

Market Intelligence

Brexit and Graduate Management Education in the United Kingdom

March 2019



Brexit and Graduate Management Education in the United Kingdom is a product of the Graduate Management Admission Council (GMAC), a global, nonprofit association of 223 leading graduate business schools. Founded in 1953, we are actively committed to advancing the art and science of admissions by convening and representing the industry and offering best-in-class products and services for schools and students. GMAC owns and administers the Graduate Management Admission Test™ (GMAT™) exam, used by more than 7,000 graduate programs worldwide. Other GMAC assessments include the NMAT by GMAC™ exam, for entrance into graduate management programs in India and South Africa, and the Executive Assessment, specifically designed for Executive MBA programs around the world. The Council is based in the United States with offices in the United Kingdom, India, and Hong Kong.

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Despite fears, UK business schools have largely seen strong international demand since the 2016 Brexit vote

Since the 2016 vote to leave the European Union, business schools in the United Kingdom (UK) have continued to experience strong demand from non-UK citizens despite fears that Brexit would repel international business school candidates.

In the immediate aftermath of the vote, it was unclear what the impact would be on the international flow of students to UK programs, which are heavily reliant on enrollees from other countries. Brexit, it's been feared, will restrict or complicate the student visa process and dampen international candidates' post-graduation job prospects in the UK, both because of possible changes to work visa policies and jobs leaving the UK.

The Graduate Management Admission Council (GMAC) has been tracking Graduate Management Admission Test™ (GMAT™) examinee interest in studying in the UK since the Brexit vote with periodic surveys of non-UK citizens who sent a GMAT score report to a UK business school program. Most recently, survey findings from December 2018 show that 54 percent of respondents overall say Brexit has no impact on their decision to study in the UK, up from 46 percent in December 2016. Likely bolstered by a falling pound and reduced interest in the United States as a study destination over the same period, there has been an increase in candidates' selecting the UK as their first-choice country for their business school experience.

The survey findings show that candidate consideration of the UK as a study destination is driven by the reputation of the UK educational system, candidates' desire to develop an international network, and candidates' desire to improve their chances of having an international career. Their ultimate selection of a study destination is primarily influenced by a desire to study at a specific program or school in the location.

The survey findings also show, however, that there is some hesitancy among candidates amidst the uncertainty of the looming exit from the EU. While overall most respondents to the December 2018 survey say Brexit has no impact on their decision making, about half of non-UK Europeans say they are less likely to decide to study in the UK because of Brexit (51%). Most non-UK candidates overall consider Brexit a detriment to the availability of student and work visas in the UK and over time candidates' perception of the impact of Brexit on the cost of education and living in the UK have become more negative.

Despite this, GMAT score sending behavior shows that UK programs have remained just as popular a choice for business school as before the 2016 Brexit vote. In fact, the share of GMAT score reports sent to UK programs has increased slightly since 2016 and is stable or up across world regions of citizenship. The increase is particularly strong among examinees from Asia-Pacific countries and examinees with a total score of 600 and above. Findings from GMAC's annual Application Trends Survey also shows continued strong international demand for UK programs, as 71 percent report year-on-year international application volume growth in 2018.

With the continued uncertainty about how Brexit will proceed, it's not clear how international student mobility will be affected should the actual departure from the EU take place. As a global association of leading graduate business schools, GMAC supports the free flow of people and ideas and is committed to the belief that candidates should be able to study at the program and location of their choice based on their best fit. GMAC plans to continue to conduct survey research on this topic as events unfold.

Brexit Wave Surveys

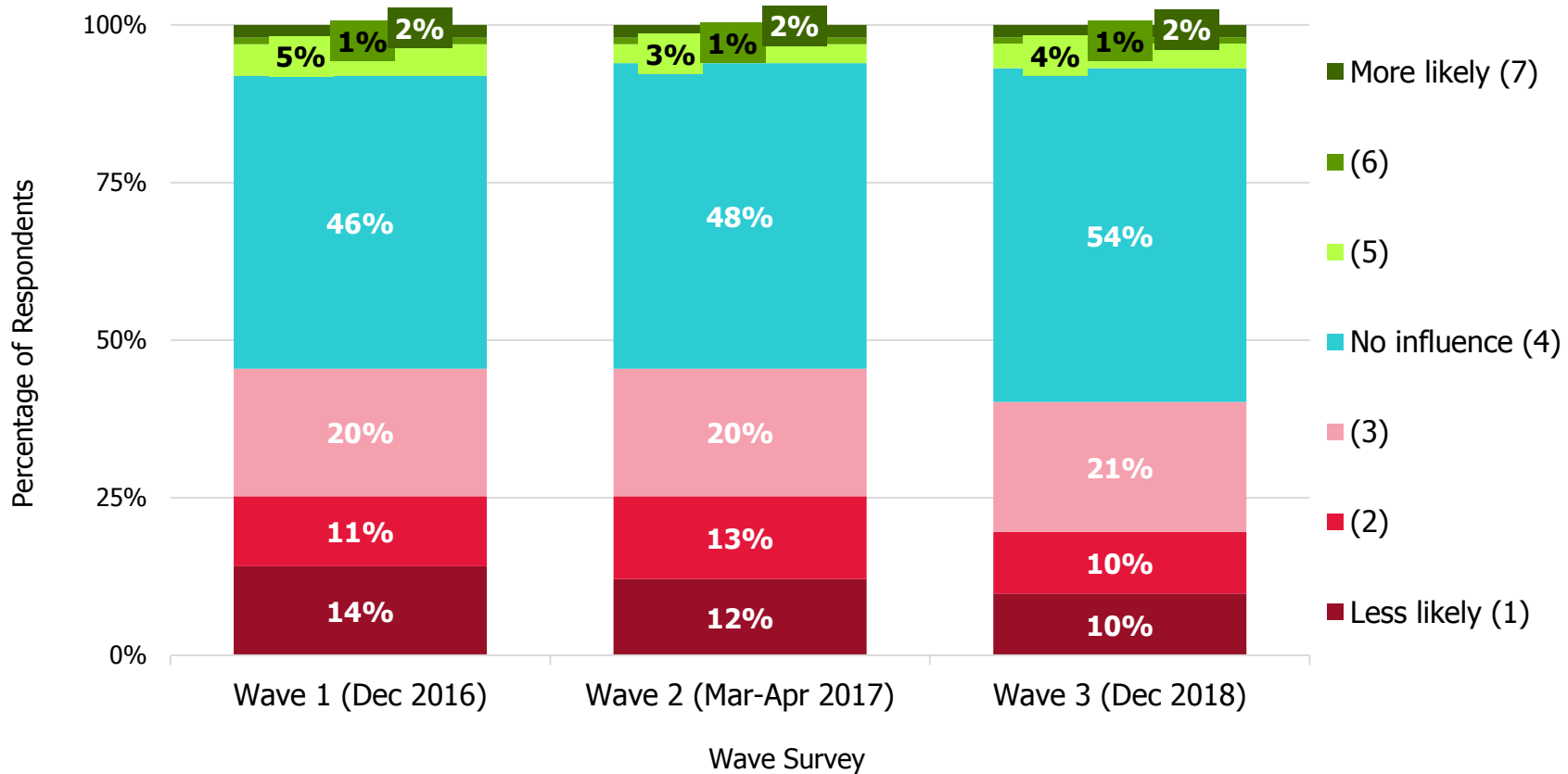
GMAC has been tracking GMAT examinee interest in studying in the United Kingdom since the Brexit vote with periodic survey waves of non-UK citizens that had recently sent a GMAT score report to a UK business school program.

The first survey wave took place in December 2016 (1,291 responses, 12.4% response rate), the second took place in March and April 2017 (442 responses, 12.9% response rate), and the third took place in December 2018 (532 responses, 11.9% response rate).



The share of candidates who say Brexit has no influence on their decision making has increased

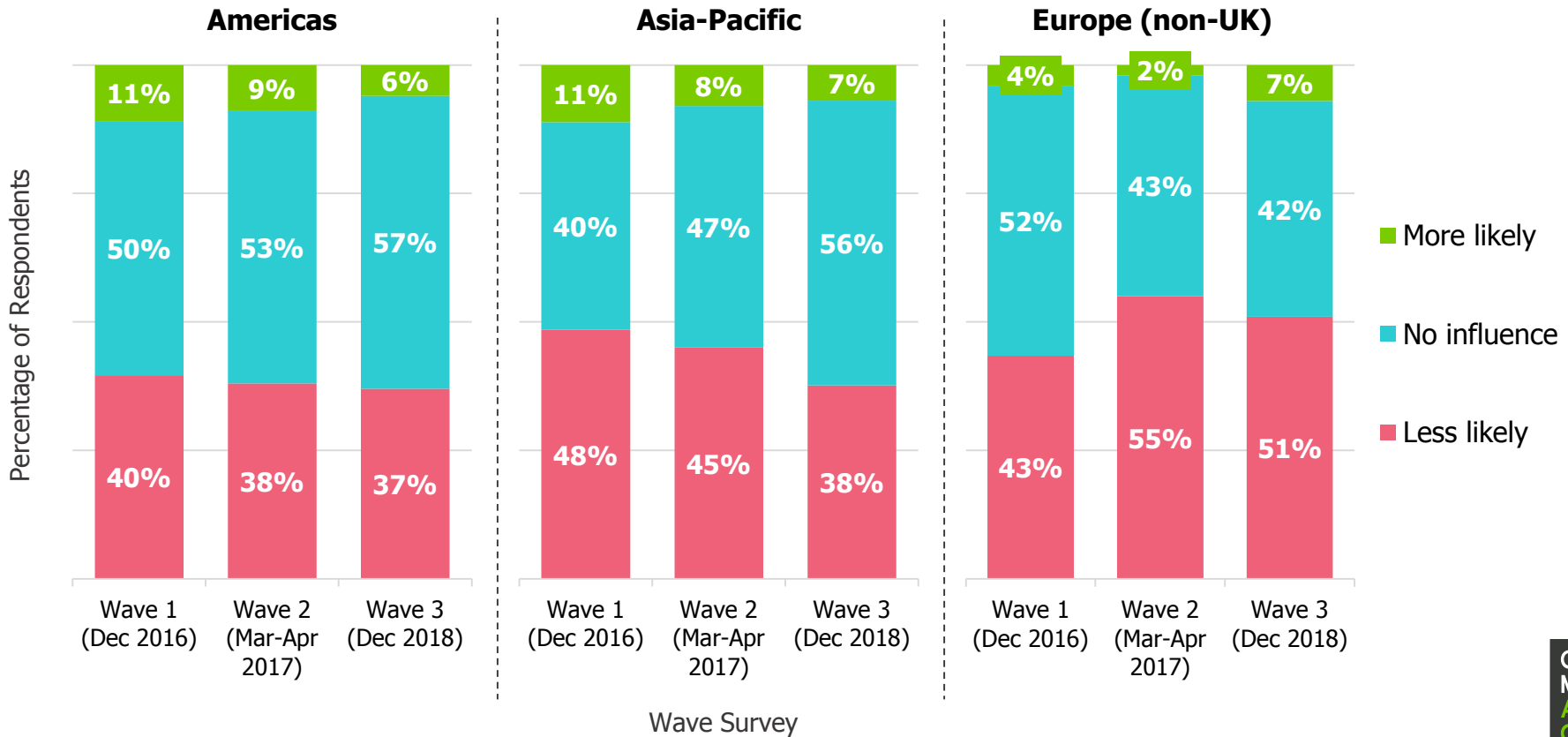
How has the United Kingdom's decision to leave the European Union (Brexit) influenced your decision to study in the United Kingdom?



The biggest shift toward “no influence” has been among citizens of Asia-Pacific countries

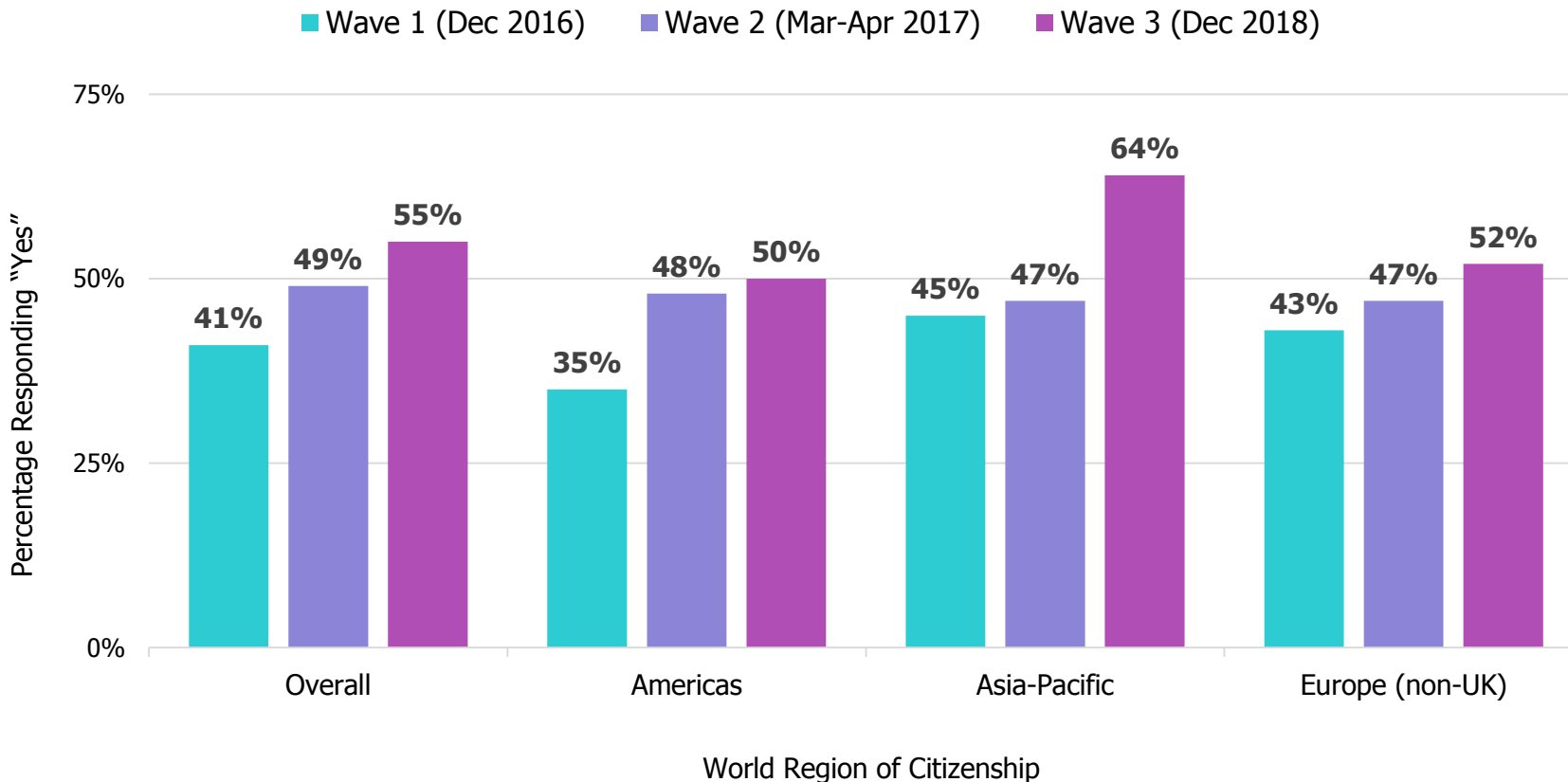
How has the United Kingdom’s decision to leave the European Union (Brexit) influenced your decision to study in the United Kingdom?

By World Region of Citizenship



The share of candidates who say the UK is their first-choice destination has increased, particularly among APAC citizens

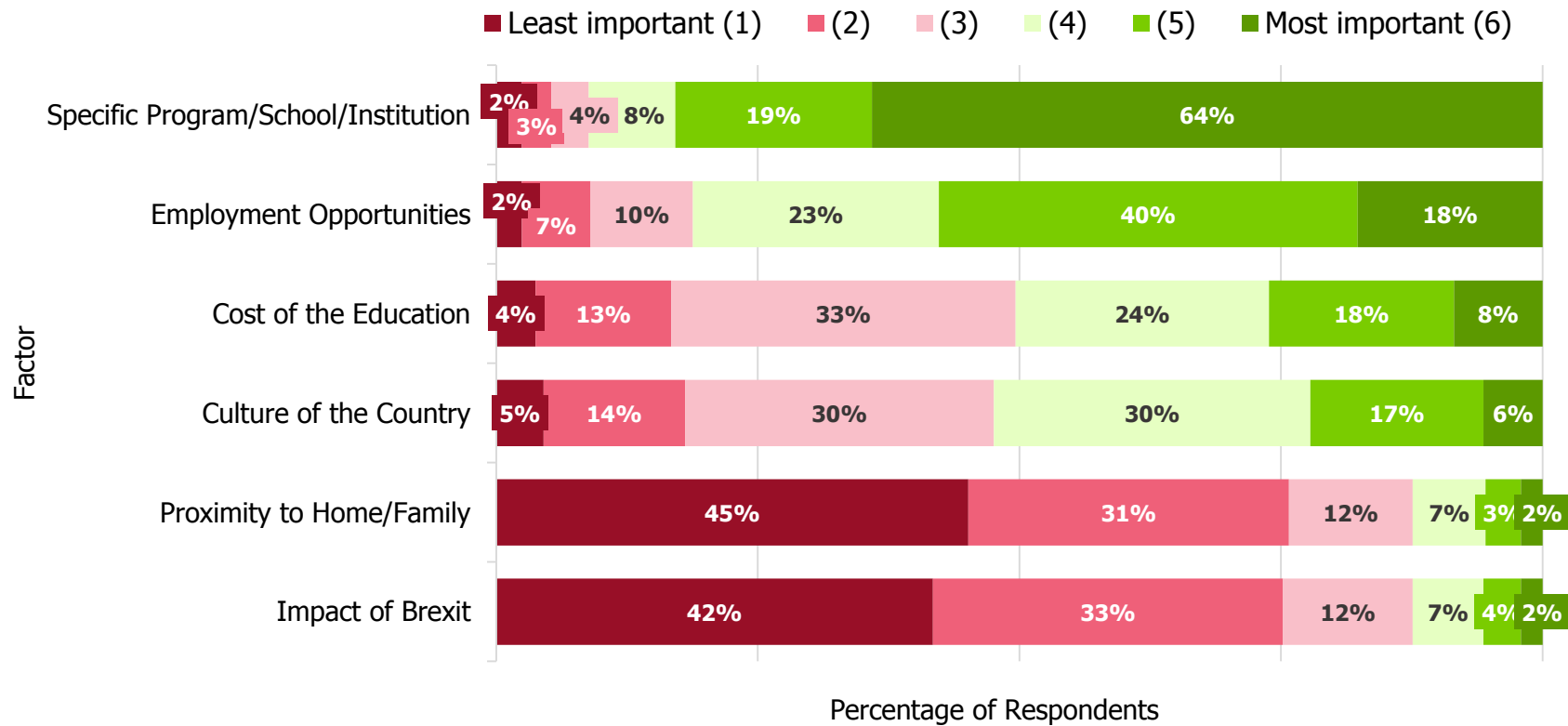
Is the United Kingdom your first-choice study destination?



Nearly 2 in 3 say a specific program or school is the most important factor influencing their study destination decision

Please rank order the following factors influencing your study destination decision from most important (6) to least important (1).

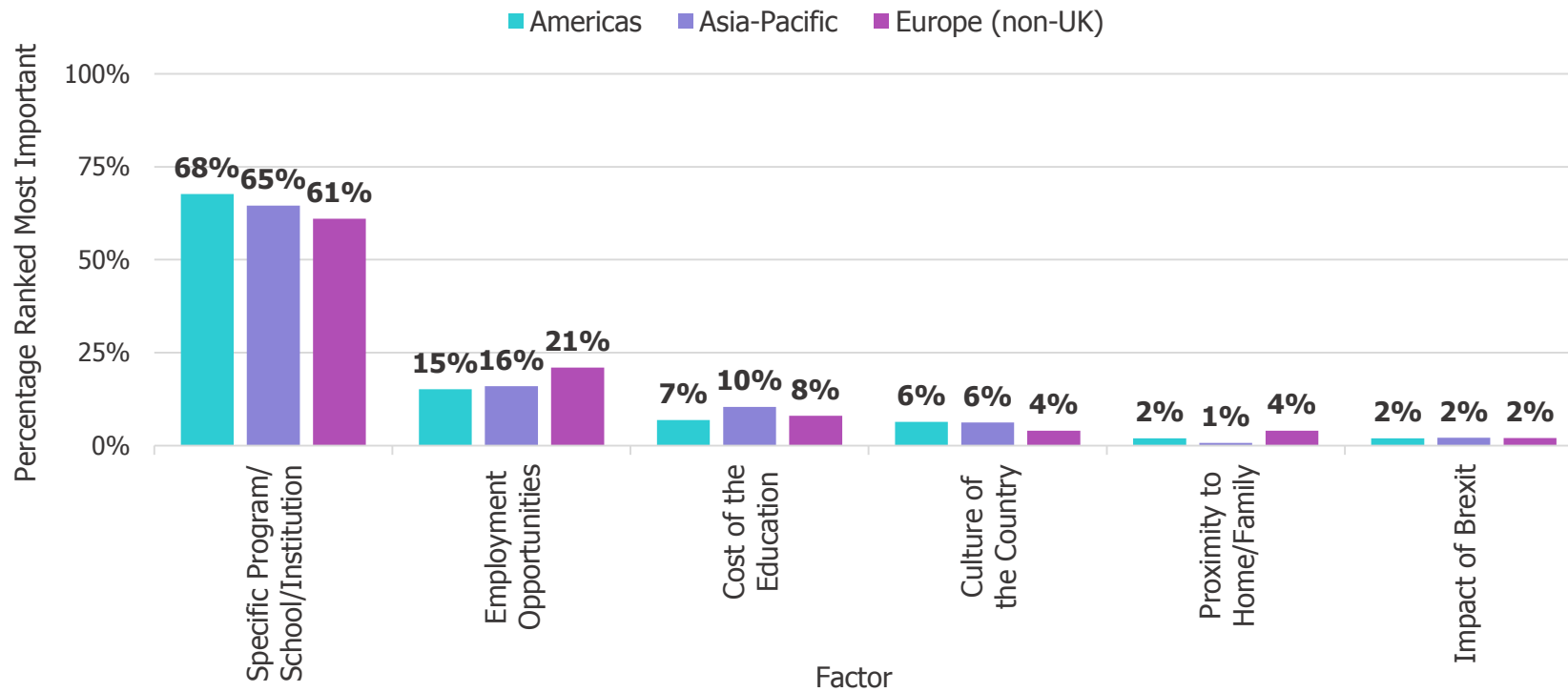
Wave 3 (December 2018)



A specific program or school is most important to majority across regions; employment most important to 1 in 5 Europeans

Please rank order the following factors influencing your study destination decision from most important (6) to least important (1).

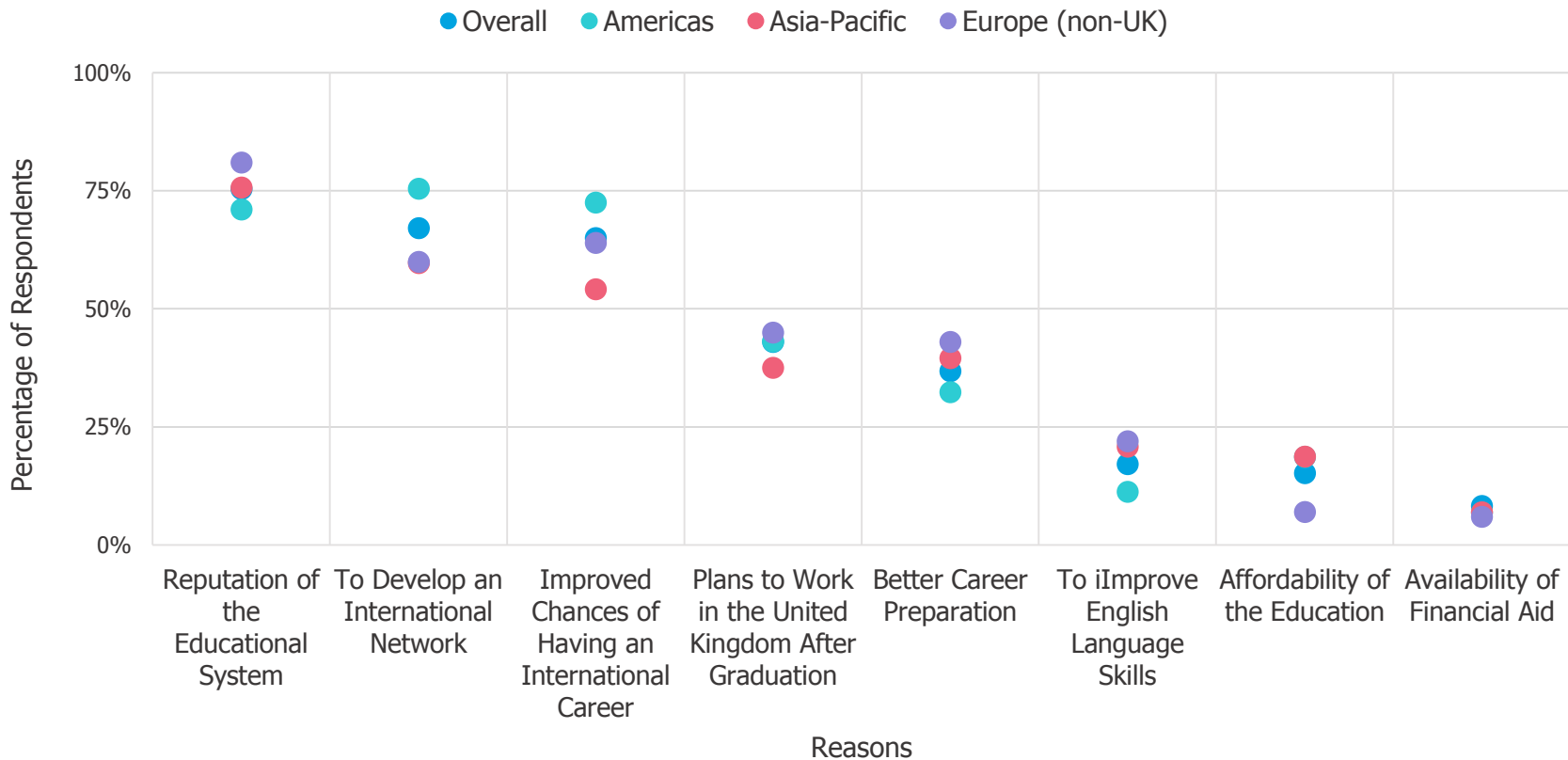
Wave 3 (December 2018)
Percentage Ranked Most Important



Reputation of the education system, int'l network, and int'l career opportunities are top reasons candidates consider UK programs

What are reasons you consider the United Kingdom for your business education?

Wave 3 (December 2018)
By World Region of Citizenship



The vast majority of candidates consider other study destinations in addition to the UK, most often the US and France

Which other study destinations have you considered?*

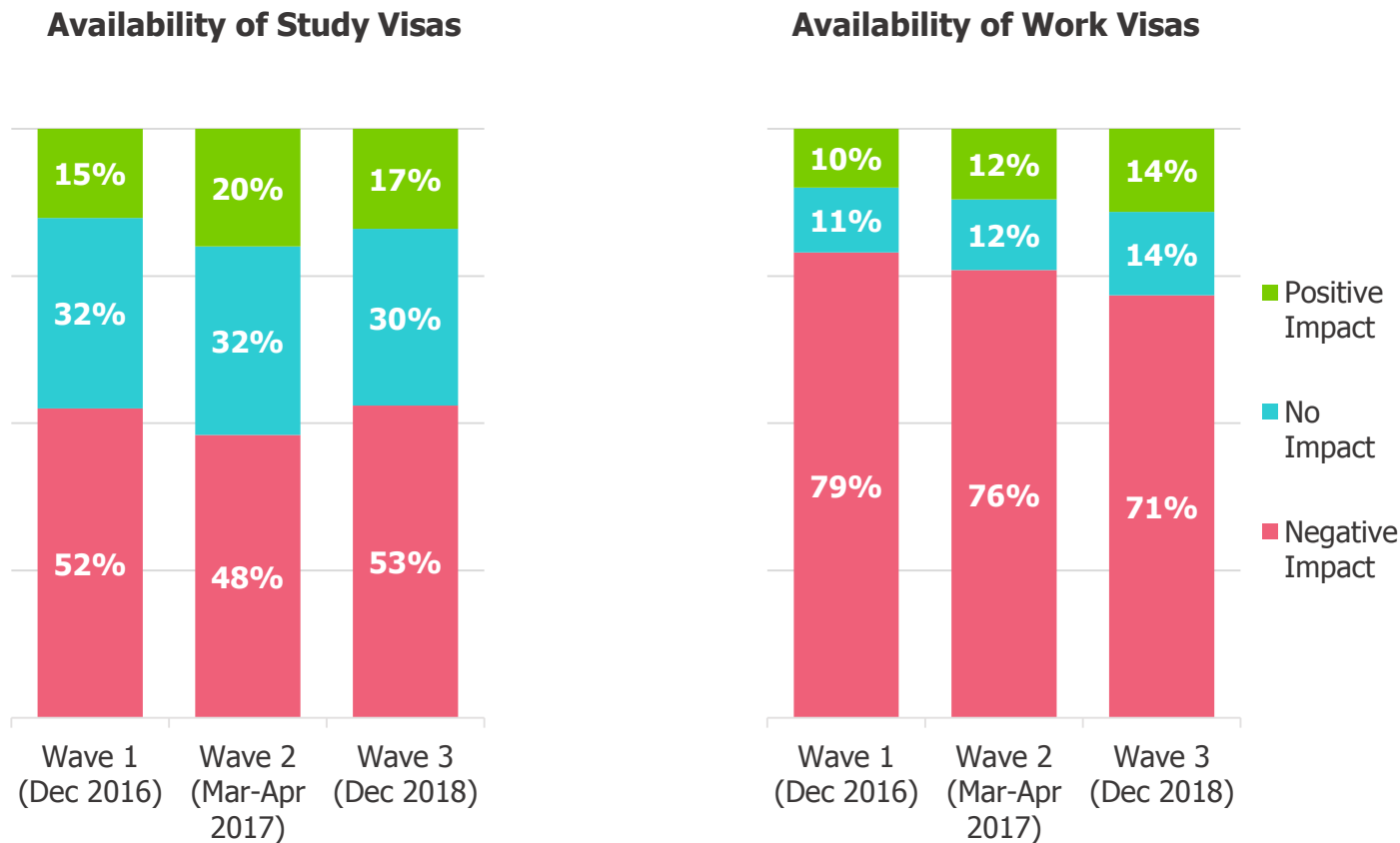
Wave 3 (December 2018)

Study Destination Considered	World Region of Citizenship			
	Overall	Americas	Asia-Pacific	Europe (non-UK)
United States	58%	76%	60%	28%
France	38%	34%	33%	48%
Spain	20%	24%	11%	31%
Canada	12%	13%	15%	5%
Germany	10%	5%	14%	13%
Netherlands	9%	6%	6%	18%
China	7%	3%	13%	9%
Australia	5%	4%	8%	3%
India	4%	0%	15%	0%
Only considered the UK	4%	3%	5%	2%

*Responses add to more than 100 percent because of multiple selections.

Most candidates believe Brexit will have a negative impact on the availability of study and work visas

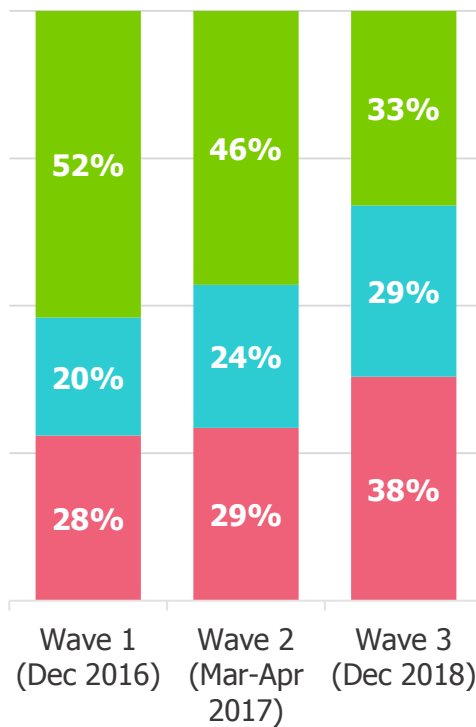
In your opinion, what impact will the United Kingdom's decision to leave the European Union (Brexit) have on the following?



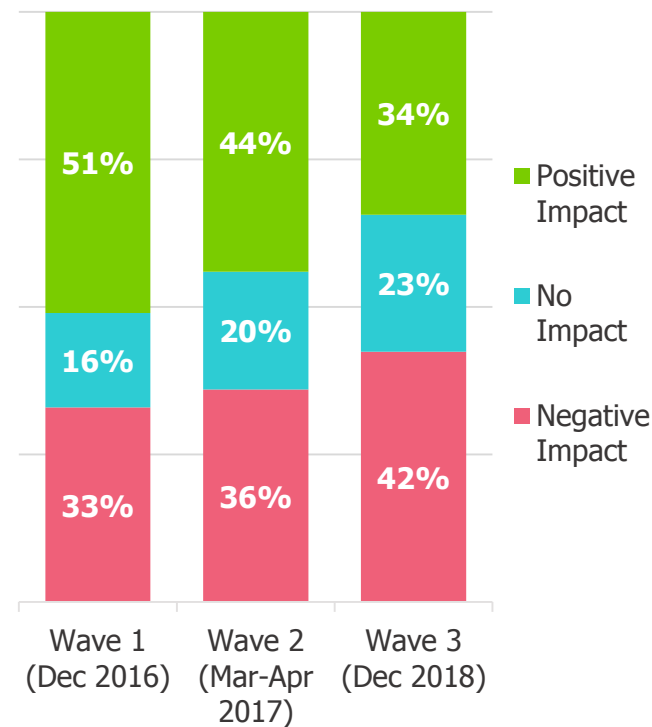
Candidate perceptions of the impact of Brexit on the cost of education and living in the UK have become more negative

In your opinion, what impact will the United Kingdom's decision to leave the European Union (Brexit) have on the following?

Cost of Education in the UK



Cost of Living in the UK



GMAT™ Score Sending

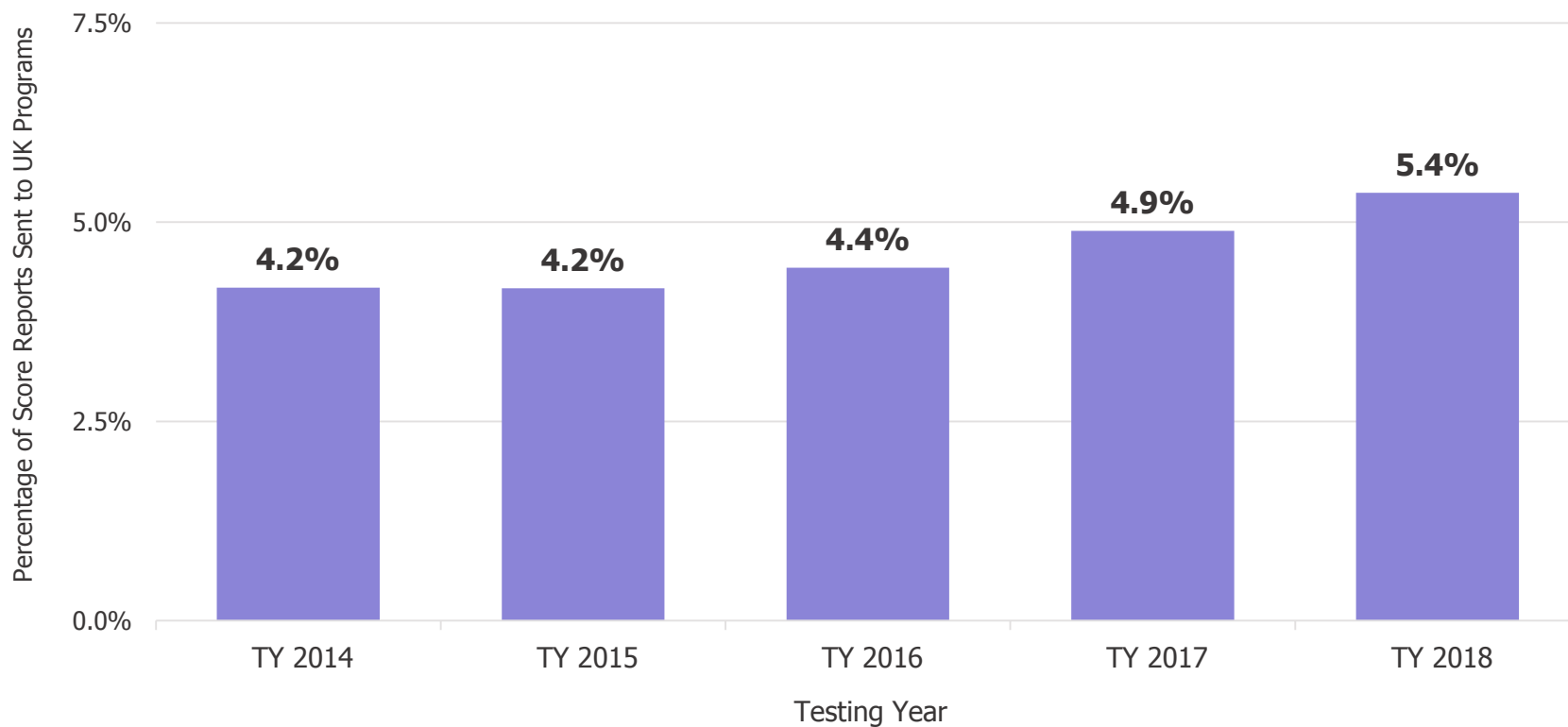
GMAT examinees send their Official Score Report to business school programs of their choice. The programs they select are an indication of where they are interested in studying.

Examining the share of GMAT score reports sent to business school programs located in the United Kingdom in the period before and after the 2016 Brexit vote provides context to the question of whether or not candidate perceptions of the United Kingdom as a study destination have changed.



The share of total GMAT score reports sent to UK programs has increased slightly since the 2016 Brexit vote

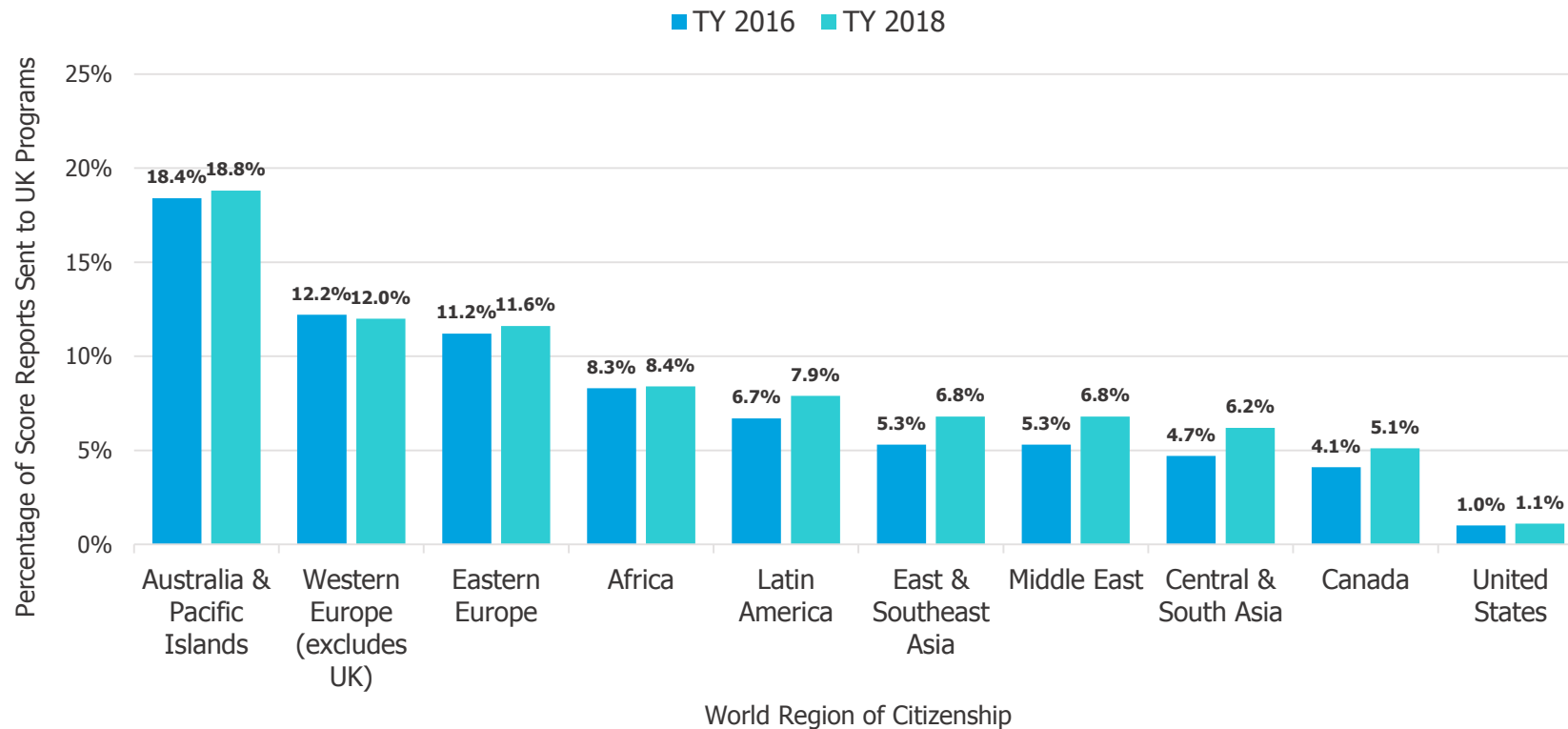
Percentage of GMAT Score Reports Sent to Programs in the United Kingdom



Testing year covers the period from July 1 to June 30. For example, testing year 2018 ran from July 1, 2017 to June 30, 2018. The Brexit vote took place June 23, 2016, at the end of testing year 2016.

The share of GMAT score reports sent to UK programs since the Brexit vote are stable or up across world regions of citizenship

Percentage of GMAT Score Reports Sent to Programs in the United Kingdom, by World Region of Citizenship



Testing year covers the period from July 1 to June 30. For example, testing year 2018 ran from July 1, 2017 to June 30, 2018. The Brexit vote took place June 23, 2016, at the end of testing year 2016.

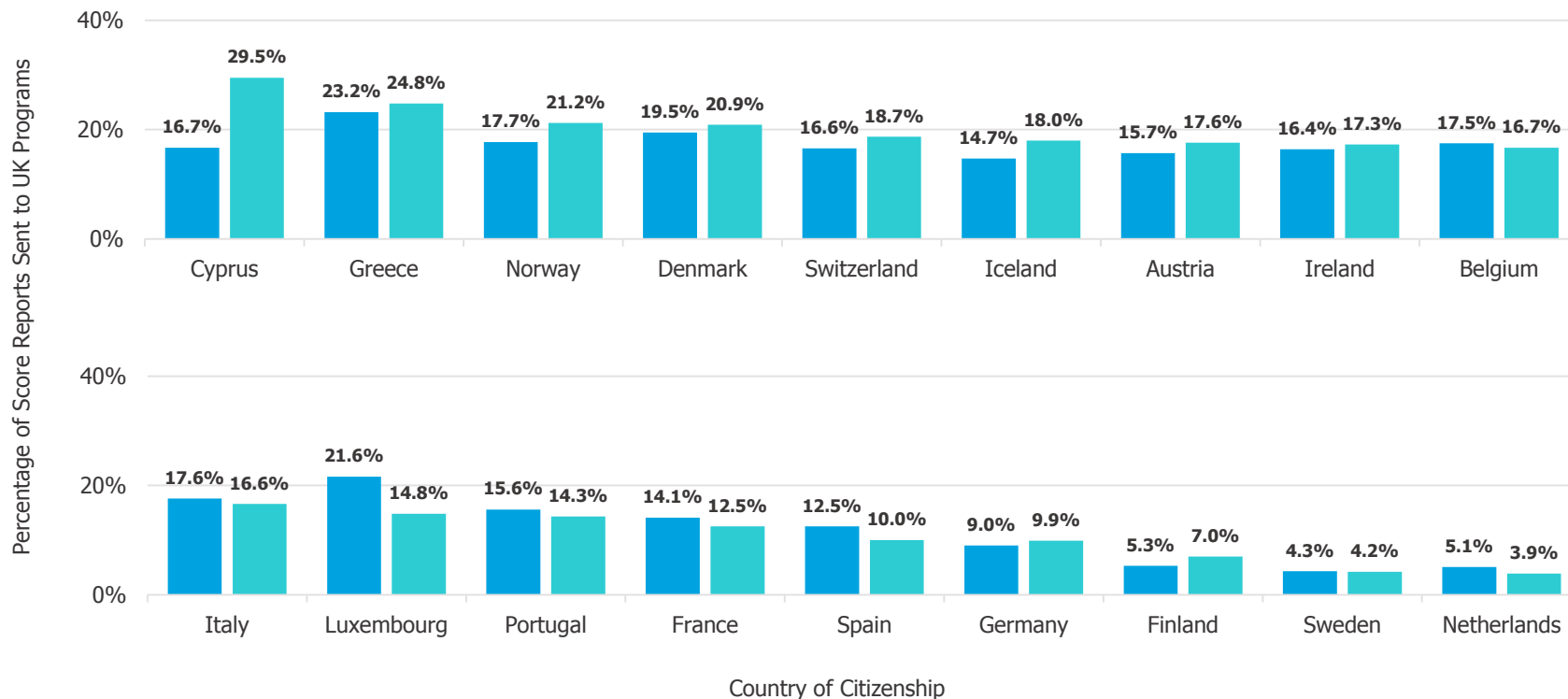
GMAT™ Score Sending

The share of score reports sent to UK programs from W. European citizens is relatively stable compared with before Brexit vote

Percentage of GMAT Score Reports Sent to Programs in the United Kingdom, by Country of Citizenship

Western Europe

■ TY 2016 ■ TY 2018



Testing year covers the period from July 1 to June 30. For example, testing year 2018 ran from July 1, 2017 to June 30, 2018. The Brexit vote took place June 23, 2016, at the end of testing year 2016. Countries with less than 10 score reports sent to programs in the UK excluded.

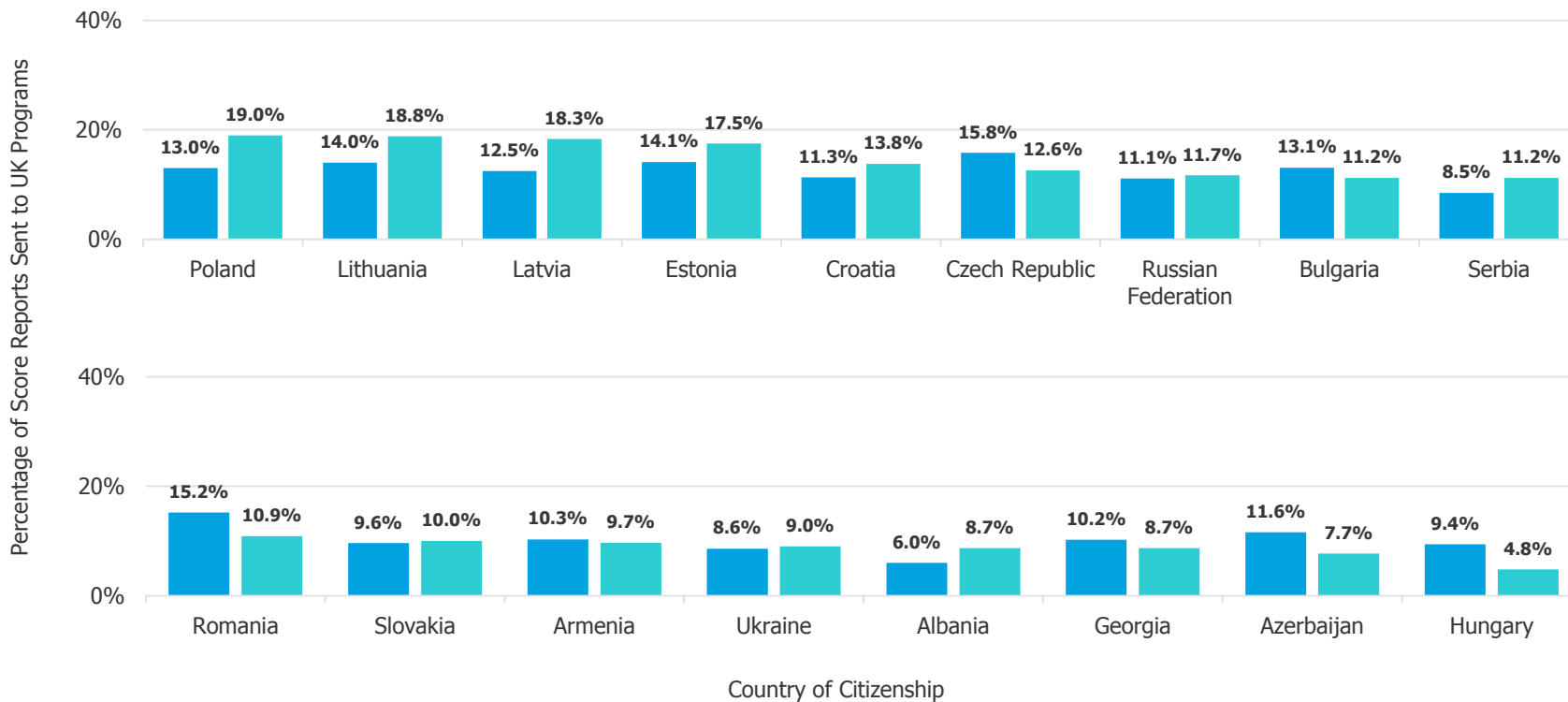
GMAT™ Score Sending

Score sending from E. European citizens to UK programs is also relatively stable compared with before Brexit vote

Percentage of GMAT Score Reports Sent to Programs in the United Kingdom, by Country of Citizenship

Eastern Europe

■ TY 2016 ■ TY 2018



Testing year covers the period from July 1 to June 30. For example, testing year 2018 ran from July 1, 2017 to June 30, 2018. The Brexit vote took place June 23, 2016, at the end of testing year 2016. Countries with less than 10 score reports sent to programs in the UK excluded.

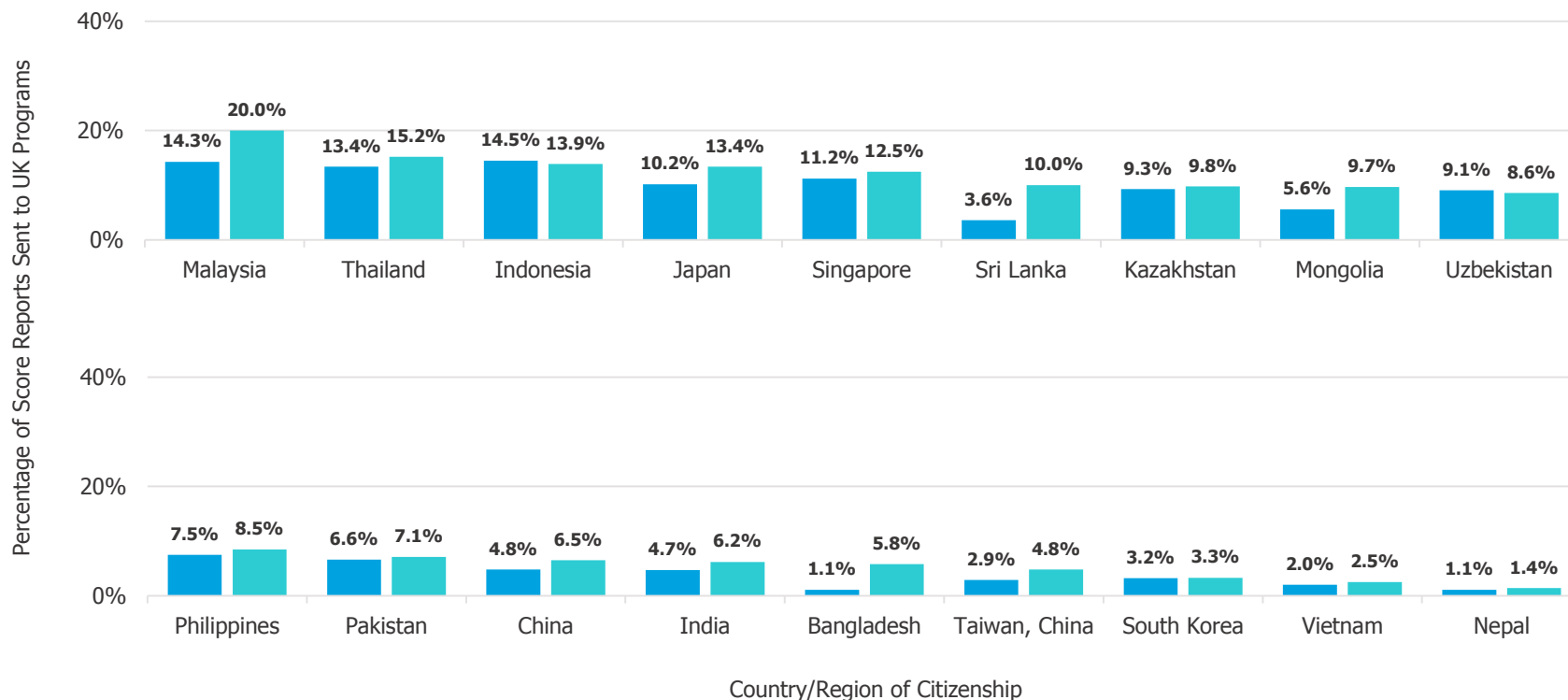
GMAT™ Score Sending

The share of score reports sent to UK programs is up for nearly all Asia-Pacific citizenship groups, including China and India

Percentage of GMAT Score Reports Sent to Programs in the United Kingdom, by Country of Citizenship

Asia Pacific

■ TY 2016 ■ TY 2018

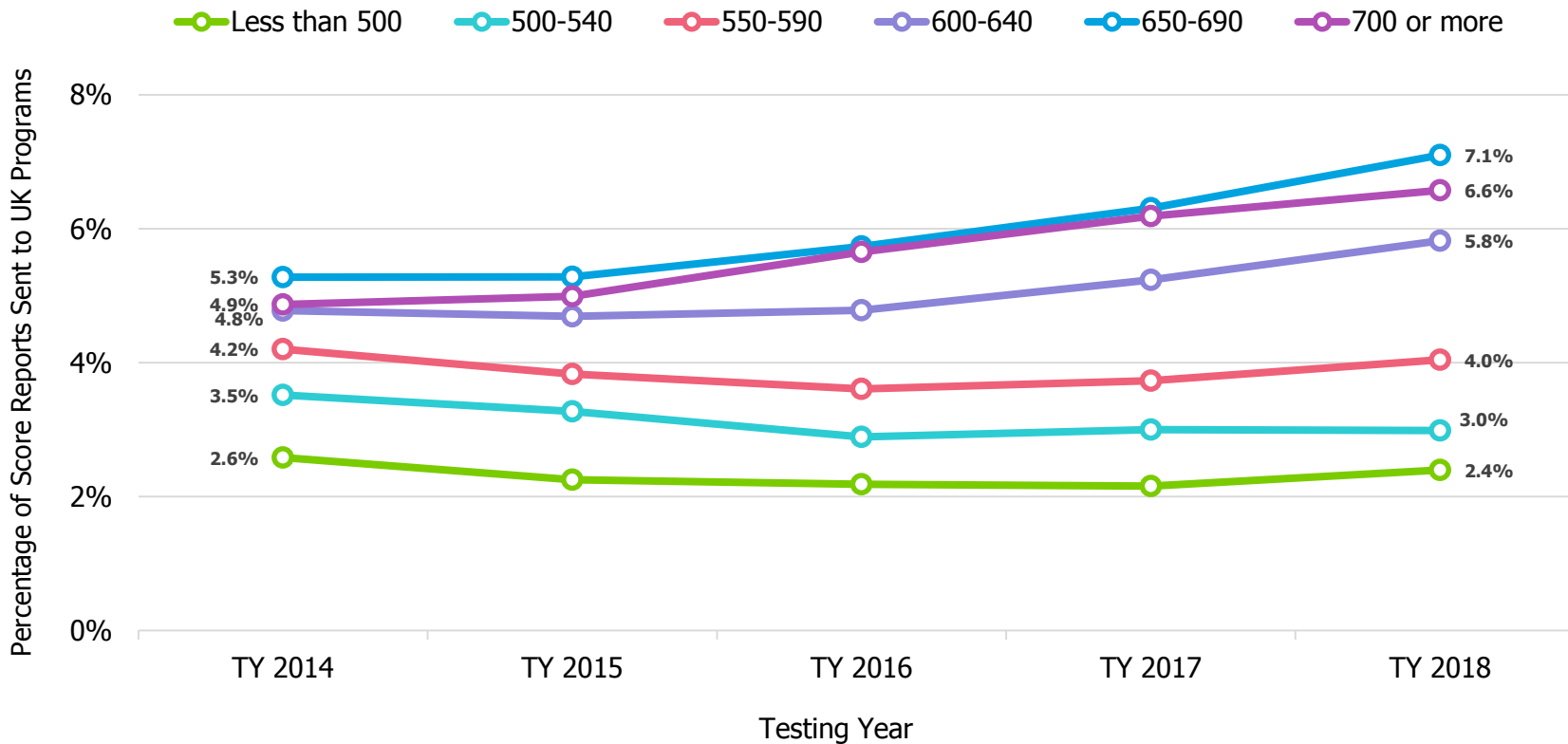


Testing year covers the period from July 1 to June 30. For example, testing year 2018 ran from July 1, 2017 to June 30, 2018. The Brexit vote took place June 23, 2016, at the end of testing year 2016. Countries with less than 10 score reports sent to programs in the UK excluded.

GMAT™ Score Sending

Over the last two testing years, UK programs have seen an increase in score reports received from high-scoring examinees

Percentage of GMAT Score Reports Sent to Programs in the United Kingdom, by GMAT Total Score Range



Testing year covers the period from July 1 to June 30. For example, testing year 2018 ran from July 1, 2017 to June 30, 2018. The Brexit vote took place June 23, 2016, at the end of testing year 2016.

Application Trends Survey

GMAC's annual survey of business school admissions offices offers timely insights on the current market for graduate business school applicants. GMAC utilizes two approaches to assess changes in application volume:

- **Relative change analysis** involves monitoring the number of programs that report either an increase or decrease in applications compared with the prior year.
- **Absolute change analysis** involves comparing the number of applications received by programs that responded to each of the last two years' surveys.

A total of 54 UK programs participated in the 2018 survey, and a total of 34 UK programs participated in both the 2017 and 2018 surveys.

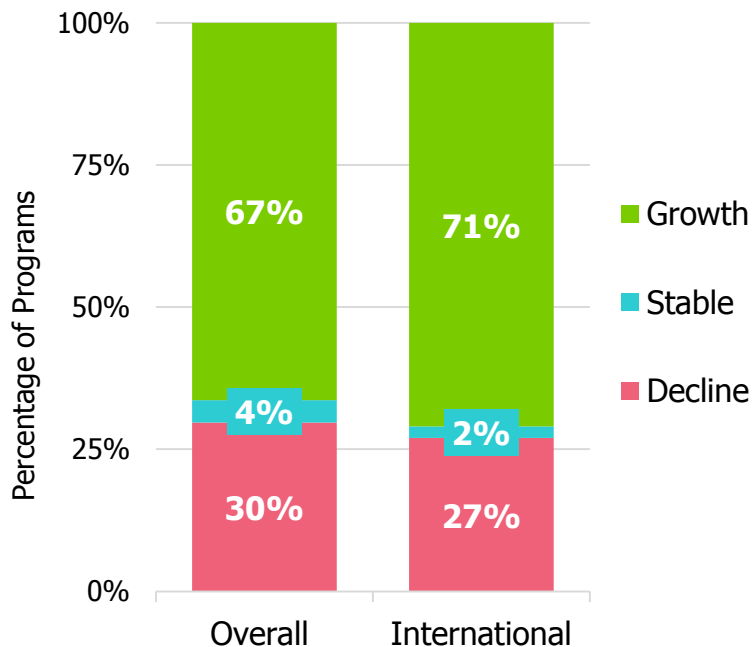
In addition to providing details about their application volumes, responding programs also offer information about the citizenship of their international applicants, where in the world they conduct international recruitment, and commentary on their observations of the market.



Most UK programs report application volume growth from international candidates in 2018

Relative Change Analysis

Year-on-Year Relative Change in Overall and International Application Volumes, UK Programs (n=54)



Absolute Change Analysis

Year-on-Year Absolute Change in Overall and International Application Volumes, UK programs (n=34)

	2017 Volume	2018 Volume	Absolute Change
Overall	23,174	24,089	+3.9%
International	21,975	22,937	+4.4%

UK programs report that the largest number of international applicants in 2018 are from India and China

Top 5 Countries Cited as Supplying the Greatest Number of Int'l Candidates

1. India
2. China
3. United States
4. Italy
5. Nigeria

Top 5 Countries Cited as Having the Greatest Year-on-Year Increase in Applications

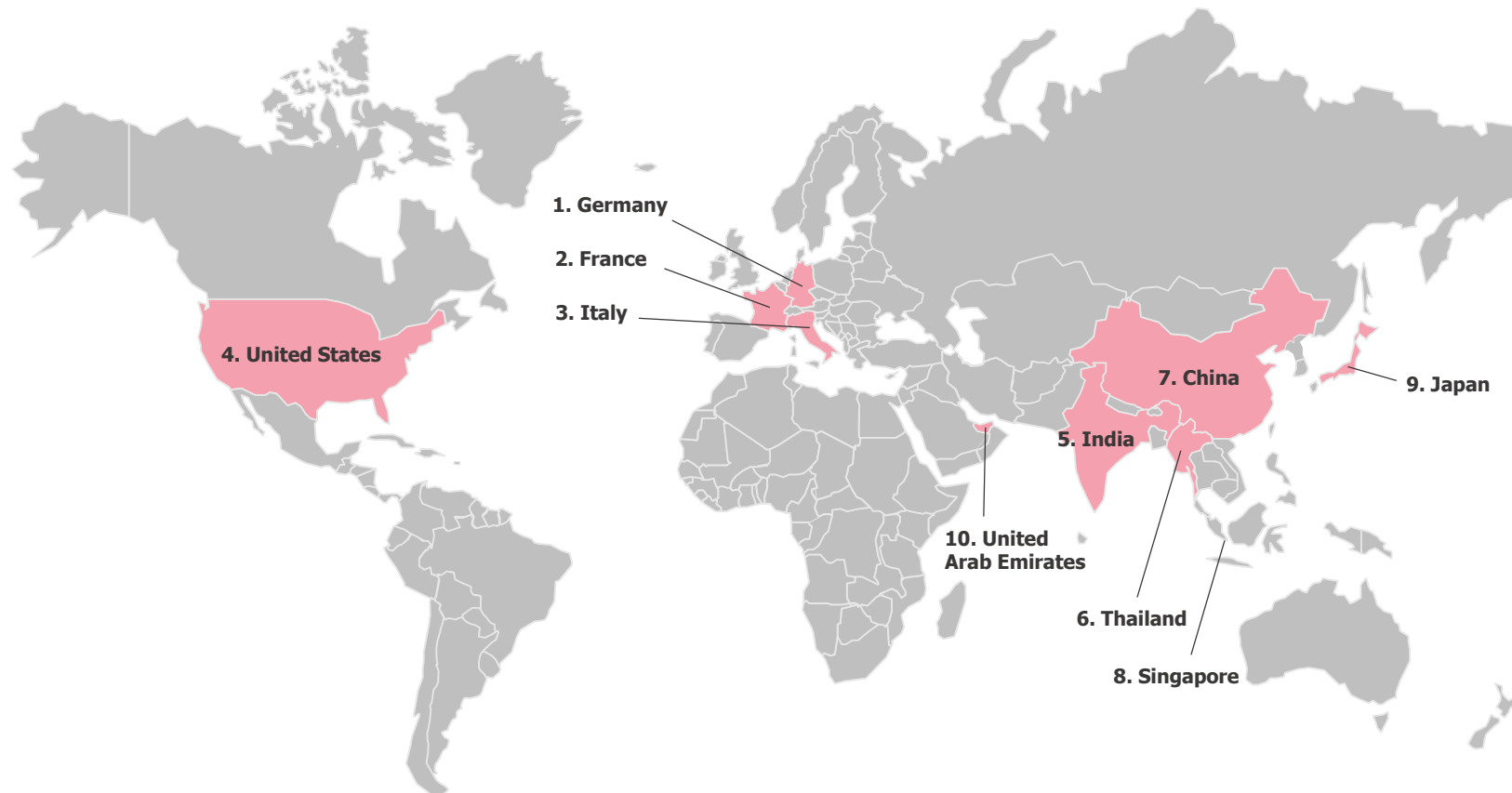
1. China
2. India
3. United States
4. Canada, Germany, France, Saudi Arabia (tied)

Top 5 Countries Cited as Having the Greatest Year-on-Year Decrease in Applications

1. Greece
2. United States
3. Germany
4. Thailand
5. France, Singapore (tied)

More than 4 in 5 UK programs (83%) report that they actively recruit int'l candidates, most often in Western Europe

Top 10 Countries UK Programs Say They Actively Recruit From



Open-end comments highlight some of the challenges and uncertainty Brexit has caused in the market

Selection of Open-End Comments of UK Program Survey Respondents

“Uncertainty over Brexit has impacted applications—particularly from European applicants and partners.”

—UK full-time one-year MBA program

“Application numbers track well from last year to this, with suspected factors (Brexit) seeming to have little impact. Impact of Brexit may be seen in coming cycle.”

—UK Master of Finance program

“The overall perception of Brexit has caused some challenges for us in the market in terms of the reputation of the UK as a whole.”

—UK Master in Management program

“With Brexit approaching the number of EU applications is likely to reduce and we obviously want to maintain a decent level of diversity on programme.”

—UK full-time one-year MBA program

Contributors and Contact Information

Contributors

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For questions or comments regarding the findings, methodology, or data, please contact the GMAC Research Department at research@gmac.com.

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