

The Value of MBAs For Private Equity

Private Equity › Interview Preparation



An MBA is typically regarded as a prerequisite to reach the higher echelons of private equity, especially at the larger firms. But is that really

true? What does the data tell us?

MBAs are in almost every PE firm

I checked the percentage of MBAs in each one of a few firms. Out of 315 executives, 166 had MBAs (about 52%). Views are mixed; in some firms an MBA is a prerequisite. A partner at a global firm recently stated, "We view senior associate positions as post-MBA positions, and would therefore require that qualification unless there are exceptional circumstances". However, the communications director at 3i Group also said last year, "the MBA is not a pre-requisite but it can be of tremendous help for some people, people with non-financial backgrounds for example".

The larger the firm, the more MBAs you will find

The largest PE funds such as KKR, Blackstone, and Apax had the most MBAs. I've gathered some data here:

1. PE FIRM, (% MBAs)
2. Apax (77%)
3. Blackstone (63%)
4. KKR (61%)
5. Candover (59%)
6. Permira (58%)
7. 3i (48%)
8. CVC (46%)

9. Bridgepoint (38%)

10. EQT (22%)

11. PAI (21%)

The number of executives with MBAs is increasing

By looking at the younger executives in the firm, there is also clear evidence that the MBA is becoming increasingly popular amongst the new generation of buyout executives.

Among MBAs, five schools provide the vast majority of PE professional graduates

Five schools provide more than 80% of all the MBA graduates who work in private equity; Wharton, Harvard, and Stanford are provided from the U.S., and in Europe, Insead and LBS. PE firms tend to hire their own kind, so the PE MBA community is a very closed circle. If you are interested in our MBA essay review service by alumni from top business schools, please get in touch at thomas@askivy.net.

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