

As dot-coms fall, MBAs coming back

Attitudes change as century-old degree evolves

By Becky Yerak
USA TODAY

Interest in MBA degrees is perking up after a two-year dip in admissions testing spawned by questions of the degree's relevance during the dot-com boom.

The Graduate Management Admission Council, owner of the GMAT test which is widely used for admission to master's of business administration programs, says nearly 200,000 tests will be taken in 2000. That's short of 235,321 in 1997 but up from 1999's 182,343.

"A year ago, many people said start-ups aren't subject to the laws of business," the council's Daphne Atkinson says. But attitudes have changed in the wake of the demise of many Internet companies and the falloff in many stocks. "The MBA has often been declared dead or in trouble," says Western Michigan University dean James Schmotter. "It never happens."

Only a third of *Fortune* 500 CEOs have MBAs, according to a survey by *Chief Executive Magazine* and search firm Spencer Stuart. But a new survey by Accountemps found 80% of top executives say a graduate business degree is important to reaching senior manager ranks.

The MBA, which turns 100 this year, traces its beginnings to Dartmouth College. Four students paid \$100 apiece to become the first candidates. Today, that Dartmouth program costs \$27,000 a year.

Nationwide, demand for MBAs remains strong. "In the consulting industry, graduating MBAs from top business schools are making an average of \$110,000 their first year, with salary and bonus," says *Recruiting Trends* publisher Wayne Cooper. That's up more than 20% in three years. MBA-less undergrads will make half that, he says.

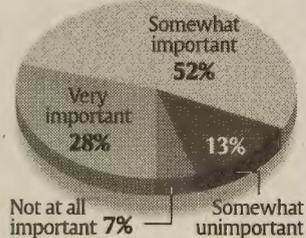
Not everyone is warbling happy birthday. The book *Gravy Training* says schools have become MBA mills with archaic courses.

The ranks of MBA schools have risen from 389 in 1973 to more than 900, says American Association of Collegiate Schools of Business. But the MBA is evolving:

► **More online degrees.** Vicky Phillips, CEO of *geteducated.com*, consultant to schools offering on-

How to succeed in business

In a recent survey, 150 executives from the nation's biggest companies were asked "How important is a graduate degree in business to reach the top management level in most companies?" Their responses:



Source: Accountemps

By Frank Pompa, USA TODAY

line and other "distance learning" courses, says there are 125 accredited schools with such MBAs, up from 25 five years ago. Many are a hybrid of online, video and face-to-face classes. But some, most recently the University at Buffalo, offer full-blown online MBAs.

"Technology will create new ways of delivering education, which will gradually take some market share," Dartmouth dean Paul Danos says. Dartmouth doesn't plan a fully online MBA but won't say "never."

► **Worldwide currency.** "In Europe 10 years ago, an MBA wasn't a big deal. Now there's as much interest" as here, Atkinson says. In 1999, foreign test taking accounted for 41% of GMAT tests, up from 33% in 1995.

► **Revamped studies.** Many colleges have reshaped programs to meet companies' needs. "The MBA has, as much as any graduate degree over the past 15 years, been characterized by listening to" businesses, Schmotter says.

Penn State's MBA now includes e-commerce and entrepreneur studies and a global perspective. "Business had been a specialized topic, like civil engineering or neurosurgery," inspired by big U.S. companies, dean Judy Olian says. "Now I almost think the MBA is like yesterday's liberal arts degree — broad based."

As for those hiring, Mark Lovernan, who does high-tech executive searches for Heidrick & Struggles, says clients are pickier. "Chicago, Stanford, Harvard, (Northwestern and University of Pennsylvania) carry a lot of weight," he says.