EXECUTIVE SUMMARY

Employers understand the value of internship and co-op programs as effective channels to both identify and connect with potential future employees. To ensure their experiential learning programs are up to par, employers use benchmarks to assess their programs and procedures, where there is room for improvement, and the trends that could affect their programs now and in the future.

To meet that need, NACE surveys its employer members each year to gather benchmarks on internship and co-op programs. For this report, NACE fielded the survey November 9, 2022, to December 31, 2022. There were 221 NACE member respondents representing 25.1% of eligible member respondents, plus an additional 68 responses from nonmember companies. (See the Appendix for a list of responding organizations and details about the data.)

As Figure 1 illustrates, a number of respondents have both an internship and co-op program, but internship programs are favored by a majority of respondents.

FIGURE 1
INTERNSHIP & CO-OP PROGRAMS

<table>
<thead>
<tr>
<th>TYPE OF PROGRAM</th>
<th>PERCENT OF RESPONDENTS</th>
<th>NUMBER OF RESPONDENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internship</td>
<td>97.6%</td>
<td>282</td>
</tr>
<tr>
<td>Co-op</td>
<td>44.8%</td>
<td>121</td>
</tr>
<tr>
<td>Both</td>
<td>41.2%</td>
<td>119</td>
</tr>
</tbody>
</table>

Selected highlights from the report follow.

Projections for 2022-23 intern hiring—a 9.1% increase: Employers expect to increase their intern hiring by 9.1% for the academic year 2022-23 over the previous year. (See Figure 2.) This outpaces projections for full-time hiring; employers participating in NACE’s Job Outlook 2023 Spring Update survey say they expect to increase full-time hiring by 3.9%.

The hybrid internship is here to stay. Nearly two-thirds of responding employers (64.8%) expect to provide their 2022-23 interns with a hybrid experience—working a portion of the time in-person and the rest in a virtual environment.

Projections for 2022-23 co-op hiring dip slightly: Overall, co-op hiring is down -1% for 2022-23 compared with 2021-22. (See Figure 2.) The overall decrease, however, is deceptive: Nearly 90% of co-op employers plan to hire about the same number or more co-ops for 2022-23 as they did in 2021-22. In fact, the decrease is driven by a single organization that is cutting back on its co-op hires. If that organization’s projections are removed, the overall projection is for a 7.5% increase.

There is a disconnect between employers’ overall goals for a diverse workforce and their internship and co-op programs, which feed full-time hiring. Current results show that 2021-22 internship/co-op program cohorts skew male and white, disproportionate to the makeup of the student population.

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The conversion rate for 2021-22 interns increased—and is the highest in five years, except for the early pandemic period:
The conversion rate for 2021-22 interns grew to 57.6%, exceeding the rate posted for 2020-21 interns and pre-pandemic levels, although not besting the rate posted early in the pandemic.

The conversion rate for co-ops fell to its lowest point in five years: The conversion rate for 2021-22 co-ops is 30.4%, driven most likely by the offer rate (40%)—also the lowest in five years.

Internship/co-op programs support employee retention: The retention rates for employees who served as interns are higher at the one-year and five-year marks than those who did not engage in such an experience. Employees who did an internship at the same company had even higher retention rates. This is also generally true for employees who were co-op students.

In-person recruiting favored over virtual: Employers relied heavily on virtual forms of recruiting during the pandemic, but given a choice, employers made it clear that they favor in-person recruiting. Employers also reported that in-person career fairs and on-campus recruiting are some of the most effective methods for recruiting interns and co-ops.

Key competencies and previous experience are factors in choosing among otherwise qualified candidates: Employers cited communication, teamwork, and critical thinking abilities as the three most important competencies for interns and co-ops, but all the career readiness competencies were cited as very to extremely important by a majority of respondents. At the same time, GPA as a differentiator between candidates has continued to lose ground.

The full report, which includes hiring projections for 2023 interns as well as benchmarks based on programs from 2021-22, is available through the NACE Store at www.naceweb.org/store/2023/internship-and-co-op-report/. The full report includes an interactive dashboard for pinpointing key data.

Also available: 2023 Guide to Compensation for Interns & Co-ops. The guide features hourly wages and benefits for interns and co-ops based on degree, academic major, year in school, location, and more. See www.naceweb.org/store/2023/2023-guide-to-compensation-for-interns-co-ops/.
The Internship & Co-op Survey Report explores key aspects of employers’ internship and co-op programs, including hiring projections, conversion, retention, compensation (wages and benefits), recruiting strategies, and program structure. This report also includes historical analyses of the data.

This report provides projections for internship and co-op programs for the 2022-23 academic year, but the bulk of the information presented here represent data gathered from 2021-22 internship and co-op programs. Historical data are also provided to indicate trends.

Data collection took place from November 9, 2022, to December 31, 2022. There were 221 NACE member respondents representing 25.1% of eligible member respondents. The Internship & Co-op Survey was also distributed to nonmember companies from which an additional 68 responses were received. Those employers that chose to be listed as survey respondents appear in the Appendix.

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 breakdowns of percentages may not equal 100 due to rounding or, in cases where the sum substantially exceeds 100, because respondents were permitted to provide multiple responses.

Respondents were provided with the following definitions of internships and co-ops:

- 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 the 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.
RESPONDING ORGANIZATIONS

A total of 289 organizations took part in the survey on which this report is based; the following 196 agreed to be listed:

A. O. Smith Corporation  Carpenter Technology Corporation
Abbott Laboratories  Casey’s General Stores
ACS  CDM Smith
ACS Technologies  Cheniere Energy
AgReserves, Inc.  CHS Inc.
Akamai Technologies  City of Tucson
Alliant Energy  CNH Industrial
American Family Insurance  CNO Financial Group, Inc.
AmeriCold  CohnReznick
Amkor Technology  Colliers Engineering & Design
Andersen Corporation  Colony Brands
Argonne National Laboratory  Computer Services, Inc.
Armstrong World Industries  Conagra Brands
Associated Wholesale Grocers  Consumers Credit Union
ATA Engineering, Inc.  CRB
Atkins  Crown Cork & Seal Company USA, Inc.
Avery Dennison Corporation  Cruise
Badger Meter  Cummins Inc.
Baird  Cushman & Wakefield Inc.
Ball Aerospace  Dell Technologies
Barnes Group Inc.  E. & J. Gallo Winery
Barr Engineering  Eaton Corporation
BASF Corporation  Echo Global Logistics
Battelle Memorial Institute  Ecolab Inc.
Bayer US, Monsanto Company  Edwards Lifesciences
Berkadia  Elevance Health
Bill.com  Empirical Foods, Inc.
Blue Origin  EquipmentShare
Bluebeam, Inc.  Evonik
Bose Corporation  Experian
Brasfield & Gorrie, LLC  Farmers Insurance
Burns & McDonnell Engineering Co. Inc.  Fifth Third Bank
Cambridge Associates LLC  First Solar
Campbell Soup Company  Fors Marsh Group
Cardinal Health  Fortune Brands Home & Security
Franklin International
Freese and Nichols
GE Aviation
General Dynamics - MS
General Dynamics Electric Boat
Genworth Financial
Ghafari Associates LLC
Ginkgo Bioworks
GlaxoSmithKline
Graybar Electric Company, Inc.
HCL Technologies
Huron Consulting Group
IBM Corporation
Idaho Power Company
INEOS
Ingredion
Innophos, Inc.
Jacobs Space Exploration Group
JAXUSA
JE Dunn Construction
Johnson Controls, Inc.
Johnson Lambert LLP
Juniper Networks
Kellogg Company
Kiewit Corporation
Klein Tools, Inc.
Knowles Electronics Inc.
Koch Industries, Inc.
Kyndryl
Lane County Government
Liberty Mutual Insurance Company
Lockton Companies
Loram Maintenance of Way
LPL Financial
Marvell Technology
Masimo
Mazars in US
McDermott International Inc.
MedPro Group
Medtronic, Inc.
Menasha Packaging Company
Michels Corporation
Michigan Department of Transportation
MKS Instruments
Mobility Rehab Inc
Mondelēz International
Motorola Solutions, Inc.
Nan Ya Plastics Corporation, America
NiSource
Nokia
North Carolina Department of Public Safety
North Carolina Office of State Human Resources
Northrop Grumman Corporation
Novo Nordisk Inc.
NTT DATA Services
O-I
OMNOVA Solutions Inc.
ONEOK, Inc.
Otsuka Pharmaceuticals Inc.
Paramount Global
Paylocity
Pendo
PepsiCo
Perficient
PetSmart, Inc.
Phillips Edison & Company
Printpack Inc.
Progressive Insurance
R1 RCM
Royal Credit Union
Securian Financial
Shaw Industries, Inc.
Shure Incorporated
Signet Jewelers
Skyward Specialty Insurance
Smith & Nephew Inc.
Sound Transit
Southern Glazer’s Wine & Spirits
Southwest Airlines Co.
Spectrum
Spectrum Health
SRI International
St. Luke’s University Health Network
Starbucks
Steelcase Inc.
Stephano Slack LLC
STMicroelectronics, Inc.
Sun Life Financial
Syneos Health
Synovus Financial Corporation
TASC, Inc.
Tenaris USA
Teradyne Inc.
Terracon
Textron Inc.
The Boeing Company
The Bozzuto Group
The Friedkin Group
The Hartford Financial Services Group, Inc.
The Lubrizol Corporation
The MITRE Corporation
The Schwan Food Company
The Travelers Companies, Inc.
The Vanguard Group
The Walsh Group
The Williams Companies
T-Mobile USA, Inc.
Tokio Marine HCC
TransUnion
U.S. Bank
UGI Utilities Inc.
Uline
Union Pacific Railroad Company
United Airlines
United Therapeutics Corporation
UScellular
Utility Concierge
Verisk
Visa Inc.
Wells Fargo
Wipfli LLP
Woodward, Inc.
Workday
Xactly Corporation