



The Master of Business Administration (MBA) degree is becoming ubiquitous, but is it worth the cost?

Many MBAs to Choose From

There are no less than 10 MBA programs of some repute in Singapore, and hundreds more overseas. There also appears to be an anecdotal trend of more employers specifically asking for MBA candidates to fill certain positions, which only a few years ago do not require an MBA degree.

Payoffs and Trade-offs

Yet, what exactly is the expected payoff from enrolling in an MBA program? What are the trade-offs in pursuing a full-time MBA versus a part-time one?

Return on Investment

Calculating the Return on Investment (ROI) of an MBA is not always a straightforward affair. Besides the direct costs associated with the MBA program, full-time MBA candidates also incur opportunity costs. They have to forego the salaries that they would have otherwise earned during the duration of the program. On the other hand, the payoff of an MBA is not just in a higher salary, but also potentially faster career advancement and therefore a higher rate of salary increase.

We have designed a calculator to calculate the ROI for your own circumstances, taking into account opportunity costs as well as accelerated salary increments post-MBA. The calculator also allows you to specify whether the MBA is part-time, thus incurring no opportunity costs. This calculator is in fact applicable for any degree course you may want to enrol in, not just an MBA.

Limitations

Of course, the calculator will not be able to take into account intangible benefits, such the life experience you would gain from being in a top MBA school. Moreover, it does not consider the salaries earned from summer internships, which are usually uncertain and not guaranteed. The calculator also neglects the time-value of money.

Instructions

Your web browser needs to be installed with [Adobe Flash](#) for the calculator to work. Simply change the parameters as required. To obtain the payback period of the program, move the "Years of ROI" slider to the position that gives a zero-percent ROI.