

October 2021

Graduate
Management
Admission
Council™

Diversity Insights

US Underrepresented Populations Groups



The Diversity Insights Series

The Diversity Insights series offers marketing, admissions, and recruitment professionals insights about select candidate populations in 2020. The first installment of the series looks at US underrepresented populations, including Black/African Americans, Latinos/Hispanic Americans, and Native Americans, collectively and individually.

Data and analysis from the mba.com Prospective Students Survey, plus GMAT test taker and external sources, illustrate what makes candidate groups distinct – from where they live to when they begin the school search, and their motivations as well

as career goals – all in the midst of the covid-19 pandemic. Understanding the data landscape will help schools plan their recruitment efforts and create measures of success for their institutions.



US Underrepresented Populations Groups Candidates

In early 2020, the coronavirus (COVID-19) pandemic shut down and disrupted education systems across the globe at essentially the same time.

The unfolding triple threat¹ challenging the health, educational, and financial context for current and future decisions has required business school institutions to innovate and adapt, as well as adjust to the new norms facing the talent they seek to fill their cohorts.

Groups that have historically been underrepresented in business schools may be especially vulnerable to recent social and financial insecurities and encounter long-term impacts from the crisis. Combined with a global social justice movement, the pandemic has further emphasized diversity among the critical priorities for schools in the United States and worldwide.²

Data collected in the midst of the pandemic taps into the mindset and decision making for key student populations – particularly among the prospective candidates who use the mba.com website, receiving approximately 460,000 visitors per month.³ As such, GMAC has a distinctive platform to provide analysis from survey respondents and test takers that can offer graduate management education (GME) stakeholders information to meet the challenges of creating more effective and meaningful planning, marketing, and designs for student engagement.

About This Data

This brief compiles data from GMAT™ examinees and the mba.com Prospective Students Survey to help graduate business schools plan and execute diversity recruitment initiatives.

Sections include:

- Connecting with Underrepresented Populations Candidates
- Educational Attainment and Business Studies
- Study Formats
- Work Experience and Skills
- Financing Plans
- Population and Geography
- Demographic Profile

¹UN News. Human development backslides, education at global levels 'not seen since the 1980s.' Retrieved March 16, 2021 from: <https://news.un.org/en/story/2020/05/1064542>

²Ethier, Marc. (2021, February 22). The Top HBCU Feeders to U.S. MBA Programs. Poets & Quants. Retrieved March 26, 2021 from <https://poetsandquants.com/2021/02/22/the-top-hbcu-feeders-to-u-s-mba-programs/>

³GMAC. (2021). mba.com website. Retrieved March 26, 2021 from <https://www.mba.com/>



Candidates who identify among an **Underrepresented Populations (URP)**⁴ are a key segment in the US GME pipeline. The awareness, access, and engagement among prospective students from URP varies, as demonstrated by the perceptions, goals, experience, finances, and changing profile demographics noted within this report.

This brief refers to prospective students from specific underrepresented populations, meaning those US citizens who identify wholly or in part among racial or ethnic groups including Black or African American, Latino or Hispanic American, or Native American (inclusive of American Indian or Alaska Native as well as Native Hawaiian or Pacific Islander). These groups account for

a large share of minorities by race/ethnicity and have historically constituted a disproportionately smaller percentage of those enrolled in higher education than they do of the US population.

Across URP segments there are important differences in experience and circumstance, particularly as candidates may be multicultural in ethnicity and race. This analysis of underrepresented populations does not distinguish between those who are descendants of enslaved people, recently arrived immigrants or their children, or other more nuanced multiracial or ethnic backgrounds reflecting intermarriage or significant blended ancestries that are also present in URP communities.^{5,6,7}

⁴The term underrepresented population (URP) refers to US citizen racial or ethnic groups including — Black or African American, Hispanic American or Latino, Native Hawaiian or Pacific Islander, and American Indian or Alaska Native—that have historically constituted a disproportionately smaller percentage of those enrolled in higher education than they do of the US population. The term non-underrepresented populations (non-URP) category refers to US citizens identifying racial or ethnic groups including Asian Americans, White (non-Hispanic) and other.

⁵Tamir, C. (2021, March 25). The Growing Diversity of Black America. Pew Research Center. Retrieved April 15, 2021 from <https://www.pewresearch.org/social-trends/2021/03/25/the-growing-diversity-of-black-america>

⁶Lopez, M.H., Krogstad, J.M., Passel, J. (2020, September 15). Who is Hispanic? Pew Research Center Fact Tank News. Retrieved April 1, 2021 from <https://www.pewresearch.org/fact-tank/2020/09/15/who-is-hispanic/>

⁷Cohn, D., Brown, A., and Lopez, M.H. (2021, May 14). Black and Hispanic Americans See Their Origins as Central to Who They Are, Less So for White Adults. Pew Research Center. Retrieved May 19, 2021 from <https://www.pewresearch.org/social-trends/2021/05/14/black-and-hispanic-americans-see-their-origins-as-central-to-who-they-are-less-so-for-white-adults/>

As underrepresented populations groups do not face the same set of challenges in efforts for equality, some analysts critique the collective grouping of URP as an unfair label or data set asserting it creates an overly broad compilation of data, offers information without consideration of differences in circumstances of members across groups, or may hide data differences in certain cases.

GMAC's Diversity Insights Series offers this aggregate report as well as analysis of distinct prospective student data including Black and African Americans, Hispanic Americans and Latinos, as well as Native Americans.⁸ The data that follows is presented in aggregate as a way to highlight underrepresented populations and offer comparative data for non-underrepresented populations (non-URP) referring to US citizens identifying among racial or ethnic groups including Asian Americans, White (non-Hispanic) and others.

The number of college students in the United States has declined by an unprecedented 2.6 million in the last decade, with a further drop of 11 to 15 percent projected starting in the mid-2020s.⁹ In addition, by 2045, the US population as a whole is expected to become majority-minority, meaning more than half of all Americans will belong to a racial minority group (any group other than non-Hispanic White

alone).¹⁰ For graduate business schools, the drop in traditional student categories coupled with shifting demographics intensify the need to better understand URPs as prospective student applicants for GME. This understanding may translate into new areas of focus including student diversity, early access and outreach to candidates, affordability, retention, transfer opportunities, and retraining programs for older adults or alumni.

- In 2019, there were 60.6 million people who self-identified as Latino or Hispanic American, making up roughly 18 percent of the US population.¹¹ In addition, there were 46.8 million people who self-identified as Black or African American, making up roughly 14 percent of the US population.¹² And, roughly 7.1 million Native Americans (including Native Hawaiians/Pacific Islanders or American Indians and Alaska Natives alone or in combination with one or more other races) represent 2.1 percent of the US population.¹³
- That same year, 2019 marked the first time that more than half of the nation's population under age 16 identified as a racial or ethnic minority. Among this group, Hispanic Americans and African Americans together comprise nearly 40 percent of the US population.¹⁴

Year when Whites (non-Hispanics) become minority by age group

2020	Under 18
2027	18-29
2033	30-39
2041	40-49
2050	50-59
After 2060	60+

Source: William H. Frey analysis of US Census population projections, September 6, 2018.

⁸GMAC. (2021). The Diversity Insights series released June 2021 and available at www.gmac.com

⁹Marcus, J. (2021, May 22). Colleges face reckoning as plummeting birthrate worsens enrollment declines. The Hechinger Report. Retrieved May 24, 2021 from <https://hechingerreport.org/colleges-face-reckoning-as-plummeting-birthrate-worsens-enrollment-declines/>

¹⁰Colby, S.L. and Ortman, J. (2015). Projections of the Size and Composition of the U.S. Population: 2014 to 2060. U.S. Census Bureau Current Population Reports. Retrieved March 31, 2021 from <https://www.census.gov/content/dam/Census/library/publications/2015/demo/p25-1143.pdf>

¹¹Passel, J. and Cohn, D. (2008, February 11). U.S. Population Projections: 2005-2050. Pew Research Center Hispanic Trends. Retrieved April 2, 2021 from <https://www.pewresearch.org/hispanic/2008/02/11/us-population-projections-2005-2050/>

¹²Tamir, C., Budiman, A., Noe-Bustamante, L., and Mora, L. (2021, March 25). Facts about the U.S. Black Population. Pew Research Center Social & Demographic Trends. Retrieved April 15, 2021 from <https://www.pewresearch.org/social-trends/fact-sheet/facts-about-the-us-black-population/>

¹³US Department of Health and Human Services, Offices of Minority Health. Profile data from US Census Bureau 2019, estimates combined for Native Hawaiians/Pacific Islanders 1.4 million or 0.4 percent of the US population with those classified as American Indian and Alaska Native (AI/AN) 5.7 million people or 1.7 percent of the total US population. Retrieved April 24, 2021 from <https://minorityhealth.hhs.gov/omh/browse.aspx?lvl=3&lvlid=62> and <https://minorityhealth.hhs.gov/omh/browse.aspx?lvl=3&lvlid=65>

¹⁴Frey, W.H. (2020, July 1). The nation is diversifying even faster than predicted, according to new census data. The Brookings Institution Metropolitan Policy Program. Retrieved May 3, 2021 from <https://www.brookings.edu/research/new-census-data-shows-the-nation-is-diversifying-even-faster-than-predicted/>

- Looking to the year 2045, Whites (non-Hispanics) are projected to comprise 49.7 percent of the population in contrast to 24.6 percent for Hispanic Americans, 13.1 percent for African Americans, 7.9 percent for Asians, and 3.8 percent for multiracial populations.¹⁵ The faster demographic shift by age is already underway, as youth (under 18) from minority groups was projected to outnumber Whites in the age category in 2020.
- Previous forecasts by the Census bureau based on pre-pandemic patterns for fertility, mortality, and migration anticipated major growth by race/ethnicity to come before the year 2050 and illustrate the magnitude of the size of these demographic changes.¹⁶ Data indicate that Hispanic Americans are expected to increase from 46.7 million (2008) to 132.8 million (2050), doubling their share of the total us population to 30 percent. African Americans are projected to increase from 41.1 million (2008) to 65.7 million (2050), a rise from 14 percent to 15 percent of the us population. American Indians and Alaska Natives are estimated to increase from 3.9 million to 8.6 million, moving from 1.6 percent to 2 percent of the us population. As well as Native Hawaiians and Pacific Islanders are expected to more than double, increasing from 1.1 to 2.6 million.

Racial and ethnic minorities in aggregate are younger than the White (non-Hispanic) population. The threshold for when Whites (non-Hispanics) as a group no longer account for a majority share of the population will come earlier for younger age groups. For example, the tipping point among those aged 18-29, key members of the future student applicant pools, the labor force, and voting age population, will occur in 2027.¹⁷

Current reports suggest the average age range of students as 26 to 29 for those enrolled in top full-time MBA two-year programs.¹⁸ These youth demographics suggest schools may see talent earlier than before. The GMAT examinee pipeline of URP talent is growing among the younger cohort and already we observe that those candidates “still in the process of completing their undergraduate studies” accounted for 21 percent of African Americans, 26 percent of Hispanic Americans, and 31 percent of Native Americans (discussed in more detail below).

Correspondingly, the next few years will be particularly important for GME outreach and URP candidate recruitment opportunities.



¹⁵Frey, W.H. (2018, March 14). The US will become ‘minority white’ in 2045, Census projects. The Brookings Institution Metropolitan Policy Program. Retrieved May 3, 2021 from <https://www.brookings.edu/blog/the-avenue/2018/03/14/the-us-will-become-minority-white-in-2045-census-projects/>.

¹⁶CNN. (2008, August 13) Minorities expected to be majority in 2050. The Brookings Institution Metropolitan Policy Program. Retrieved May 19, 2021 from <https://www.cnn.com/2008/US/08/13/census.minorities/>

¹⁷Frey, W.H. (2018, March 14). The US will become ‘minority white’ in 2045, Census projects. The Brookings Institution Metropolitan Policy Program. Retrieved May 3, 2021 from <https://www.brookings.edu/blog/the-avenue/2018/03/14/the-us-will-become-minority-white-in-2045-census-projects/>.

¹⁸Byrne, J. (2019, November 27). Average Age & Work Experience At Top MBA Programs. Poets & Quants. Retrieved March 17, 2021 from <https://poetsandquants.com/2019/11/27/average-age-work-experience-at-top-mba-programs/>

Connecting with Underrepresented Populations Candidates

The motivation compelling a majority of URP prospective students in the United States to pursue GME is primarily to “build upon existing education and experience” (70%). And nearly one third of URP (30%) are aiming to “learn a new field.”¹⁹

After obtaining a GME degree, top expectations among URP candidates include the ubiquitous get a raise/salary increase (52%) and manage people (42%), which matches the expectations of non-underrepresented populations in us (non-URP) survey respondents. Other expectations expressed by more than one third of URP (as well as non-URP) were: obtain a senior level or executive position, get a job with a different company, change job functions/occupation, and manage projects. A slightly greater percentage of URP is interested in working for a company where they can travel internationally when compared with non-URP respondents (29% URP vs. 24% non-URP).

By job role, similar percentages of URP and non-URP respondents are aiming for entry-level or mid-level positions after their GME degree. However, the largest gaps when comparing URP and non-URP respondents post-GME outcomes is seen in those expecting to obtain a senior level position (37% URP vs. 43% non-URP) or C-suite position (19% vs. 25%). Forgoing the climb of a corporate ladder could be explained in part by the greater interest among URP to be self-employed or in entrepreneur roles (26% URP vs. 19% non-URP). Across segments, entrepreneurship is the goal for 29 percent of African Americans, 23 percent of Hispanic Americans, and 23 percent of Native Americans compared with 18 percent of Whites (non-Hispanics).

Not enough is known about the conditions that inspire the timing of URP talent to exit an organization to specifically become an entrepreneur. Some of the events that serve as general catalysts for URP candidates to start the GME

journey or to prepare to become an entrepreneur include interrelated views about job insecurity, workplace stressors, financial concerns, or perceptions of systemic barriers which are further discussed below. As it relates to graduate management admissions outreach and recruiting, it continues to be important to better understand the URP candidate and their career goals based on the prospect's individual identity, their observations of organizational structures, as well as if they have any negative identity-based experiences due to power structures.²⁰

Regardless of the circumstances that spark the desire for business ownership or self-employment, demand for entrepreneurial roles is on the rise among URP. Specific examples of organizations and legislation that are furthering this trend among key segments include the following:

- Latino-owned businesses are among the fastest growing business segments in the US and empowered by organizations like the Latino Business Action Network (LBAN) seeking to double the number of \$10+ million, \$100+ million, \$1+ billion Latino owned businesses by 2025.²¹
- Similarly, operations owned by Native Americans grew by 15 percent between 2007 to 2012, according to the most recent available external data.²² The 2020 Native American Business Incubators Program Act will encourage entrepreneurial growth, as it enables new opportunities in contracting, business development, and other programs for Native American small business owners fostered by the U.S. Small Business Administration's Office of Native American

¹⁹GMAC. (January-December 2020). mba.com Prospective Students Survey. <https://www.gmac.com/ProspectiveStudents>. And, previous GMAC diversity research can be found at: <https://www.gmac.com/market-intelligence-and-research/research-library/diversity-enrollment/diversity-in-graduate-management-education-2020>

²⁰ScholarWorks. (2019). Exit, Voice, and Entrepreneurship: The Impact of Identity Concerns on Underrepresented Minorities. University of Massachusetts Boston. Retrieved May 24, 2021 from https://scholarworks.umb.edu/doctoral_dissertations/488/

²¹Latino Business Action Network. (2021). Retrieved April 2, 2021 from <https://lban.us/about-lban/>

²²Pensoneau, S. and Nordberg, D. (2020, November 27). SBA honors tribal entrepreneurs during Native American Heritage Month. Rapid City Journal. Retrieved April 22, 2021 from https://rapidcityjournal.com/news/opinion/sba-honors-tribal-entrepreneurs-during-native-american-heritage-month/article_bb6a7a2d-8ba2-5533-96a7-9b3de2924fe5.html

Affairs (ONAA) and the National Center for American Indian Enterprise Development (NCAIED).²³ Recently signed into law, the act authorizes \$5 million annually through 2024 for the Department of the Interior to provide grants to Tribes, Tribal colleges or universities, higher education institutions, and nonprofit organizations to start business incubators focused on helping Native American entrepreneurs establish and grow small businesses owned by Native Americans.²⁴

- Data showing that if 15 percent of Black-owned businesses are able to hire one more employee, the American economy could grow by \$55 billion, thus prompting the creation of The Path to 15|55 organization as well as similar organizations like the Coalition to Back Black Businesses (CBBB).²⁵

Opinions about the value of GME to safeguard one's career in tough economic times may be reinforcing the overall commitment expressed by underrepresented populations in 2020 for a GME credential — as a majority of URP and counterpart candidates from non-underrepresented populations in the US viewed the global economy to be *very weak or weak* (each 70%) and described their regional economy as *very weak or weak* (58%) compared with 59 percent of non-URP respondents.

The perceived worth of a GME degree in the workforce holds up, as greater shares of URP indicated a willingness to consider specific adjustments to their plans, such as online learning (35% URP vs. 26% non-URP respondents) or a business school closer to home (22% vs. 21%), or not getting into a preferred school (25% vs. 29%) rather than abandon their GME goals.

These views (in addition to job insecurity concerns discussed below) may be what is driving a *faster* timeline among URP in 2020 about their ideal timing for school enrollment, and the reverse trend for many non-URP candidates who appear to be maintaining a slower timeline for enrollment.



- URP talent aiming to enroll in GME within the next 6 months increased (from 37% in 2019 to 43% in 2020) and diminished for those planning to study within 7-12 months (30% in 2019 to 19% in 2020). By contrast, fewer percentages of non-URP are planning to enroll within a year, and instead seeing greater shares of talent targeting to start studies within the next 13-18 months or even pushing their view of enrollment to beyond a two-year timeline.
- When compared with non-underrepresented populations, the earlier timing is especially noticeable among URP for study within the next 6 months (43% URP vs. 34% non-URP). For each of the longer timelines thereafter, slightly fewer percentages of URP are observed when compared with counterparts, including those planning to study within timeframes of the next 7-12 months (19% vs. 22%), or those planning to study within 24 months (27% vs. 28%), as well as among those who consider an enrollment timeline longer than two years (9% vs. 15%).

²³U.S. Small Business Administration (SBA) Office of Native American Affairs (ONAA). (2021). Native American-owned businesses. Retrieved April 22, 2021, from <https://www.sba.gov/business-guide/grow-your-business/native-american-owned-businesses>

²⁴NCAIED. (2020, September 23). Passage of Native American Business Incubators Act is an Important Step for Native Entrepreneurship. Retrieved April 22, 2021 from <https://www.ncaied.org/passage-of-native-american-business-incubators-act-is-an-important-step-for-native-entrepreneurship/>

²⁵Path to 15 | 55. (2021). Retrieved May 24, 2021 from <https://www.pathto1555.org/>. And Coalition to Back Black Businesses. (2021). Retrieved May 24, 2021 from <https://webackblackbusinesses.com/>

With more than 40 percent of URP candidates surveyed in 2020 reporting they are looking to begin studies sooner relative to other groups, schools will need to review and strategize for an even *shorter* timeframe to connect with these applicants. For example, schools may need weekly (rather than monthly or quarterly) planning and more rapid communication strategies to transmit effective messaging through their most consulted sources of information.

Navigating the GME process may be more difficult for many URP college students, particularly those who are first in their family to attend college (for example, external data reports 48 percent of Latino or Hispanic American students are first-generation undergraduate students) and come from low-income backgrounds or from predominantly Spanish-speaking homes, where parents may be unable to help them with resumes and cover letters.^{26,27} This is seen in GMAC's 2020 survey data, where smaller percentages of URP prospective students reported being motivated to apply to GME because parents suggested it (10% URP vs. 16% non-URP), as well as fewer percentages of URP indicating

their friends were planning to pursue a graduate degree (9% URP vs. 13% non-URP). Similar findings are seen in federal data indicating that only nine percent of Latino students have at least one parent who went to college, and a 2020 USA Today investigation which found that Latino students tend to be “intimidated by the cost, whiteness and bureaucracy” of US colleges.^{28,29}

- In their GME decision making, the most often cited resources among URPs include school websites (60%), mba.com website (50%), friends/family (47%), school-related websites (43%), and information sessions (36%), as well as published rankings of graduate business programs (36%).
- URP candidates do not typically refer to published rankings as much as non-URP counterparts (36% URP vs. 48% non-URP). On the other hand, URP candidates are also consulting third party sources more so than others about business school, including: admissions consultants (20% URP vs. 13% non-URP), virtual business school fairs (19% vs. 13%), and social networking sites (23% vs. 20%).

URP 31 and older

- School websites
- mba.com
- Friends/family
- School-related websites
- Information sessions
- School admissions professionals

URP 24-30

- School websites
- mba.com
- Friends/family
- School-related websites
- Published rankings of graduate business programs
- Information sessions
- Coworkers/peers
- School brochures/publications
- Current students/alumni

URP Younger than 24

- School websites
- mba.com
- Friends/family
- School-related websites
- Published rankings of graduate business programs

Top resources used by URP in the process of researching a graduate business education, filtered by sources selected by 33 percent or more candidates for each age range. Source: GMAC. (2020). mba.com Prospective Students Survey from <https://gmac.com/prospectivestudents>

²⁶Postsecondary National Policy Institute. (2021, February 1). Fact Sheets: First-Generation Students. Retrieved April 1, 2021 from <https://pnpi.org/first-generation-students/>

²⁷Julia, G. (2020, October 9). 4 Tips for Recruiting at Hispanic-Serving Institutions. Ripplmatch. Retrieved April 2, 2021 from <https://ripplematch.com/insights/article/tips-for-recruiting-at-hispanic-serving-institutions-3e4ad691/>

²⁸Redford, J., Hoyer, K.M. (2017, September). First-Generation and Continuing-Generation College Students: A Comparison of High School and Postsecondary Experiences. NCES DOE Stats in Brief. Retrieved April 2, 2021 from <https://nces.ed.gov/pubs2018/2018009.pdf>

²⁹Quintana, C. (2020, January 6). More Latino students than ever are trying to get their degree, but it's fraught and costly. Retrieved April 2, 2021 from <https://www.usatoday.com/in-depth/news/nation/2020/01/06/more-hispanic-students-than-ever-go-college-but-cost-high/2520646001/>

- By age range, those URP candidates aged 24-30 demonstrate the widest reach across information sources when getting information about GME programs. Whereas more than one third of URP candidates younger than 24 or those URP candidates 31 and older will consult five top sources of information in their information gathering about GME, the list for URP candidates in the 24-30 group stretches to nine top sources. This finding emphasizes the importance of coworkers/peers and current students/alumni as well as school brochures publications and information sessions.
- Coworkers and the workplace are a universal inspiration source for all talent considering GME. URP candidates report their first consideration of GME while in the workplace to occur at a similar pace in work tenure when compared with non-URP counterparts. Data filtered for only those in the 24-30 age range show notable jumps in interest after two years as well as three to five years in the workplace, displayed in the table below.

First Consideration of GME While in The Workplace, Among Those Aged 24-30

	Non-URP	URP	African Americans	Hispanic Americans	Native Americans
Within first year	10%	8%	6%	11%	9%
After 2 years	17%	16%	16%	12%	21%
After 3-5 years	18%	17%	19%	15%	15%
After more than 5 years in the workplace	4%	5%	4%	7%	3%

Source: GMAC. (2020). mba.com Prospective Students Survey from <https://gmac.com/prospectivestudents>



In the midst of the COVID-19 pandemic, 62 percent of URP surveyed are researching programs and actively applying (up slightly from 61% in 2019). Conversely, 6 percent of URP had postponed, not yet committed, or deferred in 2020, a slight decrease from only 7 percent in 2019.³⁰

Smaller percentages of underrepresented populations report initial consideration of GME while they are in high school or completing undergraduate degree (47% URP vs. 52% non-URP). This creates opportunity for recruiting to take place at Minority Serving Institutions (MSIs), those recognized by the federal government based on either historical origin or enrollment criteria (typically the percentage of enrolled minorities at a particular school). These include Historically Black Colleges and Universities (HBCU), Predominantly Black Institutions (PBI), Hispanic-Serving Institutions (HSI), Tribal Colleges or Universities (TCU), Native American Non-Tribal Institutions (NANTI), Alaskan Native- or Native Hawaiian-Serving Institutions (ANNHI), Asian American- and Native American Pacific Islander-Serving Institutions (AANAPISI). In fall 2016, more than 700 institutions met the eligibility requirements to receive federal MSI designation. Collectively, these institutions enrolled over 5 million undergraduate and graduate students. Additional categories of schools, like the more than 300 “Emerging HSIs” (with 15% to 24% Hispanic student enrollment) are experiencing significant growth in Hispanic enrollment at colleges where they once made up a smaller percentage of the student body that may be new recruiting locations for business schools.³¹⁻³²

Even though parents may not be among the sources prompting students to pursue GME study, the choice to invest in and pursue a degree is often taken as a family decision among URP candidates. Tactics to address the importance of the family decision for pursuing GME include offering virtual information sessions in both Spanish and English (and other languages), scheduling during nontraditional hours in the evenings and weekends for those whose jobs may prevent them from obtaining information during the day, specifying any available assistance for undocumented students, promoting academic support programs to better retain URP students, and other programs that affirm the heritage and unique contributions of URP students. An education consultant characterizes the family dynamic among URP not just as a tendency of parents to be protective, but deeper concerns from parents who need to be involved in the decision for graduate studies because they may not be used to giving their children as much independence as peers. Parents also must confront fears that they could “lose” their children to another culture or that they will not come back home after college.³³ In practical terms, parents may not want their children to attend college because they want or need them to work and support the family financially. Parent engagement is crucial, and therefore providing details about student safety, daily life, successful past students or role models, as well as paid internship opportunities or other work experiences will be key.

Advocates assert that higher education needs to focus more on creating a welcoming environment for URP students, so they enter and succeed.³⁴ Some URP students are disenchanted with institutional approaches that exclude, ignore, and erase their history. And often, students confront bias, stereotypes, and emotionally exhausting ignorance on campus.³⁵

³⁰GMAC. mba.com Prospective Students Survey. Data prior to 2020 among students about deferment specifically is not available, as this was a new item detail added to 2020 questionnaire separate from status of postponed or not yet committed. Retrieved from <https://www.gmac.com/ProspectiveStudents>

³¹Moody, J. (2020, December 16). Hispanic Serving Institutions: What to Know. U.S. News & World Report. Retrieved March 31, 2021 from <https://www.usnews.com/education/best-colleges/articles/hispanic-serving-institutions-what-to-know>

³²Hispanic Association of Colleges and Universities. (2018-2019). HACU List of Hispanic-Serving Institutions 2018-2019. Retrieved March 31, 2021 from <https://www.hacu.net/images/hacu/OPAI/HACU%20LIST%20OF%20HSIs%202018-19.pdf>

³³Lincoln, N. (2016, July 7). Challenges and Strategies for Assisting Latino Students with College Access and Completion. Independent Educational Consultants Association (IECA). Retrieved May 10, 2021 from <https://www.iecaonline.com/quick-links/ieca-news-center/resource-library/college-focused-publications/challenges-and-strategies-for-assisting-latino-students-with-college-access-and-completion/>

³⁴Anderson, Jill. (2020, April 29). Harvard EdCast: Improving College Access for Native People. Harvard University Graduate School of Education. Retrieved April 23, 2021 from <https://www.gse.harvard.edu/news/20/04/harvard-edcast-improving-college-access-native-people-o>

³⁵Georgetown University. (2020, February 21). Colleges work to increase Native American students' access and completion. The Feed. Retrieved April 23, 2021 from <https://feed.georgetown.edu/access-affordability/colleges-work-to-increase-native-american-students-access-and-completion/>

³⁶NACE. (2021, February 4). Native Student Engagement and Recruitment Resources. Retrieved April 22, 2021 from <https://www.naceweb.org/diversity-equity-and-inclusion/resources/native-student-engagement-and-recruitment-resources/>

Multicultural and professional organizations can be key collaborators to reach URP prospects. Specific guidance for recruiting and engagement of Native American students was published by the 2020–2021 National Association of Colleges and Employers (NACE) Tribal Colleges & Universities Affinity Group. It highlighted the importance of relationships, values, service, proximity to family, and key questions to be prepared to answer as well as potential partner organizations to become familiar with in the Native community.³⁶ Other examples include Prospanica, the association of Hispanic professionals, formerly the National Society of Hispanic MBAs (NSHMBA), and the Association of Latino Professionals for America (ALPFA) as potential partners in hosting virtual career fairs, chapter events, and other outreach to Hispanic aspiring business school candidates.³⁷

Many colleges and universities have adjusted their own campus diversity efforts to align more closely with student appeals brought to the mainstream by events in 2020 and the Black Lives Matter movement. The admissions, recruiting, marketing, staff, and current students at Predominantly White Institutions (PWIs) should be aware of top recommendations institutions can consider in

order to demonstrate the value of underrepresented populations.³⁸ One specific measure is the creation on campus of the Office of JEDI – Justice, Equity, Diversity, and Inclusion, described as “a significantly different framework [from DE&I] because it prompts us to think about the systemic barriers to access, engagement, and success at the forefront of our work and how we can transform an organization to try to eliminate these barriers.”³⁹ These efforts are likely to be on the checklist for many underrepresented populations candidates as they evaluate the key aspects of a school’s culture.^{40,41}

Finally, segmentation analysis of student motivations reveals that about 1 in 4 URP candidates surveyed in 2020 align with the profile of a Respect Seeker when compared with candidates from non-underrepresented populations in the US. By age, this holds up among URP talent aged 31 and older. However, among URP age groups of 24 and younger as well as aged 24 to 30, perhaps not surprisingly, the profile of Socio-economic Climber is the most common among URP talent. Additional details can be found in the research conducted by GMAC with IPSOS marketing firm.⁴²

³⁷Prospanica, the association of Hispanic MBAs and business professionals. (2021). Retrieved April 2, 2021 from <https://www.prospanica.org/>. Association of Latino Professionals For America (ALPFA). (2021). Retrieved April 2, 2021 from <https://www.alpfa.org/>

³⁸Freeman, S. (2020, June 25). 10 Concrete Policy Changes PWIs Can Enact to Show Black Lives Matter. *Diverse: Issues in Higher Education*. Retrieved March 31, 2021 from <https://diverseeducation.com/article/182222/>

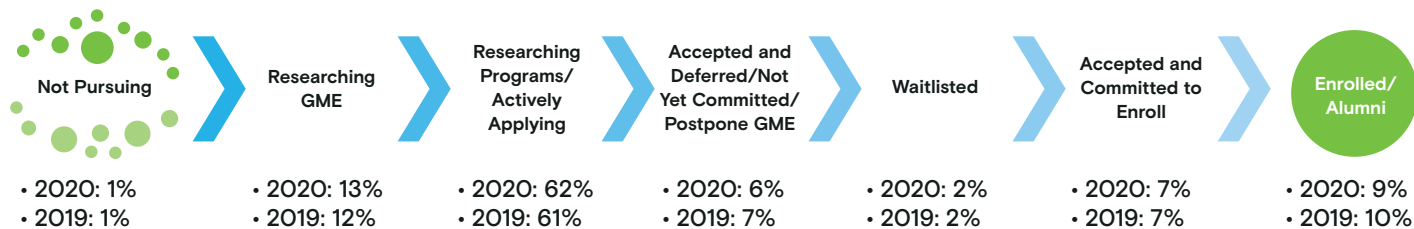
³⁹Truong, K.A. and Martinez, K. (2021, April 9). From DEI to JEDI. *Diverse: Issues in Higher Education*. Retrieved May 3, 2021 from <https://diverseeducation.com/article/211514/>

⁴⁰Carey, J., Clayton, K., and Horiuchi, Y. (2020, August 14). It’s college admissions season, and students are looking for diverse campuses. *The Washington Post*. Retrieved May 6, 2021 from <https://www.washingtonpost.com/politics/2020/04/14/its-college-admissions-season-students-are-looking-diverse-campuses/>

⁴¹NACE. (2020, November 16). Questions Students May Ask to Assess Your Organization’s Commitment to DEI. Retrieved April 22, 2021 from <https://www.naceweb.org/diversity-equity-and-inclusion/best-practices/questions-students-may-ask-to-assess-your-organizations-commitment-to-dei/>

⁴²GMAC. (2016, October) Meet the Segments. Retrieved April 2, 2021 from <https://www.gmac.com/market-intelligence-and-research/research-library/admissions-and-application-trends/meet-the-segments>

GME Pipeline Status Among Underrepresented Populations Surveyed in 2020 and 2019



Source: GMAC. (2020–2019). mba.com Prospective Students Survey from <https://gmac.com/prospectivestudents>

Overall, the perception of candidates from URP in 2020 survey data reveal that COVID-19 is not in itself seen as a barrier to prevent them from pursuing GME:

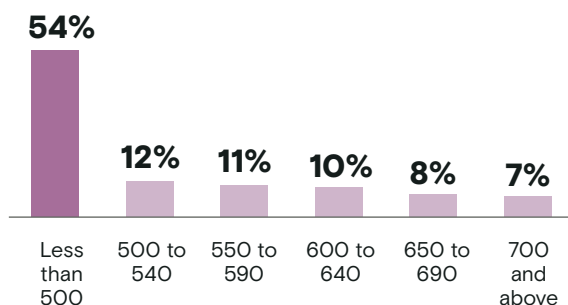
- In general, the top concerns relative to the coronavirus and potential impact on GME cited by more than half of URPs were job market status (61%) and school closures (61%), which echoed the top apprehensions of non-URP US respondents.
- 31 percent of candidates from URP were *extremely or very concerned* about the impact COVID-19 may have on their pursuit of GME in the future, compared with 26 percent of non-URP US respondents.
- By contrast, about 1 in 6 URP (17%) indicated the pandemic was *not a concern* for their pursuit of GME, compared with 19 percent of non-URP US respondents who were unfazed.
- In spite of COVID-19, 60 percent of non-URP respondents were holding firm to their original plans about a specific business school, compared with half of candidates from URP groups (51%).

Educational Attainment and Business Studies

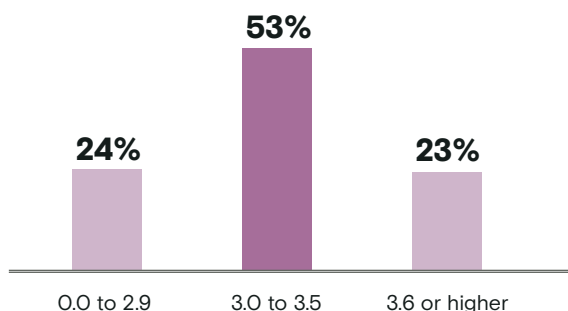
Among GMAT® examinees from underrepresented populations in testing year 2020 (TY2020),⁴³ most had already completed their undergraduate degree (67%) at their time of exam registration. Some were still enrolled as undergraduates (24%), while a smaller share reported pursuing graduate coursework (4%) or already completed a graduate-level degree (5%).

- More than half of unique URP GMAT examinees were business majors as undergraduates (54%), consistent with non-URP US examinees (51%).
- Most unique URP GMAT examinees reported between 3.0 and 3.5 as their undergraduate GPA (53%), and 23 percent reported a 3.6 or greater GPA. Although a smaller share of URP reports highest undergrad grades when compared with non-URP US examinees (41% non-URP with GPA above 3.6 in TY2020), the pipeline is seeing a greater share of URPs with 3.6 or higher GPA (up from 18% of URP in TY2017).
- About 1 in 4 URPs scored 600 or higher on the GMAT exam (24%) in TY2020—which is a much smaller proportion when compared with non-URP US examinees (49% above 600). 22 percent of URPs scored 500-590 on the GMAT, while more than half achieved a total score of less than 500 (54%).
- Nearly 1 in 5 unique URP GMAT examinees were social science majors (18%), while others majored in engineering (10%), science (6%), and humanities (5%).
- Most unique URP GMAT examinees (80%) intend to pursue a Master of Business Administration (MBA) degree, a proportion on par with non-URP US examinees (81%). Other leading popular degree programs for URPs include a Master of Accounting degree (13%), Master of Finance (9%), MS Analytics/BI (7%), and joint MBA/Law (7%).

GMAT® Total Score, URP Examinees TY2020



Undergrad GPA, URP Examinees TY2020



Data for candidates among underrepresented populations (URP) groups in the US.

Source: GMAC. (2020). GMAT unique examinee data, TY2020.

⁴³GMAC. (2021, February). Profiles of GMAT Testing: North America, TY2016-TY2020. Retrieved from <https://www.gmac.com/market-intelligence-and-research/assessment-data/profile-of-gmat-candidates>. Note: Testing year 2020 refers to the period July 1, 2019 to June 30, 2020. In April 2020 testing centers temporarily closed worldwide as a result of coronavirus (COVID-19) precautions, and correspondingly the interim GMAT™ online exam testing appointments were available beginning April 20 through June 15, 2020. Among unique URP American examinees, 88% sat for the test in-person and 12% completed the online exam.

Study Formats

When asked about preferred program options, URP prospective students overwhelmingly select a full-time MBA two-year program (30%) or one-year program (16%), while fewer indicate a preference for flexible MBA (7%), online MBA (6%), part-time MBA (6%), or Executive MBA (2%) program types. The MA/MS program types preferred by URPs were master of accounting (5%), as well as finance (3%) and data analytics (3%).

- **Rather than abandon plans to pursue GME due to COVID-19, a greater share of URPs indicated a willingness to consider the adjustment of online learning than non-underrepresented population candidates (35% URP vs. 26% non-URP).**
- Moreover, if accepted into a program, candidates from URP reported a willingness to complete online 50 percent (median) of the program due to COVID-19, a much greater proportion compared with an average of only 30 percent for non-URP US respondents.
- Most URP candidates selected a *preferred delivery* format as primarily in-person (57%), versus hybrid (24%), primarily online (14%), or undecided (5%). Moreover, the hybrid format was more popular among URP when compared with non-URP counterparts (24% URP vs. 16% non-URP).

In the midst of the COVID-19 pandemic, most GME programs shifted to online program delivery and continue to fine-tune to provide an experience that enables students to share learnings and perspectives with other students, engage in networking, and develop leadership skills in co-curricular activities.^{44,45}

At the same time, the general popularity of Online MBA programs has the potential to grow – especially as the pandemic reality of work from home is now standard across all industries – and greater importance is placed on demonstrating digital skills in the workforce.

When asked to select curriculum ‘must-have’ items if given the chance to design their ideal program, only 38 percent of URP prospective students chose Business analytics/data science – a course extremely popular among the majority of non-URP

candidates (64%). Similarly, fewer URP considered technology management (4% URP vs. 33% non-URP) or leadership/change management (25% vs. 57%).

By contrast, other ideal course curriculum more popular among URP when compared with non-URP, included: brand/product management (61% URP vs. non-URP 34%), marketing and communications (60% vs. 36%), real estate (49% vs. 12%), and social entrepreneurship/nonprofit (42% vs. 21%).

These course changes are not surprising given the increasing importance of a more inclusive curriculum that offers examples from minority-owned and women-owned business, as well as the contributions of immigrants to provide students with an industry advantage. As one business professor asserts: **“moving forward, corporations will need new leadership who are trained to understand, recognize and affirm calls for social justice emerging from the stakeholder ranks, and there will be fierce competition for the alumni of those schools who can provide that kind of strategy and business ethics training.”**⁴⁶

⁴⁴BusinessBecause. (2020, April 7). Wharton MBAs Petition for Lower Tuition Fees. Retrieved March 17, 2021 from <https://www.businessbecause.com/news/coronavirus-latest/6869/wharton-mba-petition-lower-tuition-fees>

⁴⁵Byrne, J. (2020, April 6). The Student Revolt Over MBA Tuition for Online Classes. Poets & Quants. Retrieved March 17, 2021 from <https://poetsandquants.com/2020/04/06/the-student-revolt-over-mba-tuition/?pq-category=business-school-news>

⁴⁶Brooker, J. (2021, February 11). Where the Rubber Meets the Road: Racial Justice & The B-School Curriculum. Poets & Quants. Retrieved March 26, 2021 from <https://poetsandquants.com/2021/02/11/where-the-rubber-meets-the-road-racial-justice-the-b-school-curriculum/?pq-category=b-schools&pq-category-2=programs&pq-category-3=students>

The business landscape is already seeking diverse leadership and advancing quickly alongside legislation mandates and potential regulatory oversight. For example, California was the first US state to mandate all public companies in the state have at least one woman on their board by December 2019, resulting in 68 new women being added to company boards following the announcement. In September 2020, California implemented a similar law as it relates to racial diversity, requiring people from “underrepresented communities” to have at least one seat on corporate boards in California by the end of 2021, and additional targets depending on firm size by the end of 2022 (2 directors from underrepresented communities for firms with four to nine directors, or minimum of 3 directors from underrepresented communities for boards with nine or more people). Companies that do not comply may face substantial fines.⁴⁷

More recently, the NASDAQ proposal filed in December 2020 with the U.S. Securities and Exchange Commission (SEC) to adopt new listing rules related to board diversity and disclosure for its 3,000+ companies listed. Underrepresented racial groups make up just 12.5 percent of board seats at the 3,000 largest publicly traded companies, and women make up just 21 percent.⁴⁸ Pending any further amendments, the rules change currently under review would require firms with six or more directors to a “comply or explain” disclosure, and specifies the appointment of at least one female director, in addition to a director who is a racial minority or who self identifies as lesbian, gay, bisexual, transgender or queer (LGBTQ+).⁴⁹

The flexibility noted among underrepresented populations given in the context of the pandemic is noteworthy and signals the importance of business skills. For example, in a possible decision not to pursue GME, candidates were asked what if any alternative they might take to achieve their goals. Professional certification was a popular alternative among URP and non-URP counterparts (39% URP vs. 30% non-URP). Additionally, the alternative of registering for a massive, open online course (MOOC) was considered by 24 percent of URP, a greater share when compared with non-underrepresented US respondents (18%). The MOOC interest is not surprising as external data indicate that larger shares of Black, American Indian or Alaska Native, and Native Hawaiian or other Pacific Islander students enrolled in, and completed degrees at, for-profit institutions.⁵⁰



This echoes prior research findings from a study conducted by GMAC about URP candidates interest in for-profit graduate business programs, especially among mid-career professionals because of program flexibility, a quality education to boost their career from instructors with relevant experience, and an easy application and admissions process.⁵¹

Notwithstanding the other study options available, some candidates did not consider any substitutions or alternatives to GME, including 16 percent of URP and 13 percent of non-URP candidates.

⁴⁷California Legislative Information. (2020, October 2). AB-979 Corporations: boards of directors: underrepresented communities. Retrieved May 6, 2021 from https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB979

⁴⁸Connley, C. (2020, December 3). Could Nasdaq's proposed diversity mandates be the key to changing corporate America? CNBC. Retrieved May 6, 2021 from <https://www.cnbc.com/2020/12/03/will-nasdaq-diversity-mandates-be-key-to-changing-corporate-america.html>

⁴⁹Osipovich, A. (2021, March 10). Ruling on Nasdaq Diversity Plan for Boards Is Delayed by SEC. The Wall Street Journal. Retrieved March 26, 2021 from <https://www.wsj.com/articles/ruling-on-nasdaq-diversity-plan-for-boards-is-delayed-by-sec-11615419177>

⁵⁰Espinosa, L., Turk, J.M., Taylor, M., and Chessman, H.M. (2019). Race and Ethnicity in Higher Education: A Status Report. American Council on Education (ACE). Retrieved May 8, 2021 from <https://www.equityinhighered.org/>

⁵¹GMAC. (2018). Unpacking the Appeal of For-Profit Graduate Business Programs to Underrepresented Populations. Retrieved May 6, 2021 from <https://www.gmac.com/market-intelligence-and-research/research-library/diversity-enrollment/unpacking-the-appeal-of-for-profit-graduate-business-programs-to-underrepresented-populations>

Work Experience and Skills

Nearly 4 in 5 unique URP GMAT examinees (78%) have more than one year of work experience. Most URP have either one to three years' experience (37%) or four to nine years' experience (31%). Ten percent have 10 or more years' experience. Correspondingly, a greater share of non-URP US examinees (29%) has to have less than one year of work experience when compared with unique URP GMAT examinees (22%).

About half (49%) of URP prospective students surveyed in 2020 reveal that they were prompted to act on the journey to GME because they had "always planned to do so at this point in their career." Additional factors most often cited by URP are the "convenient time to go to school" (37%) and with "no children left at home, having available time" (21%).

Work experience	URP GMAT examinees	Non-URP GMAT examinees
Less than 1 year	22%	29%
1 to 3 years	37%	36%
4 to 9 years	31%	28%
10 or more years	10%	7%

Data for candidates among underrepresented populations groups (URP) compared with non-URPs in the US.
Source: GMAC. (2020). GMAT testing data.

While most of the catalysts for a GME journey among URP compare closely with those of non-URP US respondents, exceptions are seen related to monetary viewpoints: "Able to receive tuition assistance at my current job" (13% URP vs. 16% non-URP) and "I have the financial resources to apply" (15% vs. 26%). Other exceptions are seen among slightly greater percentages of URP compelled by job insecurity or workplace stressors that prompted them to begin a journey to GME, including: "wanted to apply for a job, but lacked required skills and/or degree to be competitive" (41% URP vs. 38% non-URP), "not working at the time/recently became unemployed" (12% vs. 11%), "my coworker(s) were laid off/fired from their job" (4% vs. 2%), and "an issue at work" (14% vs. 11%).

These catalysts are especially relevant considering more than 40 percent of URP indicate the aspects that are *extremely important* for their job after their GME degree as being: Having opportunities for promotions or advancement (57%), having job security (45%), and having a job that offers good benefits (44%).



Areas of concentration chosen in 2020 by candidates offer additional insight into what skills prospects want after their GME studies that they can use on the job or in a new career:

- The most popular areas of study concentration for both URP and non-URP respondents include leadership/change management, business analytics/data science, strategy, and corporate finance.
- Slightly greater shares of URP when compared with non-URP respondents were drawn to concentrations such as: Social entrepreneurship/nonprofit (30% URP vs. 21% non-URP), Entrepreneurship/innovation (48% vs. 42%), marketing and communications (44% vs. 35%), as well as law/ethics (38% vs. 33%).
- Conversely, when compared with non-URP respondents, smaller percentages of URP indicated interest in general management (42% URP vs. 49% non-URP) and strategy (59% vs. 66%).

In the midst of the COVID-19 pandemic, the demographic changes already underway for the talent pipeline of underrepresented populations by educational achievements, work experience and gender (see data below and in the demographic profile on page 24) may have major implications for business schools' engagement.

URP examinees "still in undergraduate studies" account for a greater percentage of unique GMAT examinees (24% in TY2020 compared with 16% in TY2017). Across URP groups, this was the case for 21 percent of African Americans, 26 percent of Hispanic Americans, and 31 percent of Native Americans. The results suggest that even as the pandemic unfolded this young segment of talent recognizes the value of GME and yet likely faces greater support needs to secure training opportunities such as internships, work partnerships, and job networking when compared with previous cohorts of talent from underrepresented populations.

By gender, URP women in TY2020 accounted for 43 percent of the GMAT examinee pipeline (compared with 45% in TY2019 and 47% in TY2017), signaling a continued decline in female representation compared with URP male counterparts in GMAT testing. Across URP segments of GMAT examinees, women represent 39 percent of Native Americans, 41 percent of Hispanic Americans, and 47 percent of African Americans.

External data indicates the pandemic has exacerbated the challenges faced by women in general, signaled by 2020 survey reports of taking a side job for supplemental income,

experiencing feelings of burnout, as well as declining career ambition.⁵² Employment statistics for women of color were not only more severe when the Covid-19 pandemic started but also more sluggish in improving. Throughout the recession, unemployment rates among women of color have been consistently higher than that of their male peers, a result some attribute to facing dual challenges of racism and sexism.⁵³ Steep spikes in unemployment and large drops in labor force participation rates since the pandemic began were recorded in March 2021, as total employment for Black women was 9.7% lower than it was in February 2020 (before Covid-19 hit the US), and among Hispanic women at 8.6% lower. At the same time, employment for Black men (down 5.9%), White men (down 5%), White women (down 5.4%) since February 2020.⁵⁴

Although more than half of the jobs that have returned in recent months are in service sector industries in which URP women are overrepresented, these same jobs are the jobs that are at risk of being lost again if states reimpose lock downs due to Covid-19.⁵⁵ Women of color are also leaving the labor force at greater rates than male counterparts because women have shouldered more of the increased caregiving responsibilities during the pandemic.

Past GMAC research offered possible approaches to breaking down barriers toward the pursuit of GME. This includes connecting female candidates with current students and alumnae to enable authentic exchanges about the student experience, as well as careers, and strategies to promote the broad spectrum of MBA career possibilities that embolden women's leadership aspirations.⁵⁶ The data indicate an opportunity for schools to share information about their available support mechanisms that may especially resonate with and reassure women (like backup childcare services, mental health resources, or mentorships) as tools to help balance demands of obligations at home with that of school or work.

⁵²Connley, C. (2021, March 9). Women's ambition plummeted during the coronavirus pandemic, as careers stalled and burnout spiked. CNBC. Poll data collected February 22–March 1, 2021 following Women at Work survey reported by CNBC and SurveyMonkey. Retrieved March 15, 2021 from <https://www.cnbc.com/2021/03/09/65percent-of-working-women-say-pandemic-has-made-things-worse-at-work.html>

⁵³The Sadie Collective. (2020, November 11). Why are Black Women Missing from Corporate Leadership? Retrieved May 10, 2021 from <https://sadielcollective.medium.com/black-women-missing-from-corporate-1a6524314ca7>

⁵⁴Rattner, N., and Franck, T. (2021, March 5). Black and Hispanic women aren't sharing in the job market recovery. CNBC. Retrieved April 22, 2021 from <https://www.cnbc.com/2021/03/05/black-and-hispanic-women-arent-sharing-in-the-job-market-recovery.html>

⁵⁵Connley, C. (2020, October 1). Nearly 3 in 10 Native American women work a front-line job, but they're far from receiving equal pay. CNBC. Retrieved April 22, 2021 from <https://www.cnbc.com/2020/10/01/native-american-women-are-still-far-from-receiving-equal-pay.html>

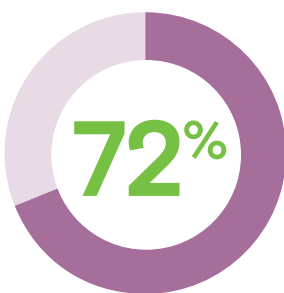
⁵⁶GMAC. (2019). Women and the Full-Time MBA: Continuing the Push for Progress. Retrieved May 10, 2021 from <https://www.gmac.com/market-intelligence-and-research/research-library/diversity-enrollment/women-and-the-full-time-mba-continuing-the-push-for-progress>

Financing Plans

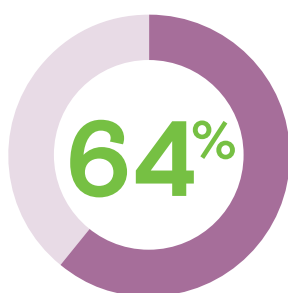
Trends in how students finance undergraduate studies can be gleaned through external data, like for 2015–2016 nearly seven in 10 bachelor's degree recipients (68.9%) borrowed to complete their degrees.

The greatest percentages of borrowers were recorded among Native Hawaiian or other Pacific Islanders (89.6%) and Black (86.4%) bachelor's degree recipients. In contrast, 67.3 percent of Hispanic or Latino and 58.7 percent of Asian graduates borrowed, the lowest shares across all groups studied. Black students were more likely to borrow and borrowed more on average than nearly every other group, while Asian and Hispanic or Latino students were the least likely to borrow.⁵⁷

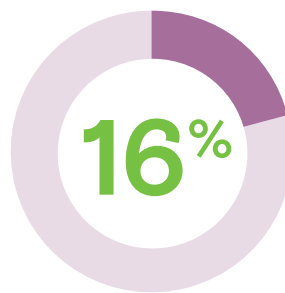
To finance their graduate management education, it follows that business school prospects from underrepresented populations groups are traditionally more likely than non-URP US candidates to plan to use grants, fellowships, and scholarships, as well as loans. In addition, URP candidates are less likely to plan on parental support or use personal savings than non-URP peers.



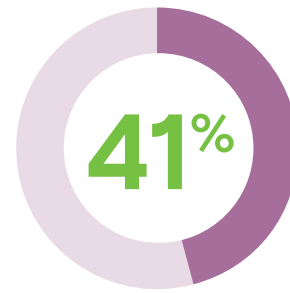
Nearly 3 out of 4 URP business school candidates (72%) plan to use grants, fellowships, and/or scholarships to pay for business school. By comparison, 55 percent of non-URP US candidates plan to use these funding sources.



More than half of URP business school candidates (64%) plan to take out student loans, compared with more than half of non-URP US candidates (53%).



Only 16 percent of URP candidates plan on receiving parental financial support. By comparison, a third of non-URP US candidates (34%) plan on receiving financial support from their parents to help pay for graduate business school.



Fewer URP candidates compared with non-URP candidates plan to use personal savings (41% URP vs. 51% non-URP), spouse/partner earnings (7% vs. 8%), and employer sponsorship (23% vs. 27%) to finance their degree.

In the midst of the COVID-19 pandemic, financial concerns as a barrier to entry were more prevalent among URP compared with non-URP US prospective students.

Past survey data has shown that prospects from underrepresented populations express greater concern about funding GME when compared with non-URP candidates. In the COVID-19 era of general uncertainty, financial obstacles that may actually prevent URP from pursuing GME are cited more often when compared with non-URP respondents, including future debt burden (26% URP vs. 20% non-URP), cost of the program (27% vs. 22%), current debt level (14% vs. 8%), and current uncertainty of the economy (12% vs. 9%).

⁵⁷Espinosa, L., Turk, J.M., Taylor, M., and Chessman, H.M. (2019). Race and Ethnicity in Higher Education: 2020 Supplement Executive Summary. American Council on Education (ACE). Retrieved May 8, 2021 from <https://www.equityinhighered.org/>

External data reveal that URP candidates (particularly Black/African Americans) participate in graduate degree programs with higher levels of undergraduate debt than others. Debt analysis for race/ethnicity of master's degree recipients show large differences in levels of borrowing and monies owed upon exit of graduate school, including master's degree recipients with average debt per student ranging from \$40,016 (Whites), to \$49,259 (Latinos or Hispanic Americans), to \$68,959 (Black or African Americans). Borrowing rates show that 75.9 percent of White master's degree recipients borrowed for part of their education, but only 57.3 percent borrowed for graduate education—a difference some attribute to factors like home ownership, access to financing, experience with higher education, and family income levels during a student's undergraduate studies.⁵⁸

URP candidates are more likely to be financially vulnerable. Debt aversion, lack of understanding about credit and repayment, difficulties to document family income, as well as hesitancy to take out student loans make financial aid a complex conversation with those from URP communities. School professionals can access the February 2021 Lumina Foundation's commentary on student borrowers of color as framed by experts from across diverse communities and offer ways to support a better understanding of the complexity related to challenges of student borrowing.⁵⁹

During the COVID-19 pandemic many organizations sought to help URP students meet basic needs and avoid additional barriers that may deter their educational opportunities. The National Black MBA

Association (NBMBA[®]) organization established a COVID-19 Relief Fund in early August 2020 as a resource for emergency funding to cover students' basic needs as well as educational expenses and technology requirements necessitated by virtual learning.⁶⁰ And, in 2020 NBMBA awarded more than \$100,000 for undergraduate and graduate student scholarships, with an unprecedented number of investing corporate sponsors.⁶¹ In mid-January 2021, the Hispanic Association of Colleges and Universities (HACU) organization announced COVID-19 Mobility Grants for students in San Antonio, Texas as a resource for emergency funding to cover students' basic needs (food, housing, transportation, and dependent care) as well as educational expenses and technology requirements necessitated by virtual learning. Due to a high demand, applications for such assistance closed within 14 days.⁶² Similarly, in 2020 the Association of Latino Professionals for America (ALPFA) launched Operation Helping Hands, a paid virtual internship program designed to solve the issue of Hispanic undergrad students who had internships rescinded due to COVID-19. ALPFA is hosting the Fellows program again in 2021 and selecting talent from across the country to join a virtual team for eight weeks to solve real-life business or societal problems determined by participating business organizations.⁶³

Schools can look to encourage URP prospective students to apply for scholarships available from these associations and other partner organizations. Additionally, schools can be flexible with deadlines for admissions and financial aid to give more students a chance to apply, as well as be proactive about helping students fill out federal-aid applications.⁶⁴

Undergraduate and Graduate Debt: Master's Degree Recipients, by Race and Ethnicity: 2015-16

	Average Combined Undergraduate and Graduate Debt per Student	% Of Total Debt That Is from Graduate Study	% With Any Debt	% With Graduate Debt
All racial and ethnic groups	\$39,661	61.6%	70.8%	56.4%
Asian	\$39,091	76.7%	61.5%	50.1%
Black	\$68,959	60.9%	90.1%	81.3%
Hispanic	\$49,259	62.8%	88.0%	72.9%
White	\$40,061	59.4%	75.9%	57.3%
More than one race	\$36,191	60.3%	69.2%	54.1%

Source: U.S. Department of Education, National Postsecondary Student Aid Study, 2016. Note: Estimates were suppressed for all other groups due to small sample size.

⁵⁸Espinosa, L., Turk, J.M., Taylor, M., and Chessman, H.M. (2019). [Table 8.6] Race and Ethnicity in Higher Education: A Status Report. American Council on Education (ACE). Retrieved May 8, 2021 from <https://www.equityinhighered.org/>

⁵⁹Lumina Foundation. (2021). Changing the Narrative on Student Borrowers of Color. Retrieved April 22, 2021 from <https://www.luminafoundation.org/wp-content/uploads/2021/02/borrowers-of-color-2.pdf>

⁶⁰NBMBA. (2020, August 3). National Black MBA Association Announces Launch of NBMBA COVID-19 Relief Fund. Retrieved March 17, 2021 from <https://nbmbaa.org/national-black-mba-association-announces-launch-of-nbmbaa-covid-19-relief-fund/>

⁶¹NBMBA. (2020, October 1). NBMBA Announces 2020 Corporate Scholarship Recipients. Retrieved March 17, 2021 from <http://nbmbaa-indy.org/projects/nbmbaa-announces-2020-corporate-scholarship-recipients/>

⁶²HACU. (2021, January 12). HACU accepting applications for the COVID-19 Mobility Grants for college students in the San Antonio area. Retrieved March 31, 2021 from <https://www.hacu.net/NewsBot.asp?MODE=VIEW&ID=3280>

⁶³Association of Latino Professionals For America (ALPFA). (2021). Retrieved April 3, 2021 from https://www.alpfa.org/page/ALPFA_Fellowship_Program

⁶⁴Poohle, A. (2021, March 16). Is It Harder to Get into College in 2021? The Wall Street Journal. Retrieved March 17, 2021 from https://www.wsj.com/articles/is-it-harder-to-get-into-college-in-2021-11615918281?mod=searchresults_pos1&page=1

Population and Geography

Measurements of pipeline data may appear distorted when compared with previous years, as standardized testing centers temporarily closed around the globe in spring 2020 due to coronavirus (COVID-19) precautions. Correspondingly, many students had tests cancelled or postponed before the transition to an online GMAT exam was implemented.

The lack of consistency in TY2020 figures is further intensified by the quick adjustments of schools to maintain business continuity and altering their usage of the GMAT exam—for example, allowing applicants to request test waivers, accepting an alternative test (e.g., GMAC’s Executive Assessment Online exam launched early May 2020), modifying requirements to become test optional, or simply not requiring a test for the 2020-2021 school year.⁶⁵

Underrepresented Populations (URP) in testing year 2020 (TY2020)⁶⁶ in the US graduate management education pipeline account for 17 percent of exams taken by residents, similar to 16 percent in TY2017.

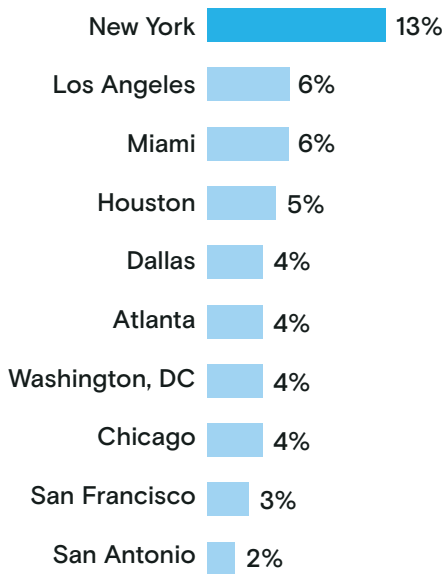
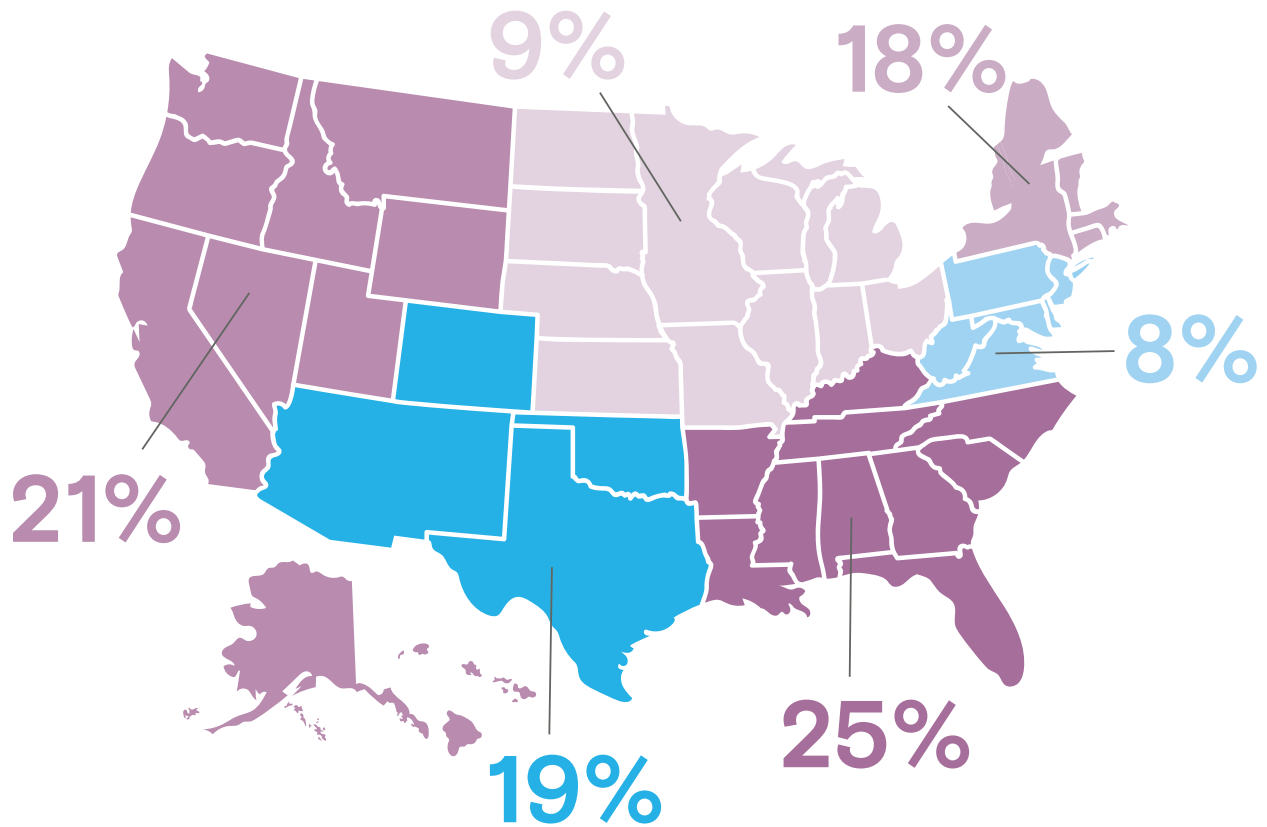
- Among unique URP GMAT examinees in the country, 57 percent are men and 43 percent are women.
- A majority of unique URP GMAT examinees (84%) are 30 years old or younger. Among this age segment, a slightly greater share is younger than 25 (43%) while 41 percent are between the ages of 25 and 30.



⁶⁵Blackman, S. (2020, December 14). Standardized Tests for Business School. Retrieved March 17, 2021 from <https://www.stacyblackman.com/standardized-tests-for-business-school/>

⁶⁶Testing year 2020 refers to the period July 1, 2019 to June 30, 2020. In April 2020 testing centers temporarily closed worldwide as a result of coronavirus (COVID-19) precautions, and correspondingly the interim GMAT online exam testing appointments were available beginning April 20 through June 15, 2020. Among unique URP American examinees, 88% sat for the test in-person and 12% completed the online exam.

Unique Underrepresented Populations GMAT™ Examinees, by Residence for US Regions and Metro Areas



By US region of residence, the South has the largest percentage of unique URP GMAT examinees (25%). Large representations of URP American examinees are also in the West (21%), Southwest (19%), Northeast (18%), followed by fewer shares in the Midwest (9%), and Middle Atlantic (8%) regions.

By US metropolitan area, the greatest representation of unique URP GMAT examinees was in New York (13% in TY2020, on par with 12% in TY2017). Other areas with large representations of URP remain consistent: Los Angeles (6%), Miami (6%), Houston (5%), equal distributions (each 4%) in Dallas, Atlanta, Washington, Chicago, followed by San Francisco (3%) and San Antonio (2%). The inclusions of Miami and San Antonio are notable when compared with leading metro areas for non-URP US examinees, where Boston and Philadelphia are featured in top 10 listing of metro areas.

Source: GMAT Testing Data, TY2020

Demographic Profile

Presented below is demographic data for unique US GMAT examinees in TY2020 who self-identified among an underrepresented populations group, including Black or African American, Latino or Hispanic American, as well as Native American and reside in the United States. Examinees are not required to provide biographical and demographic information. **Bold** indicates the largest group within each data series.

GMAT® Exam Testing Year 2020, Underrepresented Populations, Unique GMAT® Examinees

Gender

- **Men: 57%**
- Women: 43%

Age range

- **Younger than 25: 43%**
- 25–30: 41%
- 31–39: 13%
- 40 and older: 4%

US region

- Middle Atlantic: 8%
- Midwest: 9%
- Northeast: 18%
- **South: 25%**
- Southwest: 19%
- West: 21%

Years of work experience

- Less than 1 year: 22%
- **1–3 years: 37%**
- 4–9 years: 31%
- 10 or more years: 10%

Highest education level attained

- Still an undergraduate: 24%
- **Earned bachelor's degree: 67%**
- Taken graduate courses beyond first degree: 4%
- Earned master's degree: 5%
- Earned doctorate: 1%

Undergraduate major category

- **Business and commerce: 54%**
- Social science: 18%
- Science: 6%
- Engineering: 10%
- Humanities: 5%
- Other major: 7%

Undergraduate GPA

- 2.9 or below: 24%
- **3.0–3.5: 53%**
- 3.6 or above: 23%

Total GMAT score

- **Below 500: 54%**
- 500–540: 12%
- 550–590: 11%
- 600–640: 10%
- 650–690: 8%
- 700 and above: 7%

Intended degree program

- **Master of Business Administration (MBA): 80%**
- Executive MBA: 5%
- Master of Accountancy: 13%
- Master of Analytics/Business Intelligence: 7%
- Master of Business/IT: 3%
- Master of Entrepreneurship: 3%
- Master of Finance: 9%
- Master in Health Care Administration: 2%
- Master of Human Resources: 2%
- Master of Management: 3%
- Master of Marketing/Communication: 4%
- Master of Public Administration: 2%
- Various other degrees MS/MA: 13%
- Joint degree, MBA/engineering: 2%
- Joint degree, MBA/law: 7%
- Other joint degree: 2%
- Doctorate in business: 4%
- Other specific degree: 2%
- Undecided: 1%

Source: GMAC. (2020) GMAT Testing Data. Percentages may not total 100 due to rounding. Data from 6,559 unique US citizens who self-identified among an underrepresented populations group, including Black or African American, Latino or Hispanic American, as well as Native American and reside in the United States.

Contributors

The following individuals from GMAC made significant contributions to the publication of this report:

Michelle Sparkman Renz, Consultant lead author, literature review, and manuscript review; Devina Caruthers, Manager, Research, data facilitation and preparation; Tacoma Williams, Associate Manager, Research Operations, data facilitation and preparation; Rachel Nana, Consultant, Data Science, data preparation; Tania Hernandez-Anderson, Senior Director, Corporate Brand, manuscript review; and Sabrina White, Vice President, School and Industry Engagement, project sponsor, manuscript review, editorial review.

Acknowledgements

Many thanks to other individuals at the Graduate Management Admission Council for providing additional support and peer review.

Contact Information

For questions or comments regarding this brief, please contact GMAC at industryengagement@gmac.com.

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