

GMAC Market Intelligence Update

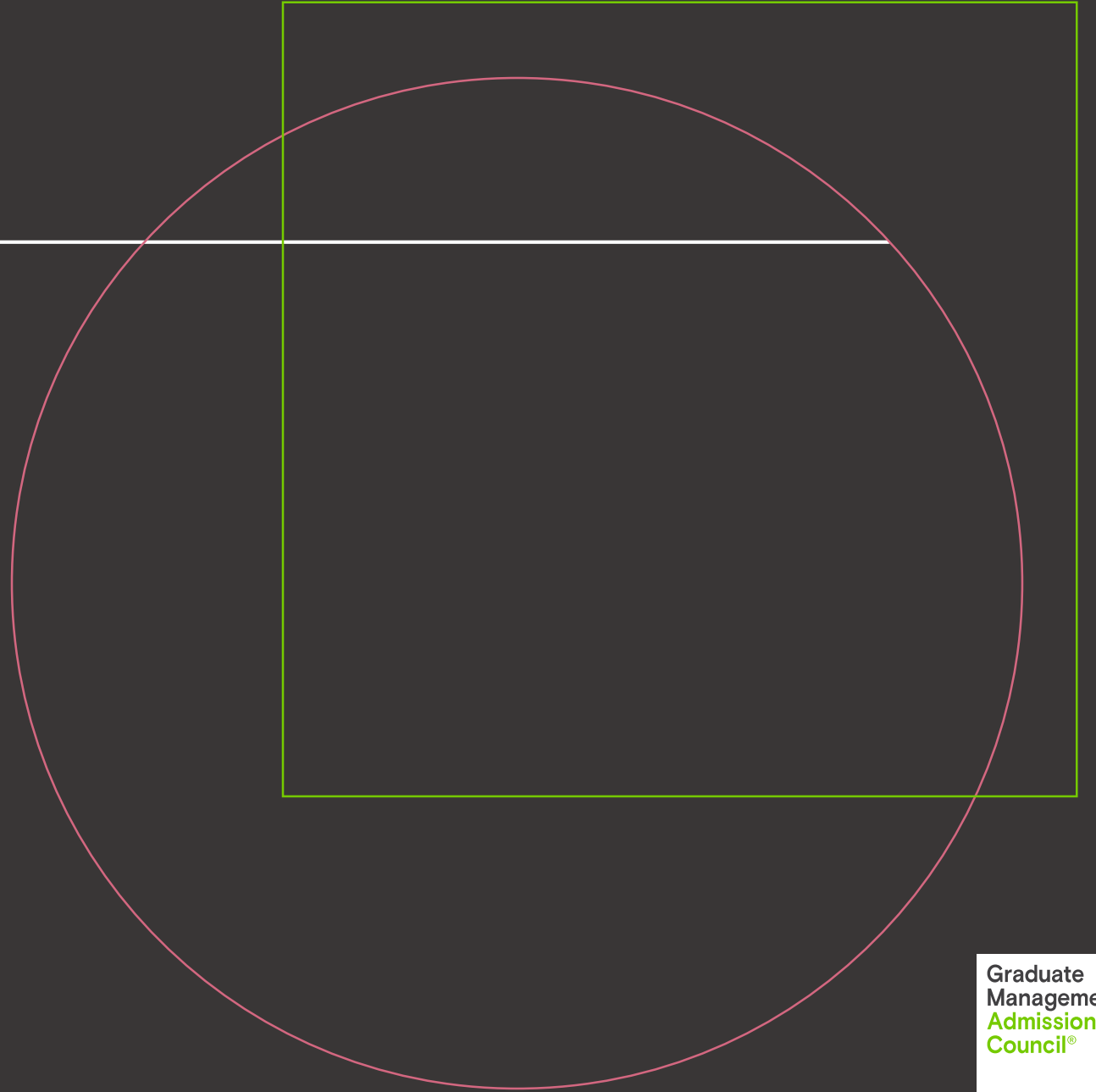
AMBA Business School
Professionals Conference,
Vienna

1 July 2019



Agenda

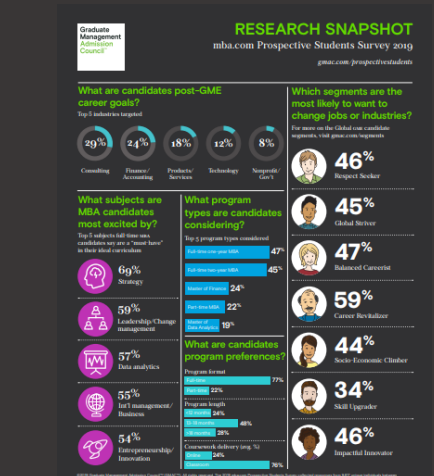
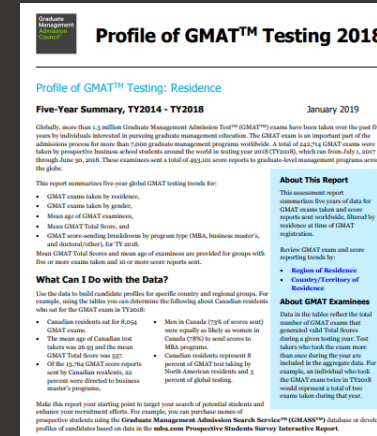
- Navigating GMAC's market intelligence
- Continued trends in the MBA space
- Future trends



Recently published market intelligence

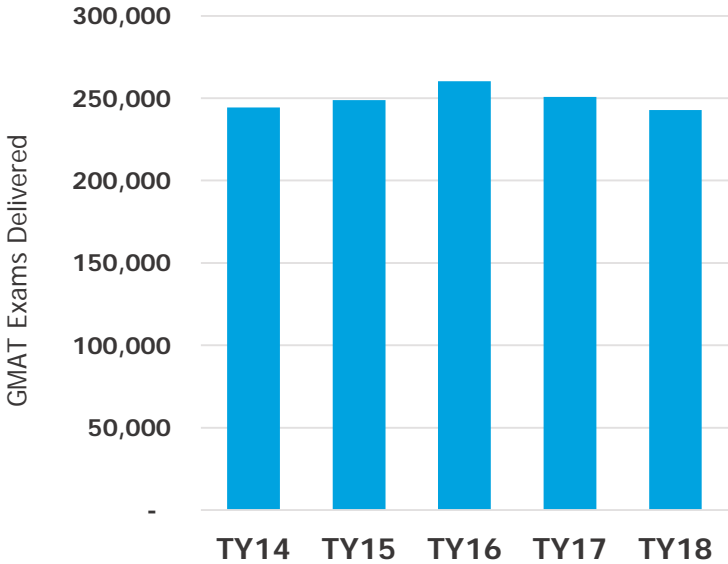
Assessment data

- Profiles of GMAT Testing TY2018
- GMAT Geographic Trend Report TY2018
- GMAC survey and topical reports
- mba.com Prospective Students Survey
- Preliminary Application Trends Survey 2019
- Brexit and GME in the UK
- Women and the Full Time MBA
- Corporate Recruiters Survey 2019

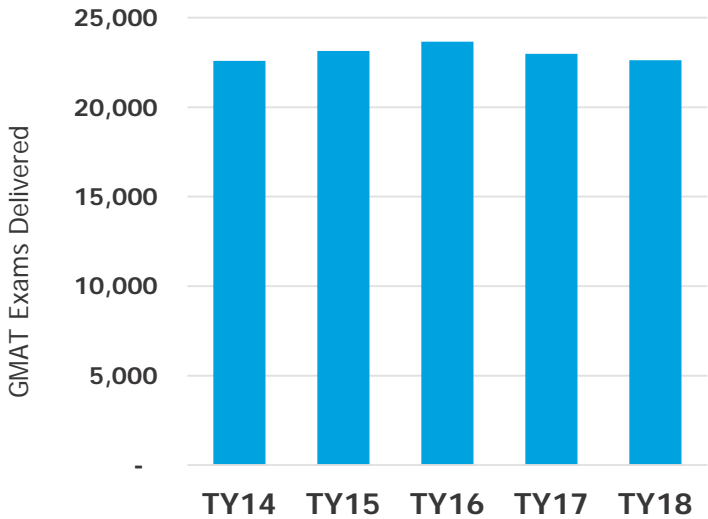


GMAT testing volumes stable over 5-year period

GMAT exams globally
TY2014-TY2018



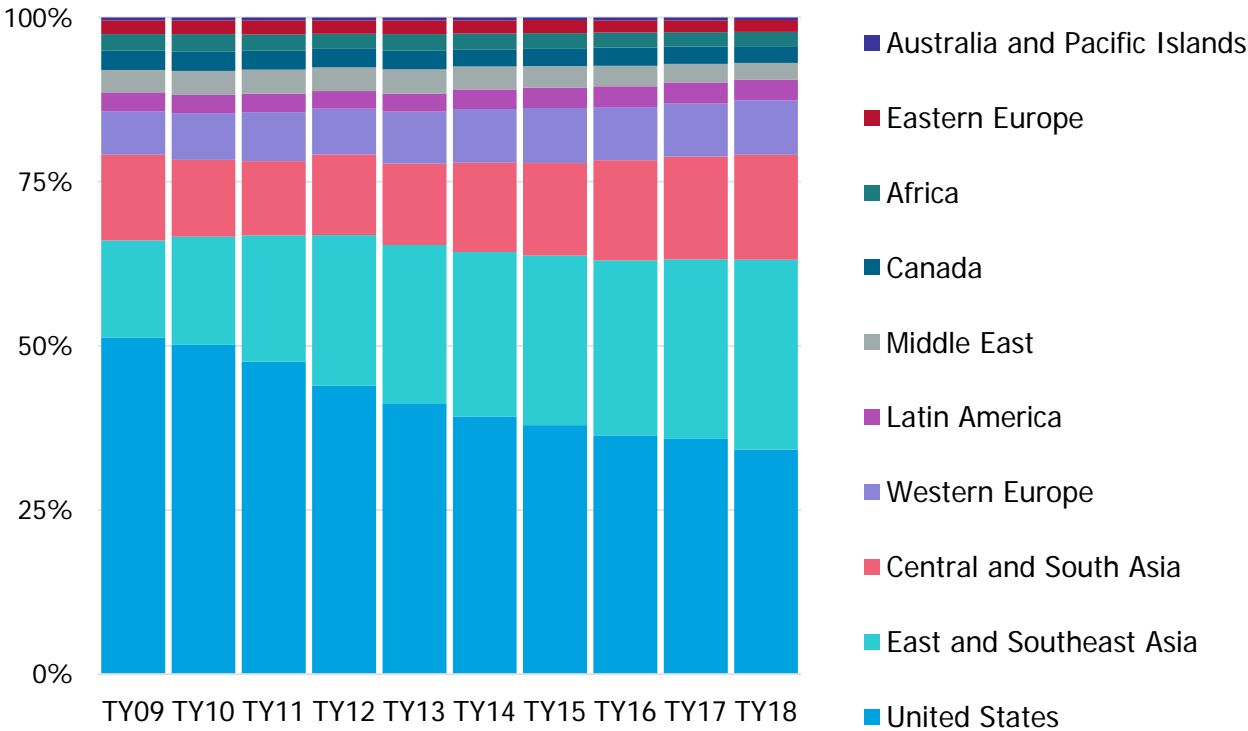
GMAT exams by European residents
TY2014-TY2018



	YoY % change	5-yr % change
Global	-3.2%	-0.6%
Europe	-1.5%	+0.2%

The center of gravity of the global candidate pipeline is shifting east

Unique GMAT examinees by world region of citizenship, TY 2009 – TY 2018

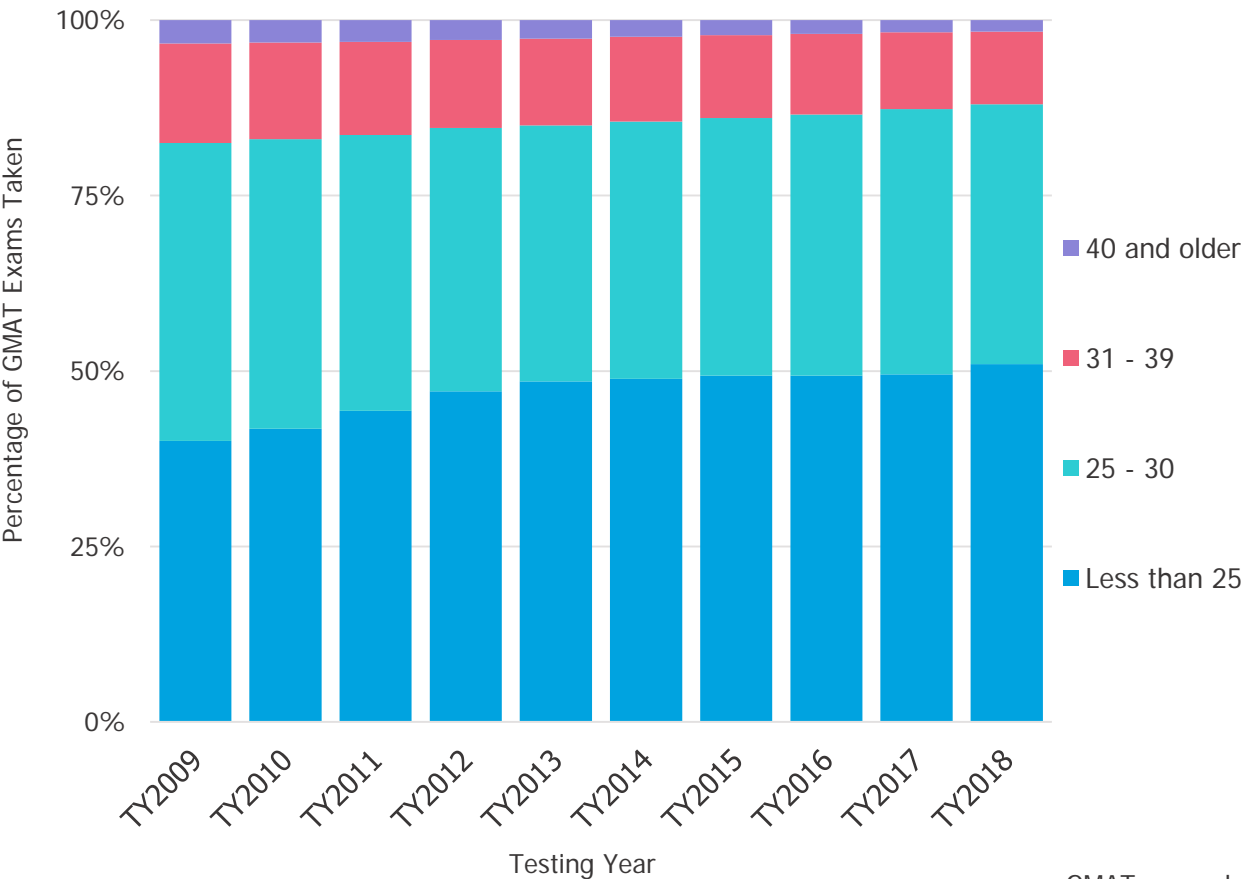


	TY 09	TY 18
US	51%	34%
E & SE Asia	15%	29%
C & S Asia	13%	16%
W Europe	7%	8%

GMAT exam data TY2009 to TY2018.

Examinees under 25 years old now account for half of global exams taken

Percentage of GMAT exams taken by age group, TY2009-TY2018



The share of exams taken by candidates younger than 25 has grown from **40%** to **51%** over the last 10 years

GMAT exam data, TY2009-TY2018. For more, visit www.gmac.com/profile.

Germany, UK and France top list of European GMAT testing by residence

GMAT exams taken by European residents, TY2014-TY2018

Country of residence	TY2014	TY2018	5-yr % change
Germany	4,199	4,331	+3%
United Kingdom	3,553	3,769	+6%
France	3,083	2,536	-18%
Italy	1,348	2,304	+71%
Netherlands	1,893	2,137	+13%
Russia	1,455	1,189	-18%
Spain	945	1,024	+8%
Sweden	549	813	+48%

GMAT exam data, TY2009-TY2018. For more, visit www.gmac.com/profile.

Top GMAT test taker pipelines in Europe

Demographics of GMAT European resident examinees

	Germany	UK	France	Italy	Netherlands
Bus Masters	80%	33%	65%	72%	77%
Mean age	24	25.3	24.5	23.3	23.9
Women	37%	43%	44%	28%	38%
GMAT mean	573	597	566	569	520
Undergraduate major category					
Business	58%	35%	51%	50%	56%
Engineering	5%	12%	11%	7%	7%
Science	2%	9%	4%	2%	2%
Social Science	13%	25%	13%	24%	10%
Humanities	2%	4%	3%	2%	2%

Who takes the GMAT exam in Europe and applies to European b-school programs?

GMAT exam data, TY2018. For more, visit www.gmac.com/profile.

Demographics of European resident examinees who sent at least one GMAT score report to a European program, TY2018

Demographics	MBA programs	Business master's programs
% Women	35%	39%
% Younger than 25	19%	82%
Mean total score	621	591
Undergrad major category		
Business	38%	68%
Social science	23%	21%
Engineering	26%	6%
Science	9%	3%
Humanities	4%	2%

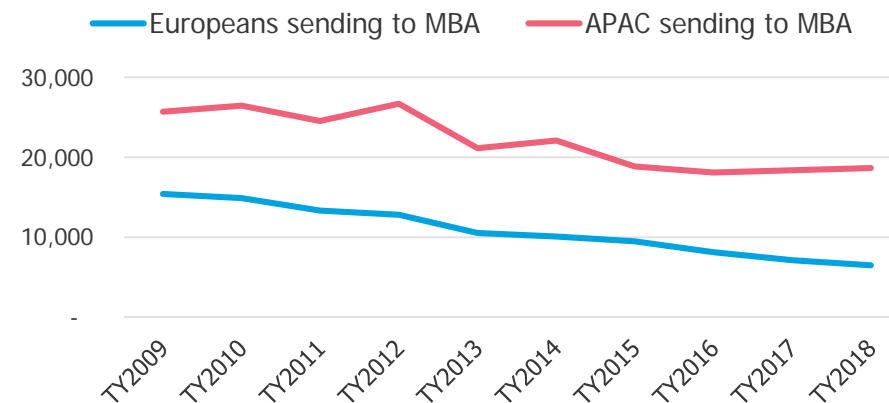
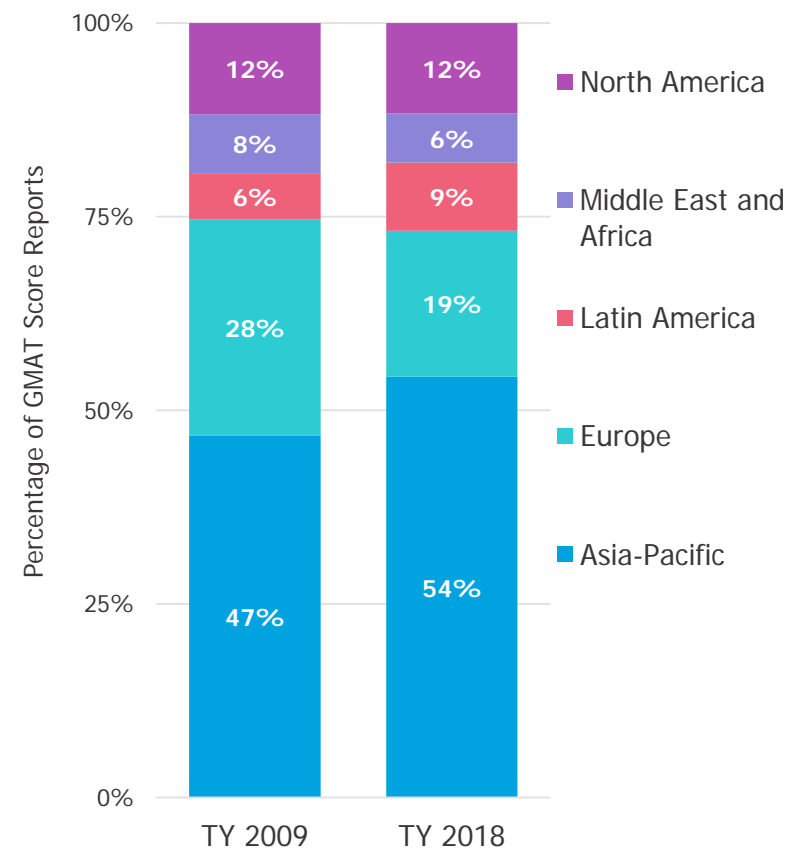
Top GMAT examinee pipelines in Asia Pacific

Country of Residence	TY 2014	TY 2018	5-yr % change
China	23,311	27,806	+23%
India	42,490	52,051	+19%
Taiwan, China	3,128	4,065	+30%
South Korea	3,713	2,588	-30%
Singapore	1,997	2,283	+14%
Japan	2,591	2,182	-16%
Hong Kong, SAR China	1,963	2,076	+6%
Thailand	1,598	1,606	+1%
Australia	1,006	1,111	+10%
Vietnam	830	1,007	+21%

GMAT exam data, TY 2014 – TY 2018.

Closer look: European MBA programs

GMAT score sending to European MBA programs, by citizenship

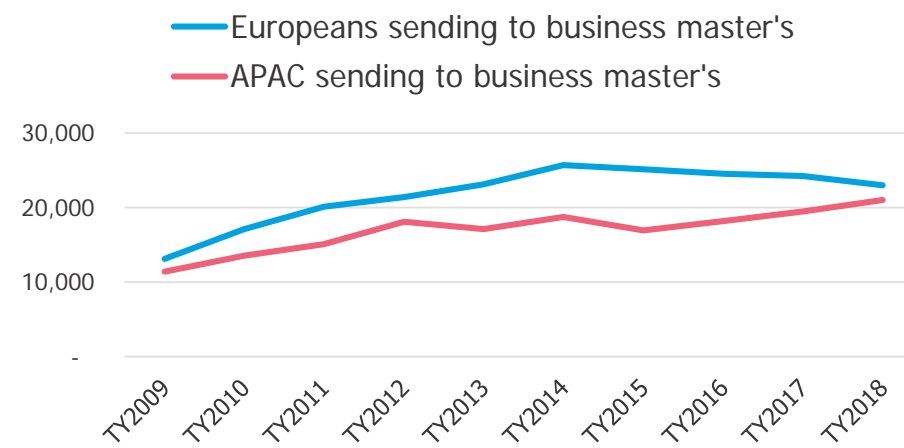
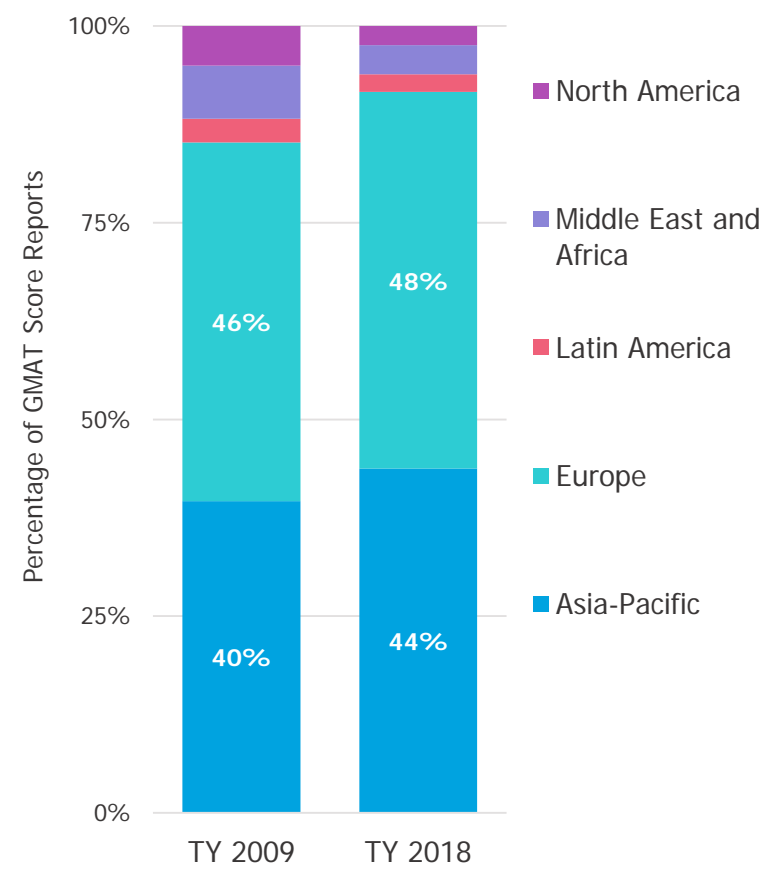


Candidate type	10-yr % change
Europeans sending to MBA	-58%
APAC sending to MBA	-28%

Analysis of GMAT exam data, TY2009 and TY2018.

Closer look: European business master's programs

GMAT score sending to European business master's programs, by citizenship



Candidate type	10-yr % change
Europeans sending to business master's	+75%
APAC sending to business master's	+84%

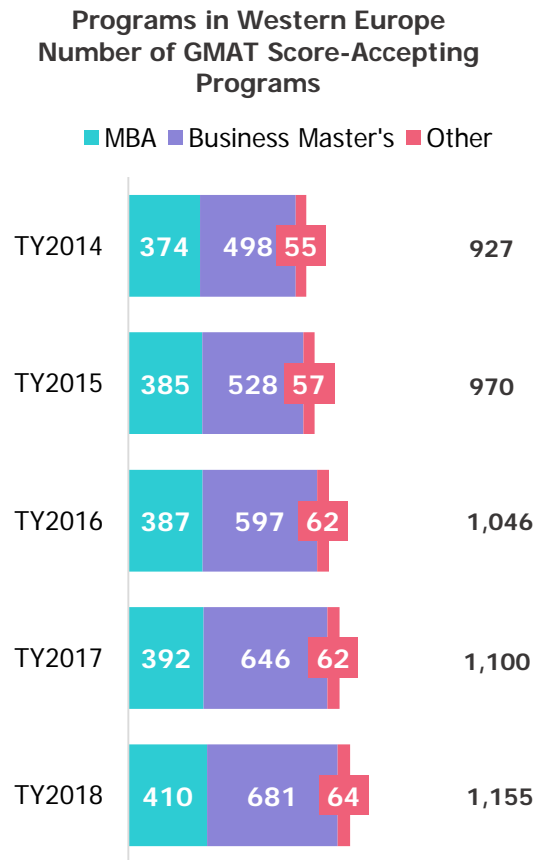
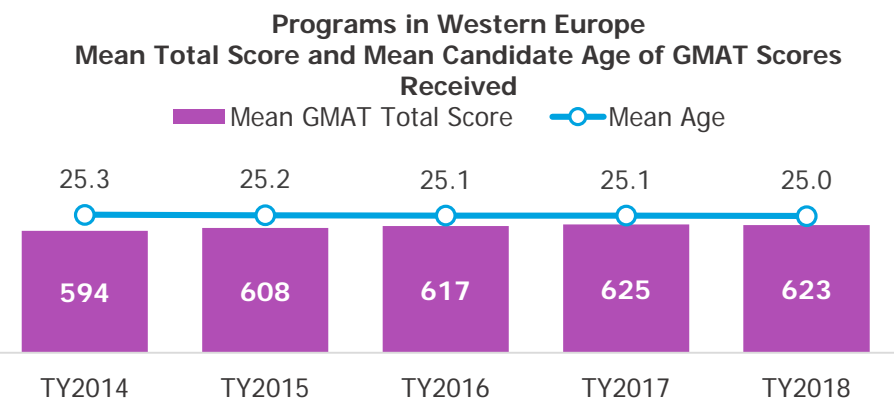
Analysis of GMAT exam data, TY2009 and TY2018.

Regional Trends: Western Europe

Western Europe as a Score-Sending Destination

Programs in Western Europe
GMAT Scores Received by Candidate Demographics

Candidate Demographic	GMAT Scores Received in TY2018	MBA (%)	Business Master's (%)	Other (%)
Total GMAT exams	83,191	41.1%	57.2%	1.6%
Women	34,499	33.7%	64.7%	1.6%
Candidates younger than 25	45,656	12.6%	86.5%	0.9%
Total score <600	24,596	34.8%	62.9%	2.3%
Total score 600-690	37,948	41.3%	57.7%	1.0%
Total score ≥700	20,647	48.5%	49.5%	2.1%



Regional Trends: Western Europe

Citizens of Countries in Western Europe: Candidate Profile

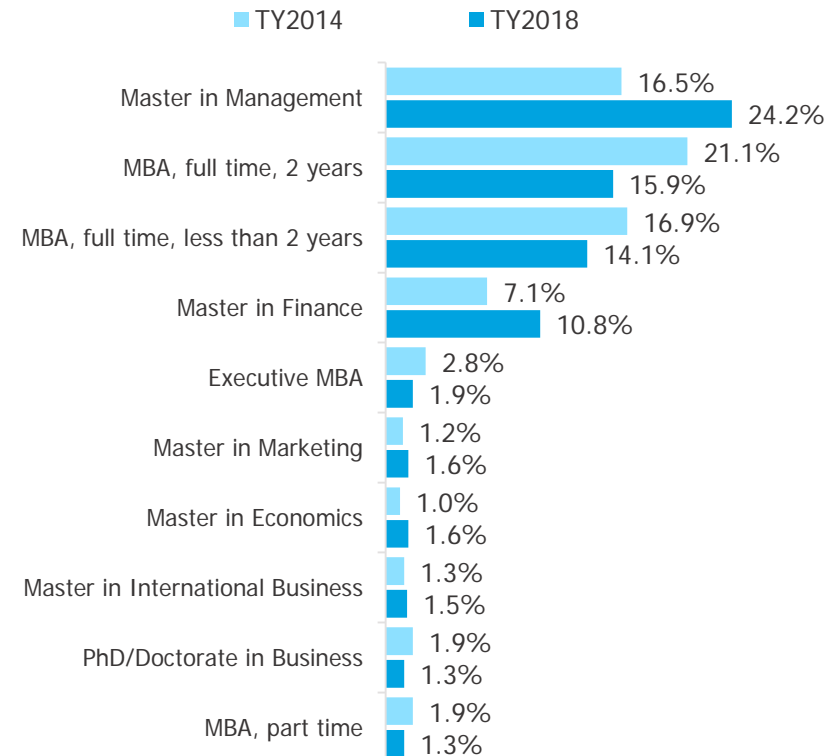
Citizens of Countries in Western Europe
GMAT Exams by Candidate Demographics

Candidate Demographic	TY2014	TY2015	TY2016	TY2017	TY2018	Five-Year Growth Rate
Total GMAT exams	17,835	18,321	18,988	18,569	18,572	+ 1.0%
Women	5,867	6,102	6,347	6,160	6,187	+ 1.3%
Candidates younger than 25	9,937	10,611	11,112	10,909	11,590	+ 3.9%
Total score <600	10,424	10,541	10,594	9,901	10,297	- 0.3%
Total score 600-690	5,602	5,688	6,187	6,390	6,201	+ 2.6%
Total score ≥700	1,809	2,092	2,207	2,278	2,074	+ 3.5%

Citizens of Countries in Western Europe
Top Score-Sending Destinations by School Country, TY2018

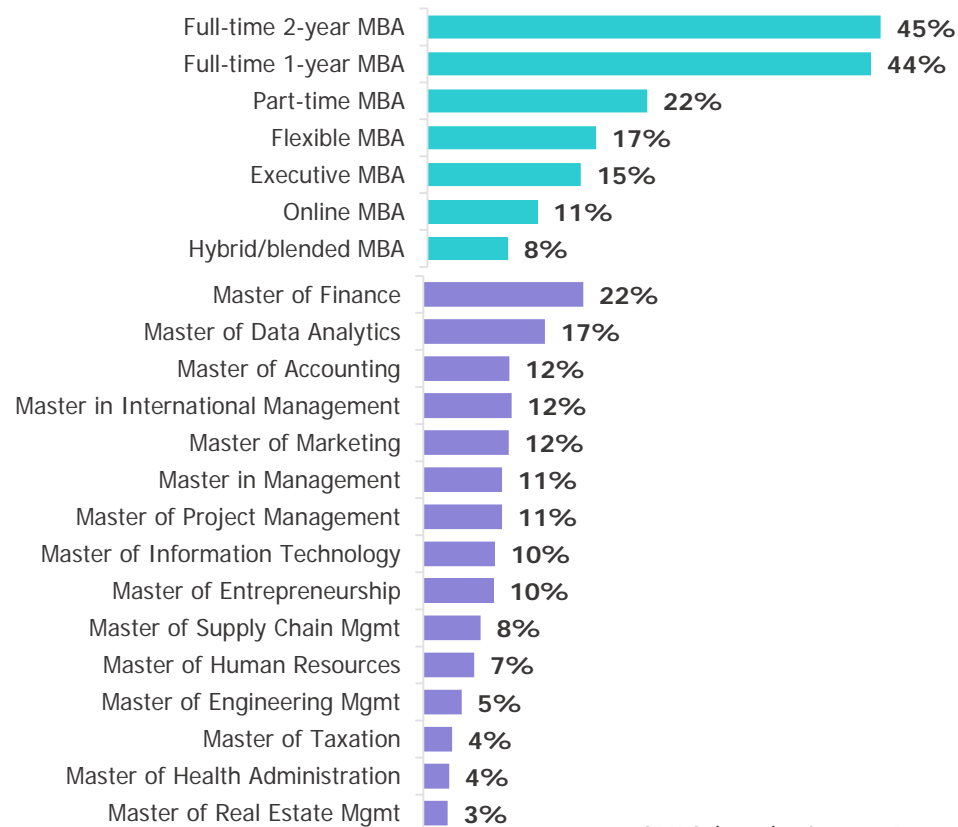
Country/Region	Scores Sent in TY2018	% of Total Scores Sent in TY2018	% of Total Scores Sent in TY2014
1. United States	6,320	19.5%	25.6%
2. Netherlands	4,440	13.7%	12.5%
3. United Kingdom	4,287	13.2%	12.7%
4. France	4,279	13.2%	13.9%
5. Germany	3,588	11.1%	10.1%

Citizens of Countries in Western Europe
Top Program Types, TY2018
(Percentage of Scores Sent)



Among growing options, the FT MBA remains the predominant degree sought

Program types considered

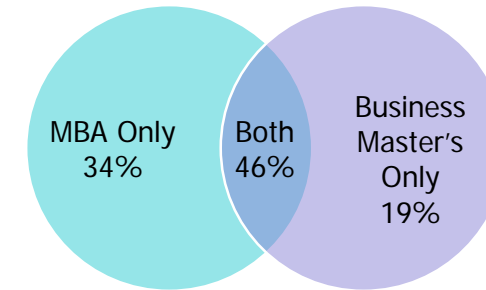


The average candidate considers

3.2

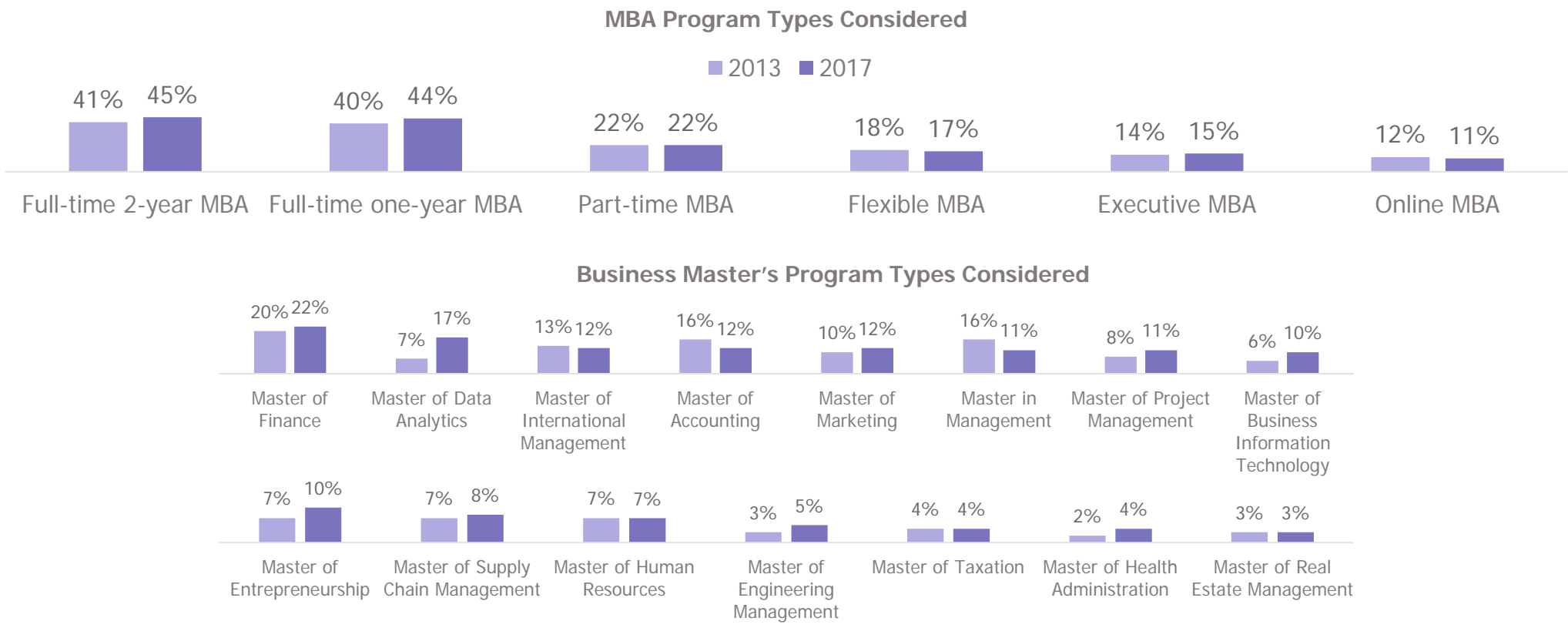
different program types

Program types considered



Program Considerations

Five-Year Trend Shows Consideration Gains Among Full-Time MBA and Emerging Business Master's Program Types

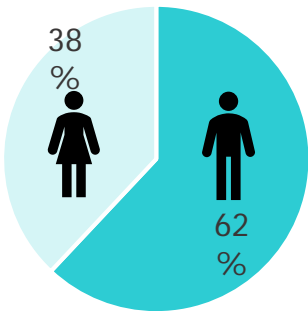


Note: The way in which candidates were asked about the program types they are considering changed in 2017. In past survey years, candidates were asked which program categories they were considering and subsequent questions probed on specific program types for each program category selected. In 2017, all respondents were shown all program types to select from.



Prospective Student Profiles

Prospective Students Who Prefer a Full-Time MBA Program Type

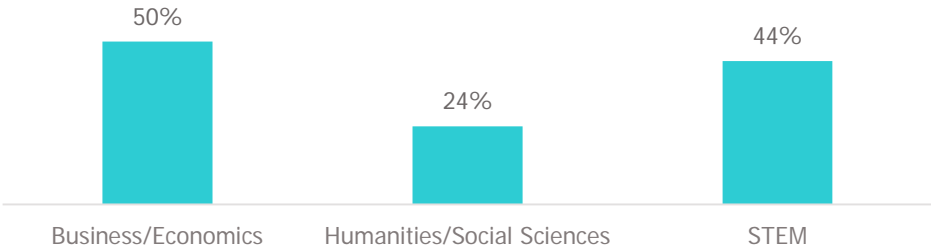


Prospective students who prefer a full-time MBA program type have a median age of 26 and a median of three years work experience. Half were business/economics majors as undergraduates, and 44 percent majored in a STEM field. They begin considering business school a median of 12 months after completing their undergraduate education. About 1 in 5 currently own a home and are married. One in 10 have children.

26
median age

3
median years
work experience

Undergraduate Major



19%

own a home

17%

married

11%

have children

Study Destinations

In Just One Year, Western Europe Gained Significant Ground on the US in Attracting International Prospective Students

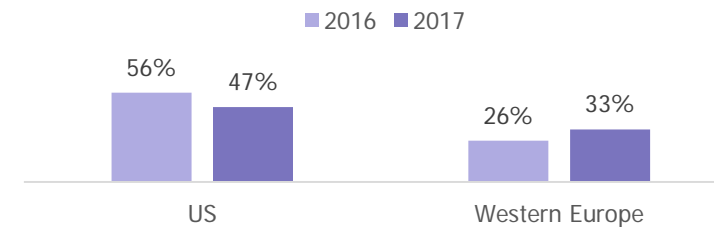
Among prospective students with international application plans—both those who prefer a full-time MBA program type and those who prefer a business master's program type—the percentage who prefer the US as a study destination declined between 2016 and 2017, while the percentage who prefer Western Europe increased.

The US is more likely to be preferred as a study destination compared with Western Europe because of the reputation of the educational system, better preparation for career, improved access to jobs in one's home country, and ability to study in a country that offers English language education. Western Europe is more likely to be preferred because of the attractiveness of the location and affordability of education.

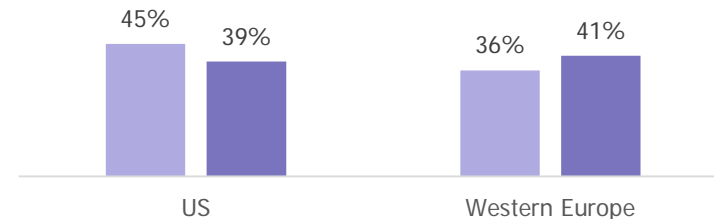
Additionally, non-US citizens indicate the top three barriers affecting their decision to study in the US are tuition costs (69%), cost of living (59%), and the ability to obtain a job in the US post-business school (51%).

Preferred International Study Destination

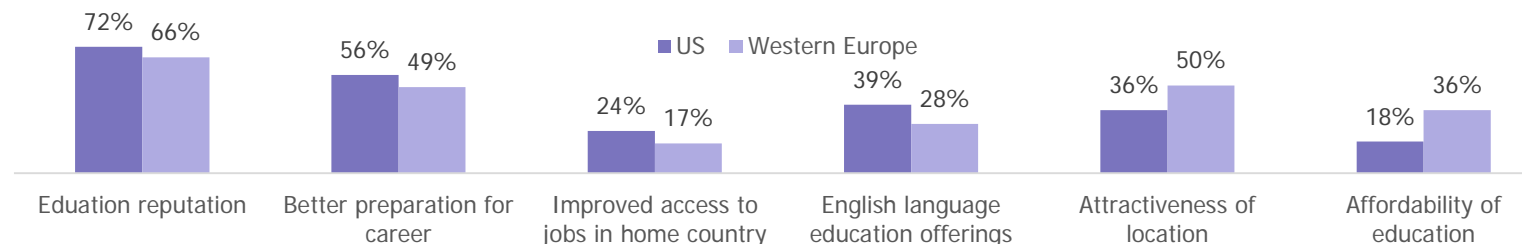
Prospective Students Preferring Full-Time MBA Program Types



Prospective Students Preferring Business Master's Program Types

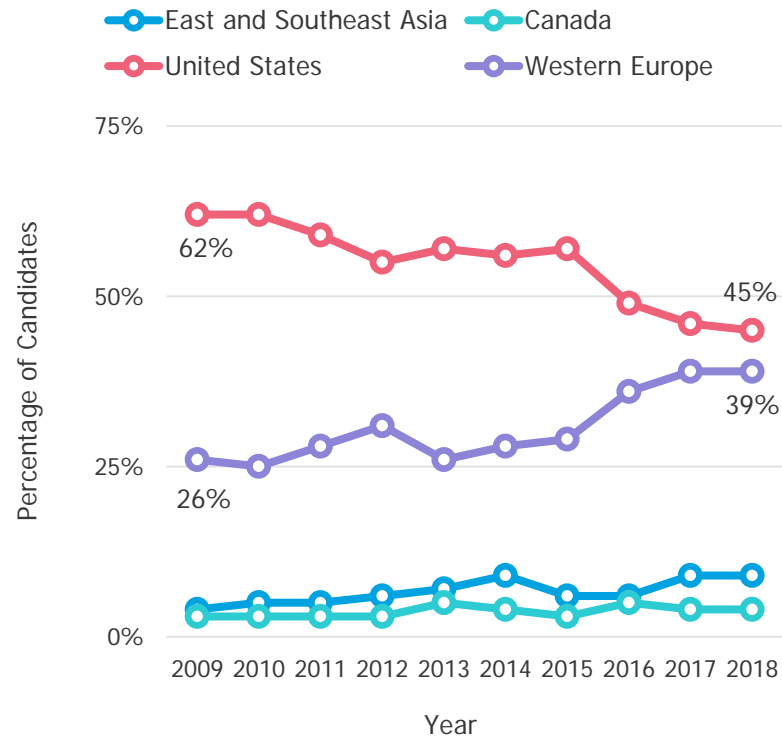


Reason for Choosing Preferred Study Destination

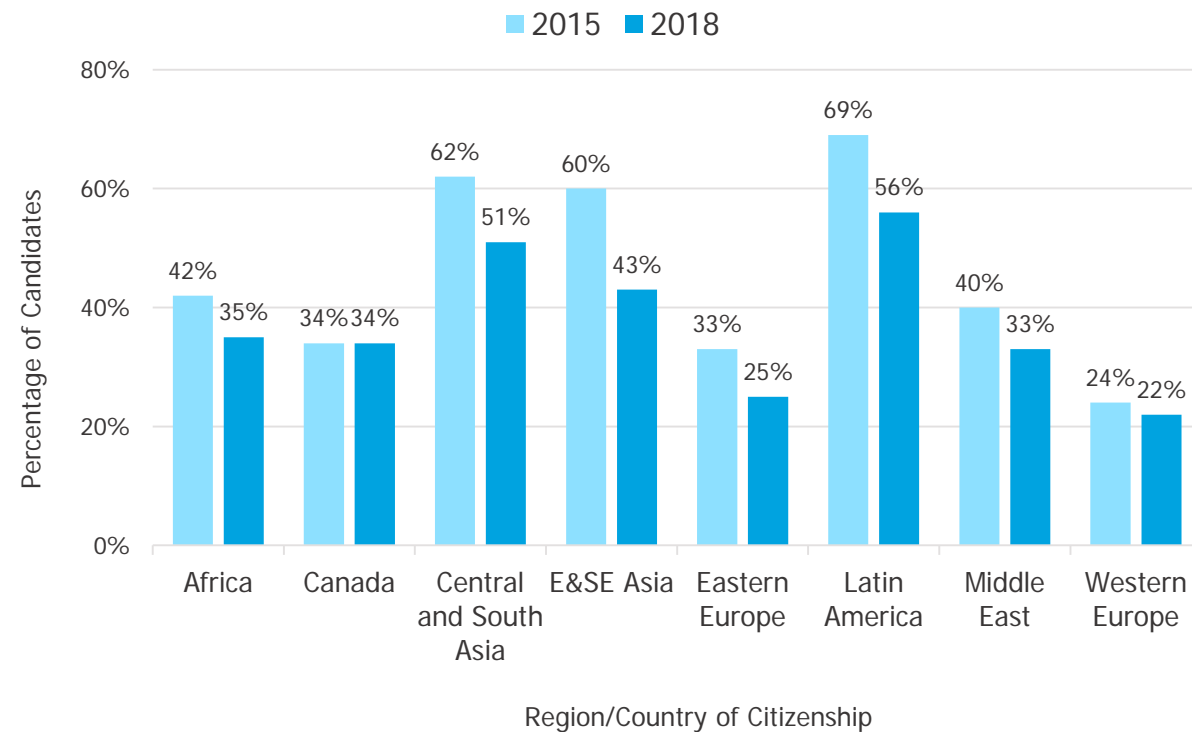


Preference for W. Europe grows as US declines

≥650 Candidates With Int'l Application Plans, Preferred Study Destination



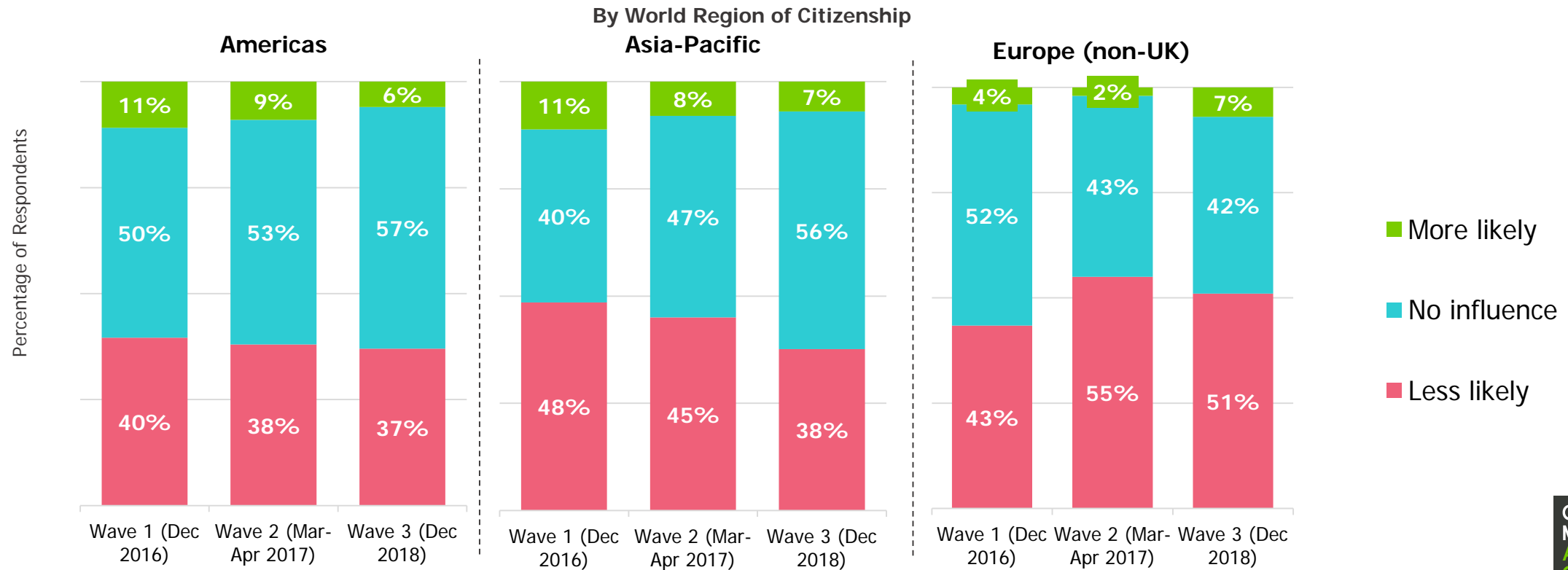
≥650 Candidate Preference to Study in the United States by Region/Country of Citizenship



Brexit Wave Surveys

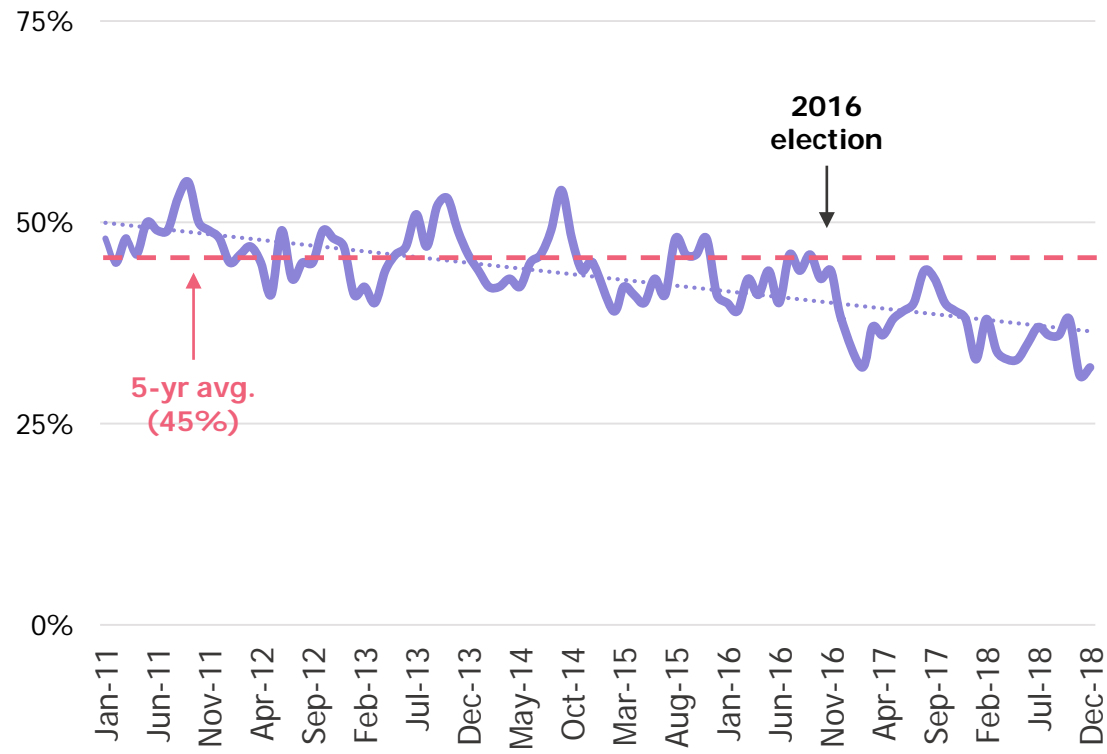
The biggest shift toward “no influence” has been among citizens of Asia-Pacific countries

How has the United Kingdom’s decision to leave the European Union (Brexit) influenced your decision to study in the United Kingdom?



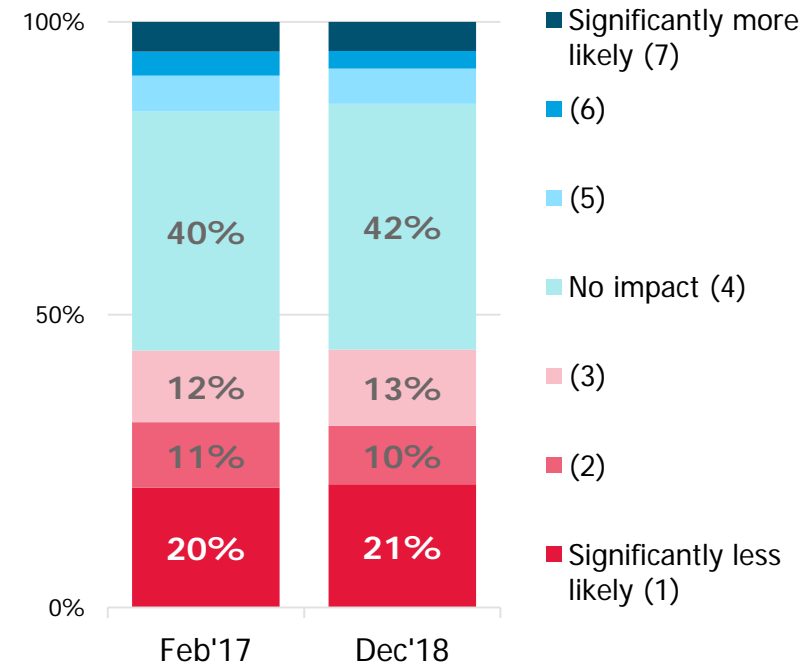
The US political climate and international student mobility choices

Percentage of non-US citizen candidates who would prefer to study in the United States, January 2012– December 2018



How, if at all, has the new US president influenced your decision to pursue GME in the United States?

Non-US citizens, February 2017 – December 2018



GMAC. Monthly surveys of non-US citizen mba.com registrants.

Overall demand for GME stable in 2018 compared with 2017

Absolute Change Analysis

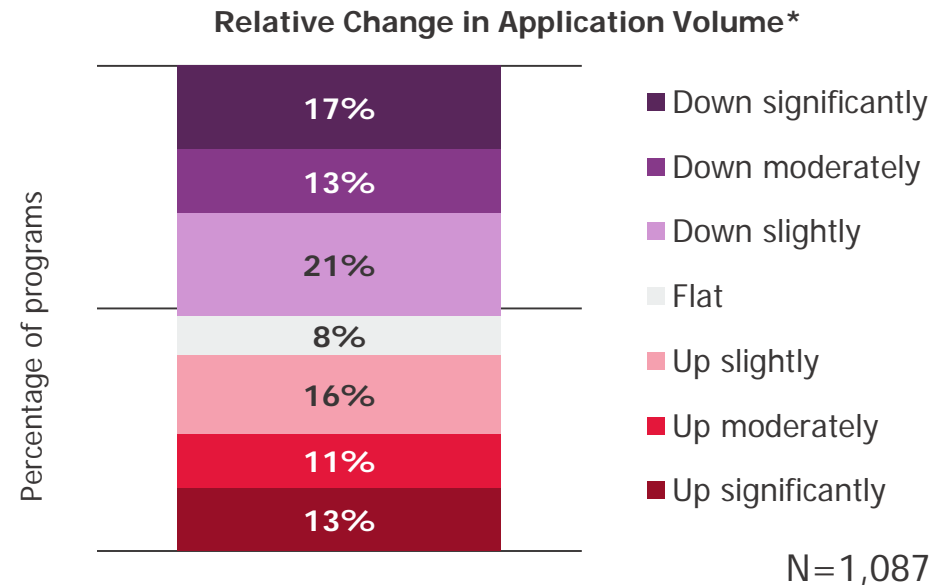
291,830 applications in 2017

291,779 applications in 2018

-0.02% change in application volume

N=549

Relative Change Analysis

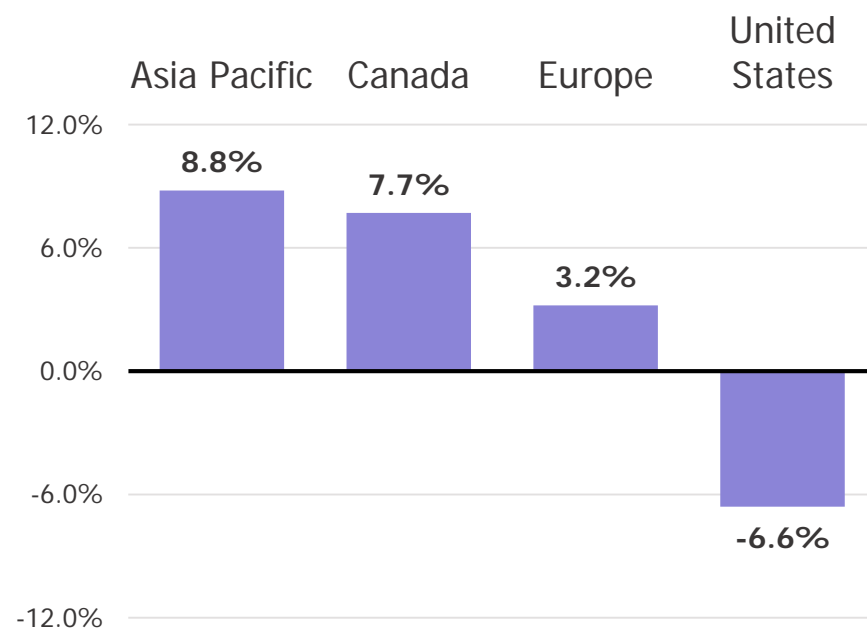


*Up/down significantly defined as a change of 21 percent or greater. Up/down moderately defined as a change of 11 to 20 percent. Up/down slightly defined as a change of 1 to 10 percent. Total does not sum to 100 percent due to rounding.

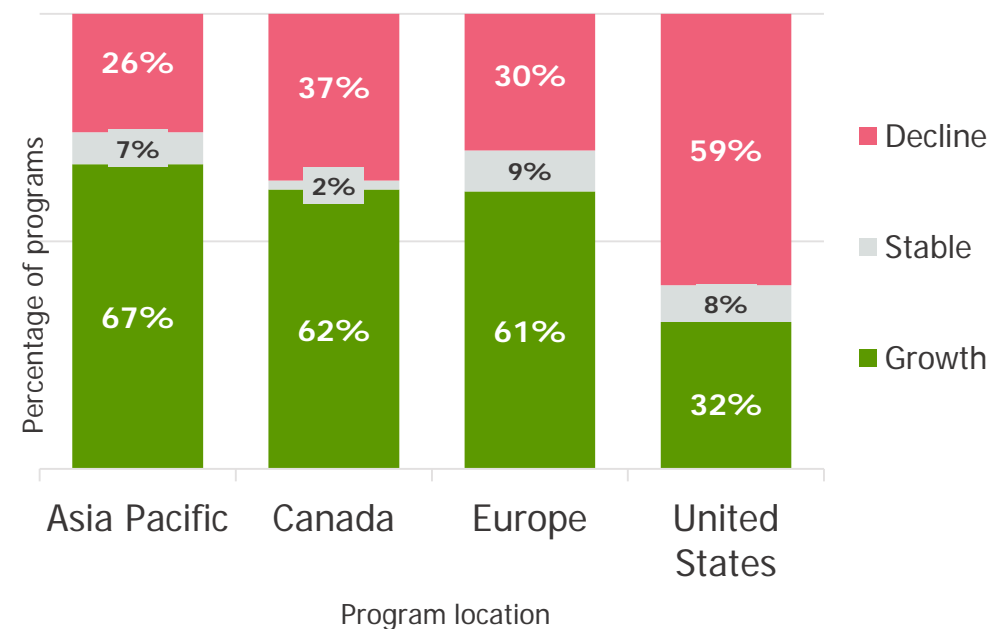
2018 recap: Strong growth outside US

Absolute Change Analysis

Change in Total Application Volume



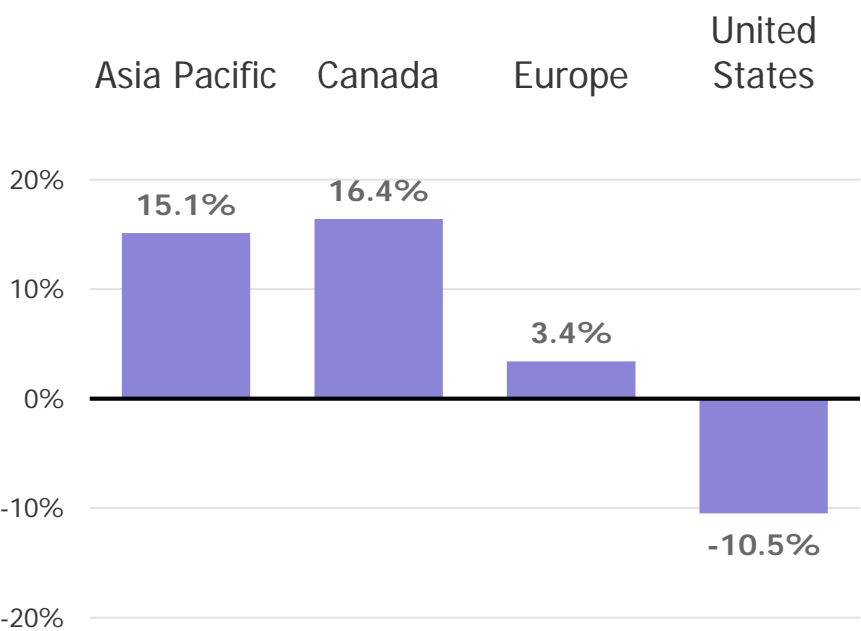
Relative Change Analysis



Shifts in demand largely driven by international student mobility choices

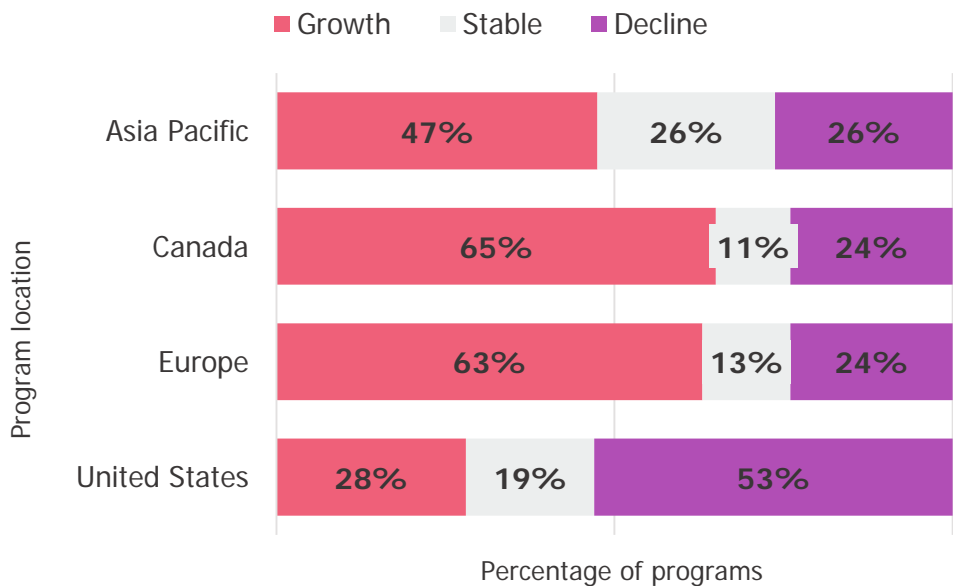
Absolute Change Analysis

International Application Volume



Relative Change Analysis

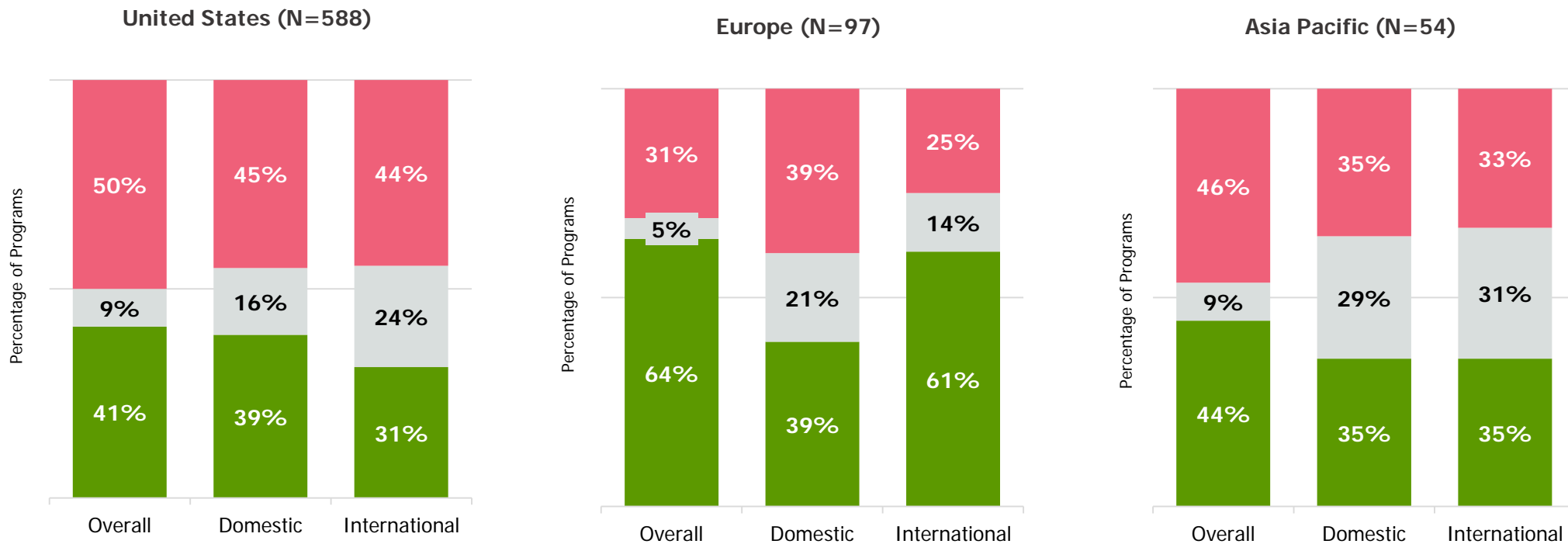
International Application Volume



2019: Midway through the cycle, most European programs continue to see int'l growth

Relative Change in Mid-Cycle Application Volumes by Program Type

■ Growth ■ Stable ■ Decline

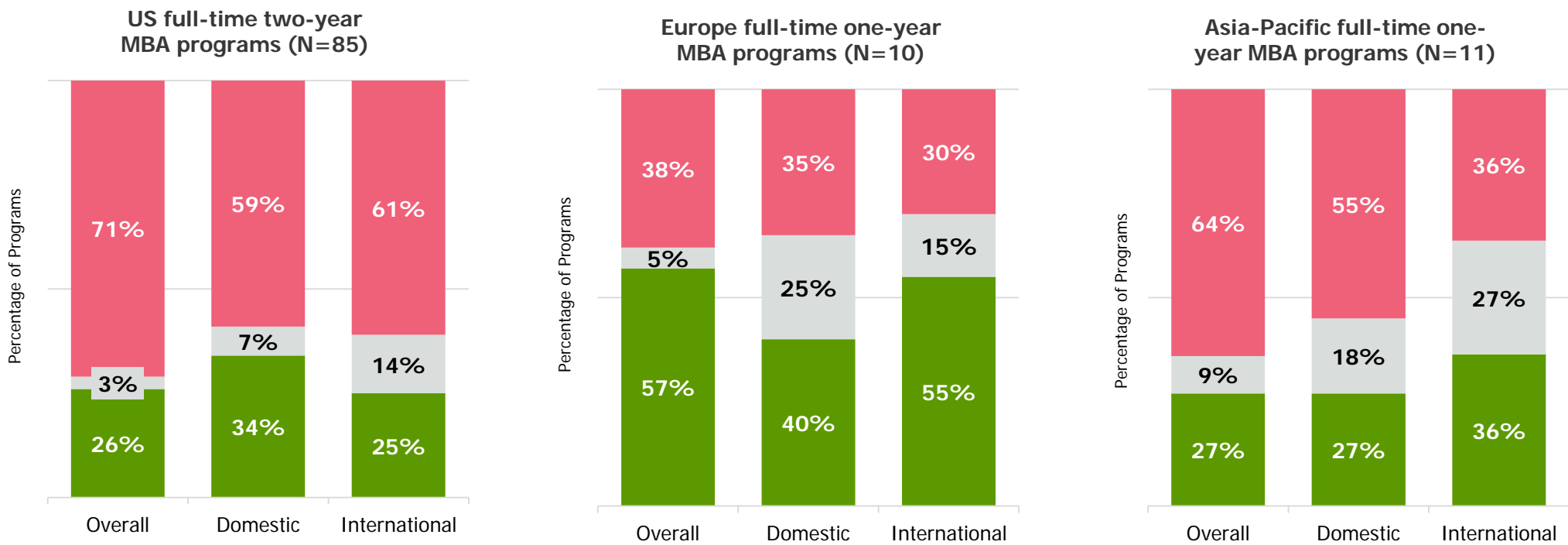


GMAC (2019). Preliminary Application Trends Survey. Report made available only to participating programs.

More than half European MBA programs report growth at cycle midpoint

Relative Change in Mid-Cycle Application Volumes by Program Type

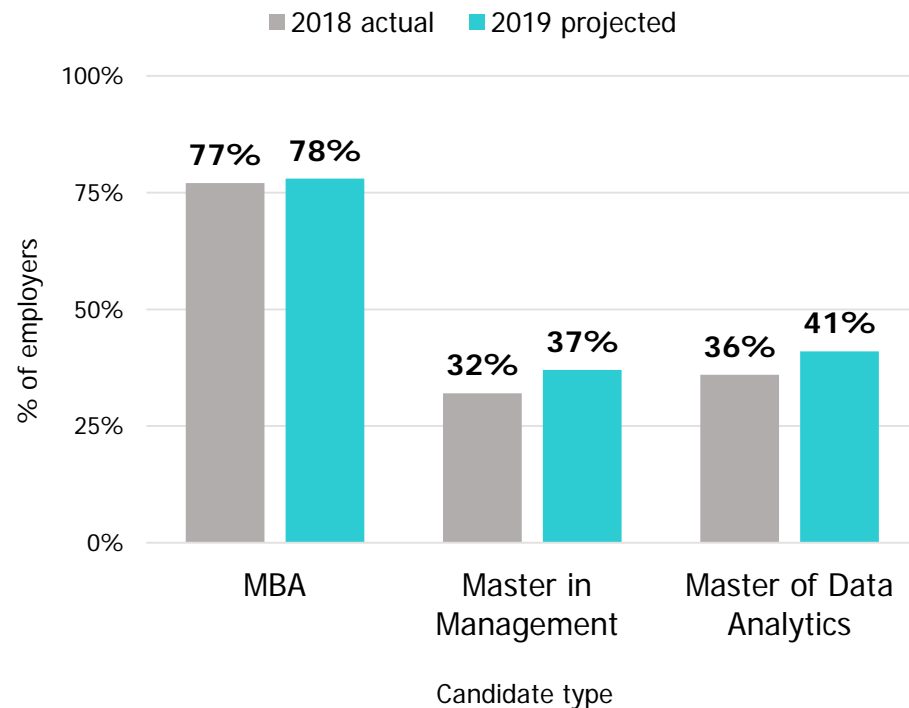
■ Growth
 ■ Stable
 ■ Decline



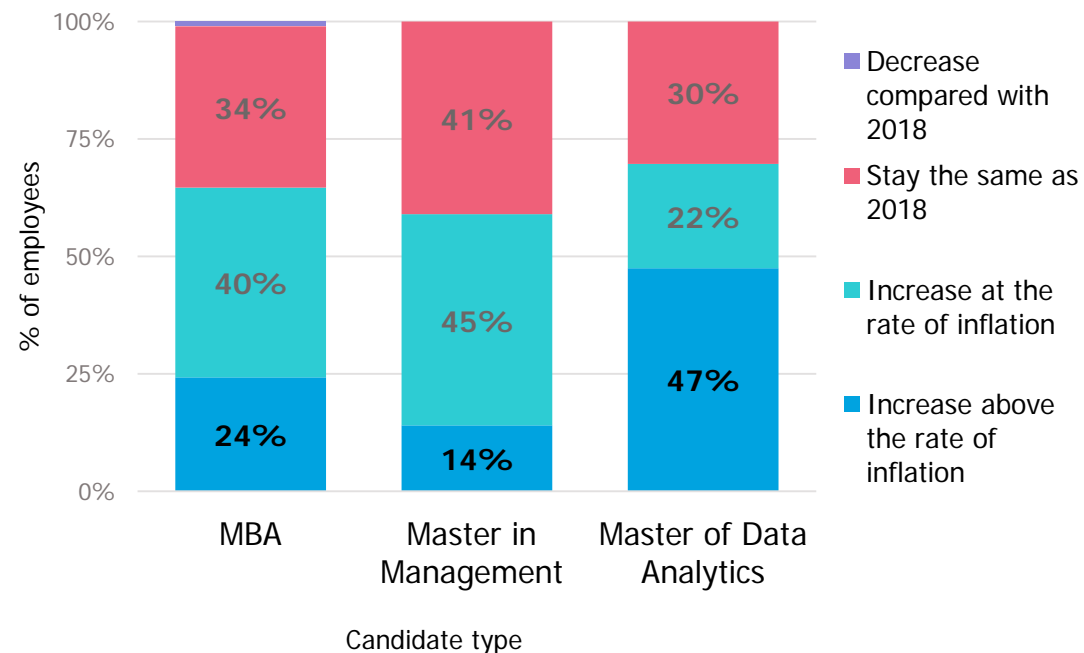
GMAC (2019). Preliminary Application Trends Survey. Report made available only to participating programs.

Q4 Poll: 2019 hiring forecast strong overall; salaries expected to rise for most

Percentage of employers who made 2018 hires
and have 2019 hiring plans, by candidate type

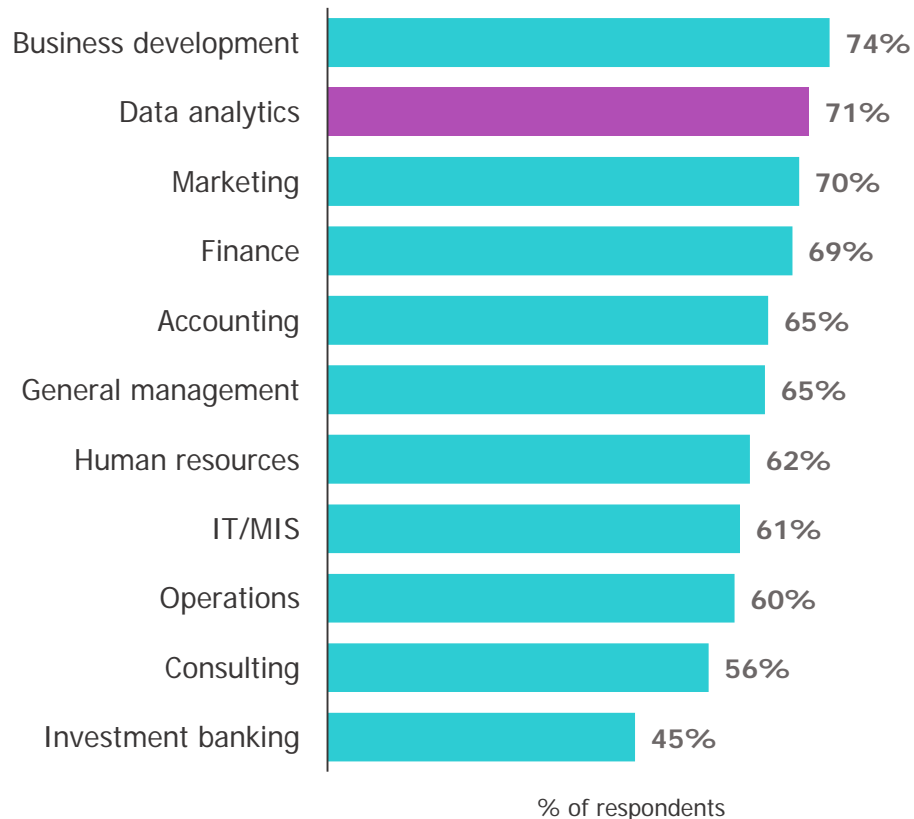


Expected change in base salaries, by
candidate type

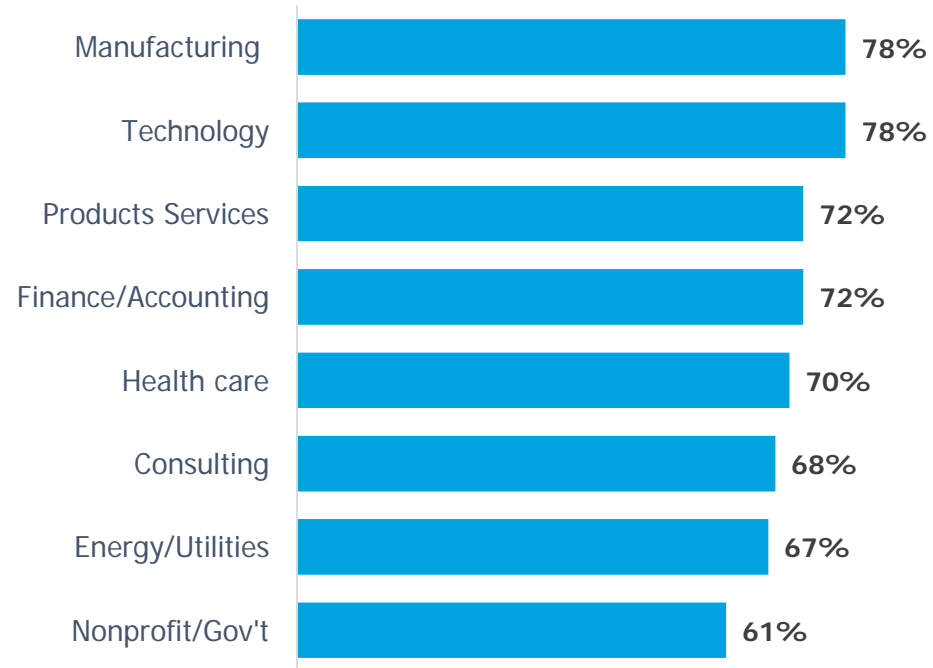


Analytics jobs among the top positions employers plan to fill with b-school talent

Job functions employers plan to place recent graduate business school hires



Percentage of employers that plan to place recent graduate business school hires into analytics positions, by industry



GMAC (2018) Corporate Recruiters Survey. Available at gmac.com/corporaterecruiters.

What skills do employers look for in new business school hires?

General knowledge, skills, and abilities

- Problem solving
- Quantitative tasks
- Data analysis and interpretation
- Comprehension and logic
- Listening
- Written communication
- Oral communication and presentation
- Managing self
- Working with others
- Coachability and reflection

Specific skills and attributes

- Budgeting/budget management
- Excel/spreadsheets
- Negotiation
- Strategic planning
- Project management
- Entrepreneurial spirit
- Promotability
- Relationship management
- Financial forecasting/analysis
- Operations/Supply chain
- Global mindset
- Leadership
- Organization/Time management
- Adaptability/flexibility
- Ability to put theory into practice

Integrated Reasoning (IR) Skills

- **Evaluate** – The ability to evaluate relevant information from different sources
- **Organize** – The ability to organize information to see relationships and to solve multiple, interrelated problems
- **Combine** – The ability to combine and manipulate information from multiple sources to solve complex problems
- **Synthesize** – The ability to synthesize information presented in graphics, text, and numbers

What skills do employers look for in new business school hires?

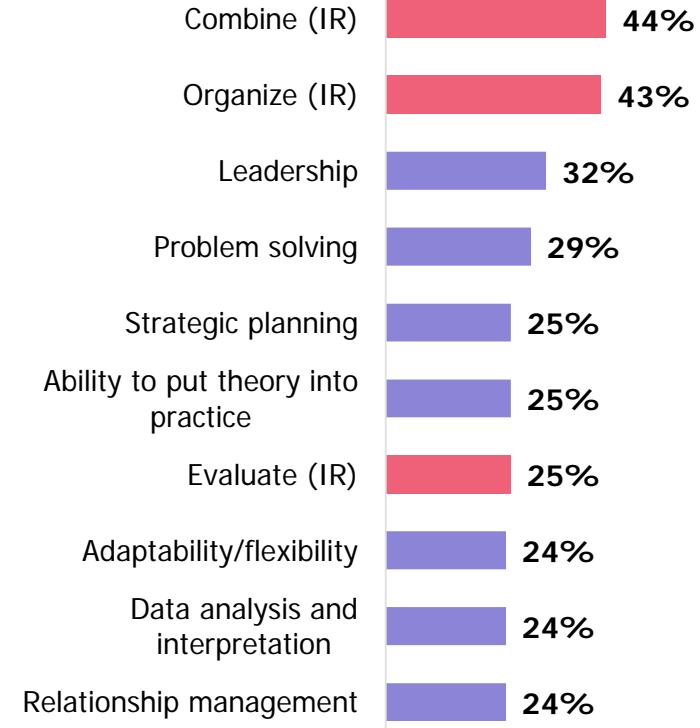
Skills employers most frequently require from b-school hires



Skills employers most often say are difficult to find in b-school hires



Skills employers most often say are both required and difficult to find



Most alumni agree their GME was personally, professionally, and financially rewarding

% agree: My GME was rewarding...

Personally



Professionally

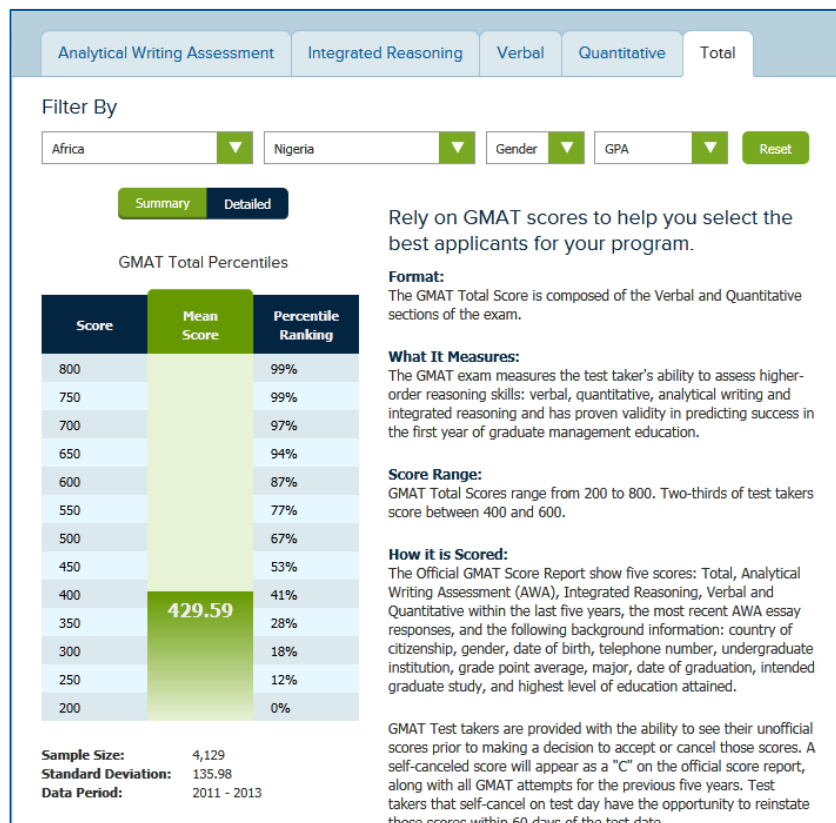


Financially



GMAC (2018) Alumni Perspectives Survey. Available at gmac.com/alumniperspectives.

Helping you understand GMAT and GMAT scores



<https://www.gmac.com/gmat-other-assessments/accessing-gmat-exam-scores-and-reports/gmat-scoring-by-exam-section-normal-view.aspx>

GMAC survey research

**mba.com
Prospective
Students
Survey**



**Application
Trends Survey**



**Corporate
Recruiters
Survey**



**Alumni
Perspectives
Survey**



**Open now:
Application
Trends Survey
launched
yesterday!**

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- Access to interactive data reports
- Benchmark reports
- Advanced copy of summary report

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