

The booming market for specialized master's degrees

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About five years ago, the University of Maryland's Smith School of Business had an approach to one-year specialized master's degrees that was fairly typical among business schools. It offered just one MS in Business program, a degree in accounting that helped students get specialized knowledge about the industry and a leg up in the job market. The program was so large and thriving that the school's leadership soon started thinking about dipping its toe further into the marketplace, says Ken White, the school's associate dean of MBA and MS programs.

First, in 2009 they created an MS program for students who wanted to specialize in finance. Buoyed by its success, the school added two new MS degrees to its roster in 2011, one in supply chain management and another in information systems. Today, there are 522 students enrolled in specialized master's programs at Smith, and plans are in the works for a fifth program in marketing analytics, set to launch in the fall of 2013.

"This is a new frontier for a lot of schools," White says. "We've been surprised by how quickly these programs and the demand for these programs have grown. It has been almost extraordinary."

The market for specialized master's programs in accounting, management, finance, and a number of other business disciplines has never been stronger. A growing number of business schools, from the Smith School to Michigan State University's Broad Graduate School of Management, are riding on that wave of interest. They're creating a whole new suite of MS degrees, sometimes as many as half a dozen or more, in response to a new generation of students, the vast majority of whom are either straight out of college or just a year or two out of school. The MS students are hungry for the specialized knowledge these programs offer and are looking to distinguish themselves in an increasingly competitive job market, administrators and recruiters say. Administrators are hoping some of them will build lasting relationships with the school, and consider them for other full-time degree programs down the road.

The surge in interest in these programs comes at a time when many business schools are at a crossroads, with their flagship MBA programs struggling to attract students. Nearly two-thirds of full-time, two-year MBA programs in the U.S., or 62 percent, are reporting a decline in applications this year, according to the Graduate Management Admission Council's (GMAC) 2012 Application Trends Survey.

At the same time, specialized master's programs in business are experiencing robust growth, making it a wise move for B-schools to invest in these programs. There were 160,500 GMAT score reports sent to U.S. specialized master's programs in 2012, up 15 percent from last year, and 86 percent from five years ago, according to GMAC.

The surge in applications is being driven by several factors. Many applicants are international students looking for a degree from a U.S. school to help advance their careers back home. Others are seeking additional credit hours now required for a CPA credential in states such as New York and Massachusetts that have increased the requirements beyond what a typical bachelor's degree provides. Many are simply doing the math and concluding that the five years of work experience required at most MBA programs is a luxury they can't afford. Getting a one-year degree straight out of college is less expensive, results in no career disruption, and leads to higher immediate post-college earnings.

The most popular programs by far are accounting, finance, and business or management, but increasingly schools are expanding to other hot emerging fields, such as data analytics, information technology, supply chain management, and others, says Michelle Sparkman-Renz, GMAC's director of research communications.

"It's appealing for them because the relationship they begin with a candidate very early on is one that could possibly continue through MBA or executive MBA programs," Sparkman-Renz says.

This is already starting to happen at the University of Rochester's Simon School of Business, which now offers about a dozen full-time and part-time specialty master's business programs. The school is introducing two new MS programs in January, one in pricing and another in business analytics. This year, seven students from the school's MS programs went directly into the school's MBA program, and about five others have indicated they have plans to do so in the future, says Simon School Dean Mark Zupan.

"We have roughly the same MBA class size this year as last, in a year when most schools saw their applications and enrollments go down," Zupan says. "So there are some synergies springing up that allow us, if anything, to have a slightly larger MBA class coming in."

Another school moving aggressively into this space is Michigan State's Broad School, which has five specialized master's programs in business and will be adding a new one in business analytics this January, says Sanjay Gupta, the school's associate dean for MBA and master's programs. A seventh MS program, focusing on management leadership and strategy, is in the works.

"We are absolutely ahead of the game," Gupta says. "After four to six years of work experience, these students will eventually be good candidates for our MBA program. From there, they can really leapfrog into senior management positions."

With so many MS programs popping up across the country, recruiters are beginning to pay close attention to the thousands of graduates emerging from these schools. Dan Black, Americas director of campus recruiting at Ernst & Young, says his accounting firm hired about 1,000 students with specialized master's degrees this year, up about 5 percent or 6 percent from five years ago. The students with MS degrees tend to make anywhere from \$2,000 to \$5,000 more than a typical undergraduate hire, he says.

"We are still hiring them, even though we could fill that position with an undergraduate, because we do recognize they bring something additional to the table," Black says.

Signing up for a specialized master's program is a strategy that has worked for Robert Austin Mills, 22, a 2012 college graduate enrolled in the new MS in Finance program at Southern Methodist University's Cox School of Business, the school's fourth specialized master's degree in business.

Just a few weeks into classes, Mills interviewed with recruiters at six investment banks in the Houston area. He recently accepted a job offer from Goldman Sachs (GS), where he'll be working as an investment banking analyst next year, focusing on the energy sector.

"The MS program absolutely gave me an edge," Mills says. "When I went to interview, I was competing with kids from Stanford, Harvard, Duke, and other top-tier schools. This was something I had over them, and it made me very competitive."

Fonte: Bloomberg Businessweek. Disponível em:

<<http://www.businessweek.com/articles/2012-11-21/the-booming-market-for-specialized-masters-degrees#p2>>. Acesso em: 21 Nov. 2012.

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