STUDY NOTES · BASIC CONCEPT

Why are Engineering & MBA Degrees no more attractive? Low ROI? Detailed Explanation

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What the Report Highlights

Recent reports suggest that traditional “safe” career paths like engineering and MBA are no longer guaranteed high-return options. In the past, these degrees almost ensured stable jobs and good salaries, but today’s job market has become more competitive and unpredictable. As a result, the Return on Investment (ROI)—the benefit you get compared to the cost of education—has started declining for many students.

Rising Cost of Education

One of the biggest concerns is the rapidly increasing cost of higher education. Professional degrees from private colleges and top institutes can cost anywhere between ₹20–40 lakh or even more. Many students take education loans to fund their studies, which adds financial pressure. When the cost of education is so high, the expectation of high-paying jobs also increases, but that expectation is not always fulfilled.

Salary vs Investment Gap

While education costs have increased significantly, starting salaries have not grown at the same pace. Many graduates begin their careers with salaries in the range of ₹4–6 lakh per year. This creates a gap between investment and returns, making it difficult for students to repay loans quickly. In some cases, it may take several years or even decades to recover the cost of education, reducing the overall financial value of the degree.

Placement Challenges and Job Reality

Another major issue is the decline in placement quality and opportunities. A significant number of engineering and MBA graduates struggle to secure jobs after completing their degrees. Even those who get placed often find themselves in roles that do not match their qualifications or expectations. This problem is often linked to a mismatch between what students learn and what industries actually require.

Skills Gap and Industry Demand

Companies today are looking for candidates with practical skills, real-world experience, and problem-solving abilities rather than just academic qualifications. Many graduates lack these industry-ready skills, which reduces their employability. This has made it clear that having a degree alone is no longer sufficient; students must also focus on building relevant skills through internships, projects, and continuous learning.

Oversupply of Graduates

Over the years, the number of engineering colleges and management institutes has increased significantly, leading to a large number of graduates entering the job market every year. This oversupply creates intense competition, which in turn lowers salary levels and job opportunities. As more candidates compete for limited roles, the value of the degree alone decreases.

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Changing Job Market Trends

The job market itself is evolving rapidly due to factors like automation, artificial intelligence, and digital transformation. Many traditional roles are being replaced or transformed, while new roles require advanced and specialized skills. This shift has made it harder for graduates with generic degrees to find suitable jobs unless they adapt to these changes.

Are These Degrees Still Valuable?

Engineering and MBA degrees are still valuable, especially if pursued from reputed institutions or combined with strong skills and specialization. However, they are no longer “safe bets.” The value of these degrees now depends on factors like the quality of the college, industry exposure, specialization (such as AI, data analytics, finance), and individual skill development.

What Students Should Do

Students need to take a more strategic approach while choosing their careers. Instead of blindly following popular degree choices, they should evaluate the ROI, placement records, and industry relevance of the course. Focusing on skill development, gaining practical experience, and staying updated with market trends can significantly improve career outcomes.