

Market Intelligence

Understanding Underrepresented Populations in the Business School Pipeline

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Introduction

Business schools across the United States—large and small, public and private, urban and rural, selective and nonselective—struggle to recruit incoming classes with levels of diversity at parity with the US population at large. Specifically, Hispanic Americans and African Americans are chronically underrepresented in the lecture halls and alumni networks of the country’s leading institutions of business education.

The means by which colleges and universities can pursue diversity has been a hotly contested issue for decades, most notably as it relates to race-conscious admissions policies, known commonly as affirmative action. Under such policies, admissions professionals may consider race as one factor among many to ensure a diverse student population, which a significant body of research has shown improves the learning outcomes of all students—minority and nonminority alike.¹ Though the Supreme Court’s recent decision in *Fisher v. University of Texas* was a victory for proponents of diversity via affirmative action, there continues to be considerable opposition.²

In many states—including Arizona, California, Florida, Michigan, Nebraska, New Hampshire, Oklahoma, and Washington—state legislatures have banned the use of affirmative action in higher education admissions, and additional legal challenges are currently making their way through the lower courts.

Given the current meager levels of racial and ethnic diversity at graduate business schools, and the ongoing legal saga facing race-conscious admissions policies, business school admissions and recruiting professionals would be wise to heed the advice of the majority opinion in *Fisher* and be “laboratories for experimentation” in identifying new, innovative approaches to enhancing racial and ethnic diversity on their campuses.³ To that end, this report highlights information and insights that can help business schools devise more effective, data-driven strategies to reach, recruit, and enroll candidates from underrepresented populations (URPs) to graduate business school programs.⁴

¹“Does Diversity Make a Difference?” American Council on Education, American Association of University Professors. 2000. <https://www.aaup.org/NR/rdonlyres/97003B7B-055F-4318-B14A-5336321FB742/O/DIVREP.PDF>

²SCOTUS Blog, <http://www.scotusblog.com/case-files/cases/fisher-v-university-of-texas-at-austin-2/>

³https://www.supremecourt.gov/opinions/12pdf/11-345_15gm.pdf.

⁴Underrepresented populations (URPs) in the context of this white paper do not include Asian Americans because they are overrepresented in graduate business school enrollments relative to their proportion of the total US population.

Background

US Race/Ethnicity Demographics

The racial and ethnic demographics of the United States are shifting rapidly. Discussions surrounding this topic in the popular press often touch upon the idea of a ‘majority minority’ future—meaning the majority of US citizens will someday soon identify as non-White. The reality is that among Americans aged 18 and younger—the next generation of graduate business school candidates—the numbers are nearly there already.

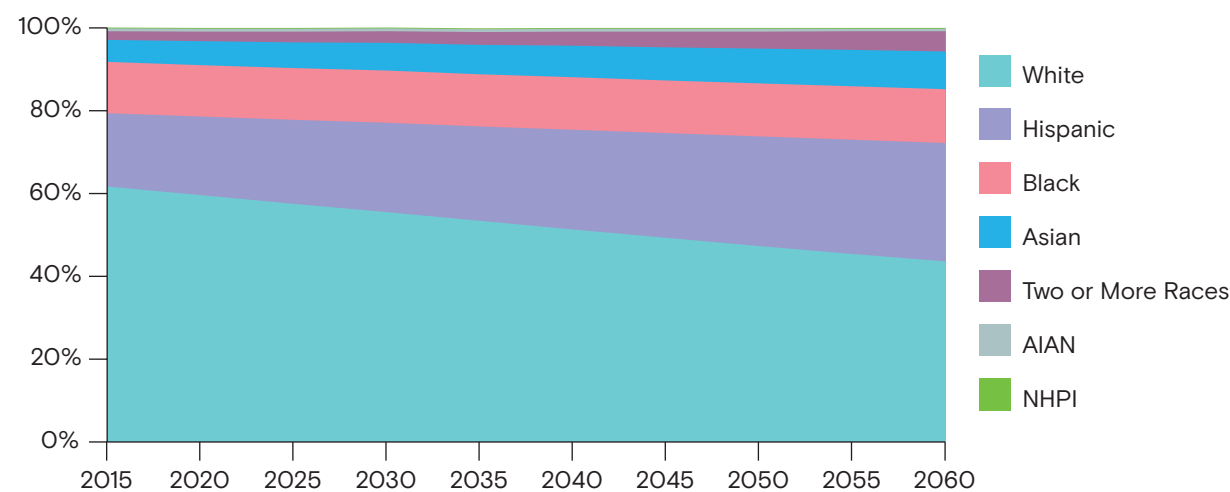
Data collected by the US Census Bureau indicate that the current US population is 62 percent White (non-Hispanic), 18 percent Hispanic American, and 12 percent African American (non-Hispanic). Among US citizens aged 18 and younger, the White population presently makes up just 52 percent of the total, while the share of Hispanic Americans has grown to 24 percent, and the African American population has grown modestly to

14 percent. The Census Bureau projects the under-18 population will achieve majority minority status by 2020.

The US Census Bureau has published population projections by race and ethnicity out to the year 2060 (Figure 1). By that time, the Bureau’s projection models indicate that non-White citizens will make up 56 percent of the total US population. The most notable growth will be among Hispanic Americans, who are projected to make up 29 percent of the total population in 2060—a rise of 11 percentage points from 2015. The African American population is expected to see modest growth, rising about one percentage point from its current proportion.

Asian Americans, a minority population currently comprising five percent of the US population, is anticipated to grow to nine percent by 2060. (In this report, they will not be included for discussion as an underrepresented population, however, since they are overrepresented in graduate management education.) Americans identifying as two or more races are expected to grow from two percent in 2015 to five percent in 2060.⁵

FIGURE 1. US Population Projections by Race/Ethnicity, 2015 to 2060 (US Census Bureau)



Note: Race/ethnicity categories are those used by the US Census Bureau to describe US citizens who belong to the following racial or ethnic minorities: Black = Black or African American; Hispanic = Hispanic/American or Latino; AIAN = American Indian or Alaska Native; NHPI = Native Hawaiian and Other Pacific Islander.

Source: US Census Bureau.

⁵United States Census Bureau. 2014 National Population Projections: Summary Tables. <https://www.census.gov/data/tables/2014/demo/popproj/2014-summary-tables.html>

This report will focus on African American and Hispanic American candidates. Data about these candidates will be compared with all other US citizens belonging to other racial or ethnic groups who, for the purposes of this report, will be referred to as non-URP candidates (not belonging to an underrepresented population).

Private Industry Employment in the United States by Race/Ethnicity

The growing racial and ethnic diversity of the United States population, particularly as it relates to African American and Hispanic American citizens, is not yet reflected in the composition of the highest levels of the country’s workforce. Data from the US Equal Employment Opportunity Commission (EEOC) indicate that African Americans and Hispanic Americans are greatly underrepresented in the managerial class of private industry in the United States.

Among executive/senior-level officials and managers—positions such as CEO, COO, and president—African Americans and Hispanic Americans account for just three percent and four percent of the total, respectively (Table 1). Among first- and mid-level officials and managers—positions such as vice presidents, operations managers, and group directors—African Americans and Hispanic Americans each account for just seven percent of the total.⁶

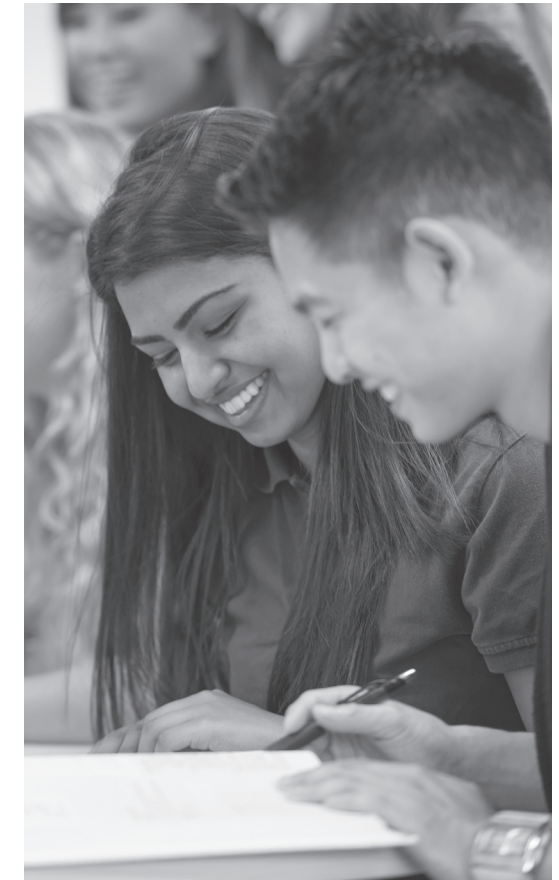
TABLE 1. Participation Rate of Managerial Positions in US Private Industry, by Race/Ethnicity

Race/Ethnicity	Executive/Senior Level Officials and Managers	First/Mid-Level Officials and Managers
White	87%	78%
Black	3%	7%
Hispanic	4%	7%

Note: The race/ethnicity categories in this table are those used by the EEOC.

Source: US Equal Employment Opportunity Commission, 2014.

⁶US Equal Employment Opportunity Commission. 2014 Job Patterns for Minorities and Women in Private Industry. <https://www1.eeoc.gov/eeoc/statistics/employment/jobpat-eeol/2014/index.cfm>



Business School Pipeline

For many high-level managers at US companies, a graduate business degree has been a critical steppingstone in their path to career success. The lack of racial and ethnic diversity among people in these positions is not surprising, given that African American and Hispanic American candidates are currently—and historically always have been—underrepresented in the business school admissions pipeline. These groups are not only underrepresented in comparison with their proportional size of the US population, but also compared with their respective proportion of bachelor’s degree graduates.

Despite making up 12 percent of the total US population and 10 percent of bachelor’s degree earners in the United States, African Americans represented eight percent of US

citizens who sat for the GMAT exam in TY 2015 (Table 2). Hispanic Americans make up 17 percent of the US population and account for 10 percent of bachelor's degree-earners in the United States, but represented only seven percent of unique GMAT examinees in the United States in TY 2015. Trends in African American and Hispanic American GMAT testing mirror US domestic GMAT test-taking overall. Following a spike in testing year 2012—due to the introduction of the Integrated Reasoning section—GMAT testing numbers for African Americans and Hispanic Americans have been relatively stable.

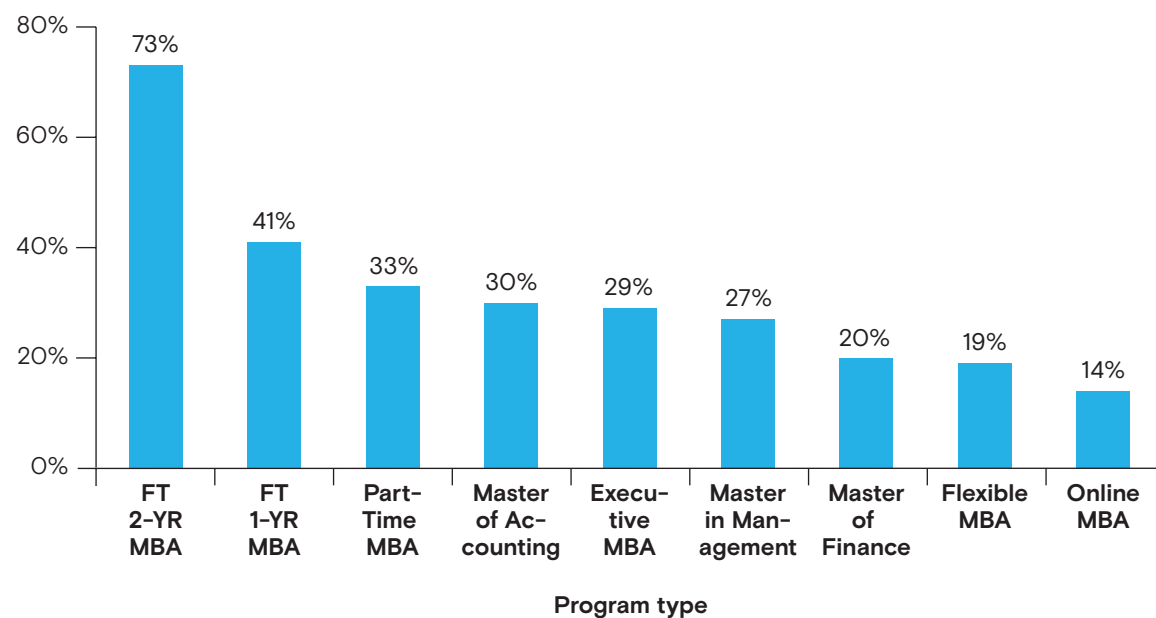
To enhance diversity on their campuses, many business schools have initiatives to target and recruit candidates from underrepresented populations (URP), including African Americans and Hispanic Americans. Overall, 38 percent of graduate management education programs in the United States report conducting such special outreach. This varies widely by program type. Full-time two-year MBA programs are most likely to target URPs (73% of programs) for recruitment, whereas online MBA programs are least likely to do so (14% of programs; Figure 2).

TABLE 2. African American and Hispanic American Underrepresentation in the Business School Pipeline in the United States

Race/Ethnicity	Percentage of US Population (2015)	Percentage of Bachelor's Degrees Conferred in the US (2012–13)	Percentage of Unique GMAT Examinees Among US Citizens (TY 2015)*
White (non-Hispanic)	62%	66%	66%
African American	12%	10%	8%
Hispanic American	17%	10%	7%

*TY 2015 refers to GMAT testing year 2015, which covers the period from July 1, 2014 to June 30, 2015. Source: US Census Bureau; National Center for Education Statistics; and GMAT examinee data.

FIGURE 2. Percentage of US Graduate Management Education Programs Targeting URPs for Special Outreach, by Program Type, 2015*



*The term URP includes the following US citizens who are considered an underrepresented racial or ethnic minority population in the business school pipeline: Hispanic American or Latino, Black or African American, Native Hawaiian or Pacific Islander, and American Indian or Alaska Native. Source: GMAC (2015) Application Trends Survey.



Understanding the Data Behind Diversity: Using Metrics to Segment Unique Markets

The shifting US racial and ethnic demographics and projected growth among US minority populations present both a challenge and an incentive for US business schools to step up efforts to increase the opportunities for minority students to reap the benefits of a graduate management education. Business schools that have been reaching out to these minority populations know only too well, however, that there are no simple solutions to tackling the issue of minority underrepresentation.

Moving the needle on this important issue will demand smarter, more customized approaches to identifying and targeting the disproportionately small number of African American and Hispanic American candidates in the business school pipeline.

A one-size-fits-all approach will not produce the results needed to make a discernable difference. The attitudes, motivations, and behaviors of these candidates vary, both between population groups and within them as well. None is a homogenous group, and a well-thought-out, segmented marketing approach would take these differences into account. The data and insights that follow, which are based primarily on GMAC's mba.com Prospective Student Survey findings, reveal aspects of each of these populations that make them distinct—from where they live, to their personal pursuits and values, their motivations to pursue graduate management education, and their career goals—and will provide business school admissions and recruitment professionals with analysis to enhance their outreach strategies.

Where Are URP Candidates?

African Americans, with 5,843 unique GMAT test takers in TY 2015, currently are the largest underrepresented US population group in the business school pipeline. By US region,

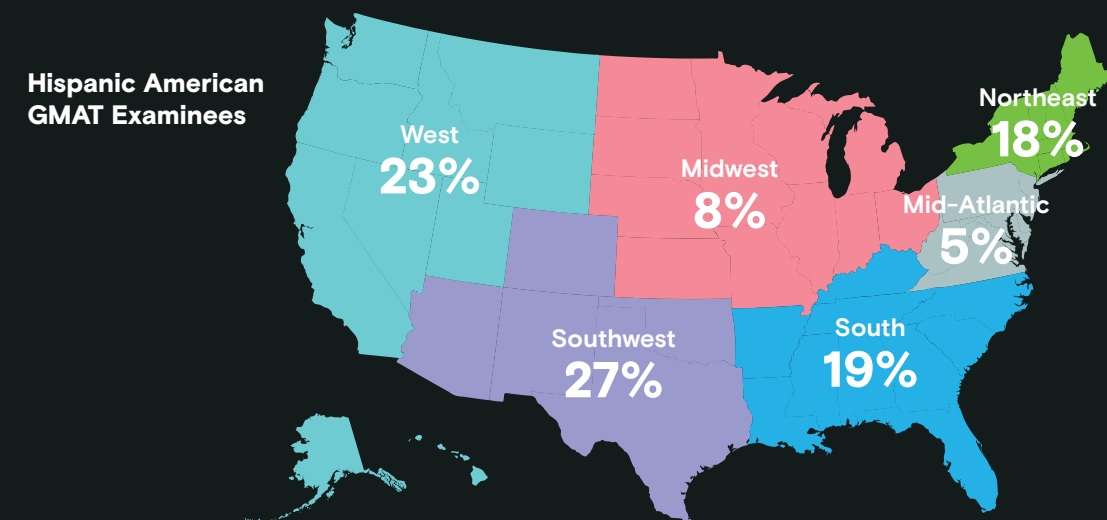
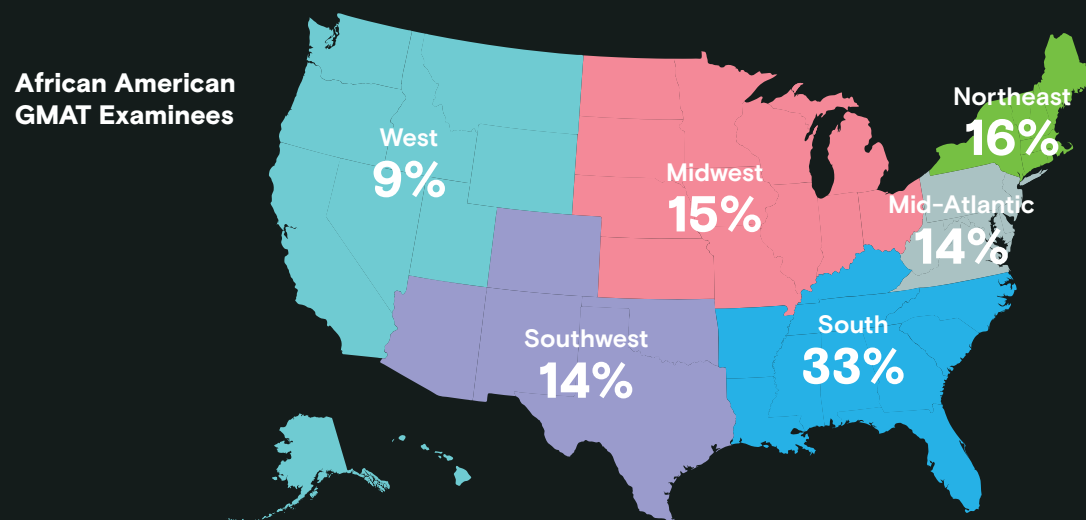
the greatest percentage of African American GMAT examinees—33 percent—live in the South (Figure 3). Other US regions with large representations of African American GMAT examinees include the Northeast (16%) and the Midwest (15%). Hispanic Americans, with 5,129 unique GMAT examinees in the 2015 GMAT testing year, are the second largest underrepresented minority population group among US GMAT test takers. These prospective students live predominantly in the southern and western United States, with 27 percent in the Southwest, 23 percent in the West, and 19 percent in the South.

The attitudes, motivations, and behaviors of these candidates vary, both between population groups and within them as well. None is a homogenous group.

What Aspects of Life Most Influence Values, Career Goals, and Decision Making?

Although underrepresented minority groups share many life goals and values similar to the larger population of prospective business school students, they differ in many important ways that may influence their decision to pursue graduate management education. Figure 4 shows that both African Americans and Hispanic American candidates, like non-URP candidates, consider their financial security, family, and career goals as extremely or very important. African American and Hispanic American candidates, however, are more likely to place high importance on other aspects of life. For example, more than other candidate segments, a majority of African American prospective students place high importance on community (59%) and religion (55%), and nearly half highly value volunteer work (45%). For Hispanic American candidates, travel, politics, and public life are very important life aspects, more so than for other candidates.

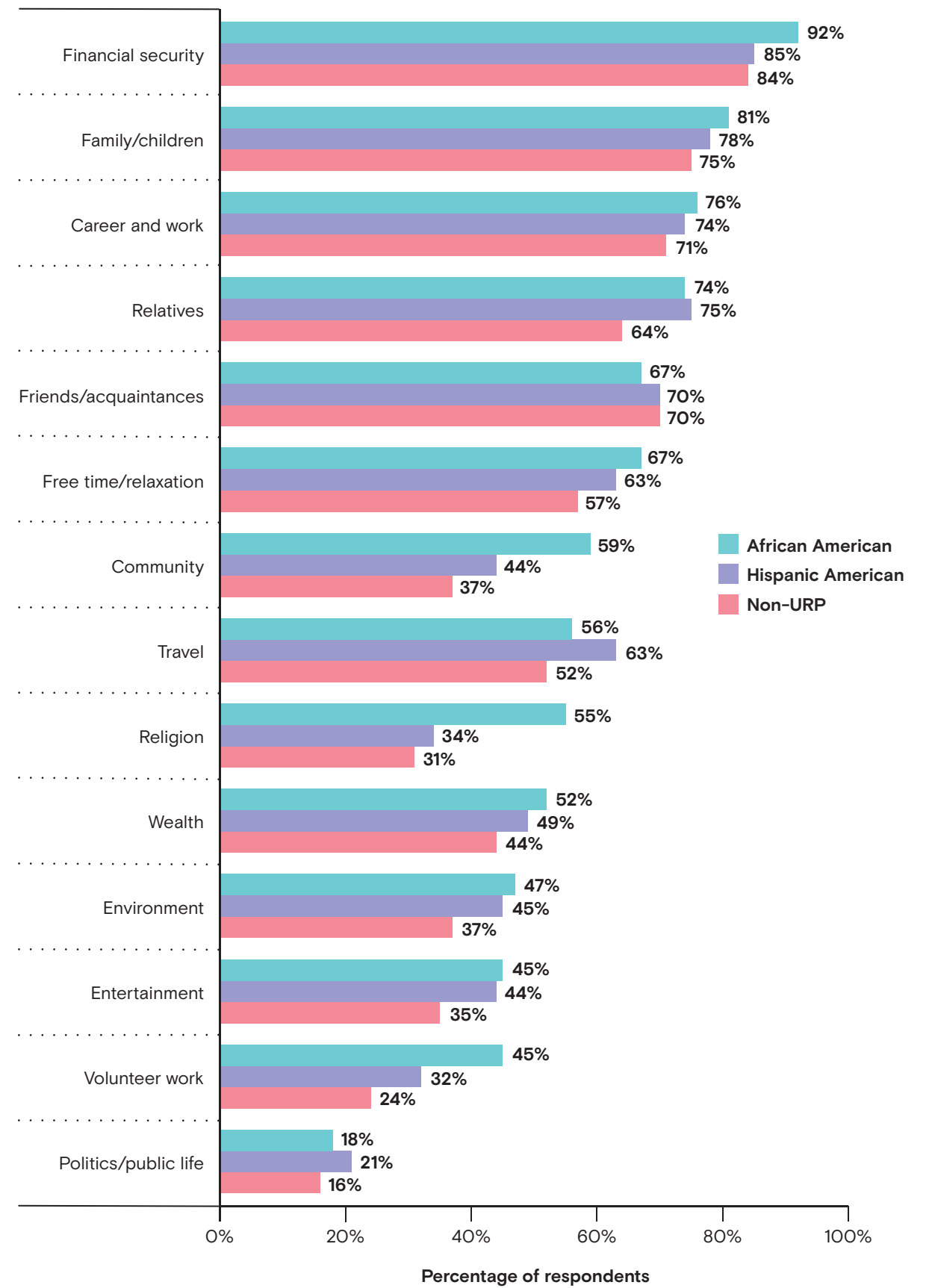
FIGURE 3. African American and Hispanic Americans, Unique GMAT Examinees by US Region, TY 2015*



*GMAT exam data based on unique GMAT examinees as percentage of all US citizens who sat for the GMAT exam in TY 2015.



FIGURE 4. Life Aspects Considered Extremely/Very Important, by URP Status*



*Here and throughout the report, non-URP refers to White (non-Hispanic), Asian Americans, and any other population group of US citizens who do not self-identify as either African American or Hispanic American. Source: GMAC (2016) mba.com Prospective Students Survey. Data collected in 2015.

What Leads Minority Candidates to Pursue Graduate Management Education (GME)?

The decision to pursue graduate management education often grows out of a specific set of circumstances that prompt prospective students to view a graduate business degree as a means to fulfilling a particular personal, professional, or financial goal. Overall, the top reasons underrepresented US minorities pursue GME are to expand the number of job opportunities available (76%); increase their salary potential (74%); and develop their

general business knowledge, skills, and abilities (68%). These goals are similar to those of non-URP prospective students.

MOTIVATIONS AND TRIGGERS

As reported in the findings from GMAC's 2016 mba.com Prospective Students Survey, motivations vary by the types of business programs that candidates prefer. **Table 3** displays, ranked by popularity, the top motivations of African American and Hispanic American candidates (combined) for pursuing either a full-time MBA, a professional MBA, or a non-MBA business master's program.

TABLE 3. Most Popular Motivations for Pursuing Graduate Management Education, by Preferred Program Type and Percentage of URP Candidates*

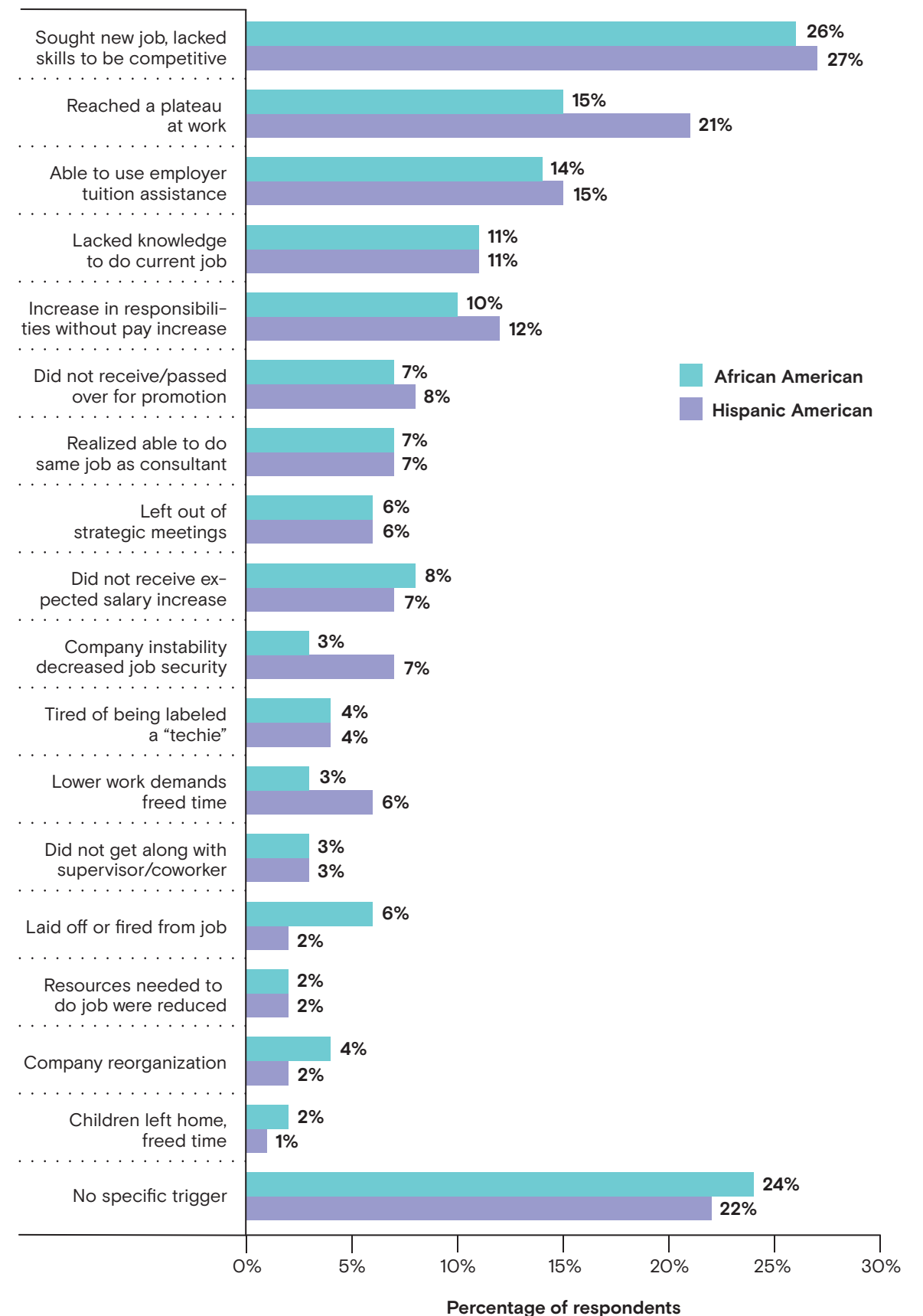
Full-Time MBA	Professional MBA**	Non-MBA Business Master
Increase job opportunities (75%)	Increase job opportunities (79%)	Increase job opportunities (79%)
Increase salary potential (74%)	Increase salary potential (79%)	Increase salary potential (71%)
Develop general business knowledge, skills, and abilities (67%)	Develop general business knowledge, skills, and abilities (73%)	Personal satisfaction and achievement (64%)
Accelerate career path (67%)	Professional credentials or credibility (68%)	Develop general business knowledge, skills, and abilities (62%)
Professional credentials or credibility (63%)	Accelerate career path (68%)	Remain marketable or competitive (62%)
Develop leadership skills (62%)	Remain marketable or competitive (66%)	Professional credentials or credibility (61%)
Remain marketable or competitive (60%)	Personal satisfaction and achievement (64%)	Opportunities for challenging and interesting work (60%)
Have greater freedom in job and career choices (57%)	Develop leadership skills (62%)	Accelerate career path (57%)
Change career paths (57%)	Have greater freedom in job and career choices (57%)	Have greater freedom in job and career choices (54%)
Personal satisfaction and achievement (57%)	Develop managerial skills (55%)	Develop leadership skills (47%)

*URP candidates represented in this figure include both African American and Hispanic American combined.

**Professional MBAs include part-time, executive, flexible, and online MBA programs.

Source: GMAC (2016) mba.com Prospective Student Survey. Data collected in 2015.

FIGURE 5. Typical Events Leading Prospective URP Students to Consider a Graduate Management Education, by Percentage of Respondents*



Source: GMAC (2016) mba.com Prospective Students Survey. Data collected in 2015.

African American and Hispanic American candidates are most likely to initiate their pursuit of a graduate business degree as a result of a job search where they realize they lack the knowledge, skills, or abilities needed to be competitive and successful (26% and 27%, respectively). Reaching a plateau at their current job was the next most common trigger for pursuing graduate management education, particularly for Hispanic American candidates (Figure 5). Both groups cited the ability to receive employer tuition assistance as a top factor in actively pursuing a graduate business degree, which was more common than among the non-URP prospective student population.

CAREER GOALS

Many of the motivations and triggers leading candidates to graduate management education relate to their current job and their goals for career progression. Understanding how the career goals of African American and Hispanic American candidates compare with those of non-URP

populations—whether similar or different—can help business schools communicate to these candidates how their programs can help them reach their goals.

- Postgraduate plans of both African American and Hispanic American prospective students show they are more likely than non-URPs to be seeking bigger career changes—both in terms of changing job functions and changing industries. Many more are interested in entrepreneurship and starting a business than the typical non-URP candidate—30 percent of African American candidates and 21 percent of Hispanic Americans have entrepreneurial goals compared with 15 percent of the non-URP population (Figure 6).
- As a result of these desired career changes, 27 percent or fewer African Americans and Hispanic Americans intend to continue working for their current employer, compared with 31 percent of non-URPs.

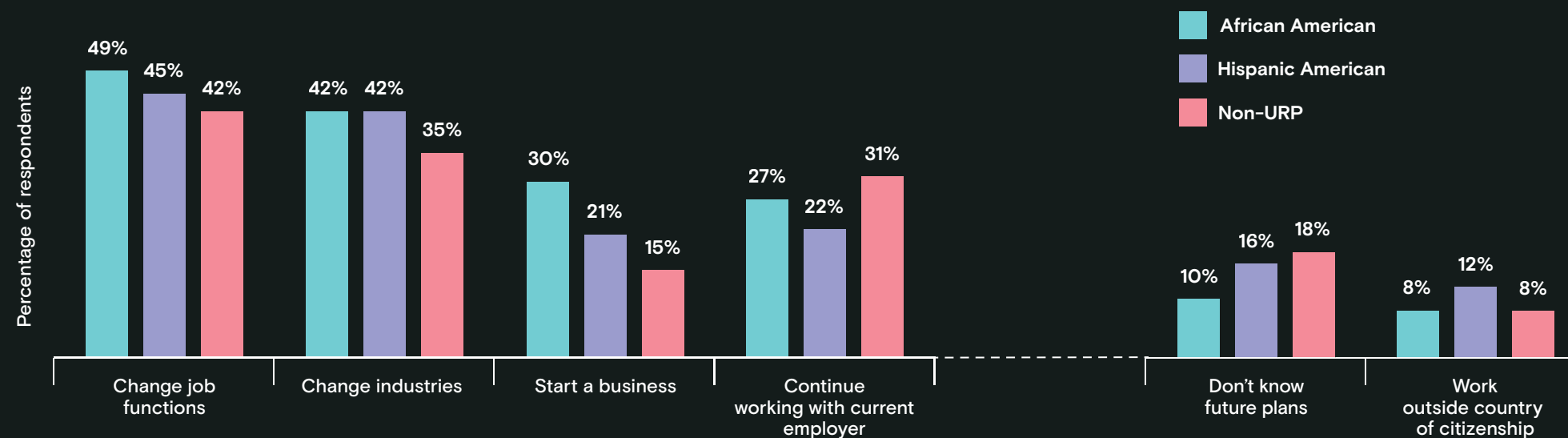
- Most underrepresented US minority candidates anticipate remaining in the United States to work after earning their graduate business degree (91%). Hispanic Americans, however, are more likely to seek international employment after graduation than African Americans and non-URP candidates (12% vs. 8%, respectively).
- Postgraduate employment plans for both African American and Hispanic American candidates include a variety of industries and job functions (Table 4). The top three industries of choice for both groups of candidates are similar, with strong interest in the finance, products and services, and consulting sectors of the economy. Preferred job functions are more diverse, with the greatest share of Hispanic Americans interested in finance jobs (25% of respondents) and the greatest proportion of African American candidates expressing interest in consulting (25%), marketing and sales (25%), and general management positions (22%).

What Programs Are URPs Considering?

Prospective business school students evaluate a variety of graduate management programs to determine which will best fulfill their educational and career goals and yield a good return on their investment. Overall, underrepresented US minority populations tend to consider more program types when exploring their options for obtaining a graduate management education.

- Non-URPs consider an average of 2.5 program types, compared with 2.7 for African American candidates and 3.1 for Hispanic American candidates.
- More than half of African American (59%) and Hispanic American (53%) prospective students are considering only MBA programs (56%). Approximately 1 in 10 are considering only non-MBA business master's programs (13% and 12%, respectively) and 3 in 10 are considering both program types (28% and 35%, respectively).

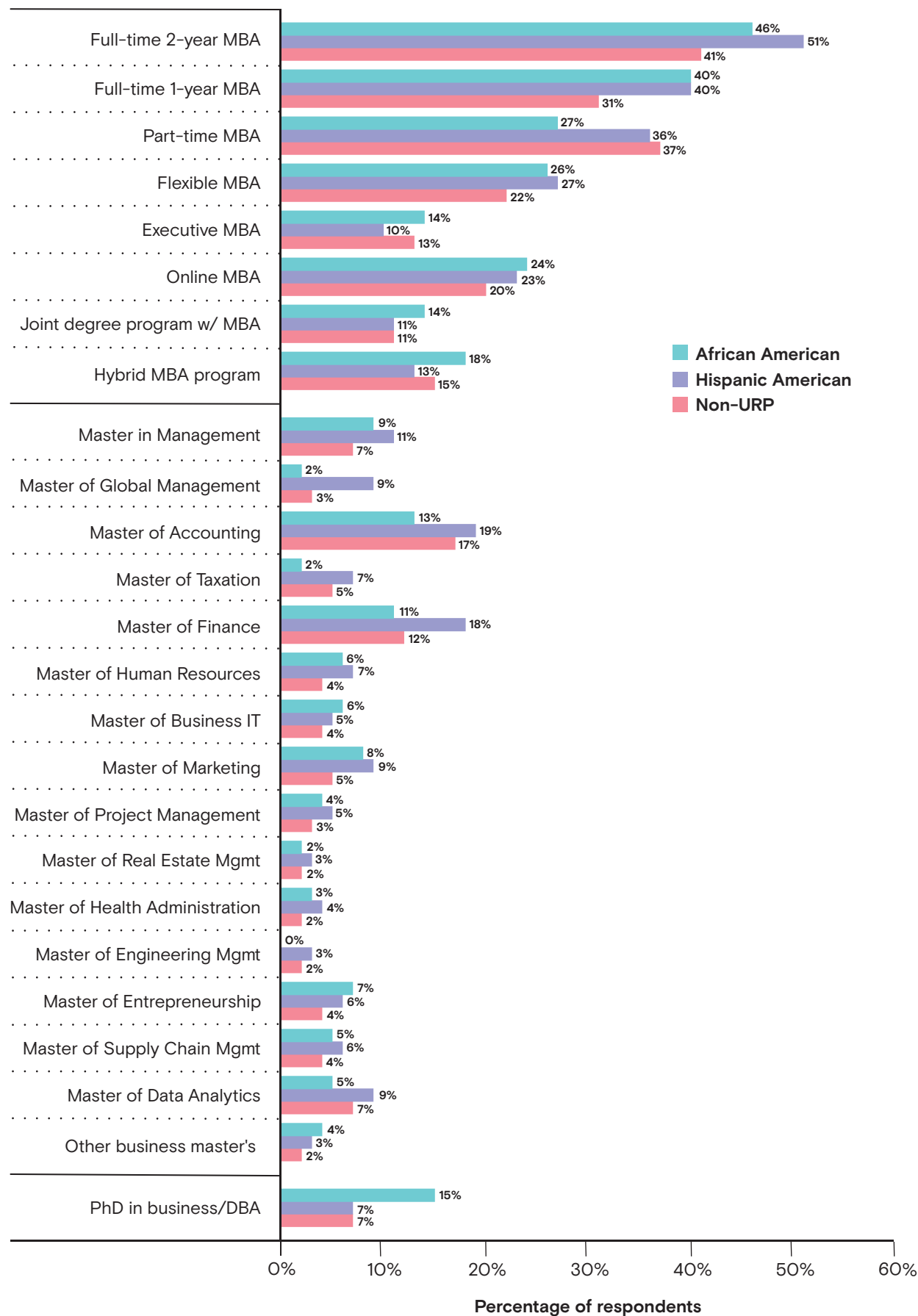
FIGURE 6. Postgraduate Employment Plans by US Race/Ethnicity, United States



Source: GMAC (2016) mba.com Prospective Students Survey. Data collected in 2015.

Postgraduate plans of both African American and Hispanic American prospective students show they are more likely than non-URPs to be seeking bigger career changes.

FIGURE 7. Program Types Considered by Prospective Students, by US URP and Non-URP*



*Percentages do not sum to 100 due to multiple selections.
Source: GMAC (2016) mba.com Prospective Students Survey. Data collected in 2015.

- Full-time MBA programs (two-year and one-year formats combined) are the most popular program formats considered by both African American and Hispanic American candidates (60% and 68% consider, respectively), in contrast to non-URPs (54% consider).
- Part-time MBA programs and non-MBA master's programs in accounting and finance are considered by a greater percentage of Hispanic Americans than African Americans and non-URPs (Figure 7). Fifteen percent of African American candidates are interested in a PhD program in business, more than double the share of Hispanic Americans and non-URPs looking at such programs.

How Much Time Do URPs Spend in the Business School Pipeline?

Successful recruitment of URP candidates requires that graduate business schools be

attuned to the common types of information that URP candidates seek about their programs and provide that information at the right time and through the channels that these candidates consult. URP groups begin considering GME in a slightly different time frame than non-URPs and this time frame varies depending on their program preferences.

TIMELINE

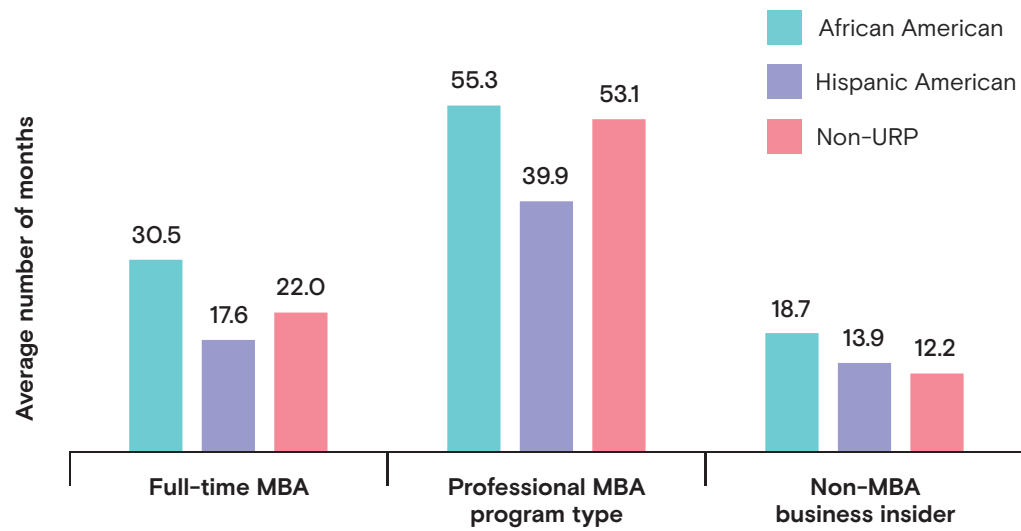
- No matter what program type interests them—whether an MBA or business master's—African American candidates spend the greatest length of time between earning their undergraduate degrees and first considering graduate management education. In comparison, Hispanic American candidates spend much less time between earning their undergraduate degrees and considering MBA programs than both African American candidates and non-URPs (Figure 8).

TABLE 4. Postgraduate Industries and Job Functions, Ranked in Order of Popularity, by Race/Ethnicity

Rank	African American	Hispanic American	Non-URP
Industry	1 Consulting (28%)	Finance (26%)	Finance (27%)
	2 Products/services (28%)	Consulting (23%)	Products/services (23%)
	3 Finance (24%)	Products/services (23%)	Consulting (22%)
	4 Nonprofit/government (20%)	Nonprofit/government (17%)	Nonprofit/government (13%)
	5 Energy (11%)	Technology (14%)	Technology (12%)
	6 Manufacturing (9%)	Energy (6%)	Health care (8%)
	7 Technology (9%)	Health care (6%)	Manufacturing (7%)
	8 Health care (8%)	Manufacturing (6%)	Energy (7%)
Rank	African American	Hispanic American	Non-URP
Industry	1 Consulting (25%)	Finance (25%)	Finance (23%)
	2 Marketing/sales (25%)	Marketing/sales (21%)	Marketing/sales (22%)
	3 General management (22%)	Consulting (20%)	Consulting (19%)
	4 Finance (21%)	Operations/logistics (17%)	General management (18%)
	5 Operations/logistics (19%)	General management (14%)	Operations/logistics (16%)
	6 Human resources (15%)	Human resources (13%)	Human resources (11%)
	7 Technology (4%)	Technology (4%)	Technology (5%)

Source: GMAC (2016) mba.com Prospective Students Survey. Data collected in 2015.

FIGURE 8. Average Number of Months From First Consideration of GME to Developing Short List of Schools, by URP Status and Preferred Program Type



Source: GMAC (2016) mba.com Prospective Students Survey. Data collected in 2015.

- Though the time frame between their first consideration of GME to actual application to business school is 20 to 25 months on average, URP candidates form their short list of schools within the first year. African American candidates form their short list of schools within nine months of first thinking about graduate business school, less time than any other group (Figure 9).
- Compared with Hispanic Americans and non-URP candidates, however, African American candidates spend a few more months from the time they develop their short list of schools to the time they apply to a program.

What Sources of Program Information Do URPs Consult?

Underrepresented US minority groups tend to research GME more extensively than non-URPs. They use many of the same channels and sources as non-URPs to research available programs and determine which ones to consider for application, but differ in important ways. Business schools targeting these candidates can broaden awareness of their programs through the use of channels that have a greater propensity to reach URP candidates.

- Overall, URP prospective students are more likely to indicate they “thoroughly research the graduate business programs they will apply to” compared with non-URPs (81% URP vs. 76% non-URP). As such, they tend to consult more resources when learning about available programs (7.6 sources for URPs vs. 6.8 for non-URPs) and determining where to apply (6.6 sources for URPs vs. 6.1 for non-URPs).
- African American and Hispanic American candidates are most likely to go directly to a school’s website to learn about available programs (79% and 83%, respectively). They also are more likely to consult school brochures and publications, school websites, and the GMAT website (mba.com) to first learn about programs than when they are determining where to apply (Table 5).
- When it comes to word-of-mouth, African American and Hispanic American prospective students are more likely to seek out college advisors and professors for graduate management program information and less likely to consult friends and family for such information. African American candidates, in particular, are less likely to consult with coworkers and peers.

TABLE 5. Information Sources That Prospective Students Consult, by URP Status

		First Learn About Programs			Determine Where to Apply		
		African American	Hispanic American	Non-URP	African American	Hispanic American	Non-URP
School Resources	School admissions professionals	48%	39%	35%	47%	47%	44%
	School brochures/publications	46%	44%	36%	34%	31%	29%
	School websites	79%	83%	80%	64%	65%	67%
	Official school blogs	14%	13%	12%	14%	15%	9%
	Official school microblogs (e.g., Twitter, Yammer)	7%	10%	6%	7%	7%	5%
	Official school videos (Flickr, YouTube)	15%	12%	9%	11%	10%	8%
	Student ambassadors	18%	10%	12%	18%	17%	13%
Word-of-Mouth	Friends/family	32%	36%	45%	32%	36%	42%
	Coworkers/peers	29%	36%	39%	27%	29%	35%
	Employer/supervisor	20%	25%	24%	17%	20%	21%
	Career/school advisors	30%	31%	24%	29%	29%	24%
	College/university professors	31%	28%	24%	29%	30%	23%
	Current students/alumni	30%	31%	31%	35%	32%	33%
	Admissions consultants	23%	22%	18%	23%	23%	23%
	Test preparation company	21%	25%	17%	19%	19%	12%
	Social networking sites	15%	14%	12%	13%	10%	8%
	Other blogs (e.g., Blogger, LiveJournal)	8%	10%	7%	6%	5%	5%
School-Related Resources	Other microblogs (e.g., Twitter)	4%	6%	3%	5%	3%	2%
	GMAT website (mba.com)	39%	35%	32%	25%	22%	20%
	School-related guides/publications	27%	26%	24%	19%	23%	19%
	School-related websites	38%	40%	40%	33%	32%	34%
	Published rankings of graduate business programs	33%	39%	39%	33%	33%	35%
School-Related Events	Job/career websites	17%	21%	14%	16%	13%	11%
	Virtual business school fairs	11%	11%	6%	11%	6%	5%
	Career fairs	18%	15%	10%	16%	8%	8%
	Information sessions	27%	23%	20%	28%	23%	22%
Media Resources	Professional associations	16%	11%	9%	16%	10%	8%
	Networking events	30%	27%	20%	25%	21%	19%
	Print magazines/newspapers	10%	14%	9%	9%	5%	6%
	Online magazines/newspapers	17%	19%	17%	13%	13%	12%
	Radio advertisements	5%	9%	4%	4%	2%	3%
	Television advertisements	6%	8%	5%	4%	3%	2%

Source: GMAC (2016) mba.com Prospective Students Survey. Data collected in 2015.

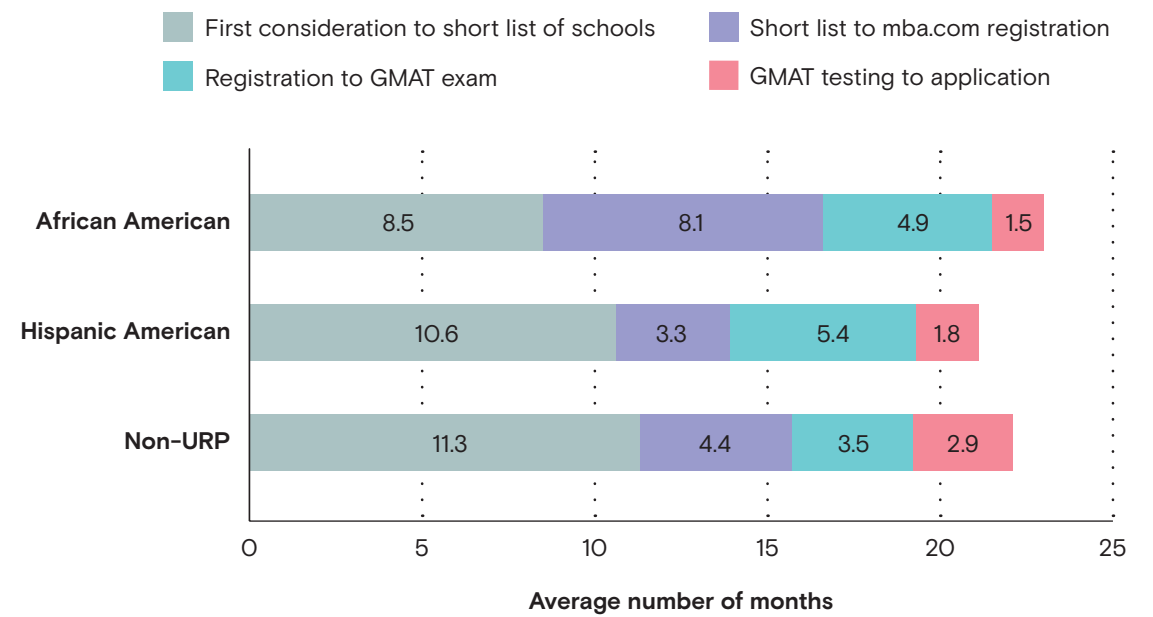
- African American and Hispanic American candidates also are more likely than non-URPs to engage in school-related events both to gather information and determine where to apply—including attending career fairs, virtual school fairs, networking events, and professional association events.
- These URP candidates are more likely than non-URPs to first learn about available programs through radio and television advertisements. Although prospective students rarely report these channels as a sought-after information source, they may be passively exposed to them while engaged in other activities. This may partially explain why for-profit institutions have higher proportions of URPs in their candidate pools—they may enhance broad awareness by reaching out to such candidates via these media platforms.



is the most widely used (78%), followed by LinkedIn (61%) and Twitter (28%). More than half of URP candidates (55%) will use social media in their pursuit of GME, a significantly higher percentage than non-URP candidates (47%) (Figure 10).

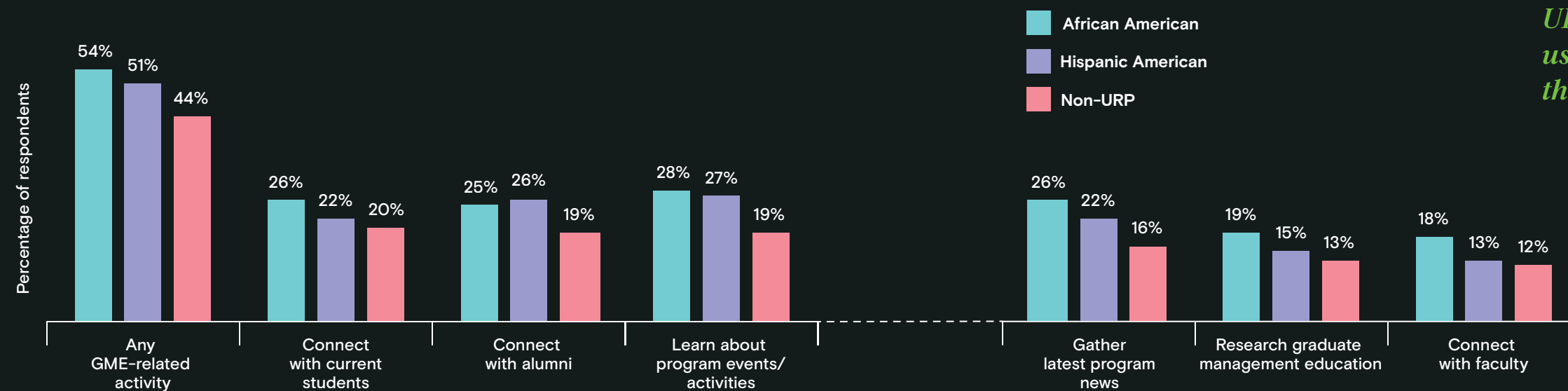
Social media is a great tool for engaging with URP candidates. Nine in 10 candidates (93%) use social media in some capacity. Facebook

FIGURE 9. Average Number of Months in the Business School Pipeline, from First Consideration of GME to Application, by URP Status



Source: GMAC (2016) mba.com Prospective Students Survey. Data collected in 2015.

FIGURE 10. Primary Uses of Social Media to Learn About Graduate Management Education, by URP Status



Source: GMAC (2016) mba.com Prospective Students Survey. Data collected in 2015.

More than half of URP candidates will use social media in their pursuit of GME.



What Matters Most to URP Candidates in Deciding Where to Apply?

Prospective students form their short list of schools and business programs within a year of their decision to pursue a graduate management education. Overall, 9 in 10 (93%) URP candidates will have a clearly identified preferred school in their short list of schools and approximately half of candidates also will have designated safety schools (56%) and stretch schools (49%)—greater percentages than those identified by non-URP candidates (47% safety schools and 41% stretch schools).

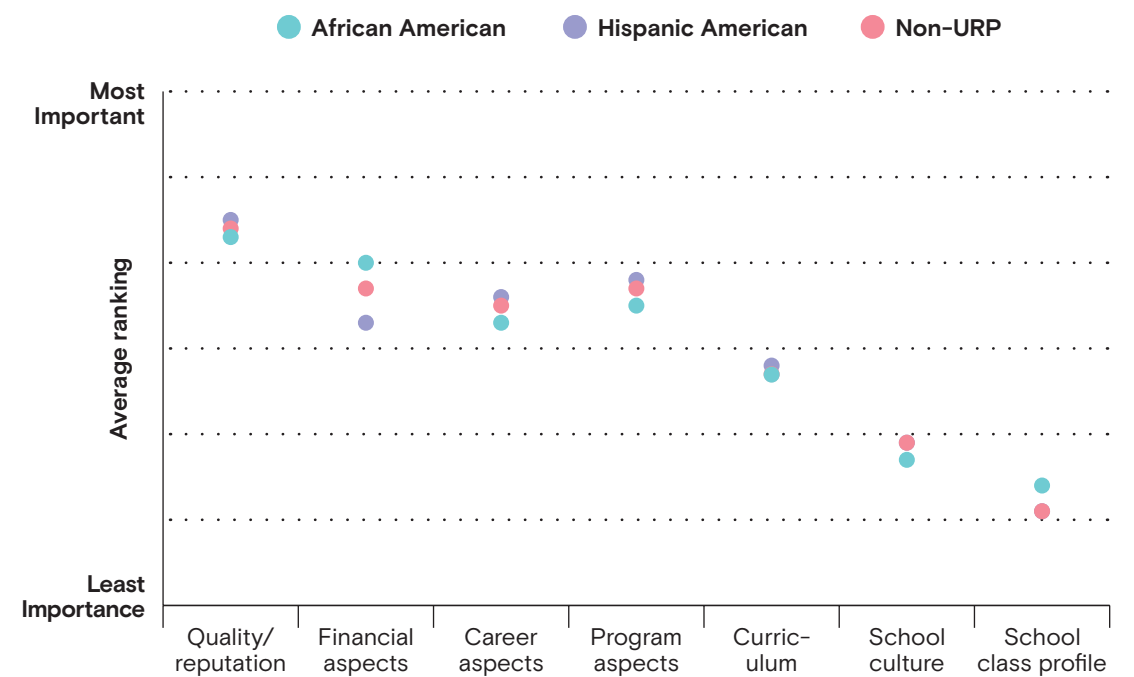
Figure 11 displays, in ranked order of importance, the major school selection factors that prospective students consider when deciding where they want to apply. The information gathered is similar for both URP and non-URP candidates alike. But there are noteworthy differences that business schools should keep in mind as they tailor

their marketing approaches to appeal to different URP candidates.

Program quality and reputation is the most important program selection factor for African American and Hispanic American candidates and non-URPs (Figure 11).

- Program accreditation is the most commonly sought information that African American and Hispanic Americans use to assess program quality and the most likely to be considered very or extremely important (93% and 86%, respectively) in application decisions among those seeking this information (Table 6).
- African American and Hispanic American candidates are less likely than non-URPs to consult published school rankings to evaluate program quality; however, those who factor school rankings into their decision process consider them to be very/extremely important (85% vs. 81%, respectively).

FIGURE 11. Average Ranking of School/Program Selection Criteria, by URP Status, United States



'Source: GMAC (2016) mba.com Prospective Students Survey. Data collected in 2015.'



- African American and Hispanic American candidates also consider the rigor of the program (87% and 93%, respectively), quality of the faculty (89% each), and quality of enrolled students (84% and 75%) to be very or extremely important in their school selection decisions.

Financial aspects—total program costs, availability of financial aid, and return on investment—play a significantly more important role in application decisions for both African American and Hispanic American candidates than non-URPs (Figure 11). For both of these minority groups, the cost of business school is the second most important selection criteria, whereas it ranks fourth in order of importance for non-URPs.

- These minority candidates are more likely to express financial reservations in their decision to pursue GME than non-URPs. Nearly two-thirds worry about taking on large financial debts (63% of both African Americans and Hispanic Americans) and they worry about business school costing more money than they have available (57% each). In contrast, among non-URP candidates, 54 percent worry about taking on large financial debts and 49 percent worry about business school costing more money than they have available.
- African American and Hispanic American prospective students will depend more heavily on loans and a combination of grants, fellowships, and scholarships to

cover the costs of graduate business school than non-URP candidates (Figures 12 and 13). They will depend less on personal savings and employer reimbursements; and African American candidates, in particular, are more than 50 percent less likely to receive parental support than non-URP candidates.

- Total tuition cost is the most commonly sought financial information for all candidates (URP and non-URP) and ranks among the top criteria that African American and Hispanic American candidates consider very or extremely important in the program deliberations. Other financial information of greatest importance to these candidates includes opportunity costs of business school (lost wages); availability of loans, scholarships, and assistantships; housing costs; and application fees (Table 6).

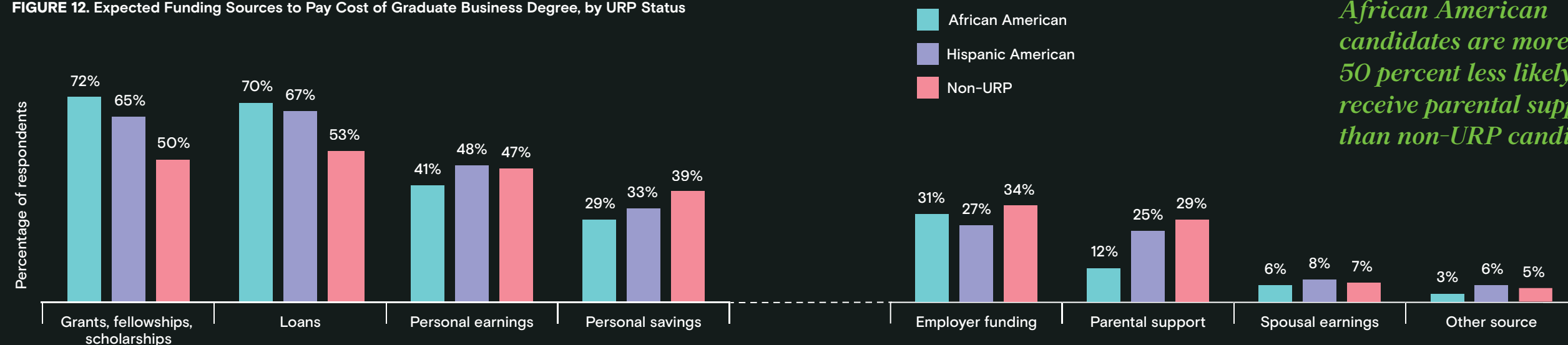
Specific program aspects constitute the third most important school selection factor for African American and Hispanic American candidates, ranking slightly lower than non-URPs (Figure 11).

- The most common types of program information sought by a majority of these URP candidates include the program type offered (full-time MBA, part-time MBA, etc.), program completion time, course delivery (e.g., on-campus, off-campus, online), convenient class schedules, and proximity to school and home, and a majority also consider these factors very to extremely important in their deliberations (Table 6).

Career aspects rank fourth in importance for African American and Hispanic Americans, behind non-URPs, who ranked them third most important (Figure 11).

- These URP candidates commonly seek information about the percentage of graduates seeking employment and receiving job offers, starting salaries, a school's job placement reputation, and the quality of career services. African American and Hispanic American candidates consider these individual career aspects to be very to extremely important, more so than non-URPs, who ranked career aspects in general more important.

FIGURE 12. Expected Funding Sources to Pay Cost of Graduate Business Degree, by URP Status



African American candidates are more than 50 percent less likely to receive parental support than non-URP candidates.

Source: GMAC (2016) mba.com Prospective Students Survey. Data collected in 2015.

TABLE 6. Program Information Ranked Very/Extremely Important, by URP Status

		African American		Hispanic American		Non-URP	
		% Seeking Information	% Rating Very/Extremely Important*	% Seeking Information	% Rating Very/Extremely Important*	% Seeking Information	% Rating Very/Extremely Important*
Quality/Reputation	Quality of the faculty	50%	89%	59%	87%	54%	81%
	Program accreditation	67%	93%	62%	86%	62%	86%
	Program's published ranking	44%	85%	48%	81%	54%	70%
	Successful alumni	50%	77%	44%	73%	42%	70%
	Selectivity of admissions	27%	67%	28%	61%	30%	49%
	Quality of current students	33%	84%	27%	75%	32%	70%
	Local respect/reputation	48%	79%	43%	81%	46%	68%
	Rigor of academic program	33%	87%	33%	93%	36%	77%
Financial	Total tuition and required fees for full length of program	74%	84%	68%	86%	65%	77%
	Opportunity costs (lost wages and other compensation)	24%	73%	27%	73%	22%	58%
	Housing & other out-of-pocket living costs	26%	80%	25%	82%	23%	61%
	Application fees	42%	56%	38%	48%	26%	37%
	Availability of scholarships	60%	90%	58%	80%	44%	71%
	Availability of loans for domestic students	39%	88%	37%	77%	25%	69%
	Availability of loans for international students	7%	79%	8%	67%	4%	54%
	Availability of research, teaching, assistantships	21%	66%	21%	67%	17%	63%
Specific Program Aspects	Convenient class schedules	42%	84%	43%	88%	39%	77%
	Program completion time (total length of program)	58%	82%	58%	80%	58%	73%
	Program type offered (full-time, part-time, executive)	64%	87%	65%	91%	68%	83%
	Course delivery (on-campus, off-campus, online)	56%	86%	55%	77%	53%	78%
	Proximity to work or home	39%	74%	43%	82%	45%	74%
	Attractiveness of the campus	24%	39%	25%	55%	23%	40%
	Size of incoming class	17%	37%	17%	42%	19%	32%
	Average class size	25%	55%	30%	50%	28%	39%
	Quality of facilities (classroom, labs, etc.)	31%	63%	32%	76%	32%	54%
	Quality of student services	33%	68%	35%	68%	26%	65%

*The rating of importance is based only on responses from candidates who were seeking this information. Source: GMAC (2016) mba.com Prospective Students Survey. Data collected in 2015.

TABLE 6. Program Information Ranked Very/Extremely Important, by URP Status

		African American		Hispanic American		Non-URP		
		% Seeking Information	% Rating Very/Extremely Important*	% Seeking Information	% Rating Very/Extremely Important*	% Seeking Information	% Rating Very/Extremely Important*	
Career	Percent of graduating class seeking employment	30%	87%	29%	75%	22%	68%	
	Percent of graduating class receiving job offers	63%	87%	57%	86%	53%	82%	
	Graduates' starting annual base salary	62%	83%	55%	77%	53%	76%	
	Alumni's industry/job function	31%	74%	29%	71%	31%	69%	
	Geographic locations of post-study jobs	27%	54%	26%	62%	25%	57%	
	Quality career services	34%	79%	36%	85%	31%	74%	
	Access to alumni network	37%	78%	38%	79%	34%	71%	
	School's job placement reputation	47%	91%	45%	86%	41%	83%	
	Curriculum	Availability of a domestic exchange program	7%	47%	7%	47%	3%	38%
		Availability of an international exchange program	17%	63%	20%	46%	11%	46%
Availability of overseas academic study tours		19%	49%	18%	50%	14%	43%	
Specific curriculum offered (e.g., specializations)		56%	80%	53%	76%	52%	71%	
Language of instruction		11%	78%	11%	70%	9%	78%	
Primary method of instruction (e.g., case method)		35%	66%	38%	56%	34%	51%	
Student Class Profile		Proportion of women	20%	39%	19%	57%	15%	35%
	Proportion of UPR students	36%	59%	21%	60%	4%	43%	
	Proportion of international students	8%	41%	9%	26%	8%	37%	
	Average age of students	32%	22%	27%	37%	28%	24%	
	Average number of years of work experience	41%	32%	35%	41%	39%	30%	
Misc.	School's commitment to social responsibility	25%	83%	20%	80%	16%	62%	
	Information on school culture	39%	73%	34%	69%	31%	57%	
	Student activities and clubs	26%	58%	20%	76%	17%	51%	

*The rating of importance is based only on responses from candidates who were seeking this information. Source: GMAC (2016) mba.com Prospective Students Survey. Data collected in 2015.

Curriculum aspects, rank similarly in terms of importance as a school selection factor for both URP and non-URP candidates (Figure 11).

- The specific curriculum offered is the most sought-after information and ranks very to extremely important in this category among African American and Hispanic American candidates. They are also more likely than non-URPs to seek information on international travel opportunities, including study abroad and academic study tours.

Student class profile ranks lowest in importance among key school selection factors (Figure 11), but still plays a greater role in decision making for URP candidates than for non-URP candidates.

- Information regarding the proportion of URPs in the class is sought out by nine times as many African American candidates as non-URPs (36% vs. 4% of

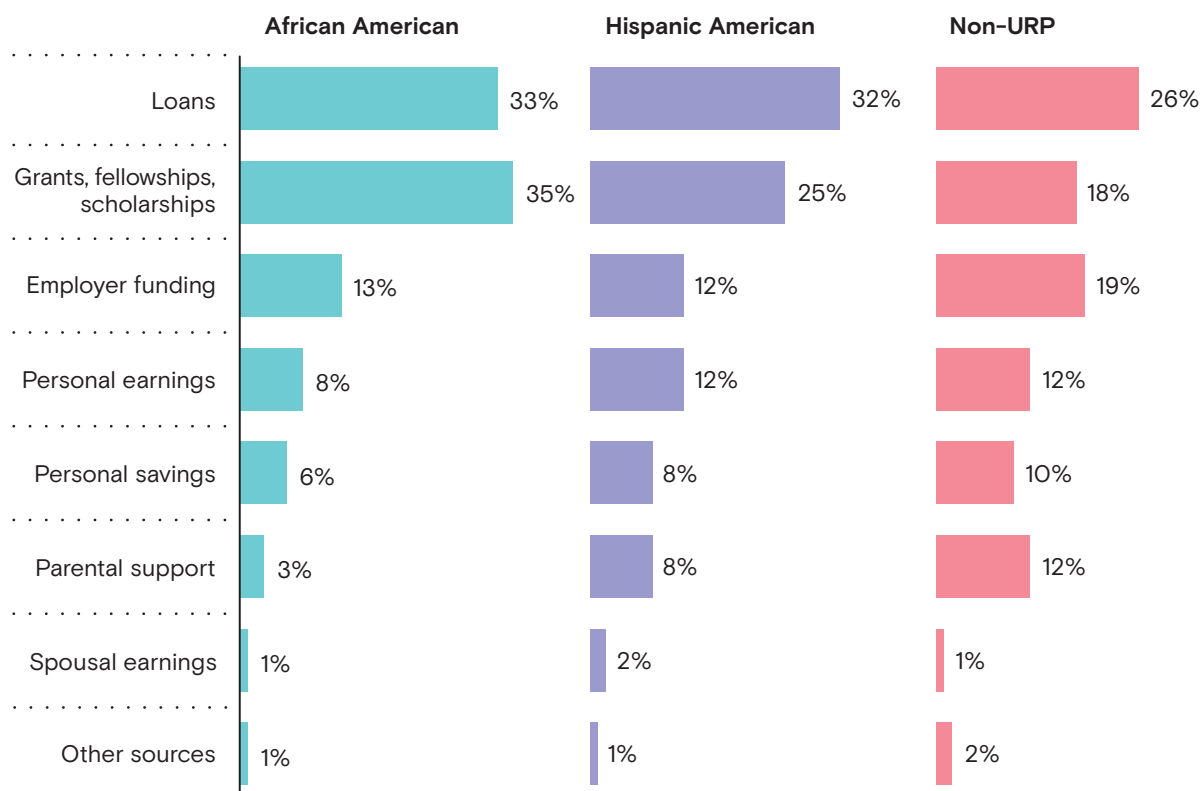
non-URPs) and five times as many Hispanic Americans as non-URPs (21% vs. 4%). Nearly two-thirds of these candidates (60% of Hispanics and 59% of African Americans) consider this factor very to extremely important in considering their program choices.

- URPs are more likely to choose where they want to obtain their degree geographically, based on diversity of the student body (24% vs. 11% of non-URPs).

School culture ranks similarly for URPs and non-URP candidates when deciding where to apply.

- About one-third of all prospective students, regardless of race or ethnicity, seek this information but URPs consider it of high importance (73% and 69% of African Americans and Hispanic Americans, respectively) compared with 57 percent of non-URPs.

FIGURE 13. Average Distribution of Financial Resources Expected to Pay for Graduate Business Degree, by URP Status

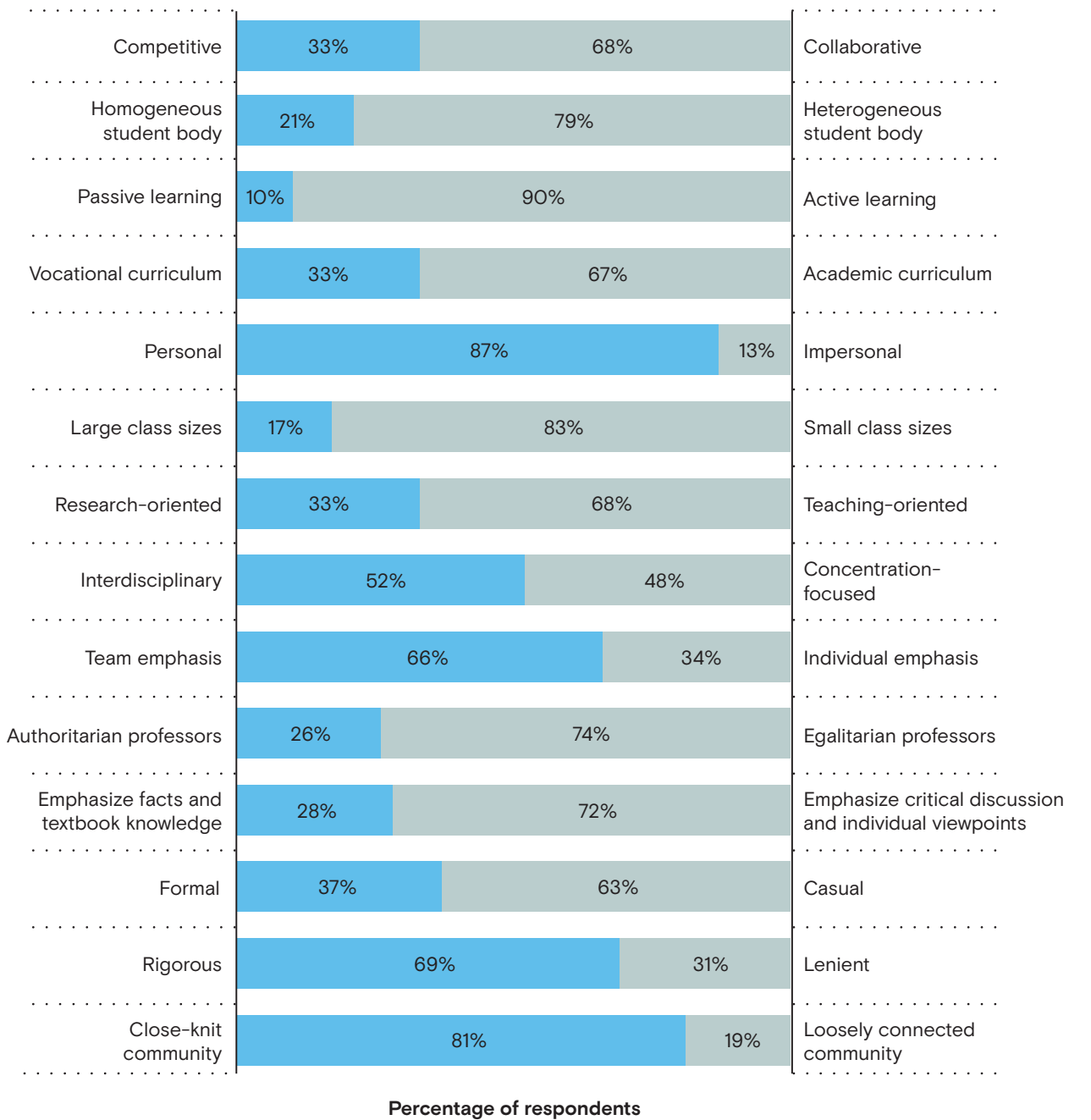


Source: GMAC (2016) mba.com Prospective Students Survey. Data collected in 2015.

- URPs are similar to non-URPs in their school culture preferences. They want to be in a small program that is heterogeneous in terms of the class composition, which can facilitate personal relationships and a close-knit community. They want their program to be rigorous, have an

academic versus vocational approach, and a research versus teaching focus. They seek to be actively involved in learning, engage in critical discussions, collaborate, and work in teams, and they prefer egalitarian professors versus authoritarian professors (Figure 14).

FIGURE 14. School Culture Preferences of Prospective URP* Candidates



*URP candidates represented include both African American and Hispanic American combined. Source: GMAC (2016) mba.com Prospective Students Survey. Data collected in 2015.

Best Practices for Schools: A Targeted Approach

Underrepresented US minority students, like most b-school graduates, reap important benefits from earning a graduate business degree. Findings from GMAC's most recent Global Management Education Graduate Survey show that the majority of URP candidates who graduated from business school in 2015 felt their graduate management education prepared them to meet the challenges of the current job market (89%), gave them a competitive advantage in the job market (89%), improved their chances

of finding a job that met their expectations (88%), empowered them to be in control of their future (87%), and provided them an opportunity to consider careers they would not have otherwise considered (78%).⁷

Underrepresented US minority candidates who aspire to a graduate management education are similar to non-URPs in terms of their top motivations, triggers for pursuing a graduate business degree, program considerations, information resources consulted, and school selection factors. But many nuanced differentiators set them apart, evident in their personal values, motivations, and career goals, which more likely are focused on entrepreneurship, giving back to their communities, and solving world problems. This also is evident in their preferences for

where they intend to go to school. They seek programs with a diverse student body that have a close-knit, personal feel.

The work of attracting more underrepresented minority candidates to graduate business programs is more competitive than ever, as these prospective students explore a multitude of avenues to business school. They evaluate more program types and seek out more information sources to make their decisions.

Finding a way to deepen their knowledge of underrepresented minorities and the factors that affect enrollment for diverse populations can help schools immeasurably. As noted in the beginning of this report, understanding the data landscape and using metrics to segment these unique and diverse markets

marketing staff, whether in-house or outside agencies, understand the diverse markets a school wants to reach and that all communications reflect the aspirations of those market segments;

- Recruit at the grass-roots level—Go beyond the traditional marketing campaigns, which can have limited reach, and reach out through community connections, word-of-mouth, and local partnerships;
- Participate in or partner with the many organizations that serve diverse prospective student populations such as The Consortium (www.cgsm.org), Diversity Web (www.diversityweb.org), National Black MBA Association (www.nbmbaa.org), National Society of Hispanic MBAs (www.nshmba.org);
- Go where the candidates are—Reach out to undergraduate fraternities and sororities, especially traditional Greek-lettered organizations for African American and Hispanic Americans. Explore partnerships with historically Black and Hispanic colleges and universities;
- Nurture currently enrolled students as student ambassadors and engage them in recruitment efforts on campus;
- Extend a school's reach by using alumni as a powerful and persuasive network to recruit prospective students;
- Measure success—Identify what success should look like and develop benchmarks to create a framework for measuring progress. Administrators respond to statistical metrics, so recruitment specialists should embed them in their outreach strategies.

The ultimate goal for any business school is to develop a mission and vision for diversity and recruitment that is unique to the individual school, program, or institution. Work to link this vision for diversity with the school's overall academic mission to be sure it is treated as an integral part of the university's curriculum and culture. Map a strategy and make a business case for diversity. Treating diversity as a value proposition underscores its role in creating competitive advantages and success for the school, the business programs, students, and graduates in today's increasingly global and diverse society.

Treating diversity as a value proposition underscores its role in creating competitive advantages and success.

will help schools plan their recruitment efforts and create measures of success for their institutions.

GMAC offers a broad array of market intelligence and research that can guide schools in this regard. GMAC's own Diversity Advisory Group works to identify best practices, tools, and resources for increasing the business school pipeline and enhancing the recruitment and retention of underrepresented US minorities. Key best practices the Advisory Group recommends are summarized below and can be explored in detail at www.gmac.com/diversity.

- Think broadly—Diversity is based on principles of inclusion. Consider how factors related to diversity and inclusion intersect with nearly every aspect of university life and culture;
- Find the right creative and marketing talent—Schools should ensure that their



⁷GMAC (2015) Global Management Education Graduate Survey.



Contact Information

For questions or comments regarding the analysis or data presented in this report please contact the GMAC Research Services Department at research@gmac.com.



Authorship/Contributors

The following individuals from the Research Services Department in the School Products Division of GMAC made significant contributions to the preparation of this report: **Rhonda Daniel**, Survey Research Manager, lead author, drafting/revising of the manuscript for intellectual content, literature review, data preparation and interpretation, manuscript review; **Devina Caruthers**, Research Associate Manager, co-author, drafting/revising of the manuscript for intellectual content, data preparation and interpretation, manuscript review; **Paula Bruggeman**, Research Publications Manager, manuscript revisions, editorial review, and publication management; **Matthew Hazenbush**, Research Communications Manager, data preparation and interpretation, editorial review; **Gregg Schoenfeld**, Director, Management Education Research, manuscript review; **Alex Chisholm**, Senior Director, Research Services, manuscript review.



Related Resources

The following series of Data-to-Go briefs offer the latest GMAT testing and demographic data for various US minority populations, and can be downloaded from gmac.com/datatogo

- GMAC (2016) *Key Diversity Statistics: US Underrepresented Populations, GMAT Exam, TY 2015.*
- GMAC (2016) *Key Diversity Statistics: African Americans, GMAT Exam, TY 2015.*
- GMAC (2016) *Key Diversity Statistics: Hispanic Americans, GMAT Exam, TY 2015.*
- GMAC (2016) *Key Diversity Statistics: Native Americans, GMAT Exam, TY 2015.*

Diversity Net Resource Guide, a 17-page report published in 2012 by the Council, features ideas, guidelines, recommendations, and resources for enhancing diversity efforts in graduate business schools (www.gmac.com/diversity).



National and International Organizations

There are numerous national and international organizations that promote and support diversity inclusion in graduate business programs, higher education in general, and in US business. The *Diversity Net Resource Guide* listed above includes a long, but by no means inclusive, list of such organizations.

The views and opinions expressed in this paper are those of the authors and do not necessarily reflect those of the Graduate Management Admission Council®.

