FINANCIAL TIMES

Business schools come of age

By Rebecca Knight
May 7, 2012

Eyes on the future: older people are returning to business school to ensure they remain employable

Medical advances that have led to better health in older age, combined with a turbulent stock market that has put a serious dent in personal pensions, mean individuals are living and working longer.

This demographic trend has had an unexpected beneficiary: business schools. Not only are today’s older workers looking for additional training and credentials to ensure they will be considered for assignments and promotions, but employers also want their seasoned workers to remain engaged and productive.

As a result, business schools are beginning to fine-tune their continuing education programmes aimed at middle and senior managers and rejigging their marketing tactics to appeal to older students.

“It used to be pretty good to get to middle management, but now you get there and realise you’ve still got another 10 or 15 years, and you want to continue to rise,” says Deborah Hewitt, assistant dean for MBA programmes at William & Mary’s Mason School of Business.

The fact that middle managers still see a prolonged career ahead “is forcing schools to develop and adapt curriculums to people with already high-level skills,” says Ms Hewitt. “It’s not just people coming in for their entry-level business credentials. Schools are targeting individuals that are already at a fairly high level.”

According to a 2011 analysis of Census data, the median US age is 37.2, up from 32.6 in 1990. Now nearly four in 10 Americans are over the age of 45, up from 34 per cent in 2000 and 31 per cent in 1990. In the UK, the median age of the population is due to increase from 39.7 years in 2010 to 39.9 in 2020 and to 42.2 by 2035, according to the Office for National Statistics.

The majority of business school candidates are young people. In 2011, only about 16 per cent of those taking the GMAT – the entry exam for business school – were aged 31 or older, a percentage that has held steady for five years, according to the Graduate Management Admission Council. But experts say this could change in the coming years. “Business schools have this great opportunity to engage given that there are more older
professionals in the pipeline,” says Michelle Sparkman-Renz, director of research at GMAC.

The key for schools, says Ms Sparkman-Renz, is to cater to the 35-and-over crowd with specialised courses that suit their specific needs. “The main motivation for older candidates is that they want to remain competitive and marketable,” she says. “They may not necessarily want, or have time for, a full-fledged degree programme; instead custom classes or continuing education seminars might be a better fit.

Some schools – including Cornell’s Johnson School – have increased the size of their Executive MBA programmes to accommodate older students. Today, more than 40 per cent of the student population at Johnson is in one of its two EMBA programmes.

“We did anticipate this [demographic change] and we’ve been ready,” says Camilla Morgan, director of EMBA admissions at the school. “People are looking to advance their careers and look for educational opportunities later in their lives than they used to. They want classes that accommodate working professionals.”

“If you’re in your 40s or 50s, you’re still in the game,” says Sam Pease, a vice-president at New Directions, the Boston-based consultancy that helps senior managers make career changes.

“You need to be thinking about maintaining relevance and freshness and [to be able to] package yourself in a way that makes you desirable in the marketplace.”

The average age of students in part-time programmes is rising at many schools. Five years ago the average age of students in Mason’s EMBA programme was 35; this year the average age was 39. The average age of students in MIT Sloan’s new EMBA programme is 40 and 27 per cent of the class is over the age of 45.

“We didn’t chase an older demographic as a differentiator,” says Jonathan Lehrich, Sloan’s EMBA programme director. “We think these people are exciting to teach. Why would we not take advantage?”

Marketing programmes to older candidates can be tricky, however. At interviews, says Mr Lehrich, a frequent question is: “How many students do you have like me?” He adds that “the concern isn’t that they can’t hack it but there is a concern about being the lone old guy”.

Older students are also reluctant to be back in an academic setting. They have, after all, been out of school for more than 20 years, says Ms Hewitt. “The idea of having to do homework, take tests and get graded is daunting,” she says.