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M.B.A. graduates bypass Wall Street *Traditional route loses glitz as grads look to work in hot industries like media and luxury goods*

BY JUDITH MESSINA

As an industry where entrants typically start at the bottom and work their way up, the business of luxury retail hasn't typically attracted fresh new M.B.A.s. But this year at Columbia University Business School, the retail and luxury-goods student club has a hefty roster of 200 members, and the number of grads entering the industry doubled between 2011 and 2012 to 3.6% of the class.

"Even though [students] come [to Columbia] interested in Wall Street, they have their eyes and ears open," said club President Cristina Connor, who is interning with a global luxury-goods company and will work there after she graduates in May. "There's an openness to other opportunities."

Ms. Connor is one of a growing cohort of business students and newly minted M.B.A.s who are shunning Wall Street, gravitating to industries where they see more growth and opportunity. Beset by scandals and with jobs and bonuses shrinking, the legendary Street has lost some of its glamour. Many students these days want jobs that are more stable and predictable, if less remunerative. Or, like Ms. Connor, they want to work in hot industries, such as media and luxury goods. Still others are putting their skills to use in social causes or starting their own companies.

"The buzz has shifted," said Regina Resnick, associate dean at Columbia. "We still have a core group of students really interested in Wall Street, but we don't have as many shoppers."

According to a survey by the Graduate Management Admission Council, interest in Wall Street has been declining since the collapse of Lehman Brothers in 2008. In 2012, 23.3% of M.B.A. students nationally sought jobs in finance or accounting, down from 32.5% in 2009. In New York, 42% of Columbia's 2012 M.B.A. graduates went into finance, down from more than 50% in 2011. At New York University's Stern School of Business, 22% of M.B.A. grads went into investment banking in 2012 versus 28% the year before.

It's a major shift for local schools, which have long been seen as a runway to Wall Street. Instead, business students are looking for jobs in places like Silicon Valley. Of Columbia's roughly 750-member M.B.A. graduating class, Amazon hired nine last year and seven the year before. At NYU, which graduated about 400 M.B.A.s last year, 11% went into jobs in media and entertainment versus 5% in 2011, and 150 specialized in entrepreneurship. At Pace University, a new undergraduate business major in arts and entertainment has attracted record numbers of applicants, with enrollment jumping 180% between this year's fall and spring semesters.

Students are also crowding into social-enterprise programs, eager to put their skills to work bringing sophisticated management to nonprofits. Columbia grad Joe Silver had worked for GE Capital in Seattle and thought he might eventually end up in venture capital or private equity. Instead, he gravitated to a job in microfinance and then to Columbia to hone his skills. In 2011, equipped with an M.B.A., he joined the New York office of Imprint Capital, an investment

adviser that helps wealthy families and individuals invest in businesses and funds that produce a social impact—as well as a financial return.

“I realized that the tools I was using in finance were completely applicable to social enterprise,” he said. “It’s so much more direct to the end client, and the impact is much clearer.”

Taking accounting into account

Even those going into finance are looking for stable venues, such as accounting. NYU senior Joe Hernandez this year participated in a weeklong program at Credit Suisse, did an internship with Standard & Poor’s and interviewed with JPMorgan Chase. But when he graduates in May, he’ll work for accounting firm Ernst & Young in its advisory practice. Similarly, at Wagner College, where business is one of the biggest undergraduate programs, Ellen Huffman, a junior accounting major, said she is planning to get her CPA.

“[On Wall Street you have] a glamorous lifestyle, but one day you’re in and one day you’re out,” she said. “It’s not practical, not something I would want to do for 20 years.”

Schools are going with the flow. Fordham’s Gabelli School of Business, the university’s 2,000-student undergraduate business department, has launched programs in sustainable business, entrepreneurship, fair trade and value and alternative investing. The university this year will hold its second career fair to connect students with small businesses for internships or full-time work.

“Five years ago, entrepreneurship was limping along at Fordham,” said Dean Donna Rappacioli. “Now it’s an integral part of the curriculum, beginning in the freshman year.”

Still, this being New York City, the financial industry remains an attraction. NYU, for one, continues to get a lot of students who want a career in finance, but their interest in Wall Street has gravitated from the big investment companies to smaller firms.

Going for visibility

“If there’s any shift, it’s that students are interested in boutique banks or private equity or hedge funds, where they feel they can make a contribution and have high visibility earlier on,” said Trudy Steinfeld, assistant vice president of the Wasserman Center for Career Development at NYU.

Similarly at Pace, which has seen increased interest in its one-year M.S. degree, financial management and investment management are the two biggest programs, and the finance industry remains the biggest employer.

“Our most vibrant programs are still about accounting, finance and investment,” said Dean Neil Braun, himself a veteran of the media and entertainment business. “A lot of students understand that Wall Street is an incredible training ground.”

Still, Pace also now awards degrees in disciplines such as customer intelligence, social media and mobile marketing.

“That’s where the action is,” Mr. Braun acknowledged.

SIDEBAR: Not as many applications for M.B.A. programs

Not only are Wall Street’s woes and the limping economy shaking up the back end of the M.B.A. experience, they are also putting a crimp in the front end—the application process.

In 2011, fully 63% of all full-time two-year M.B.A. programs in the United States reported a drop in applications, according to a Graduate Management Admission Council survey, as uncertainty about the economy caused prospective students to rethink the steep investment in money and time. In 2012, the median drop in applications was 22%. In New York, where Wall

Street is often the first stop for local M.B.A. grads, Columbia Business School reported a 19% decrease, and NYU's Stern School of Business saw a 12% decline.

Despite that, application pools remain large, and most schools are enrolling roughly the same numbers of students as before the recession. That's important because "it provides the opportunity to bring in a more well-rounded class," said Amanda Carlson, Columbia Business School's assistant dean of admissions. At Pace's Lubin School of Business, where enrollment has been flat to slightly down for the M.B.A. program, the number of students in the one-year M.S. program was up 13% in 2012, suggesting that students still want advanced training in finance but want to spend less money and less time getting a degree.

Applications for the 2013 academic year are still coming in, but in the meantime, at least one school has been busy trying to stoke interest. Columbia has been pulling out all the stops, keeping its admissions office open six days a week, recruiting in more cities and using social media to reach out to prospects.

It has increased the number of off-campus information sessions it does, traveling to smaller cities such as Salt Lake, Phoenix, Denver, Austin and Charlotte—places admissions people used to visit but had lopped off the list when applications were more plentiful. Columbia is also putting social media into service, launching new outreach efforts, including Tuesday Tips—videos of admissions officers offering advice about writing an application essay or getting a recommendation letter. In a new blog, Voices of Columbia, current students wax enthusiastic over their "global immersion" experience, a visit to Silicon Valley to meet with startups, or a trek to Patagonia that they managed to persuade Columbia to give them credit for. Another social-media effort is the "I Love CBS" videos, where students do off-the-cuff takes on why they like the school.

So far, the school's efforts are working. "Applications are up year-to-year," said Ms. Carlson.