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ROI: Business Schools with Bang for the Buck

You don't have to pay a fortune to get a \$50,000-a-year starting salary. These low-cost undergrad business programs include lots of bargains

By [Francesca Di Meglio](#)

The continuously rising costs of an already expensive college education, combined with a still-slumping economy, make the return on investment (ROI) that students get from attending one [business school](#) over another more important than ever. As parents and college applicants who want to major in business sit down to decide where to go, they have to consider many things—from the quality of the education they'll receive and the doors it will open to the campus culture and dorms. But when you could be investing upwards of \$100,000 and possibly taking on a load of debt that will haunt you for years, you better be certain that this education will help you afford a decent life after graduation. You should be asking, "What's in it for me?"

Recently, *Bloomberg BusinessWeek* asked that question for you and ranked undergraduate business programs at both private and public universities based on their return on investment. By comparing annual tuition spent and the median base salary students receive at graduation, we were able to determine which programs are the best values. Of course, value is very much in the eye of the beholder, and any ranking, including this one, must be just one part of the decision-making process. Low costs and big salaries are great, but not if the school has a tough time placing graduates, classes take place in packed lecture halls, and faculty office hours are nonexistent. Buyer beware.

Not surprisingly, in general, public schools are more affordable than private ones. But there are bargains in both categories and they run the gamut—from big urban universities to small rural colleges, from top-tier programs in *Bloomberg BusinessWeek's* [latest ranking](#) to schools that appear at the very bottom of the list.

PUBLIC PROGRAMS

When many people think of Florida, they think of Mickey Mouse or partying at South Beach, not exactly the place to go if you want to grow up and make something of yourself. But the top four undergraduate business programs in the ROI ranking of public schools are all in the Sunshine State: University of Central Florida ([Central Florida Undergraduate Profile](#)) in Orlando; University of Florida ([Florida Undergraduate Profile](#)) in Gainesville; Florida International ([Florida International Undergraduate Profile](#)) in Miami; and Florida State ([Florida State Undergraduate Profile](#)) in Tallahassee. At the University of Central Florida, graduates earn \$11.70 per annual tuition dollar. The other Florida schools aren't far behind, with none falling below the \$10 mark. Rounding out the top five is the [Kenan-Flagler Business School](#) ([Kenan-Flagler Undergraduate Profile](#)) at the University of North Carolina at Chapel Hill, whose graduates earn \$9.78 per annual tuition dollar.

While all five schools represent great value, it's worth noting that none of the Florida schools broke into the top 50 in *Bloomberg BusinessWeek's* ranking of undergraduate business programs—in fact, two of them, Florida International and Central Florida, ranked near or at the very bottom: 107 and 111, respectively. Kenan-Flagler, meanwhile, came in at a very respectable No. 14.

By virtue of their low tuition, Florida universities make it possible for students to graduate with much less debt, which allows them to start saving immediately upon graduation, says Brian Ray, associate dean at the University of Florida's Warrington College of Business Administration. Annual tuition and fees at the Florida schools that topped the ROI ranking are well under \$5,000. Thanks to the Bright Futures Scholarships, which was created by the Florida Legislature in 1997 to reward young people for their academic achievements during high school, tuition costs remain low for most in-state students, he adds. And 99% of students in the business school are Florida residents, says Ray.

Value, however, goes beyond dollars and cents. While many public programs are more affordable, some tend to have less-than-stellar career placement stats when compared with private programs. At the University of Central Florida, which ranked No. 1 for ROI in 2010, only 27% of the graduates who shared employment information had received their first job offer by graduation. And at Florida International, where many graduates are the first in their families to attend college, the placement rate is even lower: 17%. The top private programs, on the other hand, had graduates faring much better despite the recession, with placement rates well above 80%.

PRIVATE PROGRAMS

One private school, the [Marriott School of Management \(Marriott Undergraduate Profile\)](#) at Brigham Young University in Provo, Utah, is neck-and-neck with the public Florida schools for ROI, and topped the list of private programs. Marriott students, most of whom are members of the Church of Jesus Christ of Latter-Day Saints, earn \$11.56 per annual tuition dollar. "When our students complain about how expensive their education is, I tell them to compare us to others," says Brent Wilson, director of undergraduate management programs at Marriott.

One big reason that Brigham Young topped our list of private schools for ROI was the super-low tuition: \$2,100 per semester for church members, or half of what non-church members pay—and only a fifth of what the next least expensive program charges. The reason is simple: Members of the church donate a significant portion of their income to the church, which goes in part to support the school. What's more, tuition increases are usually minimal. Next year, for instance, the tuition is expected to go up about \$50 per semester, says Wilson.

During the economic crisis, Wilson admits, the biggest challenge was helping students reach out beyond the local community to seek job opportunities. Besides walking out of school with little or no debt, students also have access to a database of 500 alumni who serve as mentors, he says. Armed with the teamwork skills and ethics education they gain at Marriott, Wilson says, the school's graduates hit the ground running. It helps, he says, that they're a little older and more mature than most college graduates, a result of the two-year missions for the church that many undertake during their college years. "What we try to do is have the students practice making decisions," says Wilson. "We use cases where students are put in the role of decision-maker." Employers seem to agree, because 95% of the students who reported employment information had received their first job offer by graduation in 2009.

Joining Marriott among the top five undergraduate business programs for ROI at private schools are, in order, [Cornell \(Cornell Undergraduate Profile\)](#); [DePaul \(DePaul Undergraduate Profile\)](#); [MIT Sloan School of Management \(Sloan Undergraduate Profile\)](#); and Hofstra's Zarb School of Business ([Hofstra Undergraduate Profile](#)). Cornell, the Ivy League bargain, ranked fifth overall in the 2010 list of top undergraduate business programs. The undergraduate business program resides in the part of the private university that receives public support, which helps keep tuition costs down. In fact, its \$22,000-per-year tuition is about 25% to 50% lower than tuition at the other Ivy League schools, says Edward McLaughlin, director of the undergraduate business program at Cornell.

But Cornell—whose graduates earn \$2.52 per annual tuition dollar, far less than front-runner Marriott—is not interested in measuring ROI in terms of money, says McLaughlin. The program's true value, he says, is in its ability to prepare graduates for any entry-level position they take. "An undergraduate business degree is great preparation for students entering almost any phase of life," says McLaughlin. "Our program is broad-based, what I'd like to call a liberal arts approach to business." As a result of students' exposure to many different aspects of the business world and beyond, he says, they are trained to be responsible citizens who consider ethics, global poverty, the environment, and other societal concerns in their business dealings.

Coming in at No. 3 is DePaul, where the undergraduate business program serves many first-generation college students who go on to earn a median starting salary of \$55,000, or \$2.01 per annual tuition dollar spent. The school makes an effort, says DePaul Dean Ray Whittington, to keep tuition down and offer lots of need-based financial aid. Annual tuition stood at a little more than \$27,000 in 2010. Much like the public institutions that scored big on the ROI ranking, DePaul has many ties to the local community, says Whittington. In fact, there are 50,000 DePaul alumni in Chicago, and as a result, he says, the undergraduate business program is considered "Chicago's business school."

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