What Is the ROI of an MBA?

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Earning a graduate degree can be a good investment. Individuals who complete a master's degree, for example, earn higher salaries and face lower unemployment rates than those whose highest level of education is a bachelor's degree, according to the U.S. Bureau of Labor Statistics (BLS).

People can choose from a wide variety of master's degrees, but completing a Master of Business Administration (MBA) degree has the potential to yield a significant return on investment (ROI). Earning an MBA prepares people to earn more, enter or advance in an extensive variety of careers, and strengthen key hard and soft skills.

Learning about the MBA ROI can help individuals who are exploring MBA degree programs and wondering if a graduate degree in business is a good way to invest their financial resources and time.

What Are the Costs of Earning an MBA?

To determine the ROI on an MBA, it is important for prospective students to take inventory of the costs associated with earning the degree. While costs may vary significantly from school to school, they generally fall into these categories:

- **Direct costs**, such as tuition, fees, room and board, textbooks, supplies, and equipment
- **Indirect costs**, such as transportation, a computer, personal expenses, and loan fees

Another consideration is the opportunity cost of attending graduate school versus continuing to work full time. In other words, it can be helpful to consider the income an individual would forgo by not working while attending graduate school.

Getting Assistance to Reduce the Cost of Earning an MBA

In some cases, MBA students can take advantage of financial aid to help reduce or even completely cover the costs associated with attending graduate school. For example, students can:

- Apply for federal financial aid
- Apply for scholarships
- Receive assistance through employer-provided tuition reimbursement programs or sponsorships

Students can opt for online MBA programs, which can sometimes be less expensive than in-person programs and can lower personal expenses such as transportation and child care. The flexibility of online programs can make it easier for students to work part time or full time and continue to earn income while they are in school. Executive MBA programs and part-time MBA programs also allow students to continue working and earning while they complete their degrees.

Does an MBA Provide a Good Return on Your Investment?

Calculating the cost of attendance is only the first part of determining an MBA return on investment. To complete the calculation, prospective students also need to consider the potential financial rewards, which can be substantial.

According to compensation website PayScale, as of June 2026, the median annual salary for individuals who had earned an MBA was about $103,000. However, it is important to remember that salaries can vary significantly based on factors such as employer, job, and location. In 2025, for example, online lender SoFi reported the following median annual salaries for MBA graduates by industry:

- **Finance:** $175,000
- **Technology:** $162,750
- **Consulting:** $190,000
- **Health care:** $163,000

The potential salary boost from earning an MBA can increase an individual's lifetime earnings. Therefore, it is important to consider this long-term benefit when calculating an MBA ROI.

The specific MBA degree program students choose can have a significant effect on their MBA ROI. For example, the A. B. Freeman School of Business at Tulane University recorded the largest increase in ROI in the *Bloomberg Businessweek* 2025 survey of the top MBA programs in the country. ROI improved, driven by a 27 percent increase in median post-MBA compensation and a nearly 10 percent decrease in program expenses.

Benefits of Earning an MBA

The financial rewards associated with earning an MBA are critical when considering the return on investing in an MBA degree. However, earning an MBA also offers a wide range of benefits that, while not always quantifiable, are important to keep in mind when evaluating an MBA. Examples of these benefits are highlighted below.

Prepare for a Wide Range of Career Options

Completing an MBA opens the door to an extensive variety of careers. For example, MBA careers extend into:

- **Finance**, with careers such as financial manager, financial analyst, or chief financial officer (CFO)
- **Marketing**, with careers such as marketing manager or chief marketing officer (CMO)
- **Management**, with careers such as project manager or management analyst
- **Analytics**, with careers such as business intelligence analyst or chief data officer

Possible careers with an MBA also include leadership roles in sales, product management, and health care.

Gain Valuable Expertise

Completing an MBA degree is a great way to acquire expertise in subjects that are vital to business success. For example, MBA students have the opportunity to learn about:

- Integrating artificial intelligence (AI) into business practices
- Using business analytics to strengthen decision-making
- Operating in the global business environment
- Conducting strategic planning and encouraging innovation
- Promoting sustainability

Improve Hard and Soft Skills

In addition to strengthening their hard skills in areas such as finance, management, and marketing, MBA students get the chance to improve their soft skills in key areas such as:

- Critical thinking
- Leadership
- Communication
- Teamwork
- Creativity

Build Professional Networks

MBA students can form strong professional networks with fellow students and professors. In the years to come, these networks can be valuable sources of support, consultation, and even potential employment.

Pursue Personal Growth

An MBA can be a great credential to add to a resume, not only because it is evidence of expertise but also because it can demonstrate an individual's commitment to personal growth and to completing a significant goal.

Consider the Potential ROI on an MBA

Thinking about the ROI on an MBA and other potential benefits of earning the degree can help prospective students examine how completing an MBA could affect their careers, earnings, and the ability to reach their goals. MBA programs also offer students key knowledge and skills that allow them to help businesses achieve their missions.

Those interested in graduate business education can explore the MBA degree programs that Tulane offers to understand how these programs can help them accomplish their objectives. Tailored to a variety of students, these MBA programs include:

- Full-Time MBA program
- Executive MBA program (weekends)
- Professional MBA program (part-time)
- Online MBA program

Each program offers students the business expertise to take the next step in their business careers.

Start on your path to earning an MBA today.

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