

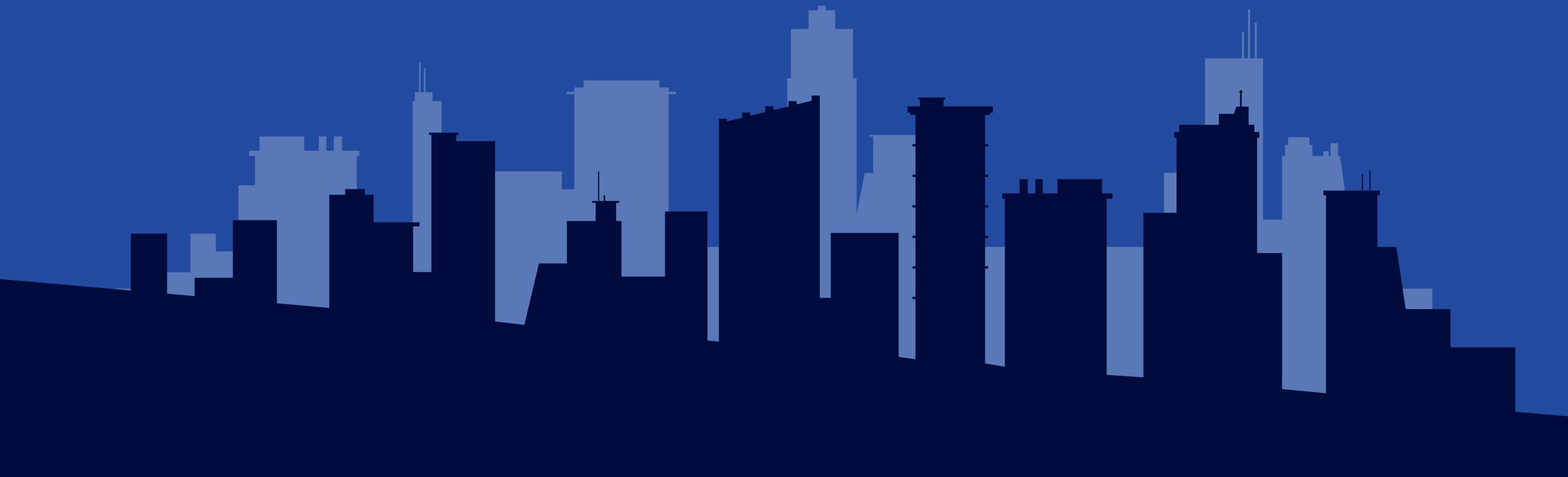
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Esade MBA City Monitor

Cities as talent magnets



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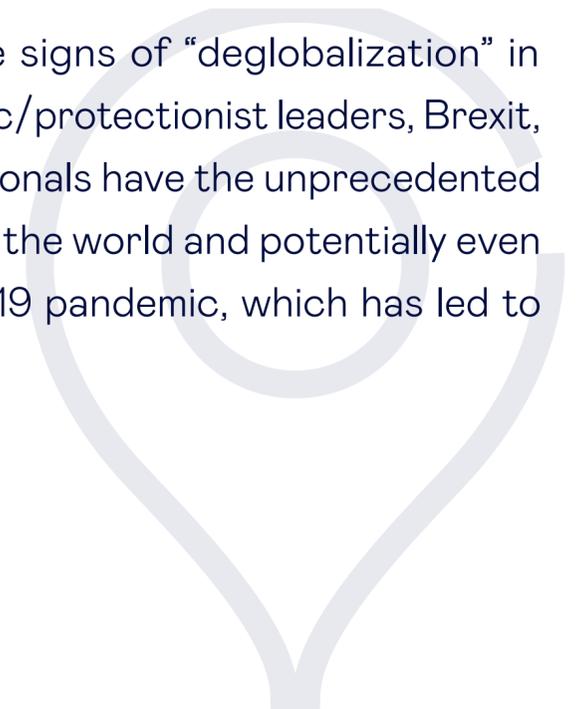


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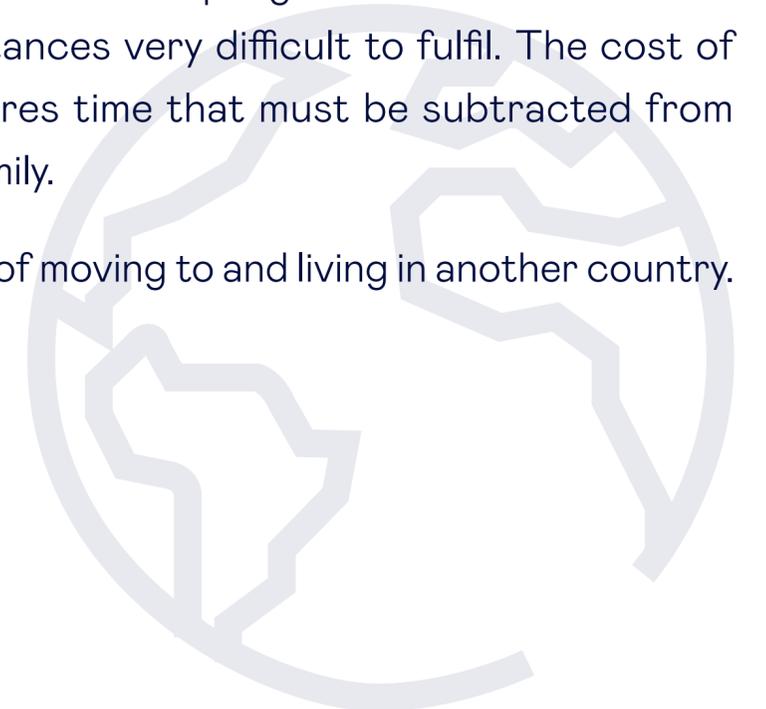
Context

- More than 50% of the world's population live in cities, a percentage expected to climb to 70% by 2050 (World Bank).
- Urban hubs generate some 80% of the world's gross domestic product (GDP). Generating innovation and new ideas.
- There is a segment of highly qualified, increasingly mobile citizens, and this increases the competition between cities to attract and retain talent.
- Offshore talent trends: While there are visible signs of “deglobalization” in diverse areas at the geopolitical level (nationalistic/protectionist leaders, Brexit, supply-chain disruptions, etc.), talented professionals have the unprecedented opportunity to establish themselves anywhere in the world and potentially even in various locations, in part due to the COVID-19 pandemic, which has led to more remote work and greater digitalization.



International MBA students: a good indicator of the future

- The new Esade MBA City Monitor aims to forecast the cities' (metropolitan areas) ability to attract global talent and launch and grow the businesses of tomorrow. It does so by analyzing the attraction these areas have for students in different countries on the basis of the number of foreign students registered on the 120 best MBA programs in the Financial Times ranking in the last three years.
- The MBA City Monitor could also be a useful guide for people intending to study an MBA program outside their own country in the future.
- MBA international students are a good indicator of a city's attractiveness. The search for an MBA program means taking very expensive decisions so the choice of a specific destination is a good barometer for measuring a city's ability to attract global talent in general. The decision to enrol in a full-time MBA program involves considerable investment in at least four areas:
 - Cost of Tuition.
 - Opportunity cost (loss of salary whilst taking an MBA program). This is one of the costs overlooked most often and which sometimes adds up to a considerable amount during a two-year MBA.
 - Cost of research and preparation beforehand. This industry is highly fragmented and has a wide range of MBA programs around the world. Eligibility criteria are in most instances very difficult to fulfil. The cost of researching and preparing requires time that must be subtracted from dedication to one's own job or family.
 - The emotional and monetary cost of moving to and living in another country.



Three variables: Talent, capital and technology

- When MBA talent can link up with a critical mass of “tech-savvy” talent and venture capital, the chances of building the businesses of the future will be much higher.
- The Esade MBA City Monitor combines these three aspects. The study takes into account the number of international MBA students, but combined with another two variables:
 - Total venture capital invested in an area in the last five years.
 - The number of top computer science or technology universities in the metropolitan area.
- The result is a **single indicator** measuring a city’s capacity/ ability to attract talent globally and in the future .



Main findings of the Esade MBA City Monitor

Nationwide in Spain

- **Barcelona and Madrid together**, separated by a high-speed train journey of just 2.5 hours, are the fourth global magnet for talent, only behind London, Boston and New York, and just ahead of Silicon Valley, according to the Esade MBA City Monitor survey of the most attractive places in the world to take an MBA and the ability of these cities to build the businesses of the future.
- The city that attracts the most international MBA students is Boston with 1,708 MBA students registered in the same period, followed by London with 1,501 students, New York with 1,204, Paris with 1,113, Barcelona with 1,022 and Chicago with 889. **Barcelona is the fifth most attractive city in the world and the third in Europe for foreign MBA students**, when ranked according to the number of international students enrolling on program.



Main findings of the Esade MBA City Monitor

At the international level

- More than 50% of the 147 business schools teaching first-class MBAs around the globe are in the USA and Canada, with 24.5% in Europe and 11.5% in Asia.
- In recent years there has been a shift in international top MBA talent from the USA to Europe. Whereas the USA has lost 10% of its ability to attract international MBA students (particularly the East Coast hub), Europe (particularly the London-Paris-Barcelona-Madrid hub) has attracted 13% more. East Asia has remained the same (a noteworthy detail that might suggest an untapped opportunity). This trend might reflect the impact of the Trump Administration, anti-globalization, Covid and China's authoritarian government.

- More than 80% of leading MBA programs are taught in the West. Despite China's growth in the last 20 years, the ranking reveals that no Chinese city is a global magnet for international MBA talent. Singapore is the only Asian city that is a global hub, coming 8th in the ranking.



Combination of the 3 variables:

- Ranking of international MBA students

- Total venture capital invested in the area in the last five years

- Number of top computer science or technology universities in the metropolitan area

Ranking: Top 25 in the world

#1 London  MBA #2
VC #6
Tech/CS #1

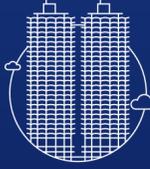
#2 Boston  MBA #1
VC #4
Tech/CS #7

#3 New York  MBA #3
VC #3
Tech/CS #3

#4 SF-Silicon Valley  MBA #7
VC #1
Tech/CS #5

#5 Paris  MBA #4
VC #12
Tech/CS #17

#6 Barcelona  MBA #5
VC #27
Tech/CS #36

#7 Chicago  MBA #6
VC #14
Tech/CS #23

#8 Singapore  MBA #10
VC #8
Tech/CS #6

#9 Toronto  MBA #9
VC #21
Tech/CS #10

#10 Los Ángeles  MBA #14
VC #10
Tech/CS #9

#11 Filadelfia  MBA #8
VC #25
Tech/CS #41

#12 Beijing  MBA #23
VC #2
Tech/CS #8

#13 Madrid  MBA #11
VC #33
Tech/CS #38

#14 Hong Kong  MBA #18
VC #34
Tech/CS #4

#15 Shanghai  MBA #22
VC #5
Tech/CS #13

#16 Route 40 NC  MBA #12
VC #40
Tech/CS #47

#17 Sydney  MBA #16
VC #39
Tech/CS #14

#18 Washington DC  MBA #13
VC #28
Tech/CS #44

#19 Rotterdam  MBA #26
VC #24
Tech/CS #12

#20 Manchester  MBA #15
VC #44
Tech/CS #32

#21 Detroit  MBA #17
VC #46
Tech/CS #30

#22 Pittsburgh  MBA #19
VC #26
Tech/CS #19

#23 Atlanta  MBA #20
VC #23
Tech/CS #18

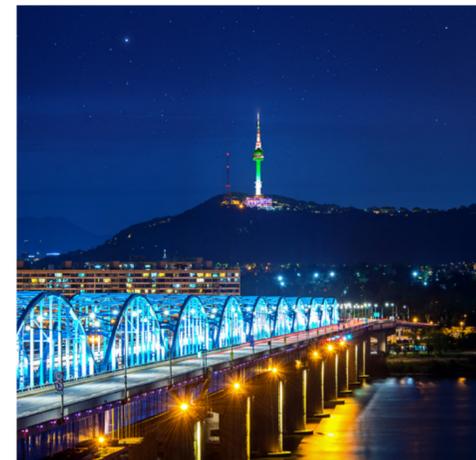
#24 Indianapolis  MBA #21
VC #41
Tech/CS #29

#25 Austin  MBA #25
VC #15
Tech/CS #24

Main findings of the Esade MBA City Monitor

Not ranked opportunities for cities

- Cities such as Seoul, Tokyo, Tel Aviv, Miami and Munich are well able to attract talent, but do not appear in the ranking top 25 because they do not have MBA programs at the top of global rankings. The Esade MBA City Monitor analyzes this factor to understand how cities would rank if they had a program able to attract the best MBA students (or if such a program became bigger than it is today). If, for example, cities such as Seoul, Munich, Tel Aviv and Miami attracted numbers of international students in the top MBA programs similar to the numbers in Los Angeles or Sydney, then those cities would rank amongst the top 25 in the world.
- To this end, it is possible to establish and define the ‘operating system’ that transforms cities into magnets for talent and enables them to create the ecosystems and companies of the future, based on:
 - Global talent: business and digital tech
 - Venture capital investment
 - Public incentives



Methodology of the MBA City Monitor

- 1) **The ranking identifies a universe of the best MBA programs and then:**
 - a. Analyses the MBA programs in the latest three editions of the Financial Times MBA Global Ranking
 - b. If a business school is not in the Financial Times ranking but does feature amongst the top 20 according to The Economist, then it is included in the Esade MBA City Monitor ranking.
 - c. This gives a sample of the 120 best MBA programs.
- 2) **The total number of students registered on each of the 120 programs is calculated, i.e., the total number of students at a business school at a given time (first and second year in the case of two-year programs) rather than just taking yearly admissions numbers. This matters because we believe that a critical mass of talent is important. If two MBA programs have 200 students but one is a one-year program and the other, a two-year program, then total registrations would be 200 on the one-year program and 400 on the two-year program.**
 - * The main sources for registration data are websites in the MBA industry, such as The Economist, Poets & Quants and GMAT, and also websites of business schools (class profiles).
- 3) **The number of international students is then calculated according to the Financial Times ranking (metric of percentage of international students).**



Methodology of the MBA City Monitor

- 4) **The main location of each top MBA program is highlighted, and programs are then grouped according to their city/metropolitan area.**
 - a. Each program is weighted 0.8-1 according to the distance to the main city. International students at Oxford, for example, are included in the London metropolitan area but are given less weight due to the distance. Others such as Cornell (Ithaca, New York) are regarded as separate locations and not included in any metropolitan area.
- 5) After weighting each program and taking into account the number of international students, the **weighted number of international students in each metropolitan area is calculated.**
- 6) Two additional variables or proxies are added:
 - a. On the basis of the QS ranking of Top Universities in Computer Science: 10 points are given to each university in the top 10 of the ranking; 9 points to those in the top 20; 8 in the top 30; and so on.
 - b. In the case of venture capital investment, we use the data provided by *dealroom.com*, a global provider of recently updated data and intelligence about tech ecosystems and start-ups that tracks investment in cities around the globe.
 - c. These two factors are each given a weighting of 20%.

The weight of each of the three variables in the final result is 60% for the number of international MBA students; 20% for the number of the best computing or technology universities in the metropolitan area; and 20% for the venture capital invested. These three variables are compiled to standardize the data and calculate a final score for each city.



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