

## **Business: big major on campus**

*Alison Damast*

*A flight to safety is driving up enrollment at many undergraduate business programs, but that's making it tougher to get in.*



*The business major is experiencing a surge in popularity among students.*

Every fall, Linda Salchenberger, dean of Marquette University's College of Business Administration (Marquette Undergraduate Business Profile), meets with parents of freshman students to welcome them to the school and gauge their expectations for the years ahead. This year, she stood in front of a group of 400 of them and posed a question she thought would receive a lukewarm response in today's challenging economic climate.

"I asked, 'How many of you are optimistic about the job prospects for your students four years from now,' and I'd say easily three-quarters of them raised their hand," she says.

That was just the first bit of good news Salchenberger received. Enrollment in the freshman class is up 7% over last year and the school just welcomed its largest ever freshman, sophomore, and junior classes to campus, she says.

This is a scenario being played out on the campuses of many colleges and universities across the country this fall. Driven by the recession and one of the largest incoming freshman classes in the nation's history, the business major is experiencing a surge in popularity among students. Dozens of business schools, including Emory University's Goizueta Business School (Goizueta Undergraduate Business Profile), Santa Clara University's Leavey School of Business (Santa Clara Undergraduate Business Profile), and the University of Scranton's Kania School of Management (Scranton Undergraduate Business Profile) are reporting an uptick in their entering freshman classes, with many boasting record enrollment and interest from high school graduates. At some schools, enrollment is up by as much as 10% or 15%, stretching them to capacity and, in some cases, forcing admissions officers to be more selective and tighten their criteria.

Starting salaries take a hit

Deans and admissions officers say students and parents are increasingly viewing the business major as the most practical major in this economy, one that will put them in the best position to land a job after graduation. Increasingly, many who intended to become liberal arts majors are switching gears to business, or double majoring, pursuing a degree in history, for example, at the same time as one in finance, administrators say.

Many of these students are positioning themselves for what they hope will be an economic recovery down the road. However, their confidence in a business degree as the key to jump-starting their careers may be misplaced, especially if they graduate in the next year or two.

Business graduates have been as hard hit by the downturn as most majors, a trend that shows no signs of abating, and their salaries are not faring much better. According to a July report from the National Association of Colleges and Employers, the average starting salary for 2009 college graduates with bachelor's degrees in business increased less than 1%, to \$47,239. Some business majors fared especially poorly. Business administration majors saw their salaries sink 2.1%, to \$44,944. Meanwhile, economics graduates saw their salaries dip by 1.3%, to \$49,829, according to the report.

Even so, business has always been a popular major among undergraduates. In academic year 2006-07, the largest number of bachelor's degrees conferred was in business (21%), followed by social sciences and history (11%), education (7%), and health sciences (7%), according to the most recent figures available from the Education Dept.'s National Center for Education Statistics. Fueling that trend, many students enter college already knowing they want to become business majors; nearly 17% of full-time freshmen at four-year colleges across the country said they planned to major in business in the fall of 2008, according to data from the latest national student survey conducted by the University of California, Los Angeles' Higher Education Research Institute.

### Majoring in business as an investment

Though enrollment figures for fall 2009 are not yet available, John Fernandes, president of the Association to Advance Collegiate Schools of Business (AACSB), a leading accreditation group, says he expects that trend to continue its upward spiral this academic year. He says he's heard anecdotally from a number of schools that business is the most popular major this year on campus, with many students even choosing to pursue double majors within the business school, such as a finance-and-accounting combination. That's a strategy students believe will give them more concrete skills and an edge when they enter the job market, Fernandes says.

"Any time the economy looks difficult, that means undergraduates will look towards a degree that they can more quickly apply to a job. And students see business as the major with the greatest likelihood of getting one," Fernandes says.

That's the case for Christopher Paschal, 18, a freshman at Santa Clara, who intends to double-major in accounting and political science. Paschal says he is not certain yet whether he'll pursue a career in politics or business but notes that with the recession he felt it was more important than ever to have a business foundation, no matter what path he ends up pursuing.

"It is a safe choice. I knew business would help set me up for a good career, even if the economy is good or bad," he says.

Another reason he's taking a closer look at the business field? Paschal says he was strongly urged by his mother, who works at IBM (IBM), to consider a business major. That's a conversation that more and more parents are having with their children these days before sending them off to college, says Drew Starbird, acting dean of Santa Clara's Leavey School. He believes it is one of the reasons Leavey's enrollment is up 13% this year, with 320 students majoring in business.

"Higher education is an expensive proposition for families and many families look on it as an investment. It can pay off in a lot of different ways and one of the ways it pays off is in a job and higher salary down the road," he says. "Especially now, the families who send their kids to college are doing that calculation."

That mindset among families is also evident at Scranton's Kania School, where freshman enrollment is up about 10% over last year, says Dean Michael Mensah. Meanwhile, total

undergraduate enrollment at the business school continues to rise. Back in academic year 2006-07, there were 816 students enrolled at the school; this fall, enrollment tops off at 891 students.

Mensah says the school's curriculum—which has an emphasis on ethics and responsibility—is helping draw students. But that's only part of the appeal, he says.

"Business graduates usually get a chance at a good career much faster than any other majors and this is a time when people would probably like to stay away from additional education, or at least recoup some of their undergraduate investment before pursuing some other path," Mensah says.

### Raising the standards

On some campuses, the increased fervor for the business major means it is becoming more competitive to get into B-schools. For example, applications have been so strong recently at some universities, especially large state ones, that they are increasing their minimum grade point averages (GPA) to 3.2 or higher to narrow the field of candidates, AACSB's Fernandes says.

At the University of Texas at Austin's McCombs School of Business (McCombs Undergraduate Business Profile), the minimum GPA in 2009 for undergraduate students, resident or nonresident, who wanted to transfer into the business school was 3.6, according to the school's admissions Web site. Back in 2005, the minimum GPA for an internal transfer was 3.4 for residents and 3.5 for nonresidents.

Indeed, as the quality of the applicants increases with the expanded application pool, schools are able to be more selective about candidates, says Fernandes.

"I think it's getting tougher to get into these programs and I think that's a trend that is going to continue," he says.

At Emory's Goizueta, Admissions Director Libby Egnor says she has seen a spike in applications recently for the school, which has a two-year program that students enter in their junior year. Back in 2006, 21.5% of the entering freshman class indicated they would like to major in business; in 2008, that figure jumped to 31.9%. This year, the business school admitted 316 students for its junior class, up from 306 last year.

"Those are big numbers for us. It was the biggest application pool we've ever had and the biggest number of students we ever admitted," Egnor says.

With such a strong pool of students to choose from, Egnor says it is getting more challenging for some students to get into the school. The admissions office tells applicants they should have a 3.4 GPA if they want to apply, but there were always some students who were "at the margins" who managed to get into the school despite that requirement, Egnor says.

"Now, it's much harder for a kid with a 3.2 or 3.3 GPA to get in than it would have been two or three years ago," Egnor says. "We are not so set in stone, but it is getting more difficult for students at the lower end to cross that line."

### More practical-minded students?

This year, Goizueta has attracted students like Kirby Liu, 21, a junior who took a year off after his sophomore year at Emory to volunteer with an AmeriCorps program called City Year, working at afterschool programs and coordinating volunteer projects in New Hampshire. He

lived on a \$175 monthly stipend and worked 40 to 60 hours a week. After the year was over, he decided he wanted to pursue a career path that would have more stability and pay off in the long run, he says.

"You can't live on idealism," he says. "I think in my generation a lot of people are really practical minded. They don't like the uncertainty of pursuing something where you don't have a fallback."

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