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The M.B.A.s Who Can't Find Jobs

Some graduates are struggling to find work months after completing their business degree as the market for white-collar jobs gets tougher to crack

By Lindsay Ellis Follow

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Jenna Starr stuck a blue Post-it Note to her monitor a few months after getting her M.B.A. from Yale University last May. "Get yourself the job," it read.

It wasn't until last week—when she received a long-awaited offer—that she could finally take it down.

For months, Starr has been one of a large number of 2023 M.B.A. graduates whose job searches have collided with a slowdown in hiring for well-paid, white-collar positions. Her search for a job in sustainability began before graduation, and she applied for more than 100 openings since, including in the field she used to work in—nonprofit fundraising.

"There are people in the same position as me, for sure," the 30-year-old said.

An M.B.A. can cost more than $200,000 at a top school but typically pays off as a launchpad for a new, more lucrative career or the corporate leadership fast track. Many in the spring class of 2023 say they are still awaiting that payoff. These M.B.A.s entered the job market just as three sectors that heavily recruit them—consulting, tech and finance—hit downturns and put the brakes on hiring. Some graduates with consulting jobs have had their start dates pushed to later this year. Meanwhile, the number of openings in software development, marketing, banking and other professional fields has fallen from a year ago.

Jenna Starr kept a motivational note stuck to her computer for months until she received a job offer last week. PHOTO: JENNA STARR

Even at some top business schools, the number of recently minted M.B.A.s without jobs has roughly doubled from a couple of years ago, when U.S. companies were rushing to hire as many workers as they could, according to data from the schools.

At Harvard Business School, 20% of job-seeking 2023 M.B.A. graduates didn't have one three months after graduation, up from 8% in 2021. At Stanford's Graduate School of Business, 18% didn't, compared with 9% in 2021. About 13% of those at the Massachusetts Institute of Technology's Sloan School of Management didn't have a job within three months, up from about 5% in 2021.

Campus officials say the number of graduates without jobs isn't that much different from prepandemic years, when the job market also was relatively strong, and that they have been providing career coaching and other support to alumni still on the job hunt.

Career-change challenges

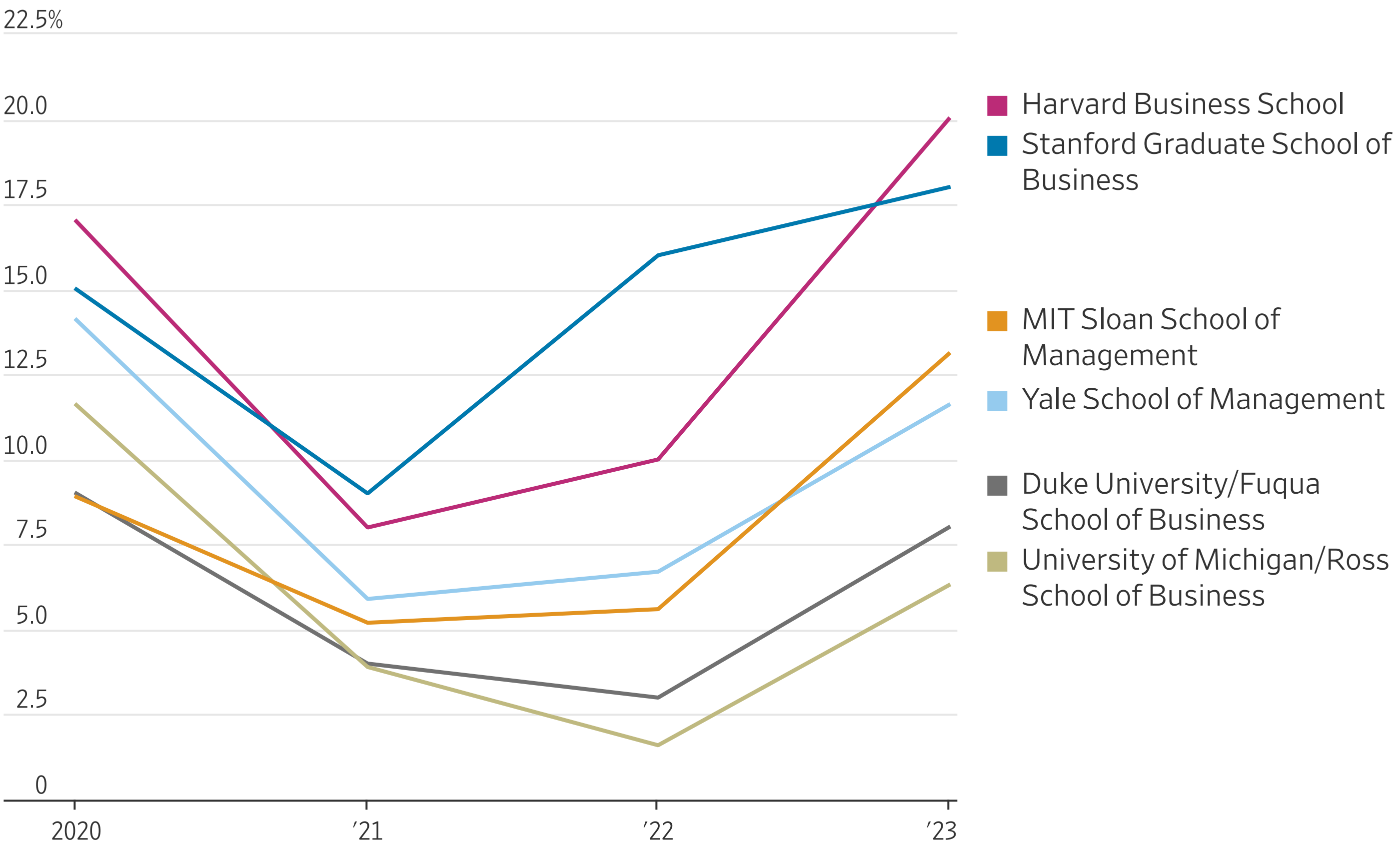
Students who chose business school to change careers appear to be having the toughest searches. Employers are hiring more selectively than they did in recent years, often picking candidates with relevant experience over new graduates, according to alumni and career coaches.

One Harvard M.B.A. living in Boston said he couch-surfs in New York to network for jobs there in person. A graduate from the University of Texas' McCombs School of Business said she's getting rent help from her parents as she works at a hotel restaurant and sells her clothing and jewelry online to cover groceries and utilities.

“I had no idea, a year later, I’d still be searching for full-time employment,” said 32-year-old AJ Edelman, who decided to pursue a Yale M.B.A. to ease his transition from a skeleton-racing career into a management role in technology. Hundreds of applications later, he estimates, he’s still looking.

Abigail Kies, who leads the Yale School of Management’s career center, said companies usually are willing to take a chance on M.B.A. graduates because of their adaptability, even if they have little experience in the field. This year, businesses are being much more conservative in their hiring, she has observed.

Share of job-seeking M.B.A. graduates without jobs three months after graduation



Note: Data includes grads who received job offers but didn’t accept them.
Source: the schools

“The choices employers were making were more based on history and experience than has usually been the case for M.B.A.s being hired,” she said. Administrators at other schools say they are noticing the more cautious hiring, too.

Officials at Stanford and the University of Michigan’s Ross School of Business, along with other schools, say that the number of 2023 M.B.A. students who weren’t immediately hired after graduation falls in line with recent levels, but note that a pandemic hiring surge in 2021 and 2022 elevated job placement then. Some schools say recent graduates who didn’t have a job in the months after graduation have since found one. An HBS spokesman said some students without jobs had received offers, but were waiting for the right role.

Expanding the job search

MIT's Sloan School of Management recently started a group for job-seeking graduates that meets twice monthly to share postings and offer peer and staff support. Those more flexible on location, function or industry have found success, including in industries as varied as agriculture, wine and healthcare, said Susan Brennan, Sloan's assistant dean of career development.

Brittany Tyree, who leads career education and coaching for M.B.A.s at the University of Texas' McCombs School of Business, said that 2023 graduates are taking jobs in a broader range of industries than usual. Companies in consumer products, retail and manufacturing are hiring more graduates than in previous years, she said, while hiring in tech has slowed. The school offers alumni one-on-one career coaching after graduation.

Those who are getting jobs are enjoying healthy paychecks. Median starting salaries for Stanford M.B.A. graduates rose to $182,500, up from $175,000 the year before, and climbed to $175,000 at several other schools. Bonuses lift that compensation even higher.

Enrique Melendez worked as an engineer before his M.B.A. Finding a job in tech has been difficult, he said. PHOTO: SASHA HAAGENSEN

Enrique Melendez, an engineer before enrolling in UT's M.B.A. program, graduated in May—as the tech industry was cutting thousands of jobs—and is hunting for a position in technology strategy or product management.

"Very quickly, the landscape started turning very, very grim," said Melendez, 31, who said he took on debt for the degree. Now he is living on savings and has cut his spending, such as on dining out and a gym membership.

Around graduation, he expanded his search to smaller tech firms, as well as companies in e-commerce, retail and manufacturing. He left some interviews thinking he had nailed it, but offers didn't follow.

In the long run, Melendez is hopeful he's better off with his M.B.A. than without. "Over the short term," he said, "it's been really painful to have to go through this."

Some longtime job seekers are finally seeing traction. Shortly into the new year, Starr was offered a job as a sustainability analyst at a healthcare company, and she plans to accept. The extra online credentials she got in sustainability work to boost her application will help her on the job, she said.

Now that the job search is over, "I'm OK that it took eight months to get here," she said.

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