

# RECRUITING TRENDS

## 2017-18

### 47th Edition



#### BRIEF 5

### Internships & Co-ops

**Key findings from 2017-18 are presented in this research brief. We have broken the release of employer information into a series of short briefs that will be made available over the next six weeks. You can download the briefs from the [Collegiate Employment Research Institute](#).**

# Meet the Completers

We generated this convenience sample from employers currently seeking college talent through their interactions with college and university career services offices. Nearly 200 career service centers from around the country invited their employers to participate in this study. Approximately 3,370 employers provided information useful for understanding recruiting trends and practices. We will use information provided by those recruiting talent for full-time positions, internships, and co-ops for these research briefs. Readers can use the following key sample characteristics to determine how applicable our survey results are for their campus employer base.

Survey respondents by organization size		
<b>Very small</b>	< 49 employees	27%
<b>Small</b>	50-499 employees	37%
<b>Midsize</b>	500-3,999 employees	20%
<b>Large</b>	4,000-24,999 employees	9%
<b>Very large</b>	> 25,000 employees	6%

Active Recruiting by Region	
<b>International</b>	8%
<b>Entire U.S.</b>	32%
<b>Regional recruiting only</b>	60%

Role in College Recruiting	
<b>Full-time positions</b>	71%
<b>Internship or co-op positions only</b>	12%
<b>Short-term hiring</b>	7%
<b>Experienced hiring</b>	10%

Key States	
<b>Michigan</b>	16%
<b>Utah</b>	7%
<b>Illinois</b>	6%
<b>Massachusetts</b>	6%
<b>New York</b>	6%

Institutions Where Companies Recruit Talent	
<b>Two-year public college</b>	31%
<b>Four-year public college</b>	53%
<b>Four-year private college</b>	43%
<b>Two- &amp; four-year for-profit institution</b>	24%
<b>Institution with bachelor's &amp; advanced degree programs</b>	72%
<b>Institution with advanced degrees only</b>	11%
<b>Historically black college &amp; university</b>	19%
<b>Hispanic-serving institution</b>	17%
<b>Asian, Asian-Pacific serving institutions</b>	16%

Key Economic Sectors	
<b>Professional, business &amp; scientific services</b>	19%
<b>Manufacturing</b>	12%
<b>Educational services</b>	11%
<b>Finance &amp; insurance services</b>	8%
<b>Government</b>	7%
<b>Healthcare &amp; social assistance</b>	8%
<b>Nonprofits</b>	8%

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**Employers want candidates who demonstrate the ability to work in a professional environment. Internships and co-ops can be win-win situations for students and employers. Students gain valuable experience before they enter the labor**

**market full time. Employers add to their pool of possible hires, develop staff, and recruit for full-time, permanent positions.**

Internships and co-ops are not the only form of pre-graduation employment. Many employers offer wage-based summer work, which can also provide relevant experience if students find work related or close to their field of study. Eighty-nine percent of respondents offered college students some form of experiential or pre-professional experience, including apprenticeships, clinical rotations, internships, practicums, professional practice, and other forms of work-integrated learning.

About 84 percent of employers offer internships and 26 percent participate in co-operative education programs. Of those, nearly 81 percent will recruit interns this year; a return to levels experienced before last year's slight dip. Employers engaged in cooperative education programs will be actively seeking co-ops with 94 percent reporting they will be hiring. Approximately 41 percent offer professional, paid summer employment opportunities, not classified as internships.

This brief focuses on internships and co-ops because this form of experiential learning is most common on college campuses. We asked respondents a series of questions relating to internships and co-ops, including the number of hires, academic majors, and hourly wages. The outlook this year appears to be very strong.

This group of employers will hire nearly 40,200 interns and co-ops with an average of 40 per organization. Because several organizations are seeking large numbers of interns, we provide the median of seven hires to illustrate that most organizations seek only a few interns and co-ops. In fact, 60 percent will seek 10 or fewer. More than 40 percent will recruit between 11 and 2,000 interns and co-ops. Thirty-five percent of respondents will increase their intern hiring targets. Sixty percent will hire interns at the same level as last year.

Only sixty-five percent of employers will pay interns this year, continuing a decline that returns intern payments to the level reported in 2011-12. Eighteen percent of organizations will not pay their interns this year, an increase of one percentage point. Approximately 17 percent will provide a mix of paid and unpaid opportunities depending on the intern's assignment.

Employers seek interns across all disciplines: 38 percent seek business majors; 34 percent, engineering; 24 percent, computer science/IT; 19 percent, communications and media studies; 18 percent, all majors; and 13 percent, social sciences, arts, and humanities.

### Programs by industry sector

Organizations from every industry sector plan to offer some form of pre-professional experience. Survey respondents reported their plans as follows:

- ◆ In 12 sectors, more than 80 percent of organizations will hire interns or co-ops throughout the academic year.
- ◆ Two sectors found respondents indicating an increase in intern hiring by 50% or more: Administrative Services and Finance and Insurance Services.
- ◆ Four sectors will expand their internship pool by 40-50 percent, including Accommodation and Food Services, Arts, Entertainment, and Recreation, Construction, and Retail Trade.
- ◆ Sectors recruiting a high number of interns (average) include Finance and Insurance Services (65), Manufacturing (79), Retail Trade (114), and Utilities (108).

Internships & Co-ops for Selected Sectors			
Industry sector <sup>a</sup>	Employers hiring interns and co-ops (%)	Employers increasing internship hires (%)	Hires per company (avg.) <sup>b</sup>
<b>All Sectors</b>	81	35	40 (7)
<b>Accommodations (Hospitality)</b>	84	44	49 (23)
<b>Administrative Services</b>	45	75	12 (4)
<b>Agriculture &amp; Agricultural Services</b>	84	32	31 (5)
<b>Arts, Entertainment &amp; Recreation</b>	94	45	19 (10)
<b>Construction</b>	81	48	19 (6)
<b>Educational Services</b>	68	26	18 (10)
<b>Finance &amp; Insurance Services</b>	83	51	65 (25)
<b>Government</b>	90	31	17 (8)
<b>Healthcare Services</b>	64	39	15 (7)
<b>Information Services</b>	92	28	38 (9)
<b>Manufacturing</b>	86	33	79 (6)
<b>Nonprofits</b>	89	37	49 (6)
<b>Professional, Business &amp; Scientific Services</b>	79	29	16 (5)
<b>Retail</b>	87	44	114 (15)
<b>Transportation</b>	85	28	23 (7)
<b>Utilities</b>	72	27	108 (30)
<b>Wholesale Trade</b>	100	33	11 (5)

a. Sectors reporting sufficient data for this report.  
b. Median in parentheses.

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Paid</b>	66%	67%	67%	71%	71%	68%	65%
<b>Unpaid</b>	16	16	16	14	15	15	17%
<b>Offer both paid and unpaid</b>	18	17	17	15	14	17	18%



Programs by company size

When viewed by company size, hiring for interns and co-ops runs along similar lines:

- ◆ Ninety-two percent or more large organizations (>4,000 employees) and 76 percent of the smallest companies will hire interns and co-ops this year.
- ◆ Across all size categories about forty percent expect to increase the number of internships and co-ops available to students.
- ◆ The largest organizations will hire an average of 226 interns (median 40), while the smallest organizations will hire an average of 7 to 13 interns.

Identifying Internship and Co-op Talent

Respondents indicated which methods they used to source qualified internship and co-op candidates. Slightly more than fifty-five percent worked with college and universities career services offices to identify and connect with potential candidates through postings, career fairs, and on-campus interviews. Another popular on-campus option involved engaging with professional student organizations (7%). The only non-campus resource that received attention was referrals from current employees, including alumni (11%). Only a handful of organizations included web-based aggregators whether large or niched as sources they used.

What must young college students without much work experience demonstrate to a potential employer who is seeking interns and co-op students? We asked this question in several discussions with small groups of employers. From their insights, we compiled a list of ten key factors that employers looked for when evaluating potential intern candidates. These key attributes were crafted into a question where respondents ranked the attributes from one to ten. Their number one attribute was the most important for their decision while number ten was the least important.

Three attributes emerged as the most important in our employers’ evaluation process with ranking averages between 3.25 and 3.92:

**ENTHUSIASM:** is enthusiastic about our organization and the potential assignment; open to accepting new responsibilities; will seek out new tasks

**FIT** (with organization’s culture): ability to integrate into the social and organizational environment of our organization.

**HARDWORKING:** demonstrates effort and persistence in tasks he or she undertakes.

The next four in importance received average rankings between 5 and 6:

**HIGH QUALITY WORK:** able to set high standards for personal performance; strive for quality work; puts forth extra effort to ensure quality work.

**PROFESSIONALISM:** appropriate manner in which student conducts his or herself in the work environment.

**FLEXIBILITY:** ability to develop innovative solutions and display flexibility in unique and demanding circumstances.

**MATURITY:** ability to exercise appropriate judgment in a workplace setting.

The lowest ranked attributes with average rankings between 6 and 8 were:

**INDEPENDENCE:** ability to make choices about direction of work and self-motivated without direct supervision.

**HIGH QUANTITY OF WORK:** ability to produce a high volume of work along with his or her speed and consistency of output.

**RELEVANT WORK EXPERIENCE:** has prior experience and proficiency in job related tasks prior to being trained for assignment.

Unpaid internships

Concern about unpaid internships remains high on college campuses. Since 2011-12 we have been tracking the trends in paid and unpaid internships (by definition all co-ops are paid). Between 2014-15 and 2015-16 the percentage of employers offering paid internships increased several percentage points from the levels reported between 2011 and 2014. Since 2016-17 the percentage of organizations paying interns has steadily declined, returning to 2011-12 levels.

The unpaid internship situation remains unaddressed; it will simmer until the next contraction of this labor market where the supply of candidates exceeds the available internships being offered.

We wanted to know which organizations offered unpaid internships. While all organizations responding to our survey offered unpaid internships, 29 percent of the smallest organizations (<50 employees) were more likely to employ unpaid interns (another 26% offered both paid and unpaid opportunities), compared to only 5 percent of the largest companies (where 15% paid some but not all their interns).

The mix of paid and unpaid internships varied by sector. Unpaid internships are rarely seen in Agriculture and Natural Resources, Construction, Manufacturing, Mining and Oil, Professional, Business, and Scientific Services, Retail Trade, Transportation, Utilities, and Wholesale Trade. In these sectors, between 75 percent and 95 percent paid their interns. Some sectors did report that they offered a mix of paid and unpaid internships: Arts, Entertainment, and Recreation (39%); and Professional, Business, and Scientific Services (17%).

Unpaid internships are likely to be found in Arts and Entertainment (39%), Educational Services (52%), Government (30%), Healthcare and Social Assistance (44%), Information Services (26%), and Nonprofits (46%).

Academic credit

Higher education institutions promote internships and co-ops as part of a student’s academic program. Some encourage students to work in exchange for academic credit.

We asked employers about their willingness to comply with the requirements for awarding credit. This group of respondents expressed less of a willingness to work with students seeking academic credit than respondents in recent years.

- ◆ Approximately 53 percent of employers are willing to hire interns who want to earn academic credit and accede to the education institution’s reporting requirements.
- ◆ Another 27 percent will (somewhat reluctantly) hire interns if the institution requires credit; these internships are often unpaid.
- ◆ Nearly one-fifth, 20 percent, prefer not to deal with academic credit.
- ◆ Students needing internship credit will find more support in Accommodations and Food Services, Agriculture, Construction, Information Services, Professional, Business, and Scientific Services, and Utilities, compared to other sectors.
- ◆ Educational Services, Finance and Insurance Services, Healthcare Services, and Manufacturing will be less receptive to students seeking credit.
- ◆ Organizations with the fewest employees are more willing to work with students seeking academic credit (59% indicated that they had no problem with credit).
- ◆ Twenty-six percent of the largest organizations would prefer not to deal with academic credit.

Internships & Co-ops by Company Size			
Employees per company	Employers hiring interns and co-ops (%)	Employers increasing internship hires (%)	Interns per company (avg.) <sup>a</sup>
<50	76	37	7 (3)
50 – 499	76	29	13 (5)
499 – 3,999	87	38	34 (15)
4,000 – 25,000	92	39	87 (25)
>25,000	94	39	226 (40)
a. Median in parentheses.			

Hourly wages

We calculated the hourly wages from hourly and monthly salary data received from the respondents. We omitted stipends, commissions, housing and food allowances, and other payments. This year’s respondents reported slightly lower wages than in previous years (please refer to recent *Recruiting Trends* reports for comparisons). Hourly internship and co-op wages ranged from \$13.23 for Communications, Humanities, and Social Science to \$16.95 for

Computer Science and Engineering. Hourly wages depended on organization size; smaller organizations typically paid less than large ones. A comparison between the smallest and largest firms revealed a \$2.50 to \$6.00 per hour wage differential, depending on the academic group. The table also includes hourly rate comparisons between selected economic sectors where sufficient responses have been provided.

Average Hourly Wages by Organization Size						
Degree	Hourly wage (mean)	Very small (<50 employees)	Small (50 - 499 employees)	Midsized (500-3,999 employees)	Large (4,000 – 25,000 employees)	Very large (> 25,000 employees)
Computer Science & Engineering	16.95	15.54	15.96	17.45	16.92	21.92
Accounting	14.74	13.10	13.81	14.55	16.12	18.55
Business	14.64	12.65	13.69	15.13	14.40	19.84
Physical & Biological Sciences	13.74		12.50			
Agriculture & Natural Resources	13.49		12.20			
Healthcare and Social Assistance	13.44					
Communications, Humanities & Social Science	13.23	11.88	12.51	13.51		
All others not listed	14.07	12.88	12.99	14.20		

Average Hourly Wages for Selected Industry Sectors						
Degree	Hourly wage (mean)	Manufacturing	Nonprofit	Government	Finance & Insurance Services	Professional, Business & Scientific Services
Computer Science & Engineering	16.95	18.16		13.65		16.78
Accounting	14.74	15.74		13.36	13.81	15.95
Physical & Biological Sciences	13.74					15.19
Communications, Humanities & Social Science	13.23		13.56	12.42		12.94
a. Organizations in these sectors returned sufficient data to provide stable wage information.						