More schools than ever are offering graduate business degrees in South Florida, and the competition for students is fierce.
WHAT ARE YOUR PROSPECTS?

The MBA hiring outlook in eight industries for 2003:

CONSULTING

★ Sixty-two percent of companies said their hiring was restrained in 2003, compared to 86 percent reporting constraints in 2002. The typical consulting firm reports that it will hire 12 new MBA graduates this year and next, an increase over the 11 MBA consultants hired in 2002.

★ New MBAs are favored this year by consulting firms. New MBAs account for 42 percent of the consulting industry’s hiring mix this year, compared to just 23 percent in 2002.

FINANCE AND ACCOUNTING

★ The outlook for hiring for finance and accounting MBAs is the strongest among all MBA tracks. Eighty-two percent of all employers surveyed reported hiring for finance positions, and the finance track represents 56 percent of all MBA hiring.

★ Eighty percent of recruiters surveyed in the finance industry make offers to their intern pool for full-time job offers before opening up hiring to other candidates.

★ There is a significant increase in the MBA share of the hiring mix in this sector. It will rise from an estimated 23 percent this year to an estimated 28 percent for 2004.

HIGH TECHNOLOGY

★ Significantly more respondents in high technology say the economy is weak and constraining their recruiting plans: 71 percent compared to 57 percent for all industries.

★ For a typical high-tech company, the average number of MBA hires is expected to decrease from 21 in 2002 to 19 in 2003 to an anticipated 12 for 2004.

★ Sixty-four percent of the MBAs hired in high-tech were recruited for finance jobs, 54 percent for marketing, 33 percent for IT, 33 percent for operations/logistics, and 33 percent for general management.

Nationwide, both enrollment and the number of schools offering MBAs have soared. More South Florida schools than ever are offering graduate business degrees. But out-of-state schools and online universities also are competing for South Florida students. That means more choices for MBA candidates, but experts question whether the degree has the same cachet and salary-boosting potential it once did.

STORIES BY CHRISTINA HOAG
When Nalene Khan of Plantation wanted to advance beyond her healthcare underwriting job, getting an MBA seemed the right strategy.

“You need that second degree to move up,” said Khan, who now has a master’s in business from Florida Atlantic University and is a certified public accountant to boot.

Deborah Brown, a Deerfield Beach clinical psychologist, grew frustrated when insurance, rather than her patients’ needs, seemed to dictate her practice. Deciding to change careers, she enrolled in an online MBA program with Jones International University. She’s now a management consultant and trainer at a bank.

“I heard I wouldn’t have got the job if I didn’t have the MBA,” she said.

MBAs are more popular than ever these days, especially among those seeking to enhance or switch careers. And there’s no shortage of local universities and distance-learning programs willing to confer degrees. The plethora of programs means that the schools vie intensely for the area’s limited pool of students.

“The competition for students is brutal,” said Jack Scarborough, dean of Barry’s Andreas School of Business.

Nationwide, both enrollment and the number of schools offering MBAs have soared. The number of graduate business degrees awarded annually climbed from 84,600 in 1992 to some 117,000 in 2001, according to the U.S. Department of Education, while the number of institutions offering them swelled from 600 to 750.

The Herald found about 3,500 students enrolled in South Florida’s array of graduate-level business programs. There are private, independent schools like the University of Miami and Nova Southeastern University, Catholic schools like St. Thomas University and Barry University, state-run Florida International University and Florida Atlantic University and lesser-known for-profits like Florida Metropolitan University and DeVry University.

UM, FIU, FAU and Barry are accredited by the Association to Advance Collegiate Schools of Business International, considered the gold standard of business-education accreditation. Universities big and small like MBA programs, because such programs are generally moneymakers.

“Business schools contribute a great deal of income to the university,” Scarborough said. “Graduate business programs don’t require expensive trappings like big labs or law libraries. The faculty is paid more than liberal arts but not as much as law or medical faculties. Universities want to be in the MBA busi-
Work experience makes degree more valuable

When Howard Dworkin finished his accounting degree at American University, he went straight on to the University of Miami for an MBA, graduating in 1987.

"I came out of accounting and had a ton of job offers from Big Eight firms, but I decided to directly go on and get the MBA," related Dworkin, who founded the nonprofit Consolidated Credit Counseling Services in Fort Lauderdale in 1993.

"Once you start making money, it's hard to stop, and studying is hard to do on the side while you're working," he explained.

But Dworkin's experience is not typical of today's crop of MBAs. About 60 percent of MBA students work and attend class part time, according to the Association to Advance Collegiate Schools of Business International, the premier B-school accreditation entity.

And experts say that in such a competitive job climate, taking that route may be in a job candidate's favor. With an MBA close to an entry-level requirement for a career in many types of business, big or small, job candidates must demonstrate something more to emerge above the crowd, experts say. That includes work experience, background, even personal skills.

"Companies are looking for the total package," said Robert Morgan, president of Spherion Human Capita.

What are your prospects?

Healthcare/Pharmaceutical
- The demand for MBAs is increasing in healthcare: MBA's share of the overall hiring mix was an average 14 percent of total hires in 2002. It's expected to be 16 percent this year.
- A higher percentage of companies in this sector hire MBA interns; 70 percent compared to 62 percent overall.

Manufacturing
- Expected starting salaries for MBAs in manufacturing will jump from an average of $70,000 a year to an average of $80,000.
- Nevertheless, the weak economy is having a negative effect on MBA recruiting in this sector. This year, 68 percent of recruiters surveyed felt the economy was weak and constraining recruiting, compared to 35 percent in 2002.

Energy
- Energy companies are major recruiters of finance and accounting MBAs. Eighty-five percent are looking to hire more finance MBAs, and 48 percent say they will recruit accounting MBAs, significantly more than any other industry.

Products and Services
- Hiring MBA interns is on the rise, increasing from 46 percent in 2001-02 to 61 percent in 2003.
- Fifty-two percent of all product and service organizations surveyed recruited in the Midwest. A strong base of consumer-products companies (as well as Rust Belt manufacturing companies) helped to make the Midwest a strong region in an otherwise shaky employment market.

Nonprofit and Government
- Only 54 percent of the nonprofit and government employers surveyed said the economy was weak and still constraining recruiting, down from 71 percent last year.

Source: Corporate Recruiters' Survey, Graduate Management Admissions Council, 2003

Times Change: Howard Dworkin went straight from a bachelor's to an MBA, but that was in the 1980's.
Today's MBA buys ticket to a job, not fat city

For B schools outside the prestige tier, however, the competition for students is getting tougher. Local universities are going up against distance-learning programs from elite schools like the University of Pennsylvania's Wharton School and from virtual schools like the University of Phoenix Online.

Out of town, colleges regularly make recruitment trips to South Florida, either as participants in MBA fairs or individually. Duke University, for example, held a session in Miami this spring, and the University of Florida is scheduled for a marketing trip this month.

Other competitors are found in the mushrooming industry of lower-profile, for-profit schools, like Florida Metropolitan University in Fort Lauderdale, owned by California's Corinthian Colleges, or Devry's Keller Graduate School of Management, which has a branch in Miramar.

For some students, such schools are attractive because they may not require the taking of the Graduate Management Admissions Test and because they commonly give credit for work experience. But some experts say that graduates of the less rigorous schools may sacrifice job marketability in the long run.

"The overall legitimacy and positioning of the institution is important," said Robert Morgan, president of Spherion Human Capital Group, a Fort Lauderdale recruitment firm. "It may not be a negative, but it may not be the positive you wanted."

That there exists such a mélange of traditional and nontraditional players forces business schools to market themselves with tactics more familiar to a corporation than an ivory tower. Take Nova Southeastern.

"The majority of students come by word of mouth," said Randy Pohlman, dean of the H. Wayne Huizenga Graduate School of Business and Entrepreneurship, but the school advertises in newspapers and via e-mail and seeks to attract students from public institutions and nonprofits.

Still, while the competition for students is keen, the demand is there. Even professionals not on a straight business career path, like lawyers and accountants, are earning MBAs these days. Most schools interviewed for this story said enrollment was rising; a few said it was holding steady.

One factor driving demand is the common perception that MBA graduates make more money. Studies by the Graduate Management Admissions Council have found that MBAs see a salary premium of about $25,000 over other graduate degrees. But some experts say that no longer appears to be true, especially in the case of MBAs from schools not nationally known.

"It's the old law of supply and demand," said Jeffrey Pfeffer, a Stanford University management professor who last year coauthored a controversial study that was highly critical of business schools.

The study — which found business schools' curricula to be largely outdated in today's fast-changing business world — concluded that much vaunted salary premiums for MBAs no longer hold true.

"There's an enormous number of MBAs being produced," Pfeffer said, "so their value has gone down."

Helping to boost enrollment is the potpourri of MBA offerings that appeal to an ever-wider student base. Florida Atlantic, for instance, serves up a menu of 15 MBA specializations, ranging from e-commerce to energy to entertainment. St. Thomas, owned by the Archdiocese of Miami, offers religious business administration.

"Churches and synagogues are like little corporations," Joseph Iannone, dean of graduate studies, explained. "There are a lot of legal and financial issues in a parish."

Other programs take advantage of disciplines found across campus to offer dual graduate degrees or concentrations. The University of Miami, for example, provides a master's degree in healthcare administration, while Barry University's Andress School of Business, calls the competition for students "brutal."

"We've seen a major decline in international students, due to visa problems," said José de la Torre, dean of the Chapman School of Business.

So now the school goes to them. FIU has established programs in Bolivia, the Dominican Republic and Jamaica, with courses taught by FIU faculty. In a new program, students at Brazilian and Uruguayan universities spend a year at FIU to earn master's degrees in international business in conjunction with courses at their home schools.

Another FIU option, the Global Executive MBA, is designed for managers abroad. Some 80 percent of the program is delivered online. Executives spend just five weeks in residence.

Offering a novel assortment of programs is something that business schools in general excel at, in comparison to other types of graduate studies, said Dan LeClair, director of knowledge services for the Association to Advance Collegiate Schools of Business International.

"They are more responsive to customer needs," LeClair said. "They're demand driven."

Local B schools say that they recognize they're not Harvard or the University of Chicago when it comes to their MBA programs — and that they don't try to be.

"We're really oriented to the business community in this region, unlike Harvard, whose graduates go everywhere," said Bruce Mallon, dean of FAU's College of Business.

"Relevance is incredibly important to us."

A local focus, the deans say, allows them to tailor their curricula and schedules to area industries and students. St. Thomas, for instance, added international business to its MBA curriculum, to get it more to the Miami market.

"A lot of companies have their Latin American headquarters here," Iannone noted.

Similarly, UM offers health-care administration as a specialty in answer to the industry's growth in South Florida.

One of the biggest differences by location is that schools and the elite stratum is cost. An MBA from Harvard or Duke racks up a $90,000-$100,000 bill. In South Florida UM leads the pack, charging $30,000 to $45,000 for the program.
Degree, depending on whether it's a one- or two-year program. The state schools and Barry, St. Thomas, and NSU cost around $20,000, though programs like the Executive MBA cost more.

Local deans say their affordability allows students to reap solid value for programs that may lack a brand name yet still offer quality education.

“The fact of the matter is that the difference in MBA starting salaries is in the $20,000 range here,” UM’s Sugrue said. “With a $20,000 MBA, the payback is a year and a half. That fact is appealing to a lot of people.” A Harvard MBA, on the other hand, would take about five years to pay off, assuming the average $20,000 salary differential.

Adds FIU’s de la Torre: “State universities are extremely inexpensive, and they're pretty close in quality to private universities. The return on investment is probably comparable.”

What local universities don't typically provide, however, is exactly what draws many students to brand-name business schools. And it has nothing to do with educational quality, critics like Pfeffer say. His study found that some elite B schools revolve more around student networking and bonding with tomorrow's corporate, entrepreneurial and political leaders than around class work.

The fact is that the elite schools have luminary-studded alumni networks and attract Fortune 500 recruiters. Cornell University, for instance, flew in recruiters to its New York campus last month, in an effort to help place its newly minted MBAs in a slumping economy, according to National Public Radio.

While Pfeffer says his data show little salary boost from earning a local MBA, he argues that shouldn't be the reason for obtaining the degree.

“Collector salary is a factor of the initial investment, what we know of the knowledge,” he said, “they have a lot to offer."