New Salary, Employer Sponsorship Data a Mixed Bag for EMBA Hopefuls

Two studies reveal that executive MBAs are paid more, but are likelier to shoulder tuition fees.

By MENACHEM WECKER
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New data from the Executive MBA Council, which has more than 200 member schools in 25–plus countries, spells both good and bad news for students and executives who aspire to pursue an executive MBA.

In two separate announcements in October, the council released findings that EMBA graduates’ salaries were on the rise, although employers are increasingly less likely to pay for EMBA tuition.

The 3,072 respondents to the council’s 2012 Student Exit Benchmarking Survey, representing 98 EMBA programs, reported salary and bonus package increases of 17.3 percent from the start to the end of the program. The average compensation for the students rose from $140,587 at the beginning of the EMBA program to $164,845 upon graduation, on average. Both of those salary numbers were up from 2011, when students reported a 16.3 percent increase—from average earnings of $135,323 at the beginning of the program to $157,423 at the end.

But the Executive MBA Council’s 2012 Member Program Survey had worse news for EMBA hopefuls. The percentage of employers willing to fully fund their employees’ EMBA studies dropped from 27.3 percent in 2011 to 25.9 percent in 2012.

That drop may be offset by an increase in schools offering scholarship and fellowship dollars, however. In 2012, 47.6 percent of the 276 member EMBA program respondents offered scholarships or fellowships, up from 38.8 percent in 2008 (the only time period analyzed).

Although the Executive MBA Council has an interest in reporting positive trends in executive education, it’s a “top-notch” organization, says Jonathan Lehrich, director of the executive MBA program at Massachusetts Institute of Technology’s Sloan School of Management. “All the prestige programs are members,” he says. “Recognizing that they have an incentive to put a positive spin on our industry, nonetheless you should treat their data as very reliable.”

The rise in EMBA alumni’s percentage increase in income from the beginning of the program to the end—from 16.3 percent in 2011 to 17.3 percent in 2012—“probably isn’t statistically significant,” says Lehrich. “But the difference between either number and what non-EMBA students get certainly is. To get an increase at that kind of level, you have to get promoted. It’s not just a standard cost-of-living increase.”

The change from the 27.3 percent of employers that fully funded EMBA programs in 2011 to 25.9 percent in 2012 probably also isn’t statistically significant, he says, although the decrease is worth noting. “At MIT, we too have seen roughly 25 percent of students getting full sponsorship for the last three years,” he says. “However, some students agree with their firms—or even offer—to take partial sponsorship instead of full, so that both parties have skin in the game.”

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"If you aren't clear on how you're going to really transform yourself—or in the absence of knowing, at least commit to finding that transformation—from the EMBA experience, an extra $10,000 to $20,000 on the other side isn't going to quench your financial thirst long enough to make a difference anyway."

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