

Master of Business Administration (MBA)

An update on all things related to the demand for MBA programs in the United States.

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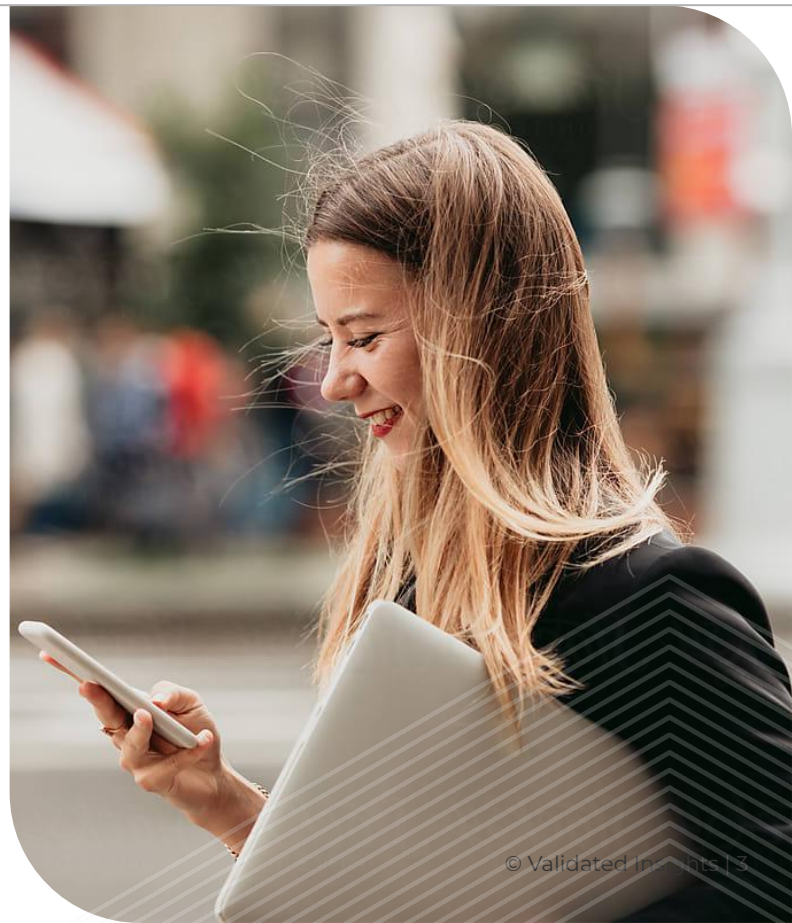
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About the MBA Insights Report

Every quarter the Validated Insights Market Research Team produces a series of reports covering topics ranging from Trade Schools (recurring) to Online Program Managers (recurring) to special topics of interest to higher education decision-makers such as this report, covering all things related to the demand for Master of Business Administration (MBA) programs, particularly online MBA programs.

This report primarily brings together all of the most frequently utilized data sources and reports related to MBA program demand to provide a robust picture of the past, current and future demand for these programs.

This report includes data from the Association to Advance Collegiate Schools of Business (AACSB), BestColleges, U.S. Bureau of Labor Statistics (BLS), CarringtonCrisp, Council of Graduate Schools (CGS), Education Advisory Board (EAB), Educational Testing Services (ETS), Eduvantis, Google, Graduate Management Admissions Council (GMAC), Encoura, Fortune, Lightcast, National Association of Colleges and Employers (NACE), National Center for Education Statistics (NCES), National Student Clearinghouse (NSC) Research Center, Niche, Poets & Quants, U.S. News & World Report, and more.



**“Student demand for an
MBA is surging...”¹**

FORTUNE

While still being one of the largest degree programs, the MBA has been in a period of decline. It appears that this period of decline is coming to an end and MBA programs are resuming a growth trajectory in the aggregate.

- ▶ For at least a decade, MBA enrollments and completions were trending downward. Completions have grown at a 0.9% CAGR since 2020 and enrollments grew 1.6% year-over-year in 2024.
- ▶ Search traffic for MBA programs has continued to grow, and relevant application volumes are trending in the right direction. Accordingly, enrollment growth is projected to accelerate to a 3.2% CAGR in the near-term.
- ▶ The online modality not only surpasses the on-campus modality in terms of enrollment, but also in terms of prospective student preferences.
- ▶ Formulate your organization's strategic choices and priorities that will guide everything from strategic initiatives to day-to-day decision making
- ▶ The overall labor market continues to tighten, while the job market for MBA recipients is improving. Both of these factors point to strengthening demand for MBAs.
- ▶ The online MBA market is growing increasingly saturated, and along with this, the average enrollment per online MBA is declining.
- ▶ Even though MBA prices have been growing faster than higher education in aggregate, there appears to be downward pricing pressure as the number of highly affordable programs grows. Administrators increasingly believe these programs will lead the market.

The MBA Market

Student Demand

Student Demand for MBAs



Student Demand

- After steadily declining for the past decade or more, **MBA completions have resumed a positive growth trajectory** post-COVID following a period of enrollment growth trough COVID. Going forward, **enrollments are projected to grow at a 3.2% CAGR through 2030**, but that still won't produce the volume of enrollments observed in the early 2000s.
- **Online learning has surpassed on-campus learning** in terms of both potential student demand and actual enrollment. Demand for online programs is driven by students not taking a graduate admissions test.
- Upward price pressure appears to be causing an increasing number of potential students to remain on the sidelines and not enroll.

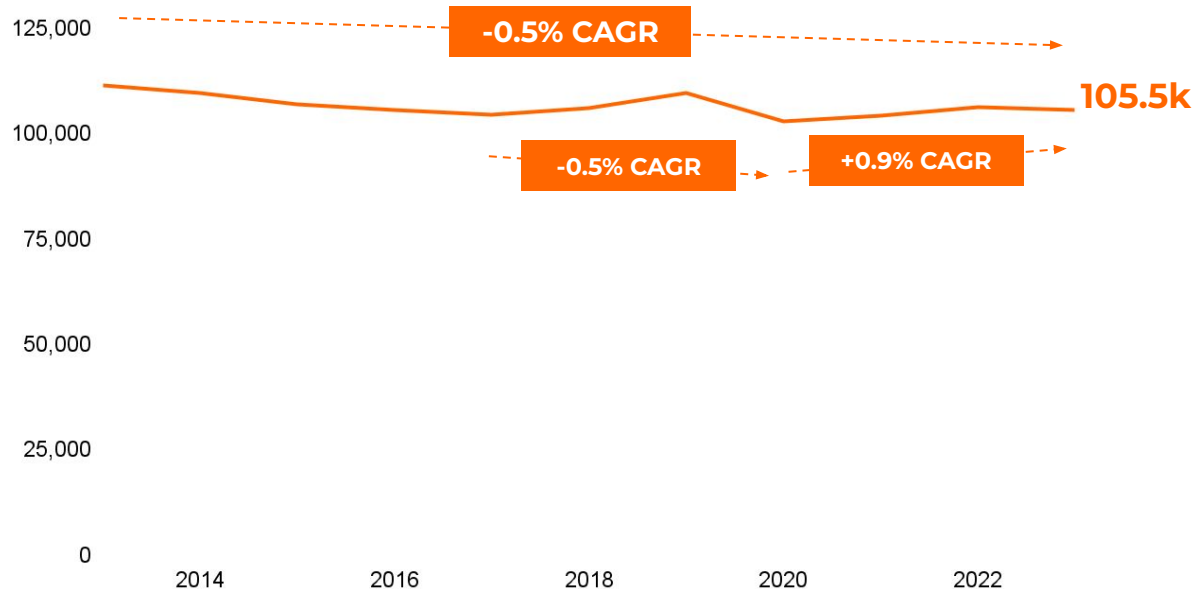


Student Demand

MBA Completions Have Finally Resumed Growth

In the short term (since 2020), MBA completions have resumed growth, growing at a 0.9% CAGR after declining at a 0.5% CAGR from 2017 to 2020.

MBA Completions by Year (2013 to 2023)



Key Takeaways

- Over the past decade, MBA completions have declined at a -0.5% CAGR. That same growth/decline pattern was observed from 2017 to 2020.
- Since the onset of the COVID-19 pandemic, however, MBA completions have resumed a slight growth trajectory, growing at a 0.9% CAGR, even with the 0.6% decline observed year-over-year in 2023.

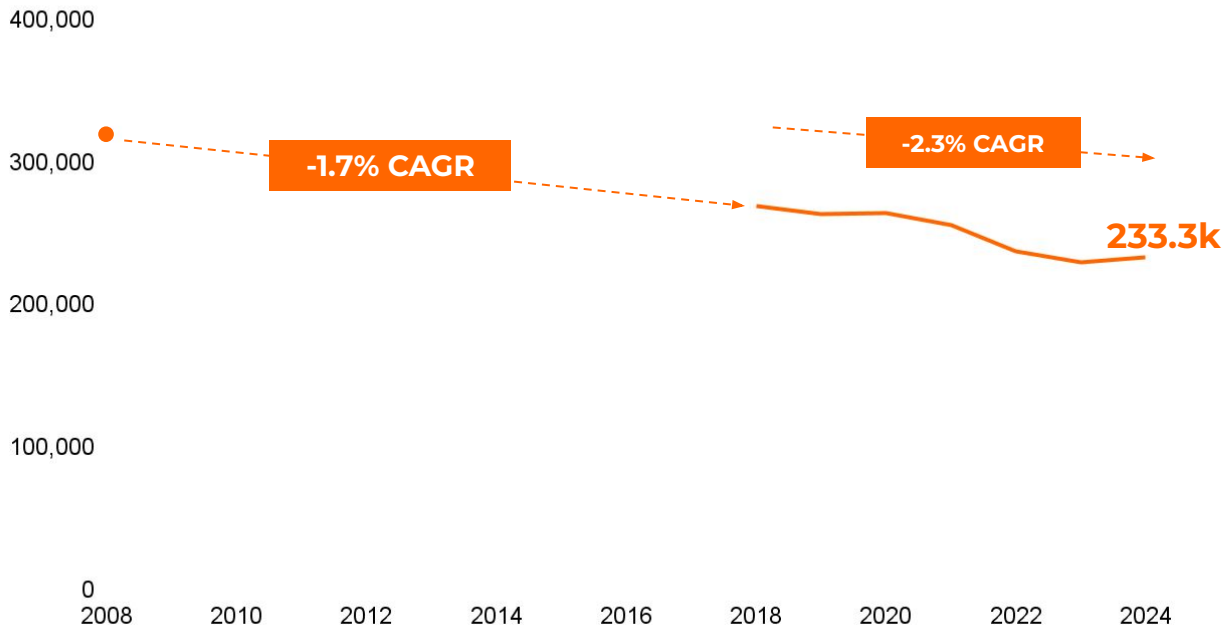


Student Demand

After Years of Decline, MBA Enrollment Grew in 2024

From 2018 to 2024 MBA enrollments declined at a -2.3% CAGR. However, in 2024 we estimate that MBA enrollments ticked up 1.6% year-over-year.

Estimated MBA Enrollment by Year (2008 and 2018 to 2024)



Key Takeaways

- From 2008 until 2018, it is estimated the MBA enrollments declined at a -1.7% CAGR.
- From 2018 until 2024 the trend has accelerated, as MBA enrollments are estimated to have further declined at a -2.3% CAGR during that period.
- In 2024, however, it is estimated that the trend finally reversed, and MBA enrollments grew 1.6% year-over-year to over 233 thousand.

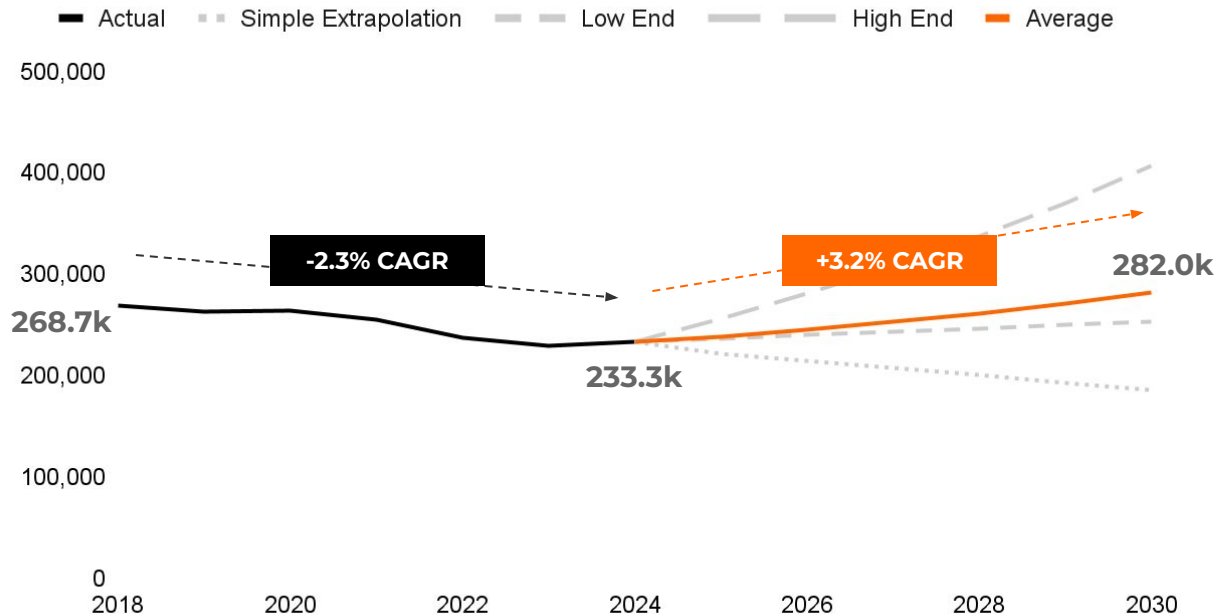


Student Demand

MBA Enrollment Will Grow at a 3.2% CAGR through 2030

From 2024 to 2030 MBA enrollment is projected to grow at a 3.2% CAGR to a total of almost 282,000, a significant improvement from the -2.3% CAGR observed from 2018 to 2024.

Estimated and Projected MBA Enrollment by Year (2018 to 2030)



While MBA enrollments are projected to grow at a 3.2% CAGR, all graduate enrollments are projected to grow at a 1.4% CAGR.⁵

Key Takeaways

- From 2018 until 2024 it is estimated that MBA enrollment declined at a -2.3% CAGR.
- Averaging multiple projections methodologies, we project that from 2024 through 2030 MBA enrollments will grow at a 3.2% CAGR.
- The 3.2% CAGR projection would result in just under 282,000 students being enrolled in MBA programs in 2030.

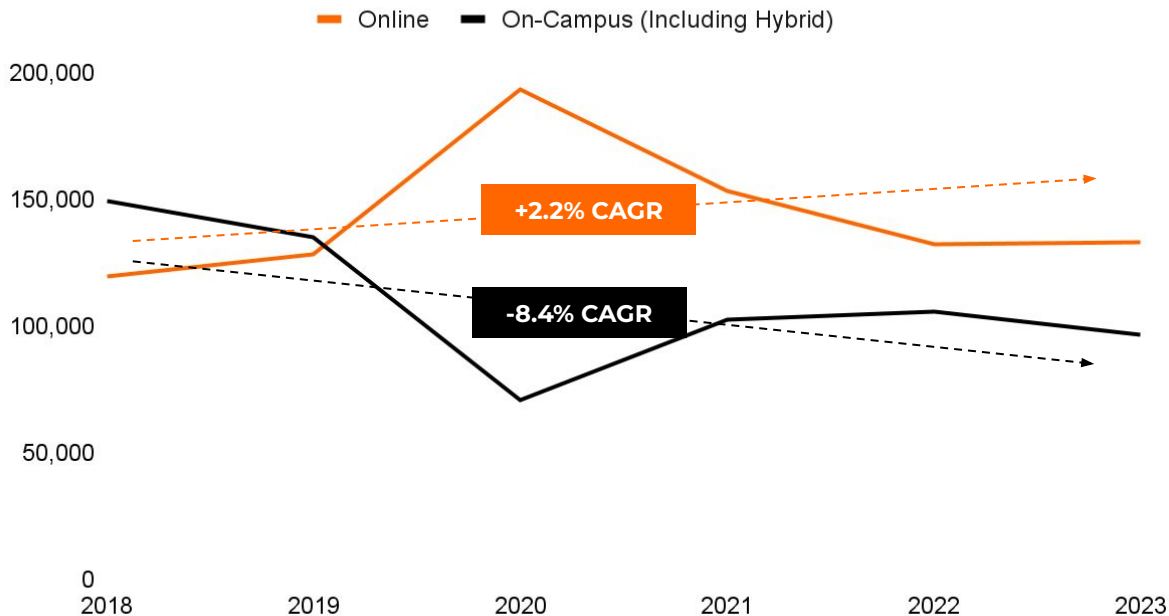


Student Demand

Online MBAs Are Exceeding On-Campus Programs

From 2018 to 2023 online MBA enrollment grew at a 2.2% CAGR while on-campus MBA enrollment declined at a -8.4% CAGR.

Estimated MBA Enrollment by Modality and Year (2018 to 2023)



Key Takeaways

- While all online enrollments grew at an 8.6% CAGR from 2018 to 2023, online MBA growth lagged but still grew at a 2.2% CAGR.⁹
- Online MBAs surpassed on-campus MBAs in 2020 and that has not changed post-pandemic. As of Fall 2023, it is estimated that 58% of MBA enrollments are online.

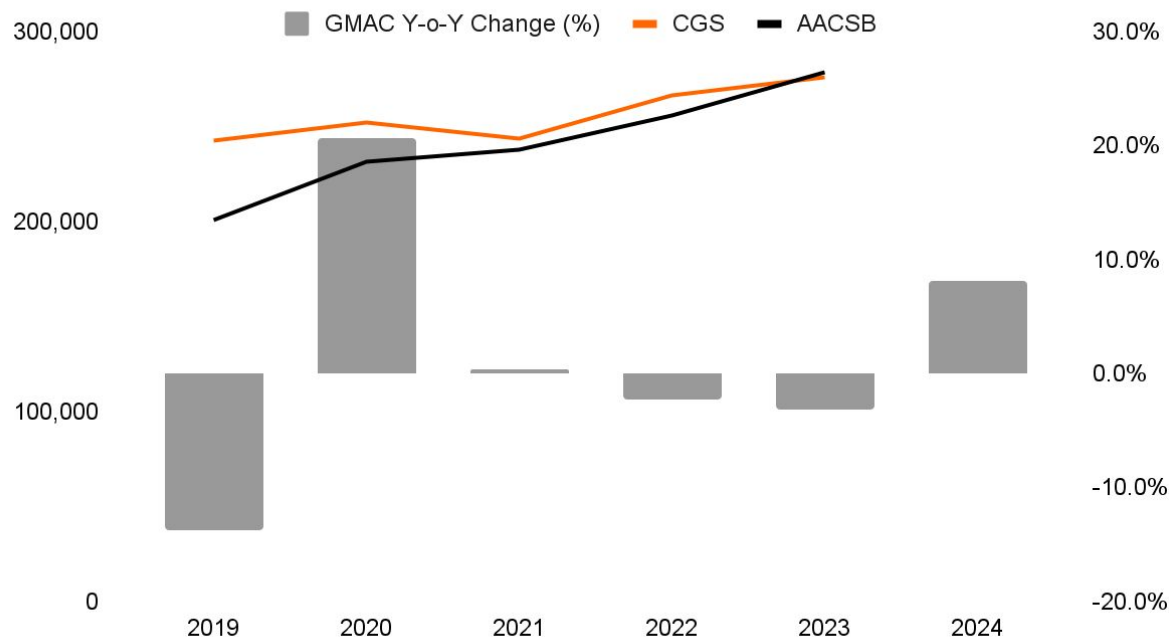


Student Demand

MBA Applications Are Improving Across-the-Board

Data from AACSB, CGS, and GMAC all reveal growth and improvements in terms of applications to master's-level business programs.

Applications to Master's-Level Business Programs by Year (2019 to 2023)



Key Takeaways

- After two consecutive years of decline, GMAC reported that graduate business schools (that utilize the GMAT) saw an 8.1% year-over-year increase in applications to master's-level programs.
- CGS reported that applications to master's-level business programs increased at a 3.3% CAGR from 2019 to 2023. AACSB reports that accredited master's programs saw applications grow at an 8.5% CAGR during that same time frame.

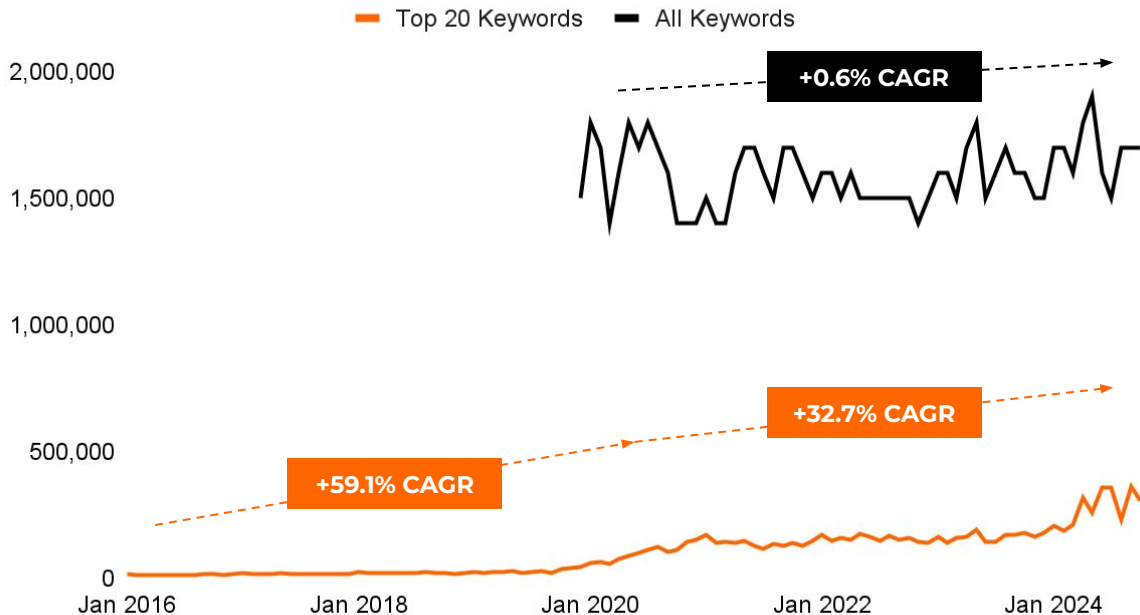


Student Demand

There Are 1.69M Monthly Searches for MBA Programs

While search traffic for the top 20 keywords related to MBA programs has seen drastic growth, overall search traffic for all MBA keywords has seen much slower growth.

MBA Search Traffic by Month (Top 20 Keywords and All Related Keywords)



Key Takeaways

- From 2016 to 2020 search traffic for the top 20 MBA keywords grew at a 59.1% CAGR. From 2020 to 2024, that growth rate had decelerated to a CAGR of 32.7% (through October).
- Growth in search traffic for all MBA-related keywords has been much more modest, at a CAGR of only 0.6% from 2020 to 2024 (through October).
- In 2020 the top 20 keywords represented only 5.5% of MBA searches. By 2024 that share had grown to 16.6%.

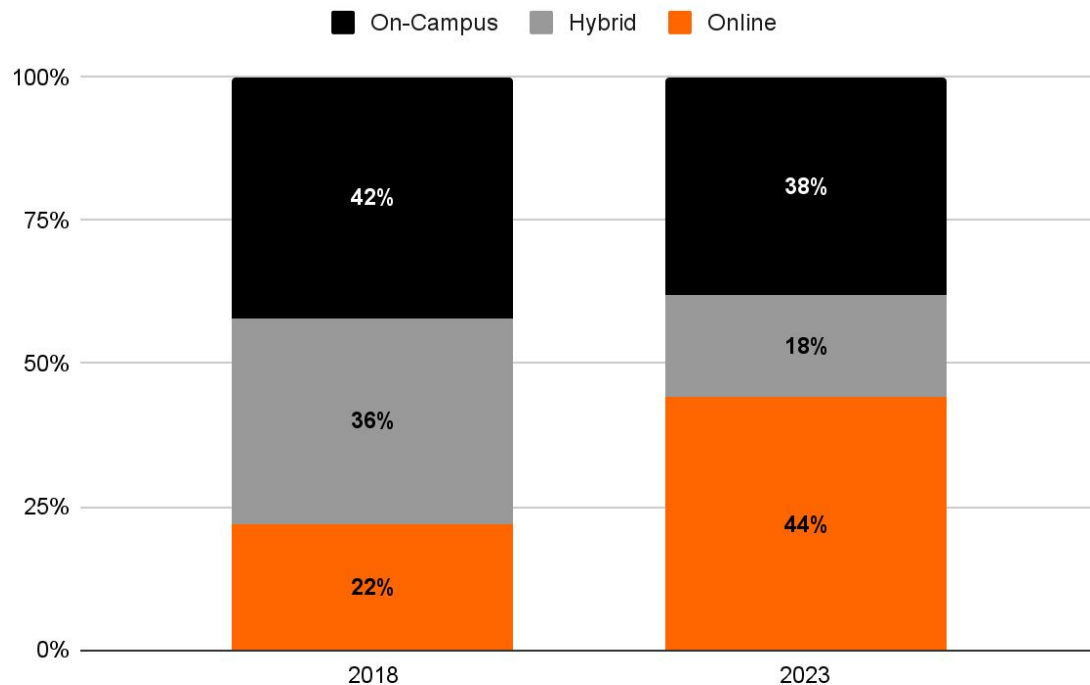


Student Demand

Interest for Online Modality Has Doubled

From 2018 to 2023 the percentage of prospective MBA students preferring an online program doubled from 22% to 44%.

Percent of Prospective MBA Students by Modality Preference (All Prospects)



About $\frac{1}{3}$ of all prospective online MBA students are only considering the online modality. The remaining $\frac{2}{3}$ are considering hybrid and on-campus options also.¹⁰

Key Takeaways

- Contrary to many current narratives, among prospective MBA students, interest in hybrid programming was cut in half from 2018 to 2023.
- Over that same time period, preference for fully online programs is estimated to have doubled to 44%, and now a larger share of prospective MBA students prefer an online program over an on-campus program.

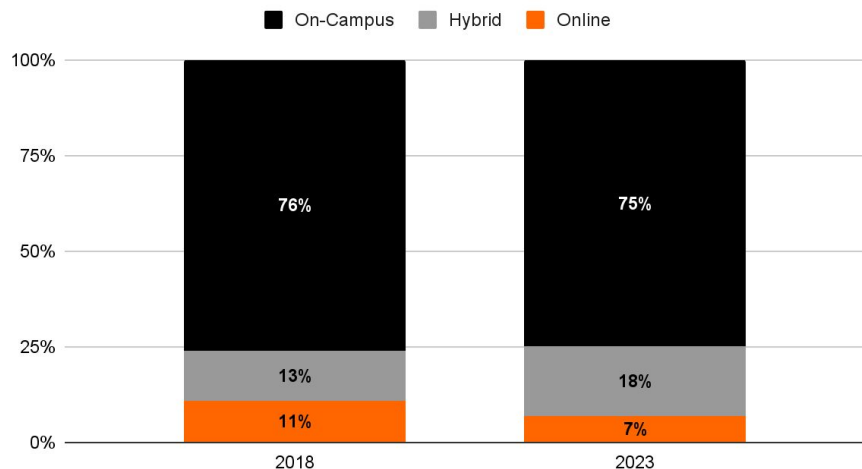


Student Demand

Graduate Admissions Test-Takers Want On-Campus MBAs

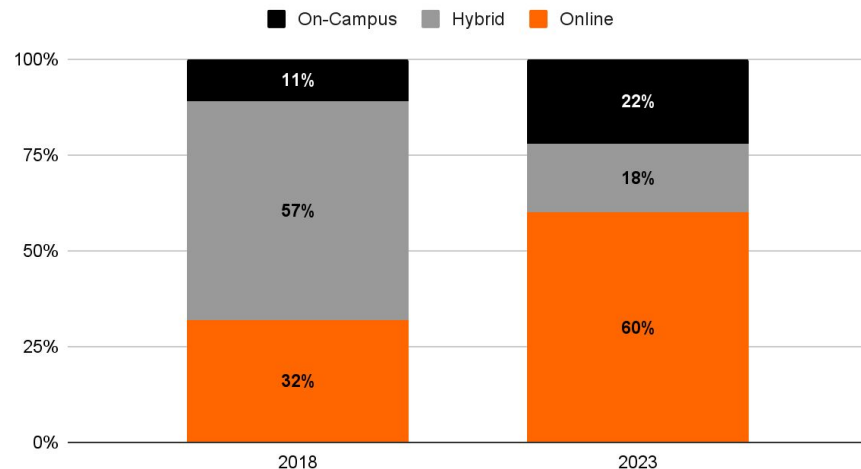
In both 2018 and 2023 alike, prospective MBA students who take either the GMAT or GRE are significantly more likely to prefer an on-campus program than those who don't.

Percent of Prospective MBA Students by Modality Preference (Test Takers)



30% of prospective MBA students

Percent of Prospective MBA Students by Modality Preference (Non-Test Takers)



70% of prospective MBA students



Student Demand

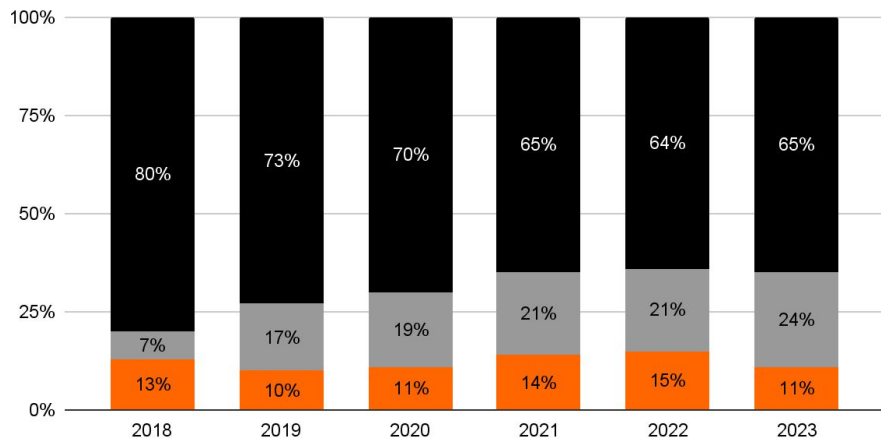
GMAT Testers Seek Online more than GRE Testers

While takers of both graduate admissions test overwhelmingly prefer on-campus MBA programs, GMAT testers are more likely than GRE testers to prefer online programs.

GMAT™

Percent of Prospective MBA Students by Preferred Modality (GMAT Test Takers)

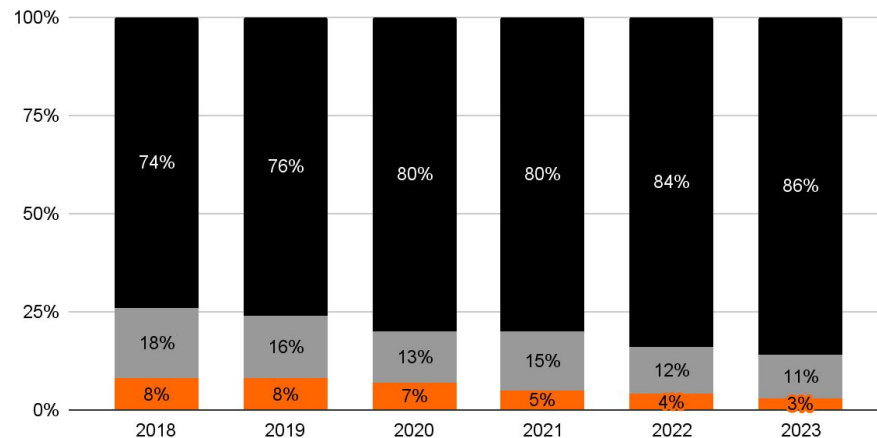
■ On-Campus ■ Hybrid ■ Online



*gre®

Percent of Prospective MBA Students by Preferred Modality (GRE Test Takers)

■ On-Campus ■ Hybrid ■ Online



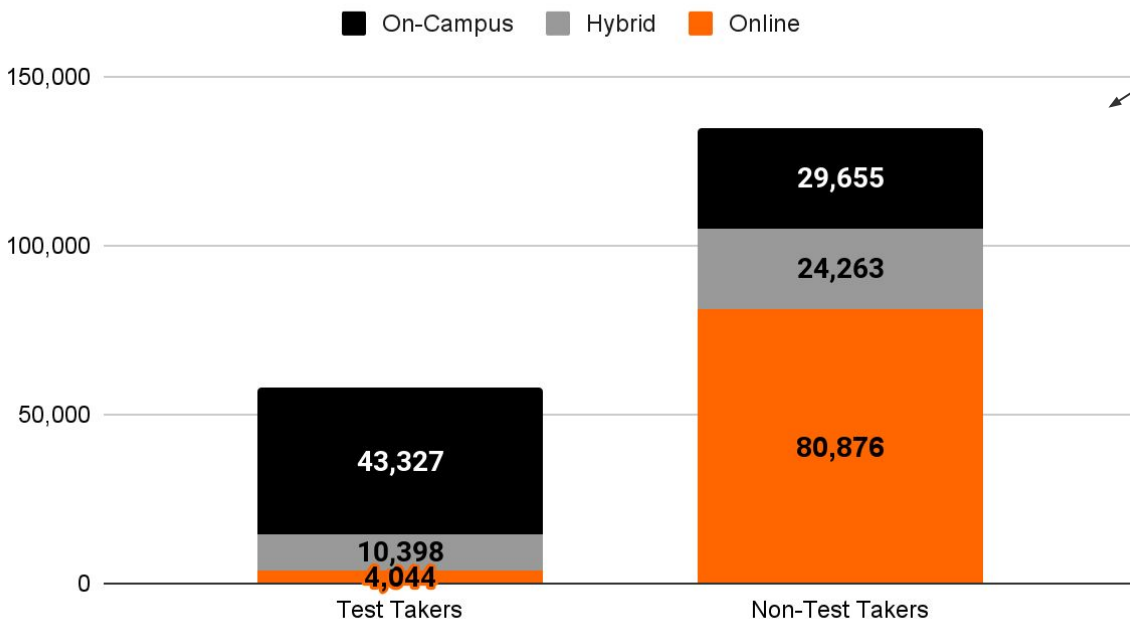


Student Demand

There Are Almost 193,000 Potential New MBA Students

In 2023 there were an estimated 192,563 potential new MBA students across the country.

Estimated Number of Potential New MBA Students in 2023 by Preferred Modality



Total = 192,563

Key Takeaways

- Across the country there were an estimated 192,563 potential new MBA students in 2023.
- There were an estimated 84,920 potential new online MBA students in the market in 2023, only 4,044 of which took either the GMAT or GRE.

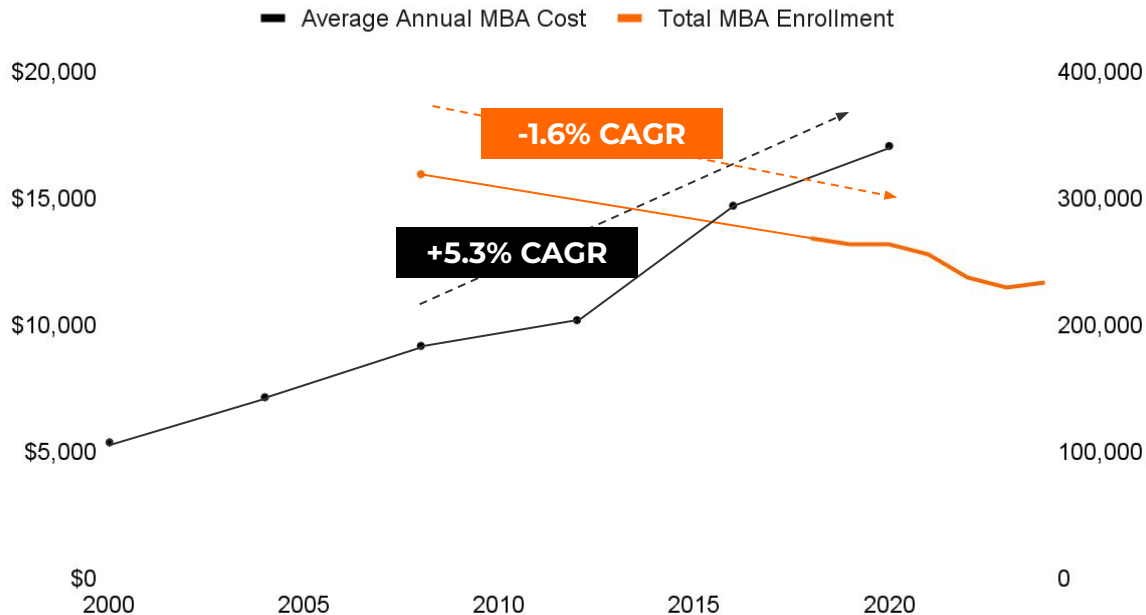


Student Demand

As MBA Costs Have Risen, Enrollments Have Declined

From 2008 to 2020 the average annual tuition and fees paid by MBA students grew at a 5.3% CAGR. During that same time, enrollment declined at a -1.6% CAGR.

Average Annual MBA Cost and MBA Enrollment (Select Years, 2000 to 2024)



Key Takeaways

- From 2008 until 2020 the average annual tuition and fees paid by MBA students grew at a 5.3% CAGR to \$17,058.
- During that same time frame, MBA enrollments declined at a -1.6% CAGR.
- Average annual undergraduate tuition and fees grew at a 1.8% CAGR from 2008 to 2020 and tuition and fees for master's degrees grew at a 3.7% CAGR, both much slower than the price growth observed for MBA programs.^{7,8}

The MBA Market

Labor Market Demand

Labor Market Demand for MBAs



Labor Market Demand

- Following a couple of years of declining hiring demand as measured by MBA job postings and hiring surveys, **MBA hiring has begun rebounding**. Job postings for MBAs have been growing since mid-2023 and hiring surveys indicate an upward trend - all of that while the aggregate job market, and the job market for bachelor's recipients specifically is declining.
- The strong aggregate labor market of 2021 and 2022 caused a number of potential MBA students to re-evaluate their educational plans. This is anticipated to buoy potential student numbers in the coming years.
- The MBA salary premium has experienced only modest growth in recent years. A trend mirrored by the bachelor's degree premium.

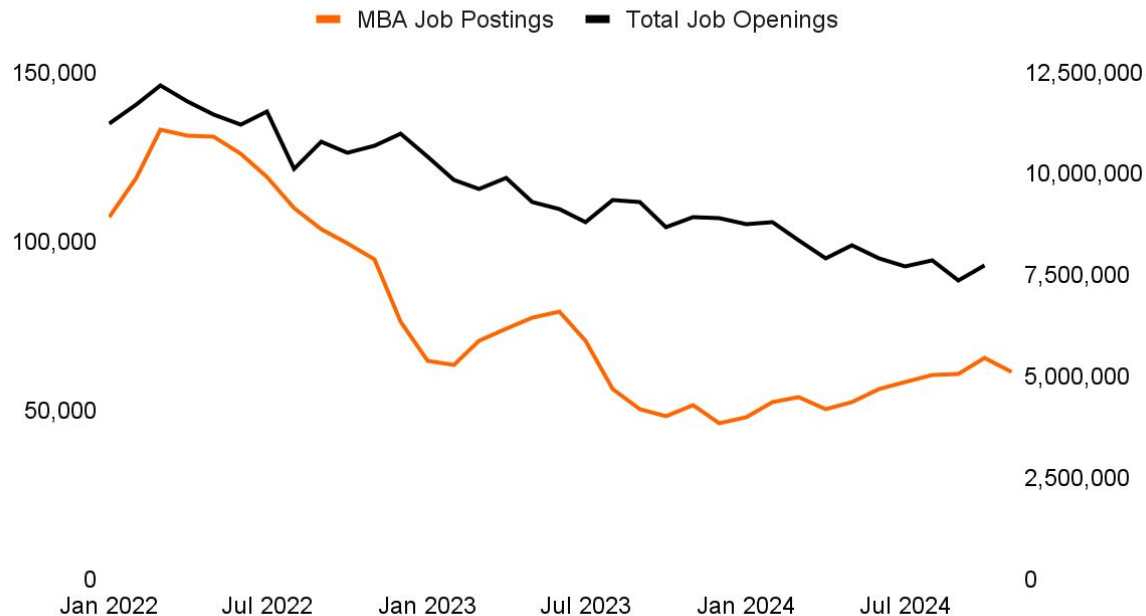


Labor Market Demand

Hiring Demand for MBAs Is Improving

As the labor market has tightened over the past 18 months, job postings for MBAs has improved, but still well down from early 2022 levels.

MBA Job Postings and Total Job Openings by Month (2022 to 2024)



From 2017 to 2021 job postings calling for an MBA grew only marginally, but job postings for MBA-related positions showed stronger growth.¹¹

Key Takeaways

- Total job openings have continued to dwindle since early 2022, however MBA job postings appear to have bottomed-out, and now these job postings are showing modest growth.
- From October 2023 to October 2024, total job openings declined 10.8% while MBA job postings grew 35.6%.

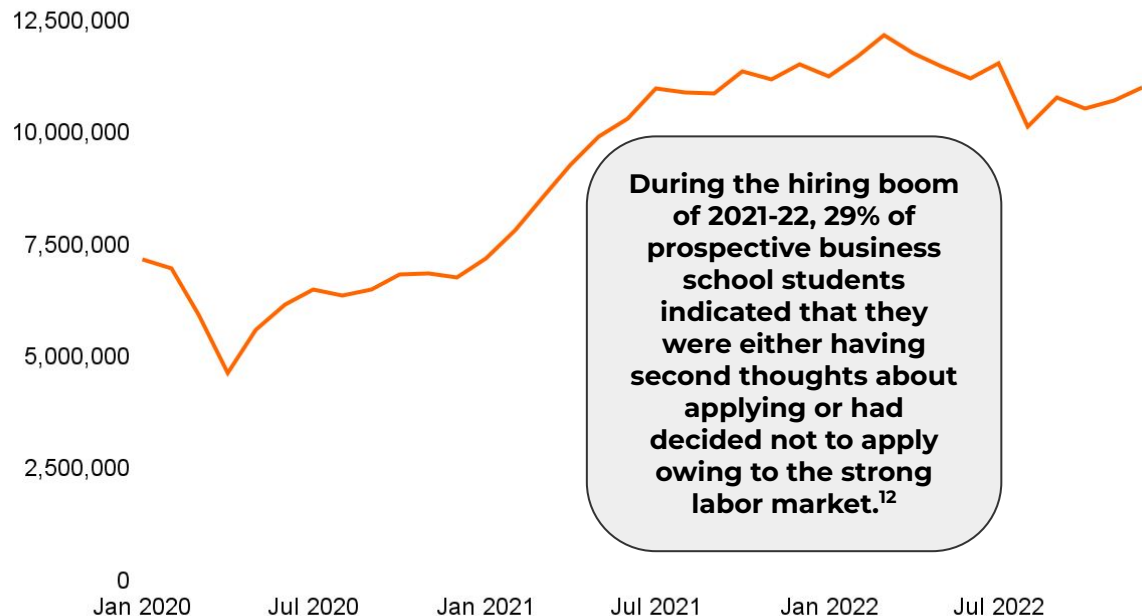


Labor Market Demand

The Strong Labor Market Restrained MBA Apps Recently

The strong labor market, as measured by the rapid increase and large volume of number of job openings, at least partially caused the pullback in MBA application volumes.

Total Job Openings by Month (2021 to 2022)



Key Takeaways

- During the 2021-22 application cycle, 14% of prospective business school students indicated that they were rethinking applying to business school owing to the strong labor market and an additional 15% indicated that they had decided not to apply for the same reason. In total, almost $\frac{1}{3}$ (29%) of potential MBA students had their application decision negatively impacted by strong hiring prospects.

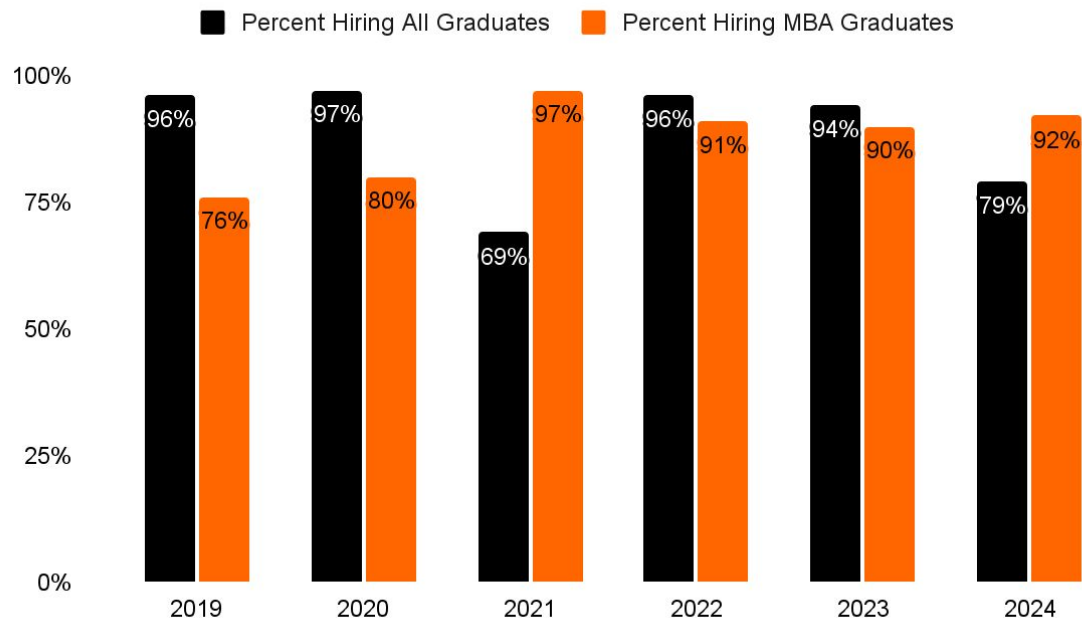


Labor Market Demand

Projected Hiring Demand for MBAs Is also Improving

The percent of companies planning to hire MBA graduates is generally moving upward while the percentage of companies hiring all graduates is generally declining.

Hiring of All Graduates and MBA Graduates by Year (2019 to 2024)



Key Takeaways

- From 2019 to 2024 the percentage of companies maintaining the amount or increasing the amount of recent college graduate hires decreased from 96% to 79%.
- During that same time period the percentage of companies hiring (or planning to hire) recent MBA graduates grew from 76% to 92%.

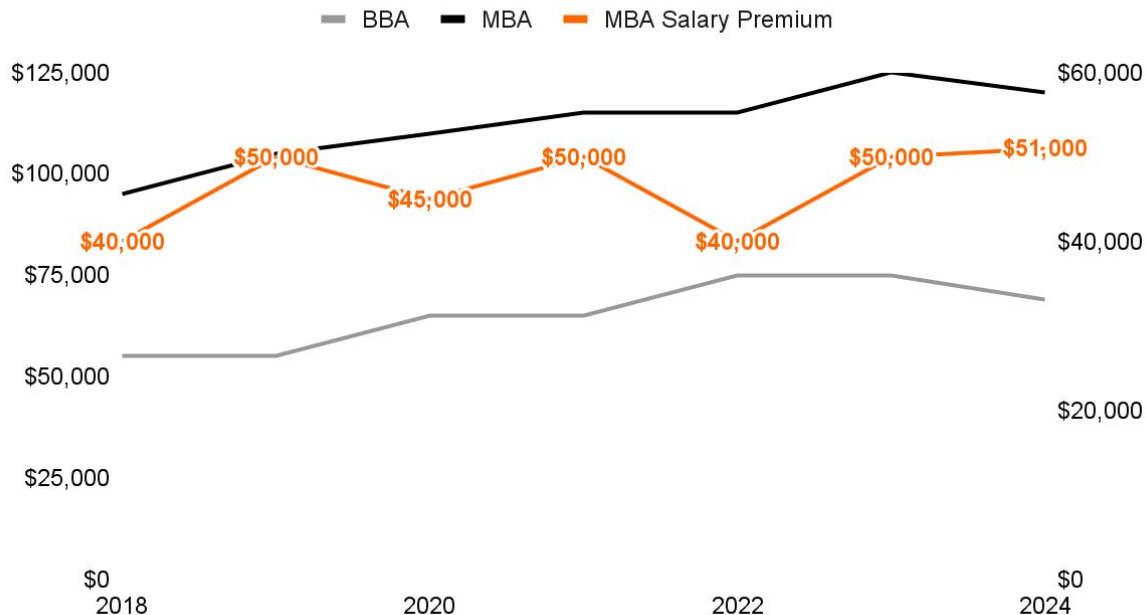


Labor Market Demand

MBA Salary Premiums Are Up Modestly

From 2018 to 2024 MBA salary premiums are up 27.5%, however if you measure from 2019 to 2024 instead MBA salary premiums are up only 2%.

Bachelor's and MBA Starting Salaries by Year (2018 to 2024)



Key Takeaways

- The MBA salary premium is up modestly, but has basically stagnated in recent years.
- This is roughly in line with the bachelor's degree salary premium which grew 23.6% from 2018 to 2023.¹⁵

The MBA Market

The Competitive Landscape

The MBA Competitive Landscape



Competitive Landscape

- Business School deans are confident in the future demand for online MBA programs. Other higher education administrators, however, perceive waning demand. At the same time, the number of program offerings is growing rapidly.
- The rapid growth in the number of online MBAs available in the market has caused the average enrollment per online program to decline. Nevertheless, **the MBA remains the third largest online degree in terms of average enrollment per program.**
- **The average cost of an online MBA is \$31,500.** The median is \$25,000. Business School deans anticipate that strong programs in that price range will lead the market going forward.

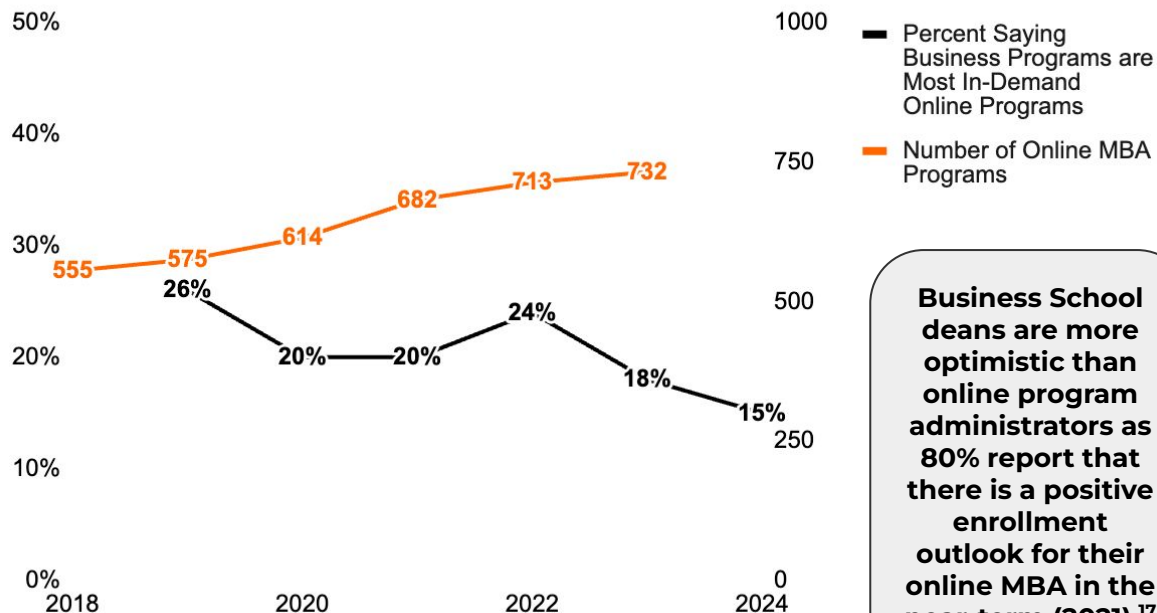


Competitive Landscape

Online MBA Offerings Are Growing, Confidence Is Falling

The percent of institutional leaders indicating that Business programs are high demand online programs is declining at the same time as online MBA offerings are booming.

Institutional Perception of Demand for Online MBAs and Number of Online MBAs



Business School deans are more optimistic than online program administrators as 80% report that there is a positive enrollment outlook for their online MBA in the near-term (2021).¹⁷

Key Takeaways

- The percent of higher education institutional leaders indicating that they believe business programs are high demand online programs declined from 26% in 2019 to just 15% in 2024.
- Business school leaders are much more confident than general higher education institutional leaders in terms of their perceived demand for online MBA programs.



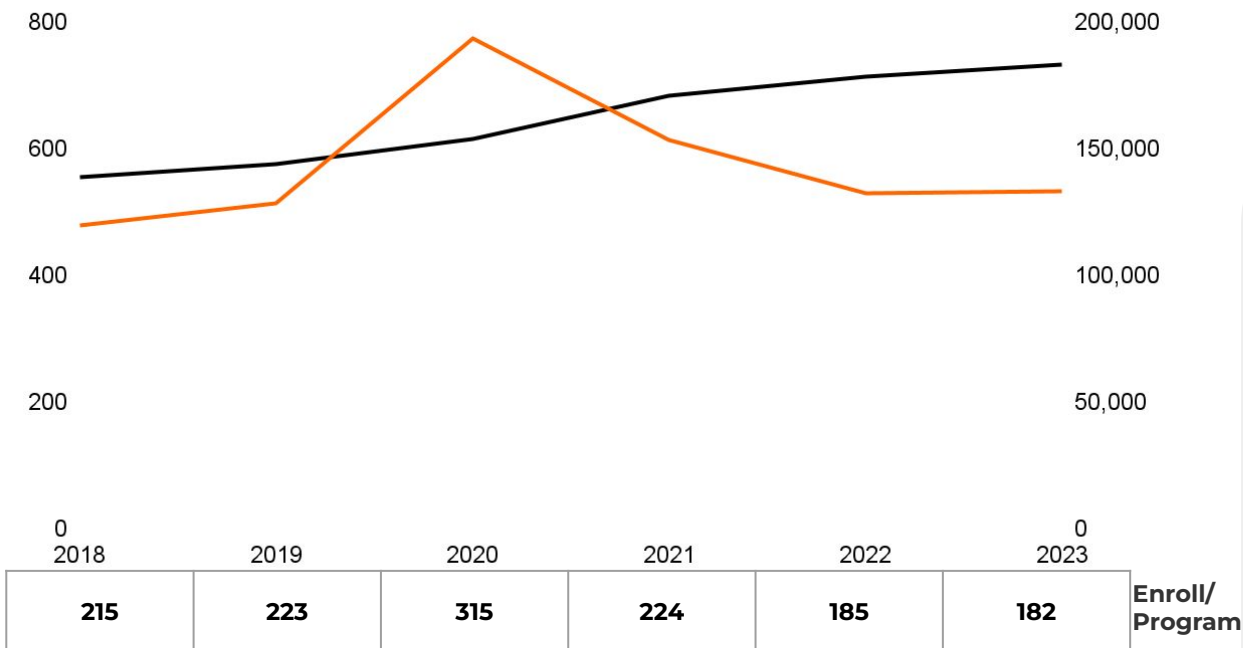
Competitive Landscape

Online MBAs Are Shrinking, but Still Large

From 2018 to 2023 online MBA enrollments grew at a 2.2% CAGR, however the growth in the number of programs available in the market caused the average enrollment to shrink.

Number of Online MBAs and Online MBA Enrollment by Year (2018 to 2023)

— Number of Online MBAs — Online MBA Enrollment



Key Takeaways

- In 2018 there were 555 online MBA programs. By 2023 that number had jumped to 732.
- The fact that the number of online MBA offerings has increased faster than online MBA enrollments has caused the average enrollment per online MBA program to decline from 215 in 2018 to 182 in 2023 (-3.3% CAGR). In spite of this, the MBA remains the third largest program in terms of online enrollment per program behind the RN to BSN and the MSW.¹⁸

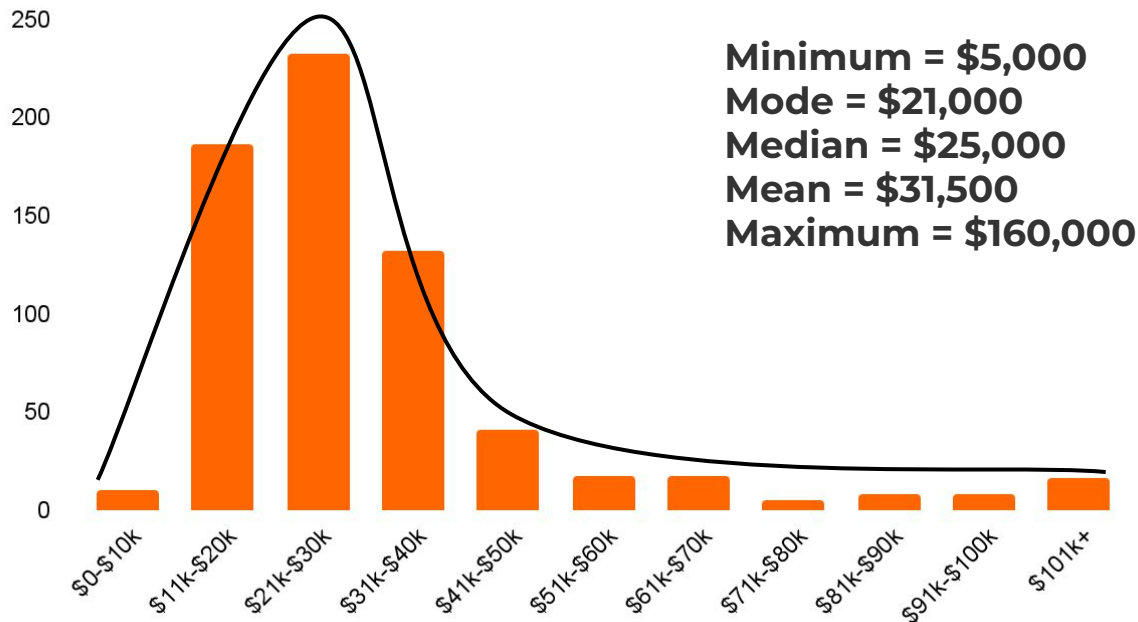


Competitive Landscape

The Average Cost of an Online MBA is \$31,500

Online MBA programs vary widely in the prices they charge, from ~\$5,000 up to ~\$160,000.

Distribution of Online MBAs by Price Bucket



Key Takeaways

- As of 2024, almost one third (29%) of online MBA programs are priced at ~\$20,000 or less. \$20,000 is the median price that prospective online master's students report being willing to pay. Another survey, however, found that the average price paid by online MBA students is \$29,040.^{19,20}
- Given an average of 36 credits per program, the average cost per credit is \$875, which is within the acceptable range as identified by a 2020 online master's price sensitivity study by UPCEA.²¹

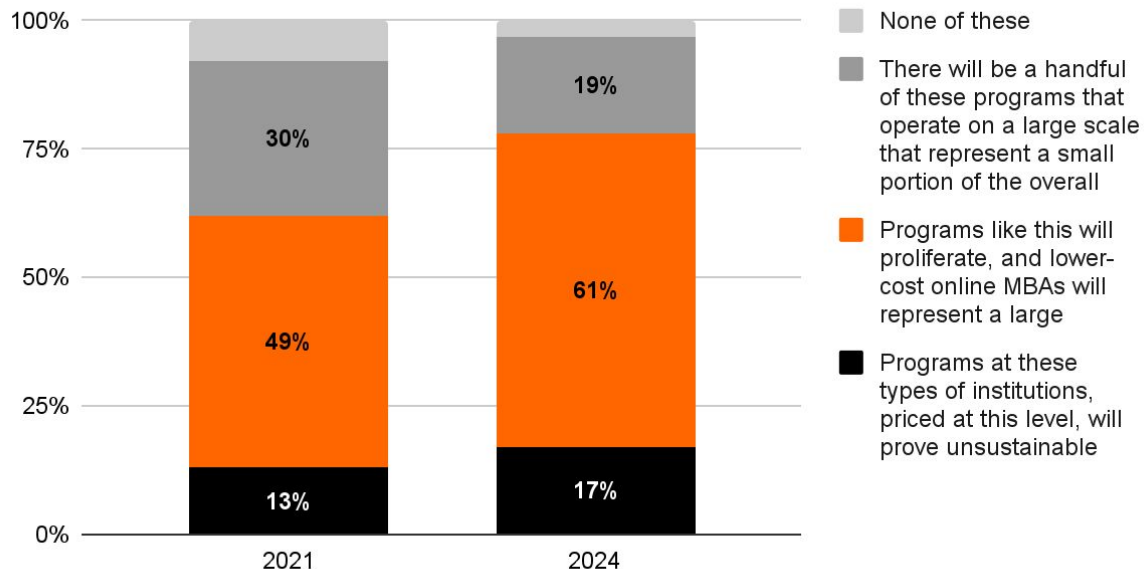


Competitive Landscape

B-School Deans Think Affordability Is the Future of Online

As of 2024, 61% of business school deans believe competitively priced MBAs from strong brands will lead the online MBA market.

The number of regional/national brands offering an online MBA for significantly less than most part-time MBAs at institutions in similar brand tiers (often less than \$25k) continues to slowly grow. Which of the following best describes where you feel this trend is headed over the next 5 years?



Key Takeaways

- In 2021 43% of business school deans reported that they believed that competitively priced programs from strong brands would either prove unsustainable in the online market or only a few would truly scale. By 2024 only 36% indicated the same belief.
- The share of business school deans that indicated a belief that programs of this type would proliferate and lead the online MBA market grew from 49% in 2021 to 61% in 2024.

MBA Competitive Matrix

Profile	Sample Institutions	Duration	Credits	Cost
Elite Global Brands	Carnegie Mellon, UC Berkeley, Michigan, North Carolina, Rice, USC	>2 Years	~48	~\$120,000
Flagships & Top-Tier Private Institutions	American, Indiana, Ohio State, SMU, Tufts, Tulane, Washington, Wisconsin	~2 Years	~45	~\$85,000
Strong Regional Private Institutions	Baylor, Drexel, St. John's, Temple, Tulsa, Villanova,	~2 Years	~42	~\$60,000
Middle-Market Regional Institutions	UAB, Boise State, Clemson, Creighton, FIU, Houston, James Madison, Marquette, Montana, Xavier	~20 Months	~36	~\$35,000
AVERAGE		~18 Months	~36	\$31,500
Local Providers & Scaled Online Providers	Angelo State, Azusa Pacific, Colorado Tech, Eastern Oregon, Illinois, Liberty, Phoenix, UMGC, West Coast, UW Whitewater	~18 Months	~36	~\$25,000
Local Public Institutions	Coastal Carolina, Jacksonville State, Kennesaw State, New Mexico Highlands, Southern Arkansas, UWF	~16 Months	~33	~\$15,000

The MBA Market Sources

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