

Is an MBA Degree Really Worth It?

by Liza Kirkpatrick

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Summary. Getting an MBA (Master of Business Administration) takes a lot of time, money, and effort. So it's important to really think about whether or not it is worth your while to pursue one. Here are some things to consider.

- The right reasons: To hone skills like influence, empathy, and building business strategies; to help you make a career pivot; to accelerate the pace of your professional development; to expand and diversify your professional network.

- The wrong reasons: You're looking for a magic pill that will give you more money or power; you're bored in your current role; you don't know what you want.

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To MBA, or not to MBA? For many young professionals, that is the question.

An MBA (Master of Business Administration) is a graduate degree focused on building leadership skills and learning business principles. But for the majority of students, MBAs offer much more than that: a stronger professional network, access to job opportunities, and a bigger paycheck.

Some of these benefits manifest sooner than others. Those accepted into highly ranked programs gain almost immediate access to seasoned staff who can help them make connections, and they can expect a significant pay bump upon graduation. The average salary for graduates from top schools is typically in the six figures.

But sometimes, the full impact of an MBA can take a few years to come to fruition, and if you're in it for the wrong reasons, you might not achieve the outcomes you want.

Given the amount of time, money, and effort that an MBA really requires, it's important to think about where you fit into this equation before deciding whether or not it is worth your while to pursue one.

For the past decade, a part of my job as the managing director of the Career Management Center at the Kellogg School of Management has been to advise students on their careers and help potential candidates weigh this decision. Based on my experience, here some things to consider as you debate it yourself.

The Right Reasons

To future-ready your career. In my daily conversations with MBA alumni and executives, I hear about the importance of “future-ready skills.” But what does this really mean? It means that more and more companies are looking to come out of the pandemic stronger than they were before by pivoting and adjusting their business models. Hiring the right talent with the right skills is an important piece of that. You should have the same mindset. Ask yourself: “How can I expand my skillset and capabilities to be the best candidate for these roles?”

The skills many organizations are looking for range from empathy and team management to understanding how to look ahead, set strategic goals, and influence stakeholders from diverse backgrounds. Students looking to develop skills around influence often have unique opportunities to do so during the MBA experience.

Many enter case study competitions that emulate the challenges businesses face today and require the students to pitch solutions to a panel of judges. Importantly, everyone in these programs also learns how to improve their communication and collaboration skills by participating in group projects with people from all walks of life. Soft skills like this are key to MBA classes in addition to rigorous analytical work.

An MBA could be key in acquiring the experience you need to have a competitive advantage in the job market — and this is not a bad reason to pursue one.

To explore new industries or functions. If you’re looking to make a career pivot, an MBA may help you face that challenge with open eyes. Business school is a great time to gain exposure to peers, faculty, and a network of alumni from many professional backgrounds — as well as class projects and case studies that dive deeply into different industries and sectors.

Take the example of one student I recently spoke with. She has two career ambitions: to pivot into biopharmaceuticals and to lead an organization one day. She decided an MBA degree would allow her to accomplish both goals because she will be introduced to resources that will help her learn about and more easily transition into a new industry, and attain the leadership skills she will need 10, or even 20, years down the road.

Some students even come to business school to explore an entrepreneurial path. They typically go on to launch their own startups, or join early-stage firms, including those founded by alums.

Something to note about the MBA is that you can apply it to most industries. For people who don't know what industry is right for them yet, there are a series of specializations and concentrations you can explore in these programs, like strategy, corporate finance, and operations.

That said, even if your heart is in the right place, I'd recommend doing your research, and maybe even getting a couple years of hands-on work experience, to help you figure out what areas you want to focus on before pursuing this degree. Once you're in it, you want to choose the classes, opportunities, and events that satisfy your ambitions and makes the best use of your time.

To accelerate your career path. Not everyone who pursues an MBA wants to make a dramatic change. Many are looking to pick up the pace of their professional development within a certain industry or at their current company. A part of that involves gaining access to more senior roles with higher salaries.

The average starting salary for MBA grads (class of 2020) is \$20,000 a year more than those with an undergraduate business degree, according to the National Association of Colleges and Employers. But that's not all. Graduates from top MBA programs often land positions that put them on an accelerated path into leadership. The reason is simple: Employers expect graduates of these programs to have the academic, interpersonal, and leadership skills to solve complex business problems.

Accelerated MBA programs are also an option for people looking to earn the degree in a shorter period of time. Kellogg launched the first one-year MBA program more than 50 years ago for candidates with the focus and discipline to earn their degree in 12 months, and other schools like Cornell and Duke have added similar offerings. The accelerated option is not for everyone, but if you have a business background and the need for speed, it may be the answer.

To expand and diversify your network. A part of enrolling in business school is becoming part of a community of future leaders and well-connected alumni. At Kellogg, our global alumni network spans 65,000 people across more than 15 industries. Those connections add up, and the case is similar at many programs. I was recently talking with a graduate who was in the running for a job at a large e-commerce tech company, but suddenly became stuck in the hiring process. An alum with connections at that company made an inquiry, discovered the issue was a delay in HR, and provided a recommendation that moved her application forward.

Most MBA programs offer access to networking events hosted by clubs and employers, as well as affinity networks and student-led conferences — all opportunities that could expand your reach, and therefore, your chances of success in the business world.



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The Wrong Reasons

You're looking for a magic pill. An MBA isn't a "golden ticket" that will automatically admit you to higher-paying jobs with bigger responsibilities. It takes passion, proactivity, and hard work to expand your knowledge and skills. And MBA programs

are just that: very hard work. Most students who enroll have a track record of professional success and are seeking further development. I wouldn't recommend applying if your goal is only to gain money or power.

If you are feeling doubts about your current role, or struggling to advance at the pace you want, there are other steps you can take first. For example, you can step up at work by asking your manager for a stretch project in your area of interest and seeking out their critical feedback. You can also try cultivating relationships with people whose careers you admire to find out what they did to get where they are. With this level of engagement, you might learn more about what you really want, set new goals, and be positioned to take full advantage of an MBA program when, and if, you choose to pursue one later on.

Your parents offer to pay for it. While having the financial support of your parents is tempting, don't let that be the only reason you apply to business school. You really do need to be "all in"—for yourself and your career. Students who get the most out of business school and reap the benefits in the future are those who want to stretch themselves academically, professionally, and personally.

If you're not "all in," there are many other ways you can learn about new concepts and industries without spending that large sum of money. You can take advantage of online platforms, go to conferences, or even participate in volunteer programs to build your skills and your network.

While we're on the subject of money, it's worth noting that cost is something you will want to consider when thinking about business school. Around 51% of MBA students end up taking out student loans to finance their education. At the same time, cost alone shouldn't be the deciding factor. There are plenty of other ways to pay for an MBA, like through fellowships and employer sponsorship.

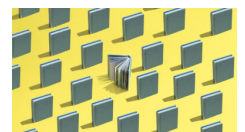
You're bored. Your current job bores you, and you don't have any other options right now. So, the default is to go to business school. Right? Wrong. This is probably not the right step, at least not until you've done some more reflection. Boredom can take the form of frustration — with not being recognized, not getting better projects, watching others get promoted. This is an invitation to pause and reflect: Why are these opportunities going to other people and not you? What skills do you need? Will it change how others perceive you? By reflecting on these questions, you can gain insight into your current situation. If you don't, you could end up asking yourself, "Why did I even go to business school?"

That's the real question: Why? Continue to think about where you are, where you want to go, and what it will take to get you there. Only then will you be able to make the right decision.

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