Internships and Co-ops 2012
Talent Development Outlook: CERI Research Brief 2012.3

Projections for internship and co-op recruiting for 2011-2012 indicate that campus activities to identify and attract potential new talent will intensify. Nearly 60,000 internship and co-op will be offered by organizations responding to MSU's annual college recruiting study. In this short research brief, information about the internship and co-op acquisition will be provided. Several specific issues will be addressed: unpaid internships and hourly wages for paid experiences. The influence of organizational size, economic sector, and geographic area on internship and co-op recruiting has been included.

Key Facts

- Over 70% of organizations plan to seek interns and co-ops for spring and summer positions in 2012.
- One-third of these organizations plan to increase the number of interns/co-ops they hire this year.
- On average an organization will hire approximately 20 interns and or co-ops.
- Organizational size influences internship hiring: 82% of **Large** organizations compared to 62% of **Very Small** organizations are seeking interns/co-ops.
- Sixty-six percent of organizations pay their interns and co-ops.
- Salaries range from $7.25 to $35 depending on academic major, organizational size, and economic sector.
- Organizations that offer unpaid internships are concentrated in these sectors: Non-profits, Health Services, Education, Arts & Entertainment, Government, and Information Services.
- Companies with fewer than 100 employees sponsor the majority of unpaid internships.
- Organizations that offer both paid and unpaid positions (16%) seek talent from All Majors (56%), Humanities & Social Science, Business, and Computer Science majors.

Overview

Approximately 5100 personnel from responding organizations, including recruiters seeking talent for full-time positions and managers of internship/co-op programs, provided information on their expectations for recruiting talent into their professionally oriented pre-graduation programs. These organizations offer a variety of opportunities, though the primary pre-professional experience is the internship. Organizations could select all the programs they offered to students as compiled in Table 1.

Table 1. Types of pre-professional experiences supported by organizations responding to Recruiting Trends 2011-2012 (%).

Type of Experience	All Org.	Very Small Org.	Fast Growth Org.	Small Org.	Mid-size Org.	Large Org.
Internships	65	65	63	65	66	72
Paid Professional Employment	31	30	33	31	31	31
Co-ops	17	10	12	17	23	28
Clinical Prog.	5	2	4	6	8	4
Apprenticeships	5	7	4	5	6	6
Practicum	5	3	4	4	3	1
Professional Practice (e.g. student teaching)	3	4	5	8	7	3

Very Small (9 or fewer employees), Fast Growth (10 to 100 employees), Small (101 to 500 employees), Mid-size (501 to 4000 employees) and Large (4001 or more employees)

Recruiting Activity for Internships and Co-ops

We were specifically interested in the level of activity in recruiting talent for internships and co-ops. Over seventy percent of the organizations indicated that they would be recruiting interns and co-ops during the 2011-2012 academic year. A comparison across size or organization indicates that fast growth, mid-size and large organizations are expanding their recruitment activities, suggesting that some organizations are starting new programs. For example, among large companies 72% indicated that they currently offer internship programs (Table 1); however, 82% indicated that they would be seeking interns during the year. While some of the ten percentage points expansion can be explained by organizations that only offer only co-op programs (combining with organizations that offer co-op and internships or internships only), this number represents only about half the gain. The additional growth can be partially attributed to a growth in internship/co-op initiatives among organizations as they try to get their talent acquisition programs back on-track after the recession.

Organizations expect to have 20 internship/co-op positions, on average, available during spring and summer of 2012. The average numbers vary by organizational size. In Table 2 several adjustments have been made to the reported averages because of the influence of several organizations seeking very high numbers of interns.

Table 2. Organizations seeking interns and co-ops during 2011-2012 (%) and the average number of interns/co-ops being sought.

	All Org.	Very Small Org.	Fast Growth Org.	Small Org.	Mid-size Org.	Large Org.
Seeking Interns & Co-ops (%)	71	62	65	59	75	82
Average Number	29.5	4.6	6.6	8.6[1]	16.3	41.9[2]

1. Small organization mean was influenced by one professional association that provides professional experiences for student members. Without adjusting the mean was 12.1.

2. Six large organizations were seeking 1800 to 3000 interns which were 3 to 5 times larger than the next highest number. If these six organizations were included the mean was 69.4.

The inference was made that the number of organizations seeking interns and co-ops was increasing. Further evidence of increased interns/co-op recruiting is provided by responses to a question on whether organizations were expanding their internship/co-op programs. Over one-third (35%) indicated that they were. Very Small organizations reported the highest number of organizations increasing at 49%. Large organizations were modestly increasing the size of their programs (39%). Only a few organizations were decreasing internship opportunities; generally among organizations with 500 or more employees.

Table 3. Growth in internship and co-op positions for 3011-2012 (%).

	All Org.	Very Small Org.	Fast Growth Org.	Small Org.	Mid-size Org.	Large Org.
Increasing Positions	35	49	34	30	30	39
Same Number of Positions	60	50	62	65	63	55
Decreasing Positions	5	1	4	5	7	6

Internship and Co-op Wages

Respondents were asked to provide information on the hourly wages they paid their interns and co-ops. Some organizations pay a monthly wage or a stipend based on the length of the experience. These organizations were asked to estimate their hourly wage. Hourly wages ranged for $7.25 (minimum wage) to $35 per hour. Wages for technical fields such as engineering, computer science and IT were higher than all other majors. Large organization paid the highest hourly wages. Wages paid by organizations with 4000 or fewer employees were comparable.

Table 4. Hourly wages for selected groups of interns and co-ops ($ average).

	All Org.	Very Small Org.	Fast Growth Org.	Small Org.	Mid-size Org.	Large Org.
Engineering/computer Science/technical	16.41	14.62	15.91	15.13	16.41	18.37
Accounting	14.60	12.36	14.41	12.71	14.73	16.17
Business	13.64	12.44	12.36	12.51	14.29	15.40
Health Sciences	13.81	11.40	11.47	16.62	15.04	15.30
Social Sciences/humanities	12.70	10.62	11.37	12.11	13.42	15.00
Physical & Biological Sciences	15.09	15.07	11.83	14.74	16.33	16.57
Agriculture & Nat. Res.	13.52	12.67	12.13	12.07	14.33	15.40

Economic Sectors Involvement with Internships and Co-ops

In this section the influence of economic sector on internship and co-op activity will be covered similar to the presentation on organizational size. Table 5 presents the top three forms of pre-professional engagement accompanied by remarks on the other types of engagement.

Table 5. Organizations offering internships, co-ops, and paid pre-professional experience by economic sector (%).

	Internships	Co-ops	Paid Pre-professional Experience
Agriculture	77	15	47
Oil & Mining	83	22	34
Utilities	65	35	37
Construction	67	21	27
Manufacturing	69	38	31
Wholesale	61	10	40
Retail	54	6	35
Transportation	64	10	26
Information Services	68	12	27
Financial Services/Insurance	65	10	31
Real Estate/Leasing	69	6	35
Professional & Scientific Services	65	17	35
Administrative Services	55	8	37
Education	40	16	26
Health Services	64	8	27
Arts & Entertainment	80	10	28
Accommodations (Food & Lodging)	68	10	38
Non-profits	79	10	27
Government	65	19	30

- Highest users of internships included Oil & Mining, Arts & Entertainment, Non-profits, and Agriculture.
- Lowest users of internships included Education, Retail and Administrative Services.
- Highest users of co-ops included Manufacturing, Utilities, Oil & Mining and Construction.
- Highest users of apprenticeships included Utilities (21%), Construction (10%), Real Estate/Leasing (10%), and Manufacturing (8%).
- Highest users of Clinical programs included Health Services (53%), Education (11%), and Non-profits (10%).

- Highest users of Practicum included Education (14%), Non-profits (11%), and Health Services (9%).
- Highest users of Professional Practice arrangements included Education (42%) and Health Services (7%).

The number of organizations seeking interns and co-ops ranged from 40% (Education) to 87% (Arts & Entertainment). The average number of interns and co-ops being sought ranged from 8.5 (Wholesale) to 78.4 (Real Estate/Leasing). The average figures reported in the following table have not been adjusted for the large outliers described in Table 2.

Table 6. Organizations seeing interns & co-ops and the average number being sought by economic sector.

	Seeking Interns & Co-ops (%)	Average Number Being Sought
Agriculture	86	23.4
Oil & Mining	88	16.8
Utilities	82	13.5
Construction	64	19.9
Manufacturing	77	24.4
Wholesale	61	8.5
Retail	66	24.6
Transportation	59	18.8
Information Services	78	35.7
Financial Services/Insurance	74	29.8
Real Estate/Leasing	72	78.4
Professional & Scientific Services	71	17.7
Administrative Services	63	11.6
Education	44	26.5
Health Services	64	6.9
Arts & Entertainment	87	13.0
Accommodations (Food & Lodging)	81	12.4
Non-profits	84	19.6
Government	70	19.0

- Several sectors show that more organizations in that sector intend to seek interns and co-ops this year compared to the per cent of organizations in that sector with these programs (Table 5): Agriculture, Utilities, Manufacturing, Retail, Information Services, Financial Services, Administrative Services, and Accommodations.
- Several sectors show a tendency to reduce internship and co-op recruiting: Construction and Transportation.

However, when comparisons are made by whether organizations will increase or decrease hiring we find that:

- More organizations in Oil & Mining and Retail expect to increase the number of internships and co-ops compared to other sectors.
- More organizations in Utilities and Government expect to decrease the number of internships and co-ops they offer compared to other sectors.

Table 7. Intentions of organizations to expand or contract internship and co-op programs by economic sector (%).

	Increasing Number of Positions	Same Number of Positions	Decreasing Number of Positions
Agriculture	42	54	4
Oil & Mining	54	37	9
Utilities	22	65	13
Construction	27	64	9
Manufacturing	37	58	5
Wholesale	40	58	2
Retail	50	49	1
Transportation	42	56	2
Information Services	38	58	4
Financial Services/Insurance	37	56	7
Real Estate/Leasing	32	64	4
Professional & Scientific Services	35	62	3
Administrative Services	41	53	6
Education	32	62	6
Health Services	28	71	1
Arts & Entertainment	34	62	4
Accommodations (Food & Lodging)	28	66	6
Non-profits	36	60	5
Government	20	67	13

Hourly wages are fairly consistent across economic sectors. Oil & Mining and Utilities offered the highest wages, especially for technical interns and co-ops. Table 8 provides hourly wage by sector for academic major groups with ten or more organizations reporting wages.

Table 8. Hourly wages paid interns and co-ops in 2011-2012 ($).

	Eng./CS /IT	Accting	Business	Health	Soc. Sci. Hum	Sciences	Ag.& Nat Res
Agriculture	16.78	14.67	14.12				13.39
Oil & Mining	24.18	17.10	17.56				
Utilities	17.26	15.68	15.36				
Construction	15.23	13.27	13.73				
Manufacturing	16.71	14.30	14.41		13.50	15.58	15.26
Wholesale	17.07		13.70				
Retail	13.79		12.94		12.27		
Transportation	16.15		13.99				
Information Services	18.05	14.40	12.69		12.93		
Financial Services/Insurance	15.99	13.80	13.84		13.56		14.26
Real Estate/Leasing	14.00		12.55				
Professional & Scientific Services	16.26	16.19	13.88	16.40	13.38	13.74	14.06
Administrative Services			12.47				
Education	14.44		12.05		12.44		
Health Services	13.58		13.55	13.12			
Arts & Entertainment			10.25				
Accommodations (Food & Lodging)			10.07				
Non-profits	14.34	13.47	12.15	10.80	10.26	12.45	11.00
Government	14.59	13.28	12.97	14.96	14.10	15.73	13.17

Geographical Comparisons

Few differences were found across geographic regions with regards to internships trends. More organizations who recruited throughout the U.S. offered unpaid internships (20%) than international and regional organizations. Organizations recruiting specifically in the Great Lakes and mid-Atlantic regions reported higher levels of unpaid internships (around 18%) than neighboring regions. Wages paid for internships and co-ops did not vary significantly across regions (region wage information available upon request).

Table 9. Geographical comparisons on internship talent acquisition.

Recruiting Area	Seeking Interns (%)	Interns Recruiting (Av.)	Increasing Internships	Same Level	Decreasing Internships	Paid	Unpaid
International	74	48	39	57	4	69	7
U.S.	71	58	34	61	5	64	20
Northeast	74	14	32	61	6	66	15
Mid-Atlantic	71	18	35	60	5	66	18
Great Lakes	72	16	35	60	5	64	19
Upper Plains	71	13	33	62	5	74	13
Southeast	68	24	36	59	5	71	15
South Central	66	22	40	53	7	76	12
Southwest	67	12	38	55	7	69	13
Northwest	72	10	35	60	5	66	18

Unpaid Internship Issue

The controversy over unpaid internships, any unpaid internship, continues to serve as a backdrop to the entire pre-professional landscape. A variety of positions have been staked out from eliminating all unpaid work situations to maintaining the status quo. Some of these positions make very strong statements about the extent of unpaid internships, the intent of the providers of unpaid internships, and the beneficiaries of unpaid internships. The problem is that very little data is available to provide a solid foundation for understanding the true nature of the problem and determining appropriate solutions to the problem. Some light has been shed on the situation through several joint projects between CERI and InternBridge through extensive surveys of students. This brief allows us to present some basic information on the extent of unpaid internships among employers.

Two thirds of respondents (66%) indicated that they offered paid internships while 18% offered unpaid positions. The remaining organizations (16%) offered a mix of paid and unpaid positions. The only reference point for a time comparison is found among data obtained five years ago in Recruiting Trends 2006-2007. Unfortunately, the databases are not easily comparable because the characteristics of the respondents are quite different. The earlier study of approximately 800 respondents was comprised of larger companies and fewer non-profits. This year's study with over 5000 respondents the number of smaller organizations, as well as non-profits, has increased.

Five years ago the three-quarters of respondents (75%) offered paid internships and 10% unpaid with 15% offering both. Employer expectation at the time was that the number of organizations offering both paid and unpaid internships was going to double. This doubling did not occur as the mix component has stayed the same over the period of time. The unpaid group has increased but this change cannot be attributed to a growth in unpaid internships. Rather it is attributed to changes in the composition of the sample.

Unpaid internships do vary across organizational size with *Very Small* organizations reporting the highest level of unpaid internships at 38% while *Large* companies have only 5% offering unpaid internships. The level of unpaid internships also varies across economic sector with Oil & Mining reporting 100% paid internships to 45% of Health Services being unpaid.

Table 10. Composition of Internships between paid, unpaid and mixed positions by organizational size and economic sector (%).

	Paid (%)	Unpaid (%)	Mixed (%)
All Organizations	66	18	16
Very Small	33	38	29
Fast Growth	57	23	20
Small	68	17	15
Mid-size	75	13	12
Large	87	5	8
Agriculture	88	2	10
Oil & Mining	100		
Utilities	96	2	2
Construction	96		4
Manufacturing	92	2	6
Wholesale	80	8	12
Retail	73	12	15
Transportation	83	2	15
Information Services	53	27	20
Financial Services/Insurance	80	8	12
Real Estate/Leasing	63	11	26
Professional & Scientific Services	80	7	13
Administrative Services	62	13	25
Education	27	43	30
Health Services	29	49	22
Arts & Entertainment	23	45	32
Accommodations (Food & Lodging)	60	22	18
Non-profits	21	52	27
Government	49	29	22

Some characteristics of organizations that offer unpaid internships are provided by organizational size. Sectors that contribute the most to unpaid situation are listed for each size category. Key contributing sub-sectors are also listed if any emerge in the comparisons.

- *Very Small*: **Non-profits** – 46% -- General category (could not assign to a specific group), social advocacy, environmental advocacy, civic and social organization, and business & professional organization; **Professional Services** – 11% -- advertising & PR, Management Consulting; **Arts & Entertainment** – 8% -- museums; **Information Services** – 8% -- internet publishing & broadcasting, publishing.

- *Fast Growth*: **Non-profits** – 38% -- social advocacy, general category, civic & social organization, and voluntary health organization; **Professional Services** – 14% -- advertising & PR, Management Consulting; **Health Services** – 8% -- outpatient care centers, ambulatory care (mental health); **Education** – 7% -- K-12; **Information Services** –7% -- publishing, broadcasting, and internet publishing & broadcasting; **Government** – 7% -- agency not classified, executive & legislative offices, and police & fire.

- *Small*: **Non-profit** – 30% -- social advocacy, general category; **Health Services** – 17% -- hospitals, nursing & residential care, and social assistance; **Education** – 13% -- K-12; **Government** – 10% -- police & fire; **Information Services** – 10% -- broadcasting; Arts & **Entertainment** – 9% -- spectator sports teams, skiing & fitness facilities.

- *Mid-size*: **Government** – 23% -- police & fire, natural resources & environmental agencies; **Health** – 23% -- hospitals; **Education** – 30% -- K-12; **Non-profits** – 9%.

- *Large*: **Education** – 31% -- K-12; **Government** – 23% -- agencies not classified; **Non-profit** – 19% -- general category and voluntary health organization; **Financial Services** – 8% -- securities & commodities investments and insurance; **Accommodations** – 8%.

Without appearing redundant we present the characteristics from the perspective of economic sector without accounting for organizational size. We have focused on the sectors reporting the highest percentages of unpaid internships.

- *Government*: 47% are from local government agencies, 33% from state and regional agencies, and 20% from federal agencies. Police & Fire (22%), Agencies not classified (24%), Executive & Legislative Offices (15%), Natural Resources & Environmental Agencies (11%), Courts (9%) and Correction Facilities (9%).

- *Non-profit Organizations*: General Category (not classified) (28%), Social Advocacy (22%), Civic & Social Organizations (12%), Voluntary Health Organizations (11%), and Environment Organizations (9%).

- *Arts & Entertainment*: Golf & Country Clubs (24%), Performing Art Centers, Spectator Sports Teams, Promoters (15% each).

- *Health Services*: Hospitals (25%), Social Assistance (16%), Outpatient Care (16%), Nursing & Residential Care (14%), Ambulatory Care: Mental Health (13%) and Ambulatory Care: MD Offices (11%).

- *Education*: K-12 systems (81%) and Colleges & Universities (12%).

- *Information Services*: Broadcasting (39%), Publishing (27%) and Internet Publishing & Broadcasting (20%).

The **mixed group** where an organization is offering both paid and unpaid experiences is more troubling. In these cases employers have decided that some academic majors are worth paying while others providing service to the organization are not. In conversation with several of these organizations they stress the supply and demand factors that play into their decisions. They tend to pay for interns where there is strong demand pressure and the supply is limited. Perfect case: computer science. Nearly every engineering student has access to a paid internship; thus it would be uncompetitive to offer unpaid internships to these students. However, the supply side dominates when considering human resources, advertising, public relations, and similar types of positions. So many students are seeking one of these positions that any one among them will be willing to take an unpaid internship. A take it or leave it proposition.

What types of organizations tend to offer both types of internships? What majors are they typically seeking? A chi-square test comparing organizational size with paid, unpaid and mixed companies found a significant difference in distribution of size across internship groups. Very Small and Fast Growth organizations were overrepresented in the mixed category, offering both paid and unpaid. On the other hand, mid-size and large companies were underrepresented.

When the mixed group was examined across economic sector, four sectors accounted for nearly 60% of all the mixed organizations.

- Non-profit (20%): environmental organizations, civic & social organizations and general category.
- Professional and Scientific Services (19%): computer systems & design, advertising & PR, management consulting, and scientific research services.
- Education (10%): K-12, colleges & universities, and educational support services.
- Government (9%): executive & legislative offices, natural & environmental agencies, and agencies not classified.

What is interesting about this group concerns the majors they were seeking for full-time and internship positions. Nearly 60% were interested in "All Majors" – willing to consider any qualified student regardless of academic major. Other top majors included:

- Marketing 38%
- Public Relations 36%
- Accounting 35%
- Communications 33%
- Finance 31%
- All Business Majors 30%
- Advertising 28%

- Computer Science 25%
- Computer IS 25%
- Human Resources 24%
- MIS 24%

In addition to these majors 23% sought social work majors, 20% sought English, psychology, and public administration majors, respectively, and 23% were interested in all liberal arts majors. Approximately 12% were seeking electrical engineers, computer engineers, math, and environmental science majors.

It is hard to determine just how these organizations designate interns to be paid. Based on our student studies (see CERI web site for paper on unpaid internships), we know that students in communication and media studies disciplines are more likely to be in unpaid situations as are social science and humanities majors. Within business disciplines, it is more common to encounter unpaid internships for human resources and marketing majors. However, the heavy emphasis on "All Majors" confounds a simple conclusion that in mixed organizations, computer science, technical business majors (accounting and finance), engineers, and science majors would be paid and all other majors may be unpaid. There is not enough evidence to indicate how the positions are allocated but, at least, we have a better sense of the academic majors that are involved.

Final Thoughts

This brief presents a composite from the employer or organizational side of the internship equation. Up until now, nearly all the information known about internships comes from students studies or university focused studies of their employers. None of the information presented here is unexpected: 2/3's of employers offer paid internships and co-ops; internship recruiting has intensified over the past 18 months; small employers have become very active in the internship space; and all economic sectors provide pre-professional experiences.

If there is one aspect of this report that should raise some concerns among career and internship advisors concerns the level of unpaid internships reported by these employers. The number of unpaid internships comprises approximately 20% to 25% of all internships being offered. From student studies, including the joint project between CERI and InternBridge, the composition of students engaged in unpaid positions ranges from 40% to 50% of all students. How to explain the 20 to 25 percentage point difference between the employer side and the student side?

Part of the problem could stem from the sampling strategies in that employers offering unpaid internships avoid the question or failed to even complete a survey. Likewise, the student studies could have easily over sampled students involved in unpaid situations.

The employer sample was solicited from employers actively seeking talent on college campuses. In other words, these employers appear in our 150 partners' databases. The survey probably captured few of the employers that post their internships in the 100s of on-line internship aggregators (big and small) that students can use to locate an internship. Many of students use these sources without guidance from faculty and advisors on their campuses. Scrolling through the opportunities on several sites, unpaid internships are numerous. I suspect one hypothesis worth testing is whether students using web based internship sites not monitored by their campus end up in more unpaid positions than those using campus resources. Rejecting the null hypothesis (no difference), I believe unmonitored internship aggregators probably are the source for many unpaid positions. (To be proven later.)