



NACE RESEARCH

BRIEF

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NATIONAL ASSOCIATION OF COLLEGES AND EMPLOYERS

2009 Experiential Education Survey

KEY FINDINGS

With their responses to this survey, employers sent a strong message: Experiential education programs are valuable recruiting tools and their value is recognized by the organization.

Although responding employers are forced by economic circumstances to cut back on the number of students they plan to bring in for their internship and co-op programs, most plan to maintain their programs. Few reported plans to eliminate interns/co-ops this year.

Internship and co-op programs have become one of the most powerful tools employers have for recruiting new college graduates over the past decade, and responses to this survey indicate their staying power. It is likely that experiential education programs will continue to be a key component of college recruiting programs for many years to come.

INTERNSHIP PROGRAMS

Hiring

- Employers plan to hire 20.7 percent fewer interns this year (2008-09) than they did last year (2007-08). When asked about the changes to their hiring plans, reduced workloads, budget cuts, company downsizing and restructuring, and mergers were common among the responses provided.
- Not all interns will be new to the organization. Overall, respondents reported that more than one-quarter of their 2008-09 interns (26.2 percent) will be students who have served a previous internship with the organization. This varies, however, among employers. Accounting firms, for example, expect only 7.4 percent of this year's group to be returning interns, while research organizations say 58.1 percent of their interns will have served internships with their organizations in the past.
- The majority of respondents (77.3 percent) say they use their internship programs primarily as a tool for recruiting entry-level talent. Doing so appears to be a wise decision; employers reported that an average of 35.3 percent of their full-time entry-level college hires from the class of 2007-08 were from their internship program.
- Given that the primary purpose of their internship program is to feed full-time hiring, it's not surprising that respondents use their internship programs as a way to gauge potential employees by giving their interns "real work." Respondents said that students participating in internship/co-op programs currently spend 31.1 percent of their time working on analytical problems, 23.2 percent of their time overseeing all or part of a project, and 19.4 percent of their time honing in on their communication skills by corresponding with customers/clients, staff members, etc.

Conversion and Retention

- Employers extended offers of full-time employment to an average of 67.7 percent of their 2007-08 interns. More than four out of five of their offers (83.6 percent), on average, were accepted, making this the highest intern acceptance rate NACE has reported since it began collecting these data in 2001. More acceptances led to more conversions resulting in another first—the highest conversion rate reported (56.6 percent) since 2001.
- Conversion rates among those who look to their internship program primarily to recruit were slightly higher than those who look to the program for other purposes (56.4 percent conversion versus 49.8 percent, respectively).



- Just under one-third of respondents (31.5 percent) reported higher retention after the first year of hire among their converted interns and co-ops than with all other hires. Five years after hire, 39.1 percent reported better retention among those they converted from their program than among their other hires.

Compensation and Benefits

- While non-paid internships do exist, employers responding to this survey aren't likely to offer them; respondents indicated that an average of 98.6 percent of their internships are paid.
- Last year, employers offered interns at the undergraduate level an average hourly wage of \$16.33; this year, they hiked their hourly wage up 4.9 percent to \$17.13. Interns at the master's level, however, will see lower hourly wages. Last year, the average hourly wage to an intern at the master's degree level was \$24.95; the current hourly wage is \$23.18, down 7.1 percent.
- Overall, just over two in five respondents (42 percent) said they offer higher salaries to their returning intern/co-op students and 62.6 percent said they offer higher salaries to students coming in with prior work experience gained either through them or through another employer.
- Signing bonuses remain an uncommon offering; 21.1 percent of respondents said they plan to offer signing bonuses to the interns/co-ops they hire this year compared with 21.9 percent that did so last year.
- Benefits offered to interns remain largely unchanged from last year: Planned social activities, paid holidays, and counting the student's internship time toward overall service time if hired into a full-time position remain the most common benefits.
- While the benefits being offered hasn't changed, the percentage of respondents offering them *has* increased this year. Employers offering social activities for their interns has increased by 16.4 percent, and 12 percent more employers are offering paid holidays to their interns.
- Overall, just over half of respondents (51.2 percent) offer relocation assistance to their interns. This varies, however, depending on sector and region. Only 10 percent of government employers and 35.3 percent of service employers offer relocation assistance, while nearly 72 percent of manufacturers do so. Just 44.4 percent of employers in the Northeast and 50 percent of employers in the South provide their interns with relocation assistance, but 53.2 percent of employers in the Midwest and 59.5 percent of employers in the West do so.



- Employers most often offer housing/living assistance and moving/relocation assistance to their interns. Respondents said they spend an average of \$1,737 per intern on relocation assistance with an average internship relocation budget of \$44,061.

Recruiting Interns

- Overall employers ranked career fairs as most effective, on-campus recruiting as second most effective, and referrals from prior or current interns as the third most effective means of hiring interns.
- With employers placing so much emphasis on the effectiveness of these particular activities it wasn't surprising to find that, overall, more than half of respondents' internship budget dollars are allocated to career fairs and on-campus recruiting activities.
- In deciding what schools they'll visit to recruit their interns and/or co-ops, employers concurred, for the most part, that the majors offered, their previous recruiting experience with the school, and the location of the school were the top three factors they take into consideration.
- On average, employers said they begin recruiting for open intern/co-op positions six and one-half months prior to needing the positions filled.
- Once the interview is complete, employers take just over three weeks (21.9 days) to extend an offer or inform the student that he/she is not being considered for the internship or co-op position. On average, organizations give students 14.5 days to accept or decline the internship/co-op offer.



COOPERATIVE EDUCATIONS PROGRAMS

Hiring

- While the number of employers with plans to hire for intern/co-op positions is virtually unchanged this academic year compared with last (94.9 percent last year; 92.6 percent this year), employers expect to have far fewer positions available this year. Overall, employers expect the number of co-op hires to drop by 11.2 percent this year, which is the largest projected decrease reported since NACE began collecting hiring projections in 2004.
- Employers expect that, on average, 44.4 percent of the co-op students they hire during the 2008-09 academic year will be students who held co-op positions with their organization in the past.
- Most responding employers (71.9 percent) use their co-op program as a recruiting tool and report that 28 percent of the full-time entry-level positions they hired for from the class of 2007-08 came from their program.

Conversion and Retention

- Employers reported that 55.7 percent of their 2007-08 co-op students transitioned into full-time hires. That is down slightly from the 59.2 percent of 2006-07 co-ops who converted to full-time hires.
- The biggest differences in conversion rates for co-ops were among those that use their program primarily for recruiting versus those who don't. Employers using their program to recruit converted an average of 63.5 percent of their co-op students from the class of 2007-08, while those using the program for other purposes converted, on average, just 31.5 percent.
- At the one-year-after-hire mark, just under one-third of respondents (31.5 percent) reported higher retention among their converted interns and co-ops than with all other hires. Five years after hire, 39.1 percent reported better retention among those they converted from their program than among their other hires.

Compensation and Benefits

- Employers responding to this survey indicated that an average of 99.3 percent of their co-ops are paid.
- As with intern salaries, co-op salaries are expected to rise for undergraduates in 2008-09; the average hourly wage to an undergraduate co-op student is \$17.69, 7.9 percent higher than last year's average hourly wage, \$16.39. At the master's level, co-op students won't experience quite as much of a decrease as their intern counterparts. The average hourly wage to master's level co-ops is \$23.85, down 2.9 percent from last year's average hourly wage.
- Overall, 42 percent of respondents said they offer higher salaries to their returning intern/co-op students and 62.6 percent said they offer higher salaries to students coming in with prior work experience gained either through them or through another employer.
- Approximately one-fifth of respondents (21.1 percent) expect to offer signing bonuses to 2008-09 interns and co-ops. That's down slightly from 21.9 percent who offered such bonuses to 2007-08 interns/co-ops.
- Planned social activities, paid holidays, and counting experiential education work as service time if hired into a full-time position are the most commonly offered benefits for co-op students. The percent of employers offering planned social activities has increased by 20.3 percent this year.
- Service employers are less likely than manufacturers to offer paid holidays to their co-ops (74.4 percent versus 84.4 percent) and the percentage of employers in the Midwest and Northeast outpace the other regions when it comes to counting experiential education work toward service time for the co-ops who become full-time hires (58.6 percent of both Midwest and Northeast employers versus 45.7 percent of employers in the South and 37.5 percent of those in the West).
- More than half of respondents (56 percent) offer relocation assistance to their co-ops; by sector and region, manufacturers and employers in the South are most likely to offer this benefit.
- Housing/living assistance and moving/relocation assistance are the most common offerings for co-op students. That's a change from the 2008 survey, when employers reported that they most often offered their co-op students a set allowance to be used as needed during their relocation process (48.8 percent), followed by moving/relocation assistance (45 percent) and housing/living assistance (43.8 percent).



Recruiting Co-ops

- According to employers, the best way to recruit co-ops is to attend a career fair, recruit on campus, or get referrals from current or former co-ops. That being the case, it makes sense that more than half of respondents' co-op budget dollars are allocated to career fairs and on-campus recruiting activities.
- Overall, on-campus information sessions are the third most commonly allocated activity in the co-op recruiting budget. That changes, however, when results are viewed by sector and region. For example, among service employers, cultivating faculty contacts takes third place.
- The top three criteria employers use in selecting schools at which to recruit interns and/or co-ops are majors offered, the prior experience in recruiting at the school, and the school's location.
- On average, employers said they begin recruiting for open intern/co-op positions six and one-half months prior to needing the positions filled.
- Once the interview is complete, employers take an average of about three weeks (21.9 days) to extend an offer or inform the student that he/she is not being considered for the internship or co-op position. Students get an average of 14.5 days to accept or decline the offer.

Employer Insights

Employers were asked to weigh in with their opinions by responding to a number of open-ended questions focusing on change, challenges, and benefits of their program. Here's what they had to say:

- How have internship and co-op programs changed over the past five years? Two issues earned the largest number of responses: program expansion and better use of the program as a recruiting tool.
- The largest group of respondents (29 percent) cited recruitment issues as among the biggest challenges facing their programs. Some are challenged to increase the diversity and quality of the students they hire as interns and co-ops, some are challenged to make offers early enough to have them accepted, and some are challenged to find the best matches for their internship/co-op programs so that they can convert a good percentage of these students to full-time hires.

- When asked what changes they expect to make to their programs over the next five years, slightly more than one-third of respondents (34.3 percent) expect to focus on their recruiting challenges. They expect to fine-tune their programs to focus on recruiting a more-targeted skill set, they plan to increase the structure and formality of their program, and they intend to increase conversion rates.
- How do internship/co-op programs benefit the organization? More than half of respondents (53 percent) cite the value of such programs in recruiting full-time hires. Respondents noted that these programs are a cost-effective tool for filling their organization's talent pipeline.



ABOUT THE SURVEY

NACE's 2009 Experiential Education Survey was conducted from December 5, 2008, through January 30, 2009. Of 1,174 employer members, responses were received from 318, for a response rate of 27.1 percent.

Throughout the survey, data are typically provided for categories with five or more respondents. Although these data are provided, they should be viewed with caution due to the limited number of respondents in each category.

The number of employers responding to each question throughout the report varied. Percentages provided are calculated based on the number of respondents to each question.

Totals throughout the report may not equal 100 due to rounding.

NACE defines internship and co-op programs as follows:

Internship: 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: Cooperative education provides 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.

Nearly all employers responding to this survey (89.5 percent) have formal programs in place to hire internship and/or co-op students. Internship programs are offered by nearly all respondents (97.2 percent), and just under half (48 percent) offer co-op programs. Co-op programs are most common among service and manufacturing employers (60 percent from each group have them), and less popular among government/nonprofit agencies (34.3 percent from this group offer co-op programs).



By sector, 43.4 percent of respondents were from manufacturing organizations, 50.9 percent were service employers, 4.4 percent were from the government agencies, and 1.3 percent were nonprofit employers.

By region of the country, 31.1 percent of respondents were from the Midwest, 23 percent were from the Northeast, 31.1 percent were from the South, and 14.8 percent were from the West.

For a breakdown of respondents by sector, see page 11; for a listing of respondents by organization, see page 13.

Employers that responded to the survey received a complimentary copy of the full survey report. Information on the full report (including order information and table of contents) can be accessed at www.nacweb.org/products/info_pages/exped.htm.

Custom data cuts based on the results of the survey are also available (survey respondents receive a 50 percent discount). For more information, contact Camille Luckenbaugh, ext. 111, 800/544-5272, luckenbaugh@nacweb.org.



SURVEY RESPONDENTS

RESPONDENTS BY SECTOR

Employer Type	Number of Respondents
Service Employers	
Accounting (Public)	11
Advertising	1
Architecture	2
Banking (Commercial)	5
Banking (Investment)	3
Communication Services	5
Computer Software Development & Data Processing Services	13
Consulting Services	13
Engineering/Surveying	26
Environmental/Waste Management	2
Financial Services	10
Hospitality (Amusements/Recreation/Fast-Food Restaurants)	2
Hospitality (Hotels/Motels/ Full-Service Restaurant)	3
Insurance	15
Merchandising (Retail/Wholesale)	14
Personnel Supply Services	2
Publishing	2
Real Estate	1
Research Organizations	7
Transportation	5
Utilities	13
Other Service Employers (NEC)	7

SURVEY RESPONDENTS

RESPONDENTS BY SECTOR

Employer Type	Number of Respondents
Manufacturing Employers	
Aerospace	4
Agriculture & Products	3
Automotive & Mechanical Equipment	13
Building Materials & Construction	12
Chemicals & Allied Products	9
Computers & Business Equipment	4
Electrical & Electronic Machinery & Equipment Mfg.	22
Food and Beverage Processing	17
Household & Personal Care Products	4
Metal & Metal Products	5
Mining	3
Packaging & Allied Products	1
Petroleum & Allied Products	7
Pharmaceuticals	7
Rubber Products	3
Scientific Equipment & Industrial Measuring Instruments (incl. Medical Supplies)	5
Stone, Clay, Glass & Concrete Products	3
Textiles & Apparel	2
Widely Diversified	8
Other Manufacturing Employers (NEC)	6
Government Employers	
Government (Federal)	17
Government (State & Local)	7
Nonprofit Employers	
Hospitals	2
Membership Organizations	1
Museums & Cultural Organizations	1



RESPONDENTS BY ORGANIZATION

Below is a list of employers that responded to the *2009 Experiential Education Survey*. (Please note: A total of 318 employers responded; the list below include 205 organizations as 113 preferred not to be listed or did not indicate a preference.)

Abbott Laboratories	Cliffs Natural Resources	Glazer's Family of Companies
ACUITY	Clough, Harbour & Associates LLP	Global Tax Management, Inc.
Aflac	CME Group Inc.	GreenbergFarrow
Agilent Technologies, Inc.	College Pro Inc.	GuideStone
Air Liquide America	comScore, Inc.	Hallmark Cards
American Eagle Outfitters	Constar International Inc.	Hamilton Sundstrand, a United
American Electric Power	Consumers Energy Co.	Technologies Company
Amgen Inc.	Cooper Industries, Inc.	Hannaford Bros. Co.
Andersen Corporation	Country Insurance & Financial	Hazen and Sawyer P.C.
Aon Corporation	Services	HDR Inc.
Apex Systems, Inc.	Covance Inc.	HealthNow New York Inc.
Applied Biosystems	Cree, Inc.	Helmerich & Payne, Inc.
Applied Materials Inc.	Crowe Chizek and Company LLC	Herbert, Rowland &
Archer Daniels Midland	DCP Midstream Partners, LP	Grubic, Inc.
Company	DCS Corporation	Hewitt Associates LLC
Armstrong World Industries	Deere & Company	Hormel Foods Corporation
AstraZeneca Pharmaceuticals LP	Devon Energy Corporation	Hub Group, Inc.
ATK Launch Systems	Donaldson Company, Inc.	Huron Consulting Group
Avanade Inc.	The Dow Chemical Company	Hyatt Hotels Corporation
Babcock Power Inc.	Duff & Phelps LLC	IGT
BAE Systems	DuPont	Infineum USA
Balfour Beatty Construction	Dynetics Inc.	Ingersoll-Rand Company
Barr Engineering	E. & J. Gallo Winery	Integrys Energy Group, Inc.
Bentley Systems, Incorporated	ECS Corporate Services, LLC	ION Geophysical Corporation
Blackbaud, Inc.	Edwards Lifesciences	Jacobs Technology Inc.
BOK Financial Corporation	El Paso Corporation	JDSU
Bridgestone/Firestone Americas	Emerson Process Management -	Johnson & Johnson
Holding, Inc.	Fisher Controls Division	Kansas Department of
Brill Street + Company, Inc.	Emerson Process Management -	Transportation
Broadridge Financial	Power & Water Solutions	Katz, Sapper & Miller, LLP
Solutions, Inc.	EnCana Oil & Gas (USA) Inc.	Kennedy & Coe LLC
CareFirst BlueCross BlueShield	Entergy Services, Inc.	KeyBank
Carpenter Technology Corporation	Exel	Kiewit Power Engineers Co.
Ceco Concrete Construction LLC	Farm Credit Bank of Texas	L-3 Communications Integrated
Celanese Chemicals	Farm Credit Financial Partners Inc.	Systems
Celina Aluminum Precision	Fidelity Investments	Lafarge North America
Technology Inc.	The Field Museum	Lawrence Livermore National
Cemex, Inc.	FINRA	Laboratory
CGI	Ford Motor Company	Liberty Mutual Insurance
CH2M HILL	Forrester Construction	Company
Chester Engineers	Company	Linde Process Plants, Inc.
Chevron Phillips Chemical	FOX Entertainment Group	Link-Belt Construction
Company LP	Georgia Tech Research	Equipment Co.
Chico's FAS, Inc.	Institute	Liquid Container LP



L'Oreal USA
Lowe's Companies, Inc.
Lutron Electronics Co. Inc.
Macy's, Inc.
Manhattan Associates, Inc.
Mattress Firm
McCain Foods Limited
McKesson Corporation
Mercer
Merck & Co., Inc.
Messer Construction Co.
Milliken & Company
Minnesota Department of
Transportation
Modern Woodmen of America
National Instruments
Naval Surface Warfare Center -
Carderock
NCI Building Systems, Inc.
NEC Electronics Inc.
Nestle Purina Petcare
Niagara Bottling, LLC
The Nielsen Company
Nokia
The Northern Trust Company
Northrop Grumman Corporation
Office of Legislative Audits
Ohio Auditor of State
Olin Chlor Alkali Products
Oregon Department of
Transportation
Owens Corning
Pacific Gas and Electric
Company

Panda Restaurant Group, Inc.
Parente Randolph LLC
Parker Hannifin Corp.
Parsons
Parsons Brinckerhoff
Pella Corporation
Pennsylvania State Civil Service
Commission
Phillips Plastics Corporation
PPG Industries, Inc.
PPL Corporation
PrimeSource Building
Products, Inc.
Principal Financial Group
QUALCOMM Incorporated
R. W. Beck, Inc.
Ralphcorp Holdings, Inc.
Raytheon Company
Risk Management Solutions
Rite Aid Corporation
Rogers Corporation
Rohm and Haas Company
ROHM Electronics USA
Rolls-Royce Corporation
S&C Electric Co.
SAIC
The Schwan Food Company
Shell Oil Company
Siemens Power Generation, Inc.
Simpson Gumpertz &
Heger Inc.
Smurfit-Stone Container
Corporation
Solar Turbines Incorporated

Southern Wine & Spirits of
Northern California
Spectra Energy Corp.
SRA International, Inc.
Structural Group
SWIFT
Syracuse Research Corp.
TAC Americas
Teradata Corporation
Texas Instruments Incorporated
Texas Petrochemicals
Thales Communications Inc.
The Timken Company
Thrivent Financial for Lutherans
Tindall Corporation
Total Quality Logistics, Inc.
Towers Perrin
Trane Inc.
Trinity Consultants Inc.
Turner Construction Company
Tyco Electronics
U.S. Department of Defense -
Civilian Personnel
Management Service
Union Pacific Railroad Company
Valpak Direct Marketing
Systems, Inc.
Veris Consulting, LLC
Wachovia Corporation
The Walsh Group
Westinghouse Electric Company
Wipfli LLP
Woodward Governor Company
ZS Associates

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