

**Internships for College Students  
MHEC Policy and Research  
January 15, 2021**

On Friday January 8, 2021, Representatives Kathy Skroch and Mark Sanford of North Dakota contacted Midwestern Higher Education Compact and requested preliminary research pertaining to postsecondary student internships. The resulting research note contains the following:

1. A summary of the research request including questions and stated goals.
2. A summary and analysis of the research findings.

This research note is a first draft and represents an initial effort to respond to the research questions. If after a review of this response more information is required, please reach out and let us know how we can provide additional assistance.

With kind regards,

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## **RESEARCH REQUEST**

### **Email request summary from January 8<sup>th</sup>**

There may be some funding provided by the state currently that will pay internships and in some career areas, college courses paid in full based on critical shortage areas. The bill being considered would not propose additional funding provided by the state. College students, both 2 yr. and 4 yr. would be the target however, I am trying to discover the breadth of this. For example, if private on-line courses would be included, are there private businesses that use internship instruction that do not have a college course application? (We need more information to be able to respond to this question). At this point, I don't know just how much I don't know, as to how broad or how narrow the bill needs to be worded....

### **Research Questions**

- 1) In part, do you have any data indicating how many courses across all careers require internship hours as part of licensure?
- 2) What is the difference between internships for which the student receives credits and those hours for which no credit is received, in other words the student receives no benefit?
- 3) Do you have any lists of those internships where students are paid for services verses those who receive no pay for work they provide?

### **Research Goals**

- 1) Create enough interest for the ND Legislature to study student internship requirements, compensation, and grants available to specific courses but not to others and do a deep

dive into all the intricate details of these requirements being met and any data available.

- 2) Create an interest in students attending courses in ND with the incentive of paid internships.
- 3) Students required to complete credit hours for providers who benefit for the work provided and receive compensation at the rate of minimum wage.

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## RESEARCH RESPONSE

There are benefits to internships ranging from skills and experience gained by the intern to income earned by the intern to credits earned by the student. In addition, both the intern/potential employee and employer are able to try each other on for size to see how well they fit. Such benefits of internships are consistently indicated by research on individual internship programs.<sup>1</sup> Large scale quantitative data on the prevalence of internships, for example, in fields of study or for course and degree credit is often difficult to obtain. Such data are a challenge to collect and analyze due to several factors, including the fact that institutions:

- 1) rarely have the same requirements for courses, programs, and degree granting when it comes to internships and other experiential learning activities;
- 2) usually do not track internships and experiential learning activities at the institutional level (these data usually reside at the program level);
- 3) are beholden to licensure and internship requirements of the differing states in which they are located.

However, the following sections of this research note will highlight and summarize the findings from an initial search for high level data and other relevant information pertaining to post-secondary internships and the questions posed for this inquiry.

### Question 1 - Internship Requirements by field, degree, etc.

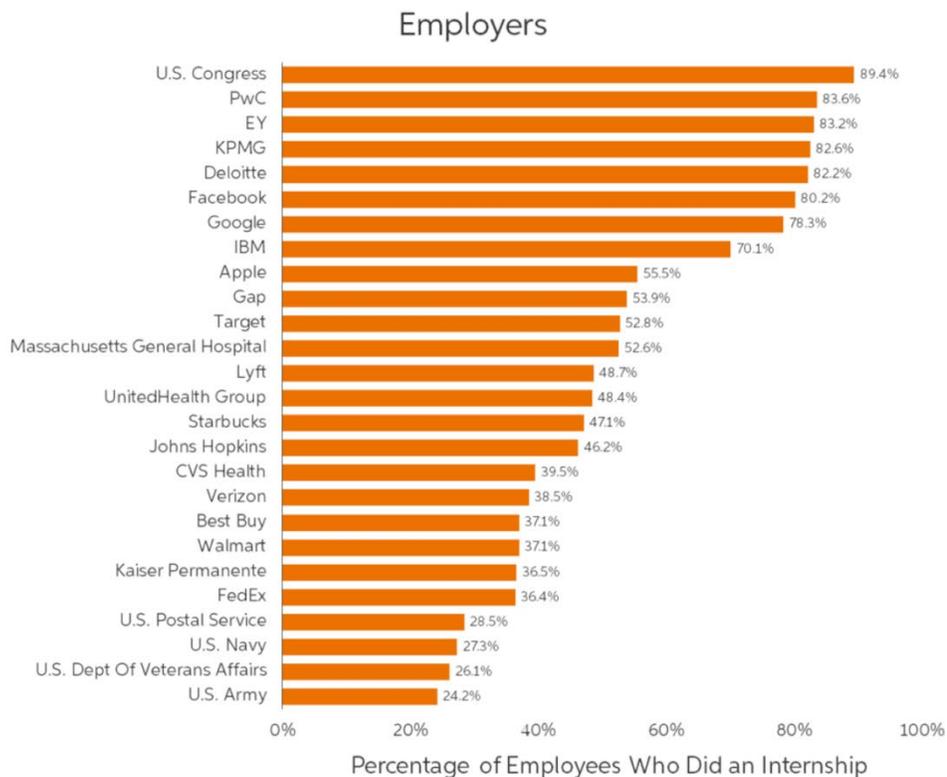
As mentioned, data specific to internship requirements by field, degree, institution, and other categories is data that does not exist in one place and is not collected by IPEDS (Integrated Postsecondary Data System). What is available is data collected in the private sector about companies that require internships as part of their hiring process and as a pipeline for employee recruitment.

Some companies require a formal internship or apprenticeship, paid and unpaid, as a pipeline to employment with those same companies. This connection can be made when an individual is a student or post-graduation. For instance, [Chegg Internships](#), a company that connects

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<sup>1</sup> Binder, J.F., Baguley, T., Crook, C., & Miller, F. (2015). The academic value of internships: Benefits across disciplines and student backgrounds. *Contemporary Educational Psychology* 41(2015), 73-82. [.doi.org/10.1016/j.cedpsych.2014.12.001](https://doi.org/10.1016/j.cedpsych.2014.12.001)

individuals with employers for internships, presented the following information about the companies and organizations with which they work and which they know require internships.



## Question 2 - Credit vs. Non-Credit Internships

The [National Association of Colleges and Employers \(NACE\)](https://www.nacweb.org/about-us/advocacy/position-statements/position-statement-us-internships/) defines an internship as “a form of experiential learning that integrates knowledge and theory learned in the classroom with practical application and skills development in a professional setting. Internships give students the opportunity to gain valuable applied experience and make connections in professional fields they are considering for career paths; and give employers the opportunity to guide and evaluate talent.”<sup>2</sup> The value of an internship is arguably greatest when it confers both occupational experience and academic credit, though most internships do not in fact carry academic credit. In a national survey, 82% of employers reported that they do not require internships to carry academic credit.<sup>3</sup> Nonetheless, students who conduct an internship without receiving academic credit can still benefit significantly e.g. monetary compensation, skill development, resume building, and improved job prospects after college graduation.

<sup>2</sup> NACE. U.S. Internships. Retrieved from <https://www.nacweb.org/about-us/advocacy/position-statements/position-statement-us-internships/>

<sup>3</sup> NACE. (2021). Correspondence.

## Quantitative Data on Internships

### Differences by Institution Type

The [National Survey of Student Engagement](#) collects data on student participation in internships, field experiences, student teaching, or clinical placements. As shown in Table 1, 48 percent of seniors at four-year institutions participated in an internship or field experience in 2019. Baccalaureate institutions have the highest internship participation rate among four-year institutions. Institution size matters, as smaller campuses have a higher percentage of their students participating in internships. Seniors at public four-year institutions are only slightly more likely to participate in an internship than those at private four-year institutions.

### Differences by Student Demographics

Table 1 also shows differences in participation by student demographics. Whites are more likely to participate in internships than students of color. Most traditional-age students participated in an internship while most older students did not. Multi-generation students were also more likely to participate in internships than first-generation students.

### Differences by Academic Factors

Full-time students were more likely to participate in internships than part-time students. Most seniors who lived on campus took part in an internship compared to less than half of seniors who lived off campus. Seniors who started as freshmen on-campus were also much more likely to participate in an internship than those who had transferred into an institution. Seniors majoring in education, journalism/communications/media/public relations, or engineering were most likely to have participated in an internship. Seniors majoring in the social sciences, business, or arts and humanities were the least likely to have participated in an internship or field experience.

**Table 1. Percentage of Seniors at Four-Year Institutions Who Participated in an Internship or Field Experience**

		Percentage Participating in Internship or Field Experience
Institution Characteristics	<b>Carnegie Classification</b>	
	Doctoral Universities (Very high research activity)	52
	Doctoral Universities (High research activity)	51
	Doctoral/Professional Universities	39
	Master's Colleges and Universities (Larger programs)	42

	Master's Colleges and Universities (Medium programs)	53	
	Master's Colleges and Universities (Smaller programs)	52	
	Baccalaureate Colleges—Arts & Sciences Focus	68	
	Baccalaureate Colleges—Diverse Fields	54	
	<b>Institutional Control</b>		
	Public	49	
	Private	46	
	<b>Undergraduate Enrollment</b>		
	Fewer than 1,000	61	
	1,000–2,499	59	
	2,500–4,999	53	
	5,000–9,999	48	
	10,000–19,999	46	
	20,000 or more	43	
<b>Student Demographics</b>	<b>Race/Ethnicity</b>		
	American Indian or Alaska Native	39	
	Asian	45	
	Black or African American	40	
	Hispanic or Latino	41	
	Native Hawaiian/Other Pacific Islander	43	
	White	51	
	Other	51	
	Foreign or nonresident	38	
	Two or more races/ethnicities	49	
	<b>Age</b>		
	Traditional (First-year < 21, Senior < 25)	59	
	Nontraditional (First-year 21+, Senior 25+)	30	
	<b>First-generation</b>		
Not first-generation	55		
First-generation	40		
<b>Student Academic Background</b>	<b>Enrollment</b>		
	Less than full-time	31	
	Full-time	52	
	<b>Residence</b>		
	Living off campus	46	
	Living on campus	62	
	<b>Transfer</b>		
	Started here	59	
	Started elsewhere	36	
	<b>Major</b>		
Arts & humanities	41		

	Biological sciences, agriculture, natural resources	50
	Physical sciences, math, computer science	47
	Social sciences	44
	Business	41
	Communications, media, public relations	60
	Education	68
	Engineering	57
	Health professions	50
	Social service professions	46
	Undecided/undeclared	21
<b>Overall</b>		<b>48</b>

Source. Center for Postsecondary Research, Indiana University School of Education. National Survey of Student Engagement, 2019.

### Question 3 - Paid versus Unpaid Internships

#### Student Outcomes

The National Association of Colleges and Employers (NACE) collects data on internships each year and publishes an *Internship & Co-op Survey Report* and a *Guide to Compensation for Interns & Co-ops*. Their [2019 executive summary](#) included the following data points:

- The average hourly wage for paid interns in 2018-19 was \$19.05.
- If a student had an internship with a company, the offer rate with that same company was 70.4%, with an acceptance rate of 79.6%, an increase from the previous year.
- For interns hired with internal experience, their five-year retention rate was 43.9%; external experience interns had a five-year retention rate of 37.3%.
- Additional compensation employers offered as part of internship packages included: paid holidays, relocation assistance, and signing bonuses.

NACE also found, in their 2019 research, entitled [The Impact of Unpaid Internships on Career Development](#), that nearly 61% of internships were paid and that unpaid internships occurred mostly in the social services. Of the employers who completed their survey, 92% had a formal internship program, 70% of which focused on helping students move from being students to becoming full-time employees. Findings from this study indicated 56% of students who had completed an internship received at least one job offer upon program completion while only 37% of students who did not complete internships received a similar offer.

In our communication<sup>4</sup> with NACE Research, they explained that their 2019 survey on student internship experiences at four-year institutions showed 32.2% of respondents participated in unpaid internships, 35.9% participated in paid internships, and 31.9% did not participate in an

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<sup>4</sup> January 14, 2021

internship. Debate on the quality and legality of unpaid internships has grown in recent years. NACE holds firm that whether paid or unpaid, students benefit. Specifically, in response to our inquiry, they commented:

Benefits can go to the student in terms of an actual salary during the internship or the training (skill development) that takes place as part of the internship. Most internships do not carry academic credit. They are valuable to the student because of the monetary rewards and/or the training. Our studies indicate that they generally provide students with greater chances of landing a job quickly after college and getting a higher starting salary as well.

The NACE [website](#) provides a range of data and analyses of the differential outcomes of paid versus unpaid postsecondary internships, all validating the trend that students who engage in paid internships are more likely to find a job after graduation more quickly and for a higher salary than those who participated in unpaid internships or no internships at all.

#### Educational Equity and Legal Considerations

There are significant educational equity issues regarding equitable access to paid internships.<sup>5</sup> First-generation students, racial and ethnic minorities, and women are underrepresented in the population of students who engage in paid internships (see figure below for statistics). See Figure 2.<sup>6</sup> Notably, internship programs in recent years have also received scrutiny from the courts and National Labor Relations Board.<sup>7</sup> A review of their findings can help inform policymakers interested in postsecondary internship legislation and policy.

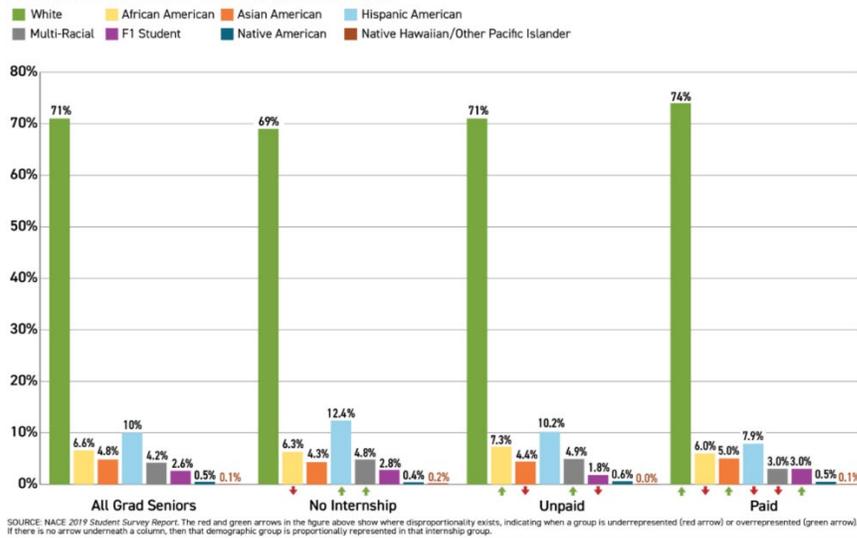
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<sup>5</sup> Hora, M., Chen, Z., Parrott, E., & Her, P. (2020). Problematizing college internships: Exploring issues with access, program design and developmental outcomes. *International Journal of Work-Integrated Learning*, 21(3), 235-252.

<sup>6</sup> Collins, M. (2020). Open the Door: Disparities in Paid Internships. November 1, 2020. <https://www.naceweb.org/diversity-equity-and-inclusion/trends-and-predictions/open-the-door-disparities-in-paid-internships/>

<sup>7</sup> <https://www.dol.gov/agencies/whd/fact-sheets/71-flsa-internships>

**FIGURE 2: INTERNS BY RACE/ETHNICITY**



## State Legislation, Policies and Funding Related to Internships

Many states have passed laws to protect unpaid interns from various types of abuse. Some states have begun incorporating field experience indicators into their performance funding formulas. For example, in New York, additional bonus funding during 2016 was available for the community college system based on “the number of students engaged in career and employment opportunities including apprenticeships, cooperative education programs or other paid work experience that is an integral part of their academic program.”<sup>8</sup>

## Conclusion

Internships are shown to be beneficial experiences for students, employers, and communities.<sup>9</sup> There is much research on the efficacy of internships and about how to maximize positive outcomes from internship programs,<sup>10</sup> if not the precise data and information originally requested. Please let us know if this information is helpful to you and if it sparks additional questions we might be able to help up you answer.

<sup>8</sup> <https://legiscan.com/NY/bill/A03003/2015>

<sup>9</sup> Garcia-Casarejos, N., & Saez-Perez, L.A. (2020). Internships for Higher Education Students to Promote the Local Sustainability of Rural Places. *Sustainability*, 2020(4) 4926. doi:10.3390/su12124926

<sup>10</sup> Maertz, C.P., Stoeberl, P.A., & Marks, J. (2014). Building successful internships: lessons from the research for interns, schools, and employers. *Career Development International*, 19(1), 123-142. DOI 10.1108/CDI-03-2013-0025