Is an MBA Worth It?

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The Master of Business Administration (MBA) began as a formal course of study in 1908. Harvard University's Graduate School of Business (now Harvard Business School) launched it to professionalize management knowledge at a time when industrial capitalism was reshaping the American economy. Over the following century, it became the global standard for advanced business education. Nearly 120 years later, professionals looking to advance still ask the same question: Is an MBA worth it?

The A. B. Freeman School of Business at Tulane University, founded in 1914 as the College of Commerce and Business Administration, helped shape the field as a founding member of the Association to Advance Collegiate Schools of Business (AACSB). Today, students can choose from nine MBA program options at Tulane, each preparing them for the forces defining modern business, from digital disruption and sustainability pressures to shifting labor markets and changing employer expectations. Before choosing among these formats, the harder questions — Is an MBA worth it, and why pursue one at all? — come first.

Why Earn an MBA?

Individuals who pursue graduate management education, such as an MBA, do so for three reasons, according to the Graduate Management Admission Council (GMAC): professional advancement, personal growth, and higher income. Among graduate business credentials, an MBA remains the clear preference, with more than half of global candidates (52 percent) choosing it over other options, according to GMAC.

There are a wide range of reasons why pursuing an MBA is worth it for many students.

Increased Career Options

What can an individual do with an MBA? Consulting, finance, and technology account for the largest share of full-time MBA careers. These three industries account for roughly 60 to 80 percent of all MBA graduates, according to GMAC. However, an MBA offers career flexibility, opening doors to new functions or industries. MBA graduates find roles in fields including nonprofit, government, consumer goods, and health care. Roles for MBA graduates in these fields can vary from financial analysis to management consulting to business analytics.

Skills Valued by Employers

Many top employers recruit from highly regarded business schools. According to GMAC, candidates and employers both rank strategic thinking and problem-solving among the top skills to develop in business school. Employers place a premium on human skills such as emotional intelligence, adaptability, and coachability. Technical skills and an understanding of machine learning and artificial intelligence (AI) are important, but the interpersonal and adaptive qualities acquired in graduate management education programs distinguish MBA graduates from other job candidates in hiring decisions.

Higher Earning Potential

MBA graduates often command higher salaries. Across management occupations overall, the median annual salary was $122,090 as of May 2024, according to the

U.S. Bureau of Labor Statistics (BLS). Compensation varies by location and employer. The following roles held by MBA graduates report strong median wages:

- **Financial managers:** $161,700 as of May 2024, with employment projected to grow 15 percent from 2024 to 2034, much faster than average
- **Financial and investment analysts:** $101,350, with 6 percent projected growth, faster than average
- **Medical and health services managers:** $117,960, with 23 percent projected growth, much faster than average

What Are the Costs and Requirements to Earn an MBA?

The cost of an MBA varies widely depending on the program a student chooses and the path they take to enroll. Several factors determine what a student ultimately pays, including:

- School prestige, location, and institution type (public or private)
- Program format — full time, part time, or online — with flexibility for students looking to work full time while earning a degree
- Student’s ability to qualify for financial aid, scholarships, and employer assistance: financial costs of an MBA include administrative fees, books, and housing

Admissions requirements vary by institution and program type, but MBA applications commonly require students to:

- Submit a resume, a personal essay, a letter of recommendation, and undergraduate transcripts from an accredited university
- Submit the Graduate Management Admission Test (GMAT) or Graduate Record Examination (GRE) scores (some programs make this optional, weighing overall potential instead)
- Participate in an interview with MBA admissions staff as a final step

Professional experience is often required, especially for executive MBA programs, though strong internship experience may be considered instead.

Benefits of an MBA

In addition to potentially increasing earning potential, earning an MBA widens the range of roles a candidate qualifies for, with some organizations requiring this degree for certain positions. GMAC reports that 51 percent of professional MBA graduates receive a raise or salary increase, 49 percent move into an executive-level position, and 38 percent reach a senior-level position.

Below are additional benefits of an MBA.

Mobility Across Industries

The generalist focus of an MBA lets graduates work across sectors, including nonprofit, government, consumer goods, health care, and technology. Because the skills are not tied to one industry, a healthcare organization might hire an MBA graduate for a managerial role even if they do not have healthcare experience.

Career Advancement

An MBA can position individuals for career advancement. According to a GMAC survey, 84 percent of graduates said their graduate management education improved their professional situation, and about 70 percent said it helped them achieve personal and financial goals.

Developing Expertise

The typical MBA core curriculum builds general management capabilities valuable in any business role. Students who want to deepen their expertise can pursue an MBA specialization suited to a specific career or industry.

Expanding Skills and Knowledge

Hard skills such as accounting, finance, marketing, and business strategy sit alongside soft skills such as communication, leadership, and critical thinking. Employers value analytical ability, adaptability, and interpersonal strength.

Flexible Course Options

Many schools offer formats built around a student's schedule. A professional, or part-time, MBA is designed to fit within a working student’s schedule, while an online MBA lets a student earn the degree remotely while working full time or part time.

Invest in Your Business Career

An MBA is an important investment, but the value and return on investment are clear: wider job opportunities, movement between industries, increased earning potential, and faster advancement into leadership positions. The degree develops a range of analytical and interpersonal skills prized by employers, and the variety of formats makes it accessible to professionals at different stages of their careers.

Determining whether an MBA is worth it depends on an individual's goals and chosen program. For individuals considering an MBA program, Tulane's business school offers options designed to fit a different career stage and schedule:

- Full-Time MBA
- Executive MBA
- Professional MBA
- Online MBA

Five dual MBA programs are also available that allow students to draw on multiple academic disciplines and prepare to solve problems with a creative and analytical approach:

- Baccalaureate/MBA
- MBA/Master of Healthcare Administration (MHA)
- MBA/Juris Doctor (JD)
- MBA/Doctor of Medicine (MD)
- MBA/Master of Management in Energy (MME)

Learn more about the MBA programs at Tulane and find the program that fits your goals.

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