

2017 INTERNSHIP & CO-OP REPORT EXECUTIVE SUMMARY



NATIONAL ASSOCIATION OF COLLEGES AND EMPLOYERS
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ABOUT THE SURVEY

The *2017 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 report also includes historical analyses of these data.

Data were collected from November 21, 2016, to February 17, 2017, from NACE employer members; there were 276 respondents, representing 26.4 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 that 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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EXECUTIVE SUMMARY

HIRING PROJECTIONS

- ▶ Responding employers expect to hire 3.4 percent more interns in 2017 than they did in 2016.
- ▶ Co-op hiring is also expected to see greater gains as employers anticipate hiring 6.3 percent more co-ops in 2017 than they did in 2016.
- ▶ This is the first year since 2013 that employers have reported positive hiring projections for interns, co-ops, and full-time, entry-level hires in the same year.

RECRUITING INTERNS AND CO-OPS

- ▶ Over the last several years, the vast majority of employers with internship (75.2 percent) and co-op (65.9 percent) programs indicated the primary focus of these programs was to recruit college graduates for full-time, entry-level positions.
- ▶ On average, employers began the recruiting process for interns eight months in advance of their internship program's start date; for co-ops, this window was six months.
- ▶ Employers sourced half of their interns and co-ops from open applications, and about 40 percent directly from their contacts at career centers; few employers—about 10 percent—sourced interns and co-ops directly from faculty contacts.
- ▶ The most widely used and most important criteria that employers use to select the target schools at which they recruit interns and co-ops are the location of the school, the majors offered, the perceived quality of their programs, and the employer's past recruiting experience with a particular school.
- ▶ Employers favor "high touch" techniques—particularly career/job fairs and on-campus recruiting—when recruiting interns and co-ops.
- ▶ When selecting students for their internship and co-op programs, employers most often seek candidates with the following skills: decision making/problem solving, information processing, planning/prioritizing, teamwork, and verbal communication.
- If deliberating between two otherwise equally qualified candidates for an internship/co-op position, employers said major was, by far, the most influential characteristic, followed by GPA and whether a candidate had held a leadership position.

OUTCOMES OF INTERNSHIP AND CO-OP PROGRAMS

- ▶ In 2017, the offer rate for interns was 67.1 percent and the acceptance rate was 76.4 percent. In addition, while conversion rates have trended up and down in the post-recession years, they have, for the most part, remained higher than they were in the pre-recession years. This year, the conversion rate was 51.3 percent.
- ▶ For co-ops, the offer rate was 49.1 percent, the acceptance rate was 83.5 percent, and the conversion rate was 41 percent.
- ▶ At the one-year mark, the retention rate in 2017 was 65.5 percent for full-time, entry-level hires who had internships or co-ops with the employers that hired them for their full-time positions (internal), 52.0 percent for these hires who had internships or co-ops with employers other than those that hired them for their full-time positions (external), and 46.2 percent for these hires who had no internship or co-op experience.

- ▶ At the five-year mark, the retention rate this year was 51.8 percent for full-time, entry-level hires who had internal internships or co-ops, 38.8 percent for these hires who had external internships or co-ops, and 35.8 percent for these hires who had no internship or co-op experience.

PROGRAM SPECIFICS

- ▶ Few employers featured rotational internship (14.5 percent) or co-op (12.8 percent) programs.
- ▶ In each of the last nine years, both interns and co-ops have, on average, spent more than half of their time on project management and analytics/problem-solving tasks; one-third of their time on communications and logistics tasks; about 10 percent of their time on administrative/clerical work; and minimal time on non-essential tasks.
- ▶ For the vast majority of employers, it was individual managers (86.2 percent)—not the URR department (11.8 percent)—who determined where interns and co-ops were assigned. These data did not differ by company size, industry, or region.

COMPENSATION

- ▶ Despite some recent incremental growth following a post-recession dip, bachelor's-level interns still earned less in real terms (adjusted for inflation) in 2017 than they did in 2010—an hourly rate of \$18.06 in 2017 versus \$18.93 in 2010. However, in the last three years, this incremental growth has slightly edged out the rate of inflation.
- ▶ Like with interns, bachelor's-level co-ops still earned less in real terms in 2017 than they did in 2010 (\$17.99 per hour versus \$18.95).
- ▶ Planned social activities and paid holidays remain the most widely offered benefits to interns and co-ops. Service time and 401(k) plans are also provided by at least half of employers to their interns, while more than half of employers offer service time and medical insurance to their co-ops.

APPENDIX

SURVEY RESPONDENTS

A total of 276 organizations took part in the survey on which this report is based; however, only 202 agreed to be listed.

3M Co.	Briggs & Stratton Corporation	Emerson Climate Technologies
Abbott Laboratories	Burns & McDonnell Engineering Co. Inc.	ENERCON Services, Inc.
AECOM	California State Auditor	Entergy Services, Inc.
Affiliated Engineers, Inc.	Campbell Soup Company	Epsilon
Aflac	Carbon Black	Excella Consulting
Akamai Technologies	Cerner Corporation	Federal Reserve Board
Alcon	CH2M HILL	FirstBank Holding Co.
Alexion Pharmaceuticals, Inc.	Charter Manufacturing Company, Inc.	FIS
American Airlines Inc.	Cheniere Energy	FM Global
American Axle & Manufacturing Holdings, Inc.	Chevron Corporation	GE Appliances, a Haier company
AMN Healthcare	Citrix Systems, Inc.	GEICO
Andersen Corporation	CohnReznick	General Motors Corporation
Anheuser-Busch Companies, Inc.	Con Edison	Graybar Electric Company, Inc.
ArcelorMittal USA	Consumers Energy Co.	Halliburton Company
Archer Daniels Midland Company	Continental AG	Hazen and Sawyer P.C.
Arconic	Cooper Tire & Rubber Co.	Hologic, Inc.
Argonne National Laboratory	COUNTRY Financial	Honda North America, Inc.
Armstrong World Industries	Covance Inc.	Honda R&D Americas, Inc. - California
Arthur J. Gallagher & Co.	Crowe Horwath LLP	HUGHES - An Echostar Company
Ascend Performance Materials	Cultura Technologies	Infineum USA L.P.
Automobile Club of Southern California	Delta Air Lines, Inc.	Ingredion
Barilla America Inc.	DHL Supply Chain	Interactive Intelligence
Barnes Group Inc.	Dick's Sporting Goods	Inteva Products
BASF Corporation	Discover Financial Services	Intuit Inc.
Bechtel Bettis, Inc.	Dominion Enterprises	Irvine Company
Bechtel Plant Machinery Inc.	DST Systems Inc.	ITC Holdings, Inc.
Bemis Company, Inc.	Duke Energy Corporation	ITW
Berry Plastics Corporation	DuPont	J.B. Hunt Transport Inc.
Black & Veatch Corporation	E. & J. Gallo Winery	JLL
Blount International, Inc.	Edward Jones	Johnson & Johnson
Blue Shield of California	Edwards Lifesciences	Johnson Controls, Inc.
	Emerson	Kellogg Company

Kimberly-Clark Corporation	Polaris Industries, Inc.	The Aerospace Corporation
Kohl's Department Stores	PPL Corporation	The Bradford Group
KPMG LLP	PrimeSource Building Products, Inc.	The Chamberlain Group, Inc.
Kronos	Principal Financial Group	The Estee Lauder Companies
L-3 Mission Integration	Procter & Gamble Co.	The Field Museum
L'Oreal USA	Progressive Insurance	The Lubrizol Corporation
Land O'Lakes Inc.	PROS, Inc	The MITRE Corporation
Lennox International Inc.	Protiviti Inc.	The Nielsen Company
Liberty Mutual Insurance Company	QAD Inc.	The Northern Trust Company
Lincoln Electric	Rayonier Advanced Materials	The Timken Company
Linde	Raytheon Company	The Travelers Companies, Inc.
Linde Engineering North America Inc.	Regal Beloit Corp.	The Vanguard Group
Link-Belt Construction Equipment Co.	Rockwell Collins	The Walsh Group
Lutron Electronics Co. Inc.	RSM US LLP	TIAA
Luxottica Retail	S&P Global	TimkenSteel Corporation
Macy's, Inc.	Save-A-Lot	Tindall Corporation
Maiden Re	Sealed Air Corporation	Topgolf
MAVERICK Technologies	Sedgwick Claims Management Services, Inc.	Toyota Motor North America
Medical Mutual	Shaw Industries, Inc.	Toys "R" Us, Inc.
Medtronic, Inc.	Smithfield Foods	TTX Company
MGM Resorts International	South Jersey Industries	U.S. Postal Service
Michelin North America	Southern Company	Union Pacific Railroad Company
Mondelēz International	Southwest Airlines Co.	United Launch Alliance
Moog Inc.	Southwest Research Institute	Unum
National Instruments	Spectra Energy Corp.	Valero Energy Corporation
Nestle USA	Speedway LLC	Veeva Systems
Northrop Grumman Corporation	State Street Corporation	Vertex, Inc.
ONEOK, Inc.	Stryker Corporation	VW Group of America
Owens Corning	SunTrust Bank	Wawa Inc.
Pacific Gas and Electric Company	Synchrony Financial	Wayfair
Parsons Brinckerhoff	T-Mobile USA, Inc.	Woolpert LLP
Parsons Corporation	TE Connectivity	Xerox Corporation
PepsiCo	Teledyne Controls	Xilinx, Inc.
Philips Lighting	Tennessee Valley Authority	Zachry Industrial, Inc.
Phillips 66	Teradata Corporation	Zynga, Inc.
Plexus Corp.	Textron Inc.	



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