons explored in more detail below, many prospective URP GME students start from a low base of awareness and understanding about GME.

A number of perceptions and concerns must be overcome and addressed as part of that journey to encourage earnest consideration of graduate management education. Key among those, discussed in more detail in the body of this report, include:

- Perceptions that GME is for people “not like me,”
- An absence of meaningful role models with GME backgrounds,
- Family expectations and pressure to work,
- The relative perceived value of GME versus alternative graduate education programs that are seen as more fitting with their personal aspirations,
- Personal factors including fit and comfort with both programs and institutions, and
- Concerns regarding the financing of GME and debt.

For graduate management education institutions to more effectively engage and attract URPs, helping prospects and their families overcome those real and perceived barriers is an opportunity to improve marketing effectiveness. In general, the research results around barriers can be summarized into four areas that must be addressed to drive consideration, as shown in the accompanying graphic.

Though GME awareness grows organically over time with education and work experience, some preliminary ideas and recommendations are offered to start reducing the cognitive gap at an earlier age and building stronger consideration of GME earlier in the academic career of prospective students.

The following summary of key research findings integrates insights from both the qualitative and quantitative research phases. Supporting verbatim quotes from the qualitative phase and data from the quantitative phase have been included where appropriate. Specific recommendations have been provided at the end of this report to assist graduate management education programs in addressing the key barriers to consideration identified in the research.
Key Findings

The Path to Considering Graduate Management Education Is a Journey of Discovery

The journey to GME consideration is illustrated by considering interest in GME by life stage. GME is generally not a considered education option early but increases measurably over time with both education and work experience. 46% of URP working professionals open to graduate education report interest in GME compared with 31% of college juniors and seniors and 27% of college freshmen and sophomores. Only 19% of college-bound high school URPs consider GME as part of their education plans.

Three key factors appear to contribute to lower consideration of GME in earlier life stages.

1. URPs have relatively few role models for advanced education in general and within business in particular, leading to lower awareness and consideration

Many URPs are forging into new, unfamiliar education territory for their family. In terms of parental education, URPs report lower than U.S. average college and university completion rates by their parents. Among respondents, 23% and 19% report that their father or mother, respectively, completed college compared with a national completion rate of 30% among adults over 25 years of age.7

7 https://www.census.gov/newsroom/releases/archives/education/cb12-33.html
70% of URP students consider themselves as pioneering new education and career opportunities in their family. It is notable that while the majority of URPs report that their education and career goals are supported by their family, 63% also feel real family pressure to finish school and begin work, a factor that may also compromise their consideration of education beyond their bachelor’s degree.
When asked who they consider their most significant role models, a tight inner circle of influencers emerges including parents, teachers, and friends/neighbors.

It is notable that “people in business” are cited by only 19% of respondents, well behind parents, teachers, and friends/neighbors. The low presence of exemplary business professionals and the lower level of parental education are hypothesized as key contributors to lower awareness and consideration of GME.

2. Alternatives to GME

One obvious alternative to pursuing GME (or any graduate degree) is to seek employment or remain employed in the marketplace. Whether during undergraduate years or while in the workforce, pursuing a graduate degree requires commitment and tolerance of a number of factors including time investment, financial burden, and opportunity costs. The authors perceive that those considerations are common across all populations including URP prospects.

Other attractive alternatives to graduate management education are non-management degree programs. Interest in graduate degree programs directly aligned with their chosen field (for example, a master’s program in engineering for those with undergraduate engineering degrees) is seen by many as a natural extension of their education. An early focus on completing their undergraduate degree coupled with the perceived applicability of continued specialization in their area appears to contribute to lower consideration of GME earlier in the journey. Interest in non-management graduate education fields is relatively stable regardless of education level or work status with the notable exceptions of medicine and fine arts, both of which peak during high school then decline.
Though there is some general familiarity with the application of business principles to most any enterprise operation, respondents frequently mentioned the challenges of weighing further specialization in their field against business in terms of career impact.

For many, graduate management education was perceived as a way to change their career direction not only in terms of level but in function or industry. To those respondents, GME offered an appealing alternative both to continued work or further specialization in their field.

3. Perceptions of Graduate Management Education

The third factor contributing to low consideration of GME in early life surrounds URP perceptions of GME. The journey of discovery involves evolution of their self-perception and perception of GME students, which become more aligned over time. Earlier in life, GME is commonly considered to be for “other people, not me.” While their image of GME students remains relatively consistent, the self-image of URPs evolves with further education and work experience, leading to a growing sense that GME is for “someone like me.”

Key findings from the research relative to GME perceptions include the following:

Perception 1: Graduate management education is most appropriate for general managers and corporate executives.

A theme emerging strongly from the qualitative research was a narrow stereotyped image of graduate management students, especially among younger respondents. As more education and work experience are gained, GME is increasingly seen as more appropriate for them personally and a stronger fit with their professional and career objectives.

The qualitative research revealed a common image of GME as being most appropriate for those on corporate career tracks or those focused on finance. Among older respondents, GME was also seen as an appropriate fit for those pursuing entrepreneurship.
It is notable that the image of graduate management education becomes more positive with further education and experience. The research found that few respondents at high school or early college levels considered GME in their current plans but that proportion increases along with the more positive imagery as education progressed and work began.

The perceived corporate focus of GME likely also disconnects with the high interest in entrepreneurship by URP survey respondents. Nearly 2 out of 3 respondents indicate that they feel likely to start their own business during their career and more than 70% of working professionals claim similarly. The high interest in entrepreneurship may be a factor limiting consideration of GME for many URPs who commonly perceive GME as appropriate for those pursuing corporate careers.

<table>
<thead>
<tr>
<th>College-Bound High School Seniors</th>
<th>College Freshman/ Sophomores</th>
<th>College Juniors/ Seniors</th>
<th>Working Professionals (Post College)</th>
</tr>
</thead>
</table>
| “MBAs are typically for people running their own company or working for a corporation.” | “For accountants, business people, HR.”  
“An MBA is too broad unless you add on a master’s in health or tech or some other field. There’s always management in every industry.” | “For people interested in learning how to deal with money.”  
“For someone who really likes to deal with numbers, doesn’t like to be around people.” | “(An MBA is) either for people who know what they want to do and want to build a business, or for those who are more general and want to find a better job or career.”  
“For entrepreneurs and more corporate types.” |

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**Entrepreneurship Perceptions – Top-2 Box Summary (Likely)**

<table>
<thead>
<tr>
<th>Start a business sometime during career</th>
<th>Work for an early stage company</th>
<th>Earn equity as part of compensation</th>
<th>Help others starting a business</th>
</tr>
</thead>
<tbody>
<tr>
<td>High School 52% 61% 50% 71% 33% 53% 46% 61% 33% 56% 50% 66% 39% 52% 48% 65%</td>
<td>Fresh/Soph 61% 50% 71% 33% 53% 46% 61% 33% 56% 50% 66% 39% 52% 48% 65%</td>
<td>Junior/Senior 52% 48% 65% 39% 52% 48% 65%</td>
<td>Working Professional 61% 50% 71% 33% 53% 46% 61% 33% 56% 50% 66% 39% 52% 48% 65%</td>
</tr>
</tbody>
</table>

Q69. How likely do you think you are to...
A number of respondents also noted the conflicting expectations between focus on career and earnings and what they perceived as “more honorable” professions that contributed back to their community. For those pursuing these “give back” professions like social work, education, or health care, the image of graduate management education and its applicability to their chosen path may create disconnects.

Perception 2: GME is for people different from me.

A second perception of GME, especially as it pertains to the MBA degree among younger respondents, is that it is more for privileged, non-URPs unlike themselves. From the qualitative research, a number of stereotypes emerged in discussions regarding the type of person who pursues graduate management education, which are especially prominent among younger respondents and temper over time.

Sample Quotes from Qualitative Interviews

<table>
<thead>
<tr>
<th>College-Bound High School Seniors</th>
<th>College Freshman/Sophomores</th>
<th>College Juniors/Seniors</th>
<th>Working Professionals (Post College)</th>
</tr>
</thead>
<tbody>
<tr>
<td>“The MBA is primarily for people who don’t look like me.”</td>
<td>“Corporate guys are tall white guys in business suits.”</td>
<td>“The MBA is very much like me. For people who want white collar work.”</td>
<td>“If I know exactly what I want to do, I need to focus on getting the certifications and credits to get into that field.”</td>
</tr>
<tr>
<td>“(It’s for) people better than you, smarter than you.”</td>
<td>“Any job uses business management, but (an MBA) is more dealing with paperwork and math. I love math, but I’m more of an interactive person and enjoying what I do is important.”</td>
<td></td>
<td>“There’s a stigma about it, MBA programs. You need to be a certain type of person.”</td>
</tr>
</tbody>
</table>

To explore these perceptions in more detail, the quantitative research explored self-perceptions and perceptions of graduate management education students across a battery of attributes using a 1-to-6 scale. Gaps were then calculated by subtracting the mean perception rating for graduate management education students from the self-perception rating for each attribute, which are summarized in the following table. The resulting numerical gaps are color-coded to indicate the direction and magnitude of the gap. Green cells are those attributes where the mean rating for self-perception was higher than that of GME students; conversely, red cells show differences for those attributes where self-perception ratings were lower than that of GME students.

For example, high school URPs rated themselves 0.7 points lower (dark red) than their rating of GME students on the attribute “a leader;” among working professionals, that same attribute gap narrows to 0.2 points (yellow). As education and work experience grow, respondents progressively view themselves as more similar to those in graduate management education in line with their higher interest and consideration.
It is also notable that self-ratings for “cautious,” “friendly,” and “family oriented” remain higher than their mean rating of graduate management students regardless of education or work experience.

**Special Considerations Among HBCU/MSI Students**

As graduate management education programs seek to bolster the pipeline of URP applicants, GMAC has found that it’s common for some schools to consider a recruiting emphasis on students from minority serving institutions (MSIs), including Historically Black Colleges and Universities (HBCUs) and Hispanic Serving Institutions (HSIs). Although those institutions present proportionally higher pools of URP students than non-MSI institutions, this research reveals a lower disposition toward graduate management education by HBCU/MSI students surveyed when compared with those attending other institutions.
Compared with MSI and non-MSI attendees, HBCU students who were surveyed exhibit directionally lower interest in graduate management education compared with other degree programs and statistically higher interest in fine arts, which is consistent with the emphasis that many HBCUs place on liberal arts education. In addition, both HBCU and HSI attendees report directional and statistically higher interest in technology master’s programs, respectively, than non-MSI students.

The research suggests that immediate expectations in recruiting from HBCUs and HSIs should be tempered, and that driving consideration among students at HBCUs and MSIs is likely a longer-term investment. While those institutions in general provide a solid audience, the lower predisposition toward GME may yield generally lower near-term results, all other things equal. That noted, both HBCUs and HSIs offer a centralized access point to URP populations, which may justify that investment. In addition to keeping a long-term perspective, focusing on those MSI schools that have strong undergraduate business programs is also recommended.
Increasing GME Diversity – Recommendations

Given the growth in these key segments of the U.S. population, increasing appeal and consideration of GME among URP audiences is important to its long-term sustainability. Without improvement in the engagement of URPs, the current “journey” nature of GME discovery is likely to continue unabated and the candidate pools to remain limited. The authors believe there are some very specific actions that can increase GME’s appeal to URP candidates. In most cases, the recommendations are focused on accelerating the consideration of GME and ensuring that GME is perceived as appropriate for URP prospects.

The following are recommendations for improving the marketing of GME to underrepresented populations based on the research findings.

Engage Early and Effectively

The research suggests a natural progression of interest as URP prospects progress in their education and career. A more proactive approach, reaching out directly to solid prospects during the undergraduate college years, appears to be an organic and intuitive means to increase engagement by accelerating the learning and consideration curve.

Only 30% of prospective URP upperclassmen and working professional candidates who expressed interest in GME report they had been contacted by any graduate management education program, indicating an opportunity for more effective outreach to attract candidates. In addition, only 21% of those interested in graduate education other than GME had been contacted by GME programs, representing a potential lost opportunity to communicate the benefits of GME as an alternative to their primary non-management graduate degree interest.

<table>
<thead>
<tr>
<th>Contacted by MBA Program</th>
<th>Total</th>
<th>Those interested in GME</th>
<th>Those not Interested GME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base = College Juniors/Seniors and Working Professionals</td>
<td>24%</td>
<td>30%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Q31. Have you been contacted by any an MBA or Masters in Business degree programs in the past 1-2 years?
Effective engagement is an outgrowth of understanding the information conduits and content most likely to increase consideration. Among those is recognition of the following.

*Family, professors, and friends are key influencers.*

While personal research is indicated as the primary influence on consideration of graduate education, the role of close personal connections – family, professors, and friends – is notable. Interestingly, co-workers and employers are significantly lower on the list cited by URPs although at statistically higher levels among working professionals than other subgroups. The data reinforce the important role that those close connections play as key role models and influencers.

The importance of professors in influencing consideration presents an important opportunity for GME. As part of the faculty of the undergraduate institution, they have unique access and a trusted relationship that may provide an effective avenue to help improve GME awareness during the important college years.

*Personal attention is important.*

In terms of the likelihood of URPs to utilize various resources to learn about GME, education websites top the list and are closely followed by a number of more personal contact points including career fairs and presentations. Proactive personal outreach programs are an important supplement to providing information online and present an opportunity to engage with URP prospects on a one-to-one basis. This type of engagement should be deployed where practical, particularly with undergraduate students at their own institutions.
Personal fit and comfort is critical.

Survey respondents who had applied or planned to apply to graduate management education programs were provided an opportunity to understand what factors influence their decision to apply to specific institutions/programs. The research considered both objective and subjective factors.

Personal factors considered important to school consideration included personal comfort, personalization, and proximity to home/work.

The importance of personal comfort and personalization is a key factor to consideration. GME institutions should consider showing diversity and inclusion of underrepresented populations at every point of contact to help overcome the “not for people like me” perceptions emerging from the research.
Recommendations to create engagement:

1. Target engaging undergraduate juniors and seniors at your institution and other local area schools as a key candidate pool.

   Opportunities for earnest engagement with URPs begin during their junior and senior years, making communications during those years particularly important. Considering the importance of proximity as a key factor, focused outreach to undergraduate upper-class students at other institutions in the local area may serve to significantly expand the candidate pool.

2. Engage undergraduate professors and teaching staff to increase GME awareness and consideration.

   URPs acknowledge the important role played by their professors in shaping their future endeavors. Leveraging that channel may be an effective way to increase awareness and consideration of GME among URPs during the critical undergraduate window with long-term influence.

3. Activate alumni of color networks.

   As a practical matter, seeing successful alumni who look like them is an important factor in overcoming initial stereotypes about GME. Take advantage of opportunities to leverage alumni of color to provide tangible role models for how GME can enable success for professionals reflective of the URP candidate pool.

4. Be aggressive, proactive, and personal in outreach.

   As shown previously, only 30% of students and working professionals expressing interest in graduate management education have been contacted by programs. More aggressive outreach would appear to fulfill a key need, particularly among upperclassmen and working professionals. Outreach efforts, however, are more effective on a personal basis with URP candidates and expectations for mass market, non-personalized efforts should be tempered.

5. Recognize the unique challenges of first-generation college students.

   Many URP candidates are charting new waters in education within their family, face high uncertainty, and need guidance. These candidates may be open to exploring new options with better understanding but consideration should be given to acknowledging some unfamiliarity with the process and opportunities available. A clear path needs to be created to link graduate management education with their career path, career growth, and other skill and leadership development opportunities.

6. Engage families where possible.

   Given the important role that families play in URP education and career consideration, engaging with families about the potential impact of GME is an important part of gaining consideration. Where possible, especially among undergraduates enrolled at your institution, finding avenues to build familial support should be considered and pursued.
**Target the Right Prospects**

From their differences in ethnicity, cultural identity, age, and experience, it should be obvious that the URP population is not homogenous. But differences within the population are not based on demographic data alone. As part of the research, four different personas emerged that applied across demographic groups. More important than the personas per se, these variations suggest that real differences exist within the URP population and that communication and engagement require a high degree of sensitivity to personal circumstances to be effective.

A summary of the four URP personas identified through the research is included below to illustrate the differences that exist within the URP community.

<table>
<thead>
<tr>
<th>Pedigrees</th>
<th>Dreamers</th>
<th>Career Builders</th>
<th>Rebooters</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Achievement is Expected”</td>
<td>“Awaiting New Possibilities”</td>
<td>“Competing Against the Best and Winning”</td>
<td>“Opening New Avenues”</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>College is assumed</th>
<th>Less prepared but looking forward to future possibilities</th>
<th>Career focused within their field; interested in business to complement</th>
<th>Looking for change; disappointed or feeling stagnant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivations</td>
<td>Future success</td>
<td>A better life, finding direction</td>
<td>Differentiation, advancement, leadership</td>
<td>Redirect career; gain credibility</td>
</tr>
<tr>
<td>Role models</td>
<td>Parents, neighbors, extended network</td>
<td>Peers, college professors</td>
<td>Peers, industry role models</td>
<td>Work peers, prior program graduates</td>
</tr>
<tr>
<td>Barriers to GME consideration</td>
<td>Other attractive alternatives within reach</td>
<td>Little exposure, unprepared, family support</td>
<td>Awareness, family support</td>
<td>Inertia/resistance to change, finances</td>
</tr>
</tbody>
</table>

Prospective students in the “Pedigree” segment, though potential candidates for graduate management education, are typified by having clearly set pathways toward higher education which may or may not include management degrees. “Dreamers” are highly fluid in their education and career consideration
and less focused overall on education beyond undergraduate with more focus on completing their bachelor’s degree and entering the workplace.

Among the four personas identified, “Career Builders” and “Rebooters” represent the most readily accessible audiences who are positively predisposed to GME and may represent the highest return on investment for graduate management programs. Outreach through professional organizations, social networks, and directly through employers may provide cost-efficient ways to engage high-potential URP candidates. Presenting GME as a means to add skills to existing specialization in a work field – engineering, social work, health care – may increase appeal among those two groups and drive greater GME consideration.

Recommendations for targeting:

1. Focus on career impact as a primary message.

   Key factors influencing the decision to pursue graduate management education overall are highly tied to the desire to enhance career potential. Among undergraduate upperclassmen and working professionals, the positive impact of GME on employment prospects in the marketplace and in their current job are even more pronounced than for college freshmen and sophomores.

Motivations to Pursue a GME – Top-3 Box Summary (Important)

Base = College/GME Students, Working Professionals

<table>
<thead>
<tr>
<th>Motivation</th>
<th>Fresh/Soph</th>
<th>Juniors/Seniors</th>
<th>Working Professionals</th>
</tr>
</thead>
<tbody>
<tr>
<td>To accelerate my career growth</td>
<td>90%</td>
<td>96%</td>
<td>92%</td>
</tr>
<tr>
<td>To improve the job opportunities available to me</td>
<td>90%</td>
<td>96%</td>
<td>94%</td>
</tr>
<tr>
<td>To increase my salary potential</td>
<td>94%</td>
<td>96%</td>
<td>95%</td>
</tr>
<tr>
<td>To allow me to grow in my chosen field</td>
<td>91%</td>
<td>92%</td>
<td>89%</td>
</tr>
<tr>
<td>To have broader career options</td>
<td>91%</td>
<td>92%</td>
<td>95%</td>
</tr>
<tr>
<td>To be more marketable</td>
<td>83%</td>
<td>92%</td>
<td>88%</td>
</tr>
<tr>
<td>To develop additional technical skills</td>
<td>84%</td>
<td>88%</td>
<td>88%</td>
</tr>
<tr>
<td>To develop managerial skills</td>
<td>86%</td>
<td>87%</td>
<td>90%</td>
</tr>
<tr>
<td>To build a stronger personal network</td>
<td>84%</td>
<td>81%</td>
<td>85%</td>
</tr>
<tr>
<td>To receive a promotion at work</td>
<td>68%</td>
<td>81%</td>
<td>80%</td>
</tr>
<tr>
<td>To allow me to work internationally</td>
<td>70%</td>
<td>66%</td>
<td>72%</td>
</tr>
</tbody>
</table>

Q42: How important are the following reasons in your decision whether or not to pursue an MBA or Masters in Business degree?

2. Focus on prospects with career interests/undergraduate majors most appropriate to business application, particularly commerce-focused areas like business and engineering.

   Students who are predisposed to professional careers such as health care or law and “give back” careers like social work may be more difficult to engage than those in more commercial professions like business or engineering. They frequently have difficulty understanding how business education fits within their field. Business and engineering students and professionals appear more easily able to translate the benefits of graduate management education to their careers.

3. Leverage opportunities within professional associations and networks.

   Considering the importance of career impact, professional associations and networks (particularly those with an emphasis on minority membership) provide an appealing opportunity to source candidates. Effective engagement through organizations (such as the Hispanic
Chamber of Commerce) should be explored as avenues to source career-focused URP candidates.

4. Partner with companies that have a strong diversity track record, or those who publicly express diversity and inclusion goals and have demonstrated a commitment by creating diversity programs.

Companies that are focused on diversity and inclusion offer a strong opportunity for partnership based on common objectives of fostering professional growth of underrepresented populations. A strong partnership with an academic institution providing appropriate educational opportunities may enhance their offerings to employees and create a natural pipeline of URP candidates.

5. URPs must be convinced that graduate management education is a viable option for their career on a personal basis.

Programs must be both invitational and inclusive to overcome existing perceptions of graduate management education as being “not for people like me.” The importance of personal contact as a consideration factor highlights the importance of personal outreach to drive consideration.

Compete Effectively Against Other Alternatives

Among the more objective factors in school importance, financial aid availability, opportunities upon graduation, and school rankings and reputation are key factors. Both school rankings and alumni networks increase in importance with education level and experience.

<table>
<thead>
<tr>
<th>School Importance Factors – Top-3 Box Summary (Important)</th>
<th>Fresh/Soph</th>
<th>Juniors/Seniors</th>
<th>Working Professionals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Aid availability</td>
<td>86%</td>
<td>96%</td>
<td>89%</td>
</tr>
<tr>
<td>Companies who hire graduates</td>
<td>81%</td>
<td>89%</td>
<td>90%</td>
</tr>
<tr>
<td>Graduate starting salaries</td>
<td>83%</td>
<td>87%</td>
<td>87%</td>
</tr>
<tr>
<td>Teaching style</td>
<td>81%</td>
<td>83%</td>
<td>81%</td>
</tr>
<tr>
<td>Graduate school ranking</td>
<td>74%</td>
<td>88%</td>
<td>83%</td>
</tr>
<tr>
<td>Professor reputations</td>
<td>77%</td>
<td>85%</td>
<td>81%</td>
</tr>
<tr>
<td>Student placement rate</td>
<td>81%</td>
<td>81%</td>
<td>82%</td>
</tr>
<tr>
<td>Companies who hire interns</td>
<td>79%</td>
<td>88%</td>
<td>79%</td>
</tr>
<tr>
<td>Alumni network</td>
<td>53%</td>
<td>70%</td>
<td>73%</td>
</tr>
<tr>
<td>A school with graduates that I am familiar with</td>
<td>51%</td>
<td>55%</td>
<td>67%</td>
</tr>
<tr>
<td>Endorsements by well-known celebrities</td>
<td>37%</td>
<td>32%</td>
<td>52%</td>
</tr>
</tbody>
</table>

Q44. How important are the following characteristics in your decision to choose a particular school for your MBA or Masters in Business degree?

Those URPs indicating a preference for non-profit and for-profit education are roughly equally split between the two, though a majority overall have not yet sorted their planned applications. Program accreditation is rated as an important factor for 3 out of 4 prospective applicants.
Combined, those factors indicate an opportunity exists for programs to reiterate key points that differentiate their programs, from their potential impact on careers to non-profit and accreditation status.

Concern about financing graduate education also plays an important role in the consideration process. Among those closest to making decisions on graduate management education – college students and working professionals – nearly half consider that their future earnings potential will make up for the financial sacrifice required, while an approximately equal proportion indicate that the debt they expect to incur causes them to question the cost. In terms of financing alternatives, a minority of students believe that their current finances will cover the cost while a higher proportion views debt financing as a necessity. Importantly, less than 40% perceive that many financial aid opportunities are available for minority students.
GME institutions should actively anticipate concerns about education financing and, when possible, showcase financial aid programs that are targeted specifically to URP candidates.

Recommendations for competing effectively:

1. Communicate the benefits of GME, particularly as compared with further technical specialization.

   It should be noted that many URPs in engineering fields, including computer science, face a very real dilemma in weighing the benefits of graduate management education versus further technical specialization in their chosen field. Special efforts are recommended to communicate how graduate management education broadens and enhances career opportunities in ways that further specialization may not.

2. Proactively address the financial challenges for graduate management education, financial aid availability, and alternative ways to finance education.

   Financial considerations are very top-of-mind with URP candidates. To gain full and fair consideration, graduate management institutions must anticipate finances as a key factor and make prospective students more aware of the alternative programs to finance education, particularly those programs that are uniquely available to URP students.

3. Reflect the audience you desire to attract, inside and outside your institution.

   To overcome perceptions that GME is for students “other than me” and the issue of personal comfort, it is important that GME institutions reflect the URP audience internally and externally. Showing some diversity in a brochure or a website is a good start but is likely insufficient to overcome established biases. On a more strategic level, faculty and staff composition and community involvement are important first steps, but a deeper review of all URP touchpoints may be merited. Do the recruiting teams’ staff adequately reflect the audience? Do the facilities provide ample space and accommodation for visiting families? Do presenters and interviewers mirror those you wish to attract? Make the experience feel less like a secret society for those “in the know” and more like an open, inclusive, and welcoming environment.

4. Make the link between professional aspiration and accredited non-profit universities.

   Students already expect the non-profit school to be better but many remain unconvinced of the benefits of non-profit institutions versus for-profits. An opportunity may exist to build a compelling case around the quality of education and accreditation. This is cited by the vast majority as important, but efforts must be made to make the benefits tangible. Successful alumni who can serve as program representatives may be an opportunity to help URPs “connect the dots.” Examples can include alumni in varied fields and from diverse racial and ethnic segments who can create a more emotional, internalized connection.
In Conclusion – Along the Journey, Patience Is a Necessity

As U.S. demographic composition changes dramatically, American and global businesses will rely on the nation’s leading graduate business schools to continue to attract and educate a population of students that closely reflects the evolving face of the nation and the market they serve.

When faced with such a weighty charge, it is important to keep in mind that future generations of graduate management education candidates are looking for largely the same things that have led previous generations to GME programs: the ability to acquire skills that will lead them and their families toward stronger careers and greater rewards. Students in these underrepresented population groups are no different. In the end, they seek the same things for themselves and their families as the non-minority population.

The data from the research have some clear implications for improving the attraction of qualified URP candidates to graduate management education programs. In synthesizing the qualitative and quantitative data, key barriers to consideration can be summarized as per below:

**Journey Themes**

- **Exposure**
- **Tangibility**
- **Real World Considerations**
- **Passion**

**GME Levers**

- **Awareness, Comprehension, Personalization**
- **Applicability, Role models, Value, Impact**
- **Finances, Time, Family, Job pressure**
- **Desire, Esteem, Emotional connection**

The positive news from the research is that graduate management education institutions can take definitive steps to improve attraction among these candidates and realize more wins in this demographic.

- **Engage Early and Energetically**: Identify prospects and reach out to them while they are still in their undergraduate years. Keep in mind that a key way to engage is through professors or family members and on a personal basis.

- **Reach the Right Prospects**: Focus on psychographic segments of students more prone to pursue a business education and do so in a way that links technical and non-management careers with the benefits of a management skill set.

- **Compete Effectively**: By highlighting the benefits of accredited programs, reflecting the diversity within the schools themselves, and promoting appropriately targeted financial aid programs, GME programs can compete effectively for qualified URP candidates.
The schools that succeed will have the ability to deploy short- and long-term changes. Short-term changes involve being more inclusive, making prospects comfortable, and proactively addressing the fact that some URP students are starting from a lower level of awareness about GME and its applicability. The longer-term changes involve staffing the institutions themselves so that they are reflective of and connected with the communities they seek to serve.

The schools that are able to compete effectively and keep a long-term focus will be the ones that reap the rewards this market has to offer.
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Related GMAC Resources
Understanding Underrepresented Populations in the Business School Pipeline

Key Diversity Statistics: Underrepresented Populations TY-2015 (A Data-to-Go Brief)
Key Diversity Statistics: African Americans TY-2015 (A Data-to-Go Brief)
Key Diversity Statistics: Hispanic Americans TY-2015 (A Data-to-Go Brief)
Key Diversity Statistics: Native Americans TY-2015 (A Data-to-Go Brief)