

MAY 2016

EXECUTIVE SUMMARY

2016

INTERNSHIP AND CO-OP SURVEY



NATIONAL ASSOCIATION OF COLLEGES AND EMPLOYERS
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ABOUT THE SURVEY

The *2016 Internship & Co-op Survey Report* explores key aspects of employers' internship and co-op programs, including how programs are structured, hiring projections, conversion, retention, recruiting strategies, and compensation (wages and benefits). This also includes longitudinal analyses of these data.

Data were collected from November 9, 2015, to February 17, 2016, from NACE employer members; there were 271 respondents, representing 26.9 percent of all eligible respondents. Those employers that chose to be listed as survey respondents appear in the Appendix at the end of this report.

A few notes regarding the data presented in this report:

- ▶ For each question, overall figures are calculated based on the number of respondents answering that question.
- ▶ Survey items that yielded a particularly low response rate should be considered with caution.
- ▶ The sum of displayed percentage breakdowns may not equal 100 due to rounding or, in cases where the sum substantially exceeds 100, because respondents were permitted to provide multiple responses.

- ▶ Within the figures, empty fields indicate no data were collected for that item in that year.

Respondents were provided with the following definitions of an internship and a co-op:

- ▶ **Internships** are typically one-time work or service experiences related to the student's major or career goal. The internship plan generally involves students working in professional settings under the supervision and monitoring of practicing professionals. Internships can be paid or unpaid and the student may or may not receive academic credit for performing the internship.
- ▶ **Cooperative education programs, or co-ops**, provide students with multiple periods of work in which the work is related to the student's major or career goal. The typical program plan is for students to alternate terms of full-time classroom study with terms of full-time, discipline-related employment. Since program participation involves multiple work terms, the typical participant will work three or four work terms, thus gaining a year or more of career-related work experience before graduation. Virtually all co-op positions are paid and the vast majority involve some form of academic credit.

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HIRING PROJECTIONS

- ▶ Responding employers expect to hire nearly 5 percent fewer interns for 2016 than they did in 2015.
- ▶ Co-op hiring is down even further for 2016: Employers anticipate a drop of nearly 10 percent compared to 2015.

RECRUITING INTERNS AND CO-OPS

- ▶ Overall, employers begin recruiting interns eight months before their start date; for co-ops, this window is six months.
- ▶ Interns were most widely sourced from open applications, while employers tended to rely more on career center contacts to source co-ops.
- ▶ The most widely used and most important criteria used by employers to choose schools at which to recruit interns and co-ops included the 1) majors offered, 2) recruiting experience, 3) perceived quality of programs, and 4) a school's geographic location.
- ▶ Employers continue to favor "high-touch" techniques to recruit interns and co-ops, including career fairs and on-campus recruiting.
- ▶ When selecting candidates for their internship and co-op programs, employers look at the applicant's field of study; a high GPA and leadership experience are also significant factors.
- ▶ In terms of competencies they seek in their interns and co-ops, employers weigh ability to work in a team most heavily.

OUTCOMES OF INTERNSHIP AND CO-OP PROGRAMS

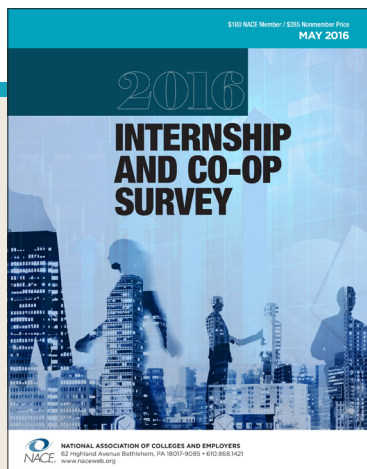
- ▶ Among responding employers, converting students who have taken part in an internship or co-op program into full-time employees is a primary goal for most programs.
- ▶ Currently, the average offer rate to interns is 72.7 percent, the highest it has been since the peak of the pre-recession market. The current average acceptance rate is 85.2 percent, which is above pre-recession levels. The overall conversion rate is 61.9 percent—that is a 13-year high.
- ▶ For co-ops, offer, acceptance, and conversion rates have declined over the past three years; this may be due, at least in part, to downturns in the manufacturing sector, which drives a good portion of co-op hiring.
- ▶ Historically, full-time, entry-level hires converted from an employer's own internship or co-op program are more likely to persist with the employing organization than their counterparts who have no experience or who gained it through another organization's program. However, results among current respondents don't match this pattern.
- ▶ At the one-year mark, hires that served an internship with the organization outpace their inexperienced counterparts (78.5 percent versus 67.5 percent), but hires who interned elsewhere do not (64.6 percent).
- ▶ At the five-year mark, hires with no intern/co-op experience (64.2 percent) are more likely to persist than those who performed an internship either with the company (54.9 percent) or at another organization (46.3 percent).
- ▶ The retention results for co-ops are even quirkiest: At both the one- and five-year marks, those with no internship or co-op experience are more likely to be on the job than hires who did a co-op with the organization or elsewhere.

PROGRAM SPECIFICS

- ▶ In the early 2010s, there was movement toward making internship programs—and co-ops, to a lesser extent—rotational in nature. However, that interest has waned.
- ▶ Typically, individual managers determine where interns and co-ops are assigned in the organization. Overall, slightly more than 15 percent of respondents reported that university relations and recruiting makes the assignments.
- ▶ The composition of work duties for interns and co-ops has remained mostly unchanged over the last several years. According to responding employers, analytical/problem-solving tasks continue to be the main focus, followed by project management and communications.

COMPENSATION

- ▶ Overall, the average hourly wage to interns at the bachelor's degree level have remained virtually unchanged over the past seven years, and currently stands at \$17.69. In fact, when adjusted for inflation, current interns actually make less than their 2010 counterparts.
- ▶ The average hourly rate for co-ops currently stands at \$16.97; again, when adjusted for inflation, current co-ops earn less than 2010 co-ops.
- ▶ Dental and medical insurance are more widely offered to interns and co-ops in recent years.



GET THE FULL REPORT

For more information, see
www.naceweb.org/surveys/internship-co-op.aspx

SURVEY RESPONDENTS

A total of 271 organizations took part in the survey on which this guide is based; however, only 210 agreed to be listed.

84.51°	California State Auditor	Entergy Services, Inc.
ABB Inc.	Cambridge Associates LLC	Epsilon
Abbott Laboratories	Cameron	Equinix
AbbVie	Cardinal Health	EthosEnergy
ADP	Carpenter Technology Corporation	Excella Consulting
AeroVironment	CDM Smith	Exel Supply Chain
Aetna Inc.	CenturyLink	ExxonMobil Corporation
Air Liquide USA LLC	Cerner Corporation	Fifth Third Bank
Air Products & Chemicals Inc.	CGI Federal	Fluor Corporation - Global Recruiting
Alcatel-Lucent	CH2M HILL	Freescale Semiconductor, Inc.
ALCOA Inc.	Charter Manufacturing Company, Inc.	Garmin International Inc.
Alexion Pharmaceuticals, Inc.	Chevron Corporation	GEICO
Allstate Insurance Company	Chrysler Group LLC	General Dynamics C4 Systems
American Axle & Manufacturing Holdings, Inc.	Cisco Systems, Inc.	Genworth Financial
American Bureau of Shipping	City & County of Denver	Giant Eagle, Inc.
Amica Mutual Insurance Company	Comcast Corporation	Gilead Sciences, Inc.
Anadarko Petroleum Corporation	ConAgra Foods, Inc.	Goodman Networks
ARAMARK	ConocoPhillips Company	Govig & Associates, INC - GovigU
ArcelorMittal USA	Contech Engineered Solutions LLC	Graybar Electric Company, Inc.
Archer Daniels Midland Company	Continental AG	HARMAN
Arthur J. Gallagher & Co.	Continental Resources, Inc	Heico Construction Group LLC
Ascend Performance Materials	COUNTRY Financial	Hilti, Inc.
Asurion Corporation	Cox Automotive	HNTB Companies
Baker Tilly Virchow Krause	Dell, Inc.	Hologic, Inc.
BBVA Compass	Delta Air Lines, Inc.	Honeywell International Inc.
Bechtel Bettis, Inc.	Dewberry	HUGHES - An Echostar Company
Bergen's Promise, Inc.	Dick's Sporting Goods	Huntington National Bank
BP America	Direct Energy	Hyland, Creator of OnBase
Brasfield & Gorrie, LLC	Discover Financial Services	IBM Corporation
BreitBurn Energy	Doeren Mayhew	Infinera
Briggs & Stratton Corporation	DuPont	Infineum USA L.P.
Burlington Stores	Ecolab Inc.	International SOS Assistance Inc.
Burns & McDonnell Engineering Co. Inc.	Edward Jones	Intuit Inc.
C&S Wholesale Grocers, Inc.	Edwards Lifesciences	J. G. Boswell Company
California ISO	Emerson Climate Technologies	Kabam

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Kaiser Permanente	Plastic Omnium	SWIFT
KBR, Inc.	Plexus Corp.	Synchrony Financial
kCura	Polaris Industries, Inc.	TD Ameritrade
Kellogg Company	Premier Inc.	TE Connectivity
Kiewit Energy Group	Principal Financial Group	Tenaris USA
L-3 Mission Integration	Procter & Gamble Co.	Teradata Corporation
Lake Shore Cryotronics, Inc.	Protiviti Inc.	Texas Instruments Incorporated
Land O'Lakes Inc.	QAD Inc.	Texas Parks & Wildlife Department
Lennox International Inc.	Quicken Loans	The Field Museum
Liberty Mutual Insurance Company	QVC Inc.	The Lubrizol Corporation
Lincoln Financial Group	Rackspace, US Inc.	The MITRE Corporation
Linde	Rare	The Northern Trust Company
Lord Corporation	Raytheon Company	The Timken Company
Lutron Electronics Co. Inc.	Regeneron Pharmaceuticals, Inc.	The Vanguard Group
Macy's, Inc.	Rockwell Collins	The Walsh Group
Mars, Incorporated	Rosetta	The Walt Disney Company
MAVERICK Technologies	Ross Stores Inc.	Thomson Reuters Corporation
Meaden & Moore	Rust-Oleum	TIBCO Software Inc.
Medical Mutual of Ohio	S&C Electric Co.	Tindall Corporation
Minnetronix Inc.	Sabre Corporation	True Partners Consulting, LLC
Modern Woodmen of America	Seagate Technology	U.S. Comptroller of the Currency
Moen Incorporated	Sealed Air Corporation	Union Pacific Railroad Company
Mondel z International	Sears Holdings Corporation	Unisys Corporation
Musco Sports Lighting, LLC	Sensata Technologies	United Launch Alliance
National Instruments	Shaw Industries, Inc.	United Water
Nestle Waters North America	Shell Oil Company	UnitedHealth Group
Olin Chlor Alkali Products	Sonepar USA	Unum
Oshkosh Corporation	Southern California Edison	Valero Energy Corporation
Owens Corning	Southwest Airlines Co.	Verso Corp.
Parsons Corporation	Spectra Energy Corp.	ViaSat, Inc.
Payless ShoeSource	Speedway LLC	Wawa Inc.
PepsiCo	STAPLES Inc.	Westlake Chemical
Perficient	Sterling Jewelers	William Blair
Phillips 66	Streck, Inc.	WPX Energy
Phillips-Medisize Corporation	Swagelok Companies	Zachry Industrial, Inc.



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