

RECRUITING TRENDS

2016-17

46th Edition

BRIEF 6

Internships & Co-ops

Key findings from 2016-17 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 4,350 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.

Company Size		
Very small	> 9 employees	9%
Fast-growth	10-100 employees	30%
Small	101–500 employees	23%
Midsize	501–3,999 employees	20%
Large	4,000–25,000 employees	10%
Very large	> 25,000 employees	8%

Active Recruiting by Region	
International	5%
Entire U.S.	25%
Regional recruiting only	69%

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

Key States	
Massachusetts	10%
Michigan	9%
Arizona, California, Florida, Ohio & Texas	6%

Institutions Where Companies Recruit Talent	
Two-year public college	28%
Four-year public college	53%
Four-year private college	40%
Two- & four-year for-profit institution	22%
Institution with bachelor's & advanced degree programs	69%
Institution with advanced degrees only	10%
Historically black college & university	17%
Hispanic-serving institution	15%
Asian, Asian-Pacific serving institutions	14%

Key Economic Sectors	
Professional, business & scientific services	22%
Manufacturing	13%
Educational services	10%
Finance & insurance	8%
Government	7%
Healthcare & social assistance	7%
Nonprofits	7%

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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 about internships and

co-ops, including the number of hires, academic majors, and hourly wages.

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-eight 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.

The outlook this year appears to be very strong:

- ◆ Employers will hire nearly 42,200 interns and co-ops (an average of 36 per organization). About 51 percent will seek between one and six interns and co-ops. More than 40 percent will be recruiting between 10 and 2,000 interns and co-ops.
- ◆ About 75 percent of employers offer internships. Of those, nearly 77 percent will recruit interns this year; however, this number is down slightly from last year's survey. Several organizations failed to specify the number they were seeking but expected to hire as many interns as they could find. Approximately 30 percent offer professional summer employment opportunities.
- ◆ About 30 percent offer students co-ops. Employers engaged in cooperative education programs will be actively seeking co-ops: 95 percent reported they will be hiring.
- ◆ Thirty-five percent of respondents will increase their intern hiring targets. Only 6 percent will decrease theirs.
- ◆ Employers seek interns across all disciplines: 43 percent seek business majors; 40 percent, engineering; 29 percent, computer science/IT; 25 percent, all majors; 22 percent, communications and media studies; and 14 percent, social sciences.

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 10 sectors, more than 80 percent of organizations will hire interns or co-ops throughout the academic year.
- ◆ In three sectors, more than 50 percent of respondents indicated they will increase hiring by 50 percent or more: real estate and leasing; transportation; and wholesale trade.
- ◆ Five sectors will expand their internship pool by 40-50 percent, including accommodation and food services, agriculture and natural resources, health care and social assistance, information services, and nonprofits.

- ◆ Mining and oil did not return enough data to be included here. Of the companies who did return data, this sector will be seeking interns and co-ops but in much lower numbers than in previous years.
- ◆ Sectors recruiting a high average number of interns include retail trade (128), non-profits (58), utilities (57) and educational services (50).

Programs by company size

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

- ◆ Ninety percent of large organizations (>10,000 employees) and 73 percent of the smallest companies will hire interns and co-ops this year.
- ◆ Across all size categories about one-third expect to increase the number of internships and co-ops available to students, with the largest companies likely to seek more this year.
- ◆ Smaller firms may be having difficulties managing internship programs, as they are less likely to be hiring than larger organizations.

The largest organizations will hire an average of 103 interns; the smallest organizations will hire an average of 16 to 19 interns. While the average for the largest organizations remains above 100, this year's figure is lower than last year. This shift can be attributed to a different mix of employers comprising this group.

Internships and Co-ops for Selected Sectors			
Industry sector ^a	Employers hiring interns and co-ops (%)	Employers increasing internship hires (%)	Hires per company (avg.)
All sectors	77	35	36
Accommodations (hospitality)	83	48	35
Administrative services	57	32	4
Agriculture & agricultural services	85	41	30
Arts, entertainment & recreation	89	27	15
Construction	88	31	28
Educational services	52	37	50
Finance & insurance	80	33	42
Government	80	29	24
Healthcare & social assistance	73	42	28
Information services	90	44	20
Manufacturing	84	28	31
Nonprofits	83	40	58
Professional, business & scientific services	79	33	25
Retail trade	78	37	128
Transportation	68	50	34
Utilities	91	33	57
Wholesale trade	54	65	20

a. Sectors reporting sufficient data for this report.

Interns & Co-ops by Company Size			
Employees per company	Employers hiring interns and co-ops (%)	Employers increasing interns and co-ops (%)	Interns per company (avg.)
< 100	73	34	19
101-1,500	76	33	16
1,501-10,000	84	37	66
> 10,001	90	38	103

Finding interns and co-ops

Respondents were asked to indicate which methods they used to source qualified internship and co-op candidates. Slightly more than 60 percent worked with college and university career services offices to identify and connect with potential candidates. Other on-campus options included direct work with an academic department or faculty (6%) or with professional student organizations (5%). The only non-campus resource mentioned frequently was referrals from current employees, including alumni (9%). Only a handful of organizations included web-based aggregators – both large and niched – as sources they used.

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). In both 2014-15 and 2015-16 the percentage of employers offering paid internships increased several percentage points from the levels reported between 2011 and 2014. This year the pattern reverted to these earlier years. The unpaid internship situation still remains unaddressed; it will simmer until the next contraction in this labor market, when 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, 23 percent of smaller organizations (<100 employees) were more likely to employ unpaid interns, compared to only 5 percent of the largest companies. We found a similar pattern with organizations offering both paid and unpaid internships: 21 percent of the smallest companies used this arrangement, compared to 5 percent of the largest organizations.

The mix of paid and unpaid internships varied by sector. Unpaid internships were rarely seen in agriculture and natural resources; construction; manufacturing; oil, professional, business, and scientific services; transportation; utilities; and wholesale trade. Several of these sectors reported that they offered a mix of paid and unpaid.

Unpaid internships are likely to be found in arts and entertainment (36%), educational services (59%), government (37%), healthcare and social services (44%), information services (20%), and nonprofits (50%). These sectors reported the highest mix of paid and unpaid internships.

- ◆ Sixty-eight percent of employers will pay interns, a three percentage point decrease from last year. Those organizations not paying their interns will increase two percentage points to 17 percent.

- ◆ Another 15 percent will provide a mix of paid and unpaid opportunities, depending on the intern's assignment.

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. These respondents were less willing to work with students seeking academic credit than respondents in recent years.

- ◆ Approximately 49 percent of employers are willing to hire interns and meet the education institution's reporting requirements.
- ◆ Another 23 percent will (somewhat reluctantly) hire interns if the institution requires credit; these internships are often unpaid.
- ◆ Nearly one-quarter (24%) prefer not to deal with academic credit.
- ◆ Students needing internship credit will find more support in accommodations and food services; agriculture and natural resources; construction; professional, business and scientific services; and wholesale trade, compared to other sectors.
- ◆ Educational services; finance and insurance; manufacturing; mining and oil; and utilities will be less receptive to students seeking credit.
- ◆ Organizations with fewer than 10,000 employees are more willing to work with students seeking academic credit.
- ◆ Nearly 30 percent of the largest organizations would prefer not to deal with academic credit.

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. Hourly internship and co-op wages ranged from \$13.55 for communications, humanities, and social science to \$18.14 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 major. Hourly rate comparisons between selected economic sectors with sufficient responses are provided in the accompanying table.

Extra support for interns and co-ops

In addition to wages, some employers provide additional benefits for their interns and co-ops. These benefits can include food stipends or meals at the company's canteen, software and technology for assignments, vacation, and similar provisions.

Two areas that have generated frequent conversation are the provision of housing stipends and relocation expenses. We examined these two areas more closely to see how extensive these contributions were and who was more likely to provide them.

Paid v. Unpaid Internships						
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Paid	66%	67%	67%	71%	71%	68%
Unpaid	16%	16%	16%	14%	15%	15%
Companies offer both paid and unpaid	18%	17%	17%	15%	14%	17%

Average Hourly Wages for Selected Industry Sectors						
Degree	Hourly wage (mean)	Manufacturing	Nonprofits	Information services	Finance & insurance	Professional, business & scientific services
Computer science & engineering	\$18.14	\$18.58	\$15.95	\$18.28	\$20.03	\$18.53
Accounting	\$15.95	\$15.61	—	—	\$15.82	\$18.01
Physical & biological sciences	\$15.83	\$18.22	—	—	—	\$17.36
Business	\$15.13	\$16.57	\$12.65	\$15.14	\$15.53	\$15.18
Healthcare services	\$14.04	—	—	—	\$19.30	\$13.17
Agriculture & natural resources	\$13.65	—	—	—	—	\$12.95
Communications, humanities & social science	\$13.55	\$14.61	\$11.77	\$12.40	\$15.95	\$13.09
Other not listed	\$14.32	\$15.14	\$10.81	\$16.70	\$16.70	\$14.04

— Organizations in these sectors did not return sufficient data to provide stable wage information.

Average Hourly Wages by Organization Size					
Degree	Hourly wage (mean)	Very small (<100 employees)	Small (100-1,500 employees)	Midsize-large (1,501-10,000 employees)	Very large (>10,000 employees)
Computer science & engineering	\$18.14	\$17.59	\$17.62	\$18.49	\$19.99
Accounting	\$15.95	\$14.90	\$15.23	\$15.01	\$18.22
Physical & biological sciences	\$15.83	\$16.01	\$14.14	\$15.61	\$18.92
Business	\$15.13	\$13.04	\$14.10	\$16.09	\$18.43
Healthcare services	\$14.04	\$13.23	\$12.30	\$14.79	\$19.28
Agricultural & natural resources	\$13.65	\$12.18	\$12.20	\$13.98	\$18.40
Communications, humanities & social science	\$13.55	\$12.14	\$12.88	\$14.25	\$17.13
All others not listed	\$14.32	\$12.47	\$14.43	\$14.94	\$18.03

We asked organizations what type of stipend, if any, they provided for intern or co-op housing:

- ◆ The majority (69%) provide no support in finding housing during the assignment.
- ◆ About 16 percent assist with finding housing but provide no financial support.
- ◆ About 7 percent provide a partial stipend to cover housing costs.
- ◆ Very few (2%) provide a stipend to cover the full cost of housing.
- ◆ About 5 percent provide housing for interns and co-ops.

Of those who tend to provide housing support:

- ◆ Nearly 30 percent of employers recruiting nationally provide some level of housing support (11% provide their own housing).
- ◆ Co-op employers are more likely to provide housing support (25%) than intern employers (17%).
- ◆ The largest employers provide more support (31%) than small employers (6%-16%).
- ◆ Employers from accommodation and food services, agriculture and natural resources, construction, and manufacturing are more likely to provide housing support.

Arts and entertainment; finance and insurance; government; information services; and professional business, and scientific services are least likely to provide housing support.

In a similar vein, organizations seldom provide reimbursement for travel costs incurred in reaching the assignment site:

- ◆ Most employers (83%) do not reimburse costs associated with travel.
- ◆ About 9 percent provide a stipend to cover a portion of travel costs.
- ◆ Only 8 percent cover all costs of travel to the assignment site.

Of those who tend to provide relocation support:

- ◆ National employers (28%) and co-op employers (23%) are more likely to reimburse relocation expenses.
- ◆ Companies with more than 1,500 employees are more likely to cover relocation expenses.
- ◆ Employers from construction and manufacturing are more likely to provide relocation support. Educational services; government; healthcare and social assistance; nonprofits; and retail trade are less likely to do so.