2011 Internship & Co-op Survey

KEY FINDINGS

OVERVIEW
NACE’s 2011 Internship & Co-op Survey indicates that internships are an integral and ever-important part of the college recruiting scene.

The survey finds that employers expect to increase internship hiring by about 7 percent this year and co-op positions by nearly 9 percent. Furthermore, they will draw approximately 40 percent of their new college hires for 2011 from their internship and co-op programs. These figures demonstrate the central role that experiential education plays in the overall college recruiting process. The following are additional key findings drawn from the survey.
**Hiring**

- The number of internships is expected to rise by 6.8 percent in 2011.
  - Increases are expected in every region and virtually all industry sectors for which there are data.
  - The only industries reporting a significant decline in their expected number of interns are food and beverage manufacturing (down 5.2 percent) and government (down 6 percent).
- The number of co-ops is expected to increase by 8.6 percent.
  - As with internships, the increased co-op hiring is expected to be felt broadly, i.e., across all regions and mostly all industries.
  - The only industries expecting to decrease their co-op hiring are construction (-29.5 percent) and government (-4.4 percent).

**Recruiting**

- Internship and co-op recruiting is primarily “high touch.” There is very little indication that recruiting techniques in this area have changed significantly to incorporate new technologies in identifying and attracting interns and/or co-ops.
  - Three recruiting activities dominate the budget allocations for both internship and co-op recruiting—career fairs, on-campus recruiting, and on-campus information sessions.
  - Virtually the same activities were judged by respondents to be the most effective in reaching students for internships and co-ops.
    - On-campus recruiting and career fairs were the highest-rated activities in terms of effectiveness for both internships and co-ops.
    - Referrals from current or former interns was number three in effectiveness in recruiting interns, while developing contacts with key faculty rose to number three in recruiting co-ops.
  - Very little budget (1.8 percent) was allocated to online networking for recruiting both interns and co-ops, and it was listed at the bottom in terms of effectiveness as a recruiting activity.
- Target schools for recruiting interns and co-ops are chosen for three principal reasons: 1) the academic majors offered at the institution; 2) the perceived quality of the programs from which the recruiter will draw new interns or co-ops; and 3) the employer’s past recruiting experience at the school.
Compensation

- The average wage rate for interns at the bachelor degree level is $16.68. This represents a 1.9 percent decrease from last year’s average of $17.00.

- The average wage rate for interns at the master’s level is $24.21, a decrease of 0.3 percent compared with 2010.

- Wage rates for interns are associated with the student’s class year and, to a somewhat lesser extent, with the academic major.
  - Intern wage rates for bachelor’s degree candidates ranged from $14.39 for freshmen to $18.03 for seniors.
  - Among senior-level interns, the average wage rate for the lowest paying major (communications) was $15.99, while the highest rate went to engineering majors at $20.19

- The compensation for co-op students tends to mirror that for interns. The average co-op wage rate at the bachelor’s level is $16.46; at the master’s level it is $23.65.

- The benefits offered to interns and co-ops have changed little from last year. Approximately 78 percent of respondents reported providing some sort of benefits to their interns and co-ops.

- The most frequently provided benefits are planned social activities, paid holidays, and recognition for work service time.

- The percentage of firms providing some form of relocation assistance has grown in recent years. For 2011, approximately 55 percent of respondents report they will provide relocation assistance to interns; 50 percent will provide it to co-ops.
  - The dominant forms of relocation assistance for interns are to provide either a housing stipend (49.5 percent) or a moving allowance (45.8 percent).
  - The median dollar value of the relocation assistance has remained steady at $1,500 for both interns and co-ops.

Conversion and Retention

- The overall conversion rate for interns increased sharply from 53.3 percent last year to 57.7 percent this year.
The major reason for the increase in this year’s overall conversion rate was the increased rate at which employers offered their interns full-time positions. That rate increased from 63.3 percent last year to 66.7 percent in this survey.

The conversion rate for co-ops is down to 55.5 percent from the 60.4 percent figure recorded last year.

The major reason for the decreased conversion rate for co-ops is the decline in the rate at which co-ops were being offered full-time positions.

The offer rate for co-ops declined to 63.2 percent from the previous year’s figure of 65.7 percent. This is the fourth consecutive year that the offer rate for co-ops has declined.

Internships and co-op programs are clearly connected with retention. This year, the differences in retention between new hires with an internship/co-op background and those without such experience are particularly evident.

After one year on the job, hires drawn from an employer’s own internship or co-op program were retained at a rate of 75.8 percent. By contrast, 60.7 percent of hires that came on board without any internship/co-op experience were still with the company after one year.

At the five-year mark, 55.1 percent of hires coming from an employer’s program were still at the firm while only 44 percent of hires without an internship/co-op experience remained.
PARTICIPATING ORGANIZATIONS

Note: There were a total of 266 responding organizations; 198 agreed to be identified.

5AM Solutions, Inc.
Advanced Micro Devices, Inc.
Advertising Services for Recruitment
AEGON Companies
Air Liquide America
Air Products & Chemicals Inc.
Albemarle Corporation
Alcatel-Lucent
Alliant Techsystems Inc.
Allscripts
American Airlines Inc.
American Axle & Manufacturing, Inc.
American Electric Power
Amphenol Aerospace

Anheuser-Busch Companies, Inc.
Apollo Group, Inc.
Applied Materials, Inc.
ArcelorMittal USA
Archer Daniels Midland Company
AREVA NP
Argon ST, Inc.
Arup & Partners
BAE Systems
BASF Corporation
Bell Helicopter Textron Inc.
Blackbaud, Inc.
BP America
Burlington Coat Factory Warehouse Corp.

Burns & McDonnell Engineering Co. Inc.
Carico International
Carpenter Technology Corporation
CB Richard Ellis
Ceco Concrete Construction LLC
CenterPoint Energy, Inc.
Cerner Corporation
CGI
CH2M HILL
Chester Engineers
Chevron Corporation
Chevron Phillips Chemical Company LP
Cleveland Clinic
CNA
College Pro Inc.
comScore, Inc.
ConAgra Foods, Inc.
ConocoPhillips
Cooper Industries, Inc.
Country Insurance & Financial Services
CST of America
Daichi Sankyo, Inc.
De Nora Tech, Inc.
Dean Foods Inc.
Dell Inc.
Devon Energy Corporation
Dick’s Sporting Goods
Doeren Mayhew
Dominion Enterprises
Dow Corning Corporation
Duff & Phelps LLC
Duke Energy Corporation
DuPont
Eastman Chemical Company
EchoStar
Edwards Lifesciences
El Paso Corporation
Entergy Services, Inc.
Enterprise Holdings
Enterprise Products, Inc.
Ericsson Inc.
Ernst & Young LLP
Exel
Federal Energy Regulatory Commission
Federal Management Partners, Inc.
FM Global
Garmin International
Genentech, Inc.
General Electric Company
General Mills Inc.
Genworth Financial
Georgia Tech Research Institute
Global Tax Management, Inc.
Greater Oklahoma City Chamber
Hajoca Corporation
Hallmark Cards
Hamilton Sundstrand
Harris Corporation
Hazen and Sawyer P.C.
HCL Technologies
HDR Inc.
Henkels & McCoy, Inc.
Herbert, Rowland & Grubic, Inc.
HNTB Companies
Honda R&D Americas, Inc.
Huron Consulting Group
IGT
INEOS
International Paper Company
JCPenney Company, Inc.
Johnson & Johnson
Kennedy & Coe LLC
L-3 Communications
Integrated Systems
Lennox International Inc.
Liberty Mutual Insurance Company
Life Technologies Inc.
Linbeck Corporation
Linde
Lowe’s Companies, Inc.
Lutron Electronics Co. Inc.
Macy’s, Inc.
Magellan Midstream Partners, L.P.
Marathon Oil Corporation
Mattress Firm
Maxim Integrated Products
Maximus
McKesson Corporation
Meijer, Inc.
Merger
Merck & Co., Inc.
Messer Construction Co.
Michelin North America
MidAmerican Energy Company
Monsanto Company
Moss Adams LLP
NASA - Goddard Space Flight Center
NASA - Johnson Space Center
Naval Surface Warfare Center - Dahlgren
Nestle Purina Petcare
Newell Rubbermaid
Newmont Mining Corporation
Northrop Grumman Corporation
Olympus Corporation of the Americas
Oregon Department of Transportation
Owens-Illinois Inc.
Pacific Gas and Electric Company
ParenteBeard
Pariveda Solutions Inc.
Partnership for Public Service
Pennsylvania Transformer Technology, Inc.
Philips
PPG Industries, Inc.
PrimeSource Building Products, Inc.
Principal Financial Group
Procter & Gamble Co.
Progress Energy Service Co.
Prudential
PSEG
Rayonier Inc.
Raytheon Company
RBC Capital Markets
Rogers Corporation
Roux Associates, Inc.
S&C Electric Co.
Sanofi-Aventis
Sapient Corporation
Schlumberger Oilfield Services
Sears Holdings Corporation
Selden Fox LTD
Shaw Industries, Inc.
Shell Oil Company
Siemens Corporation
Simpson Gumpertz & Heger Inc.
Southern Company
Southern States Cooperative Inc.
Southwest Research Institute
Speedway Superamerica LLC
St. Jude Medical, Inc.

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ABOUT THE SURVEY

The 2011 Internship and Co-op Survey was conducted from January 5, 2011, through February 28, 2011. A total of 266 NACE-member employing organizations took part, for a response rate of 30.9 percent. See the Appendix for a partial list of participating organizations.