

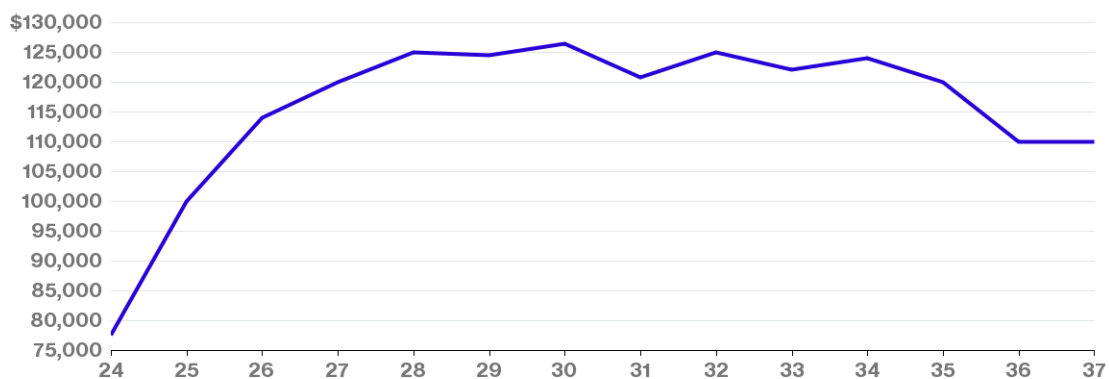
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Business school is a profitable decision but less so as students approach their 30s. An analysis of data collected by Bloomberg suggests that getting a master's in business results in a pay bump that increases the older a graduate is—until she hits 30.

As part of its ranking of full-time MBA programs, Bloomberg surveyed more than 10,000 people who expected to graduate business school in 2014. The ages and starting compensation for people who had jobs lined up when they graduated, plotted in the chart below, show that in one's mid-20s, paychecks bump up for every year of age, which makes some intuitive sense—a 28-year-old might have more experience and education than a 24-year-old. Surprisingly, though, age stops giving graduates a pay advantage fairly quickly. Pay levels hover in the mid-\$120,000s range between ages 28 and 34, peaking at age 30, and then begin to drop off steadily, falling to \$110,000 at ages 36 and 37.

The Age Advantage

Median expected annual MBA compensation by age at graduation



Data: Bloomberg survey

Bloomberg 

The typical 26-year-old graduate earned \$14,000 more than the typical 25-year-old, who earned \$22,500 more than the typical 24-year-old.

Older graduates also have a clear disadvantage when it comes to the gap between what they earned before getting an MBA and after. Looking at those pay bumps offers a better sense of how big an advantage an MBA brings than the compensation figures and paints a more striking picture of how helpful an MBA is, in salary terms, as students age. The chart below shows the post-MBA pay

increase for students who had jobs before they started B-School, and were set to start jobs when they graduated.

Compensation bumps get smaller with each year of age, reflecting the fact that older MBAs tend to enter their programs with higher salaries, making their post-B-School pay increase less dramatic.

Of course, it isn't as if the ancient 30-somethings are getting nothing out of their time on campus. The typical 37-year-old got a 37 percent pay bump after finishing school. Compared with the youth, though, that uptick does not seem impressive. Twenty-nine-year-olds saw their compensation balloon by a median of 81 percent, and 25-year-olds enjoyed an enviable 130 percent pay increase. The upshot for people mulling a degree in business? Start early, when you can still feel superior to people your boss's age.