



Expanding Internships


Harnessing Employer
Insights to Boost
Opportunity and Enhance
Learning

SEPTEMBER 2024

Executive Summary	1
Setting the Context	4
An Uneven Marketplace for Young Workers	4
Employers as Suppliers	8
Factors that Influence Internship Availability and Quality	8
Employer Characteristics	10
Employer Motivations	12
Employer Limitations	14
Structure of Internships	16
Recruitment Practices	18
Partnerships and External Resources	20
Employer Perspectives Based on Early Career Hiring Needs	22
Strategies for Expanding the Supply of Quality Internships	24
A Call to Action for Stakeholders	32
Appendices	34
A. Key Terms	34
B. Methods	35
C. References	36
D. Endnotes	38
Acknowledgements	40
Authors	41

Executive Summary

Undergraduate internships are increasingly vital in the transition from college to work, helping learners explore careers, develop skills, and secure employment after they graduate. These labor market benefits tend to endure over time: upon graduation, former interns not only have more job offers, higher pay, and a greater likelihood of finding work aligned with their education, but they are also better able to “signal” those skills to future employers and avoid long-term underemployment. In the future, as AI and other technologies change the nature of entry-level work, such real-world experiences will be even more important for ensuring that recent graduates can develop and demonstrate durable skillsets.



Undergraduate internships are short-term opportunities where college students and recent graduates work and apply academic learning to real-world tasks.

Despite the importance of internships, the current supply is insufficient, creating deep inequities in access. In 2023, while an estimated 8.2 million learners wanted to intern, only 3.6 million had the opportunity, and just 2.5 million had a quality internship marked by clarity, oversight, and skill-development. Individuals of color, first-generation students, community college students, and those who are financially vulnerable face some of the worst odds of securing an internship. This disparity in both internship supply and quality is increasingly problematic to employers, too, who need individuals with relevant skills and real-world experience to fill early-career roles.

8.2 M

Learners wanting internships

3.6 M

Internship opportunities available

2.5 M

Quality internships offered

Expanding learner access to internships requires an understanding of how and why employers, as the suppliers of these coveted opportunities, engage in this system—an area that, to date, has been the subject of limited research. To fill this knowledge gap, the Business-Higher Education Forum (BHEF), with support from the Strada Education Foundation, fielded the *Employer Perspectives on Internships Survey (EPIS)* in May 2024, reaching just under 2,700 representatives of U.S. employers from a range of locations, sectors, industries, and company sizes. BHEF supplemented this national survey with in-depth interviews and structured focus groups with representatives of 28 U.S. employers, along with desk research and analysis of secondary data sources. See **Appendix A** for more detail.

Insights from employers reveal a system of incredible opportunity. Of those surveyed, 76 percent offer an internship, 70 percent of which report offering a quality experience. Consistent with prior research, employers vary in the extent to which they provide internships, based on factors such as size, industry, and sector. However, the greatest predictor of whether an employer will offer internships is their need for early-career talent. To facilitate further discussion of the importance of early-career hiring in internship participation,

use of internships as a **recruitment mechanism**. As many as 80 percent of employers report that attracting early-career talent drives or would drive their decision to offer internships, and half feel it is the most important driver. Employers interested primarily in attracting talent have some of the highest rates of internship production and are likely to offer a quality experience.

BHEF interviews suggest that these motivations limit the availability of internships to the extent that employers carefully calibrate internship slots to achieve their goals. Market uncertainty, operational challenges, and fundamental questions about program design also influence employers' ability to offer internships. In particular, a lack of appropriate work or tasks appears to be the single greatest barrier to employers offering internships.

This study also explored employers' decisions about program intensity (or duration), setting, compensation, credits, scale, and recruitment. BHEF's 2024 EPIS found that the most common format for undergraduate internships is moderate-intensity (academic term or summer) with interns located on-site in a professional setting. However, the study discovered that employers are also pursuing other models and structures,



Employers interested primarily in attracting talent have some of the highest rates of internship production and are likely to offer a quality experience.

BHEF developed profiles to classify employers based on their hiring of recent graduates and of interns:

- **Recruiters** are employers who offer internships and have early-career job openings, so that internships provide on-ramps to early-career opportunities.
- **Producers** are employers who offer internships but don't have full-time, early-career job openings, providing interns with experience that may benefit their full-time employer in the future.
- **Consumers** are employers who do have full-time, early-career job openings but don't offer internships, hiring staff that may have benefitted from another company's internship program.
- **Observers** are employers who neither offer internships nor have full-time, early-career job openings.

The strong association between offering internships and hiring recent graduates appears driven in large part by employers'

including low-intensity (micro) and high-intensity (yearlong) formats that vary in their appeal to employers as stand-alone experiences. In addition, many employers use a combination of formal/active and informal/passive recruitment strategies to secure talent, with one in three employers with internships creating opportunities in response to a direct request from students. Employers also appear to need support with their recruitment processes. A surprising share of employers—nearly one in three—report that some of their internship positions went unfilled in 2023.

To help them scale internships, employers overwhelmingly value partnerships with four-year higher education institutions, followed by government workforce development agencies and two-year colleges. In terms of the type of help they would value, employers were most interested in financial assistance to cover intern wages and/or program costs. Past initiatives have had success using additional funding to scale internships but

have struggled with sustainability (and quality, if the program attracts employers looking for subsidized labor). Employers also expressed interest in an analysis of internship costs and returns.

The purpose of this report is to surface insights and strategies to increase the portion of individuals who enter the workforce with meaningful, relevant work experience. Actors across the internship ecosystem—employers, students, higher education institutions, policymakers, and intermediaries—have numerous opportunities to expand the availability and quality of internships. This report offers four strategies:

1. **Target interventions to increase the supply of internship opportunities based on the Business-Higher Education Forum’s Early-Career Hiring Employer Profiles.** Insights into the distinct needs of employers based on their early-career hiring behaviors can help increase the number of internships offered by Recruiters and Producers and to encourage Consumers and Observers to enter the marketplace. Interventions can be tailored to employers based on their top motivations for offering or expanding internships, as well as the primary barriers they face.
2. **Build full-service intermediary structures to handle internship operations.** Small and medium-sized employers can benefit from an external entity— a consortium of colleges, a local chamber of commerce, a national industry association, among other intermediaries—that provide full support with program operations and helps with candidate sourcing. In particular, such an intermediary can work with an employer to understand what qualities are important in an intern, identify appropriate candidates, and help applicants demonstrate their fit for an open role to facilitate immediate matching. In the longer-term, both educators and intermediaries can use this information to respond with programmatic interventions—collaboratively designing projects, changing curricula, building skills—that better address

employers’ internship preferences and support student success in the labor market. Intermediary structures can be an important tool for building capacity within smaller, less-resourced institutions and companies, as well as for ensuring interns have access to wraparound supports and consistently high-quality opportunities.

3. **Expand and test different models that align the needs of employers and learners.** As the field continues to expand beyond moderate-intensity, in-person internships, there is an opportunity to design low-intensity and high-intensity programs to intentionally focus on shared employer and learner goals. Low-intensity internships may be particularly appealing to freshmen, sophomores, part-time learners, community college students preparing to transfer, and recent graduates.
4. **Develop industry-recognized, data-driven elements of quality internships.** The markers of a quality internship identified in this report are not especially difficult to implement. What is missing is rigorous evaluation and consensus around what quality internships are and how they benefit learners and employers. This study also revealed that a common definition of “internship” does not exist. Employers that offer an internship-like experience often use different terms to describe their programs, and employers that offer so-called internships produce experiences that range in duration, setting, and population.

Understanding what elements must be in place for an opportunity to be considered a **quality internship** will yield better estimates of participation and make sure students, colleges, businesses, and intermediaries speak the same language. Moreover, shared understanding will help validate the role of new models in the marketplace and their capacity to offer learners the chance to acquire key skills, as well as enable various employers to recognize those skills as signals of career readiness.



Setting the Context

An Uneven Marketplace for Young Workers

Internships are increasingly important in the transition from college to work, helping learners explore careers, develop skills, and grow their networks.¹ They also offer learners a strong labor market advantage that begins before graduation and tends to persist over time (see **Figure 1**).



FIG 1. Interns' labor market advantages persist over time

Compared to those without an internship, former interns are more likely to...



Source: BHEF analysis; see citations for source detail

These advantages have enticed many individuals to pursue internships. Since the mid-1990s, the percent of college students who report completing an internship has more than doubled.⁶ Last year, around half of graduating seniors interned at least once during their time in college.⁷

Based on available data on learners' interest and participation in internships, BHEF estimated the gap between supply of and demand for internships. This approximates an annual disparity in internships. However, it may be sufficient for postsecondary learners to have at least one internship during their postsecondary education. In 2023, while an estimated 3.6 million learners successfully completed an undergraduate internship, unmet demand translated to another 4.6 million who wanted the opportunity but could not participate. Further, as discussed later in this report, the supply of internships is distributed unevenly across learner groups. See **Figure 2** and methods in **Appendix B**.

Variations in the quality of internships offered further limit the supply. Although most former interns (70 percent) report clear learning outcomes, regular feedback from a supervisor, and the development of relevant skills, 30 percent had an experience that fell short.⁸ Put another way, while an estimated 2.5 million individuals completed a quality internship, 1.1 million interned but in a program that participants felt lacked clarity, oversight, and skill-development.

FIG 2. More than half of those who want to intern miss out
Of the 8.2 million learners who wanted to intern in 2023...

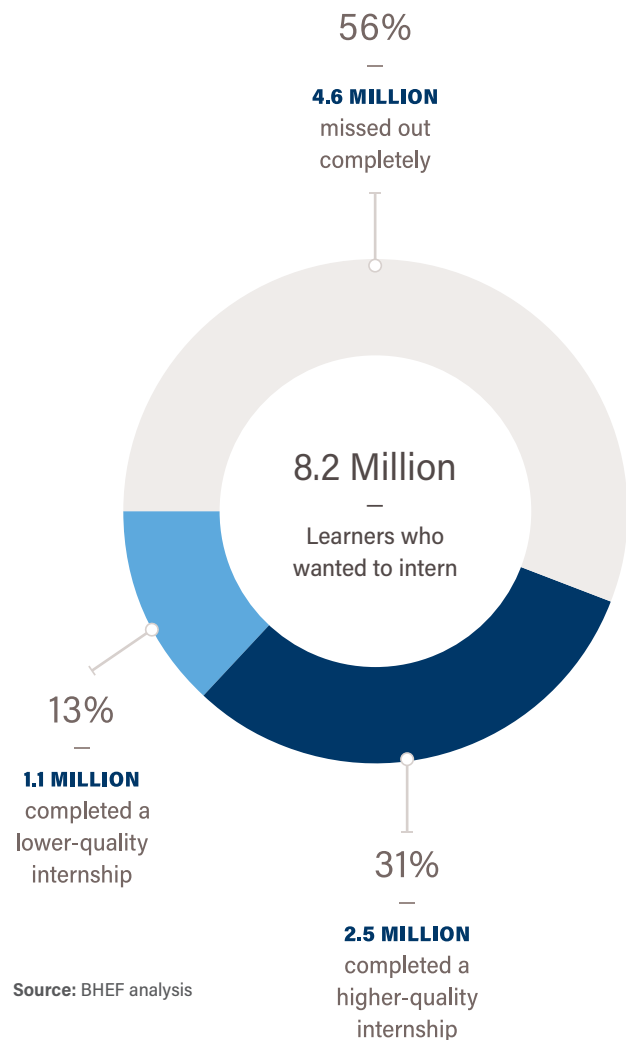
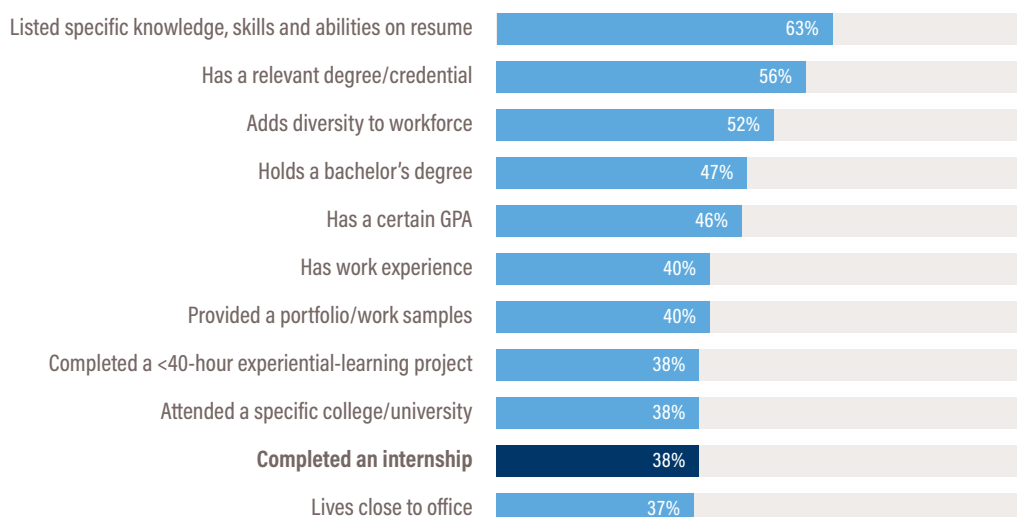


FIG 3. Internships alone provide a dim signal of fit to employers
Percent of employers of early career talent selecting a factor

Source: BHEF 2024 EPIS; n= 2,089 employers that hire recent graduates for full-time roles

A. FACTORS ON A RECENT GRADUATE'S RESUME/APPLICATION VIEWED AS IMPORTANT IN HIRING



B. FACTORS ON A RECENT GRADUATE'S WORK HISTORY VIEWED AS IMPORTANT IN HIRING



This market gap—both in terms of the supply of internships and the quality available—is increasingly problematic for employers that need entry-level talent with relevant skills and real-world work experience.⁹ Prior research suggests these employers have looked to internship experience as a reliable indicator of a job candidate's fit and likelihood of retention,¹⁰ yet employers responding to BHEF's 2024 EPIS paint a more nuanced picture of demand. When asked about **internship experience** on a recent graduate's resume, just

38 percent of employers said they feel it is important in their hiring decisions—ranking it lower than knowledge, skills, and abilities; academic markers (degree, GPA); and adding diversity to the workforce. See **Figure 3a**.

Employers are looking for evidence that recent graduates' past work experiences—including internships, student jobs, research, apprenticeships, and co-ops—**have helped them to develop and demonstrate different competencies**. Those

Internship access and participation is inequitable today. Hispanic students from two-year and four-year programs and Black students from two-year programs are the most likely to miss out on having an internship—primarily because they did not apply—and Asian students from four-year programs are most likely to be rejected.

competencies include people skills, professionalism and autonomy, and the ability to complete relevant tasks and projects, as well as to articulate the impact made during work experiences. See **Figure 3b**.

Objectively, internships provide learners with a clear edge when competing for jobs. Yet the reason for this advantage is more complex than simply “having an internship.” The 2.5 million learners whose internships produced the meaningful skills and experiences that hiring managers seek have the labor market advantage, while the 5.7 million who either did not have an internship at all or did not have a **high-quality internship** may struggle to demonstrate their fit.¹¹ Employers want to see the product of internship experience. They want **quality internships**, too.

The 2023 National Survey of College Internships (NSCI) found, for example, that college students who want to intern, but do not, often face a number of logistical barriers to participating in an internship, including the competing demands of college (50 percent), work (36 percent), and/or childcare (5 percent). One in four students who do not intern feel that the level of pay offered is not sufficient.¹²

But logistics are not the sole driver of this vast opportunity gap. A large portion of students also describe a marketplace with intensely limited supply. Thirty-one percent

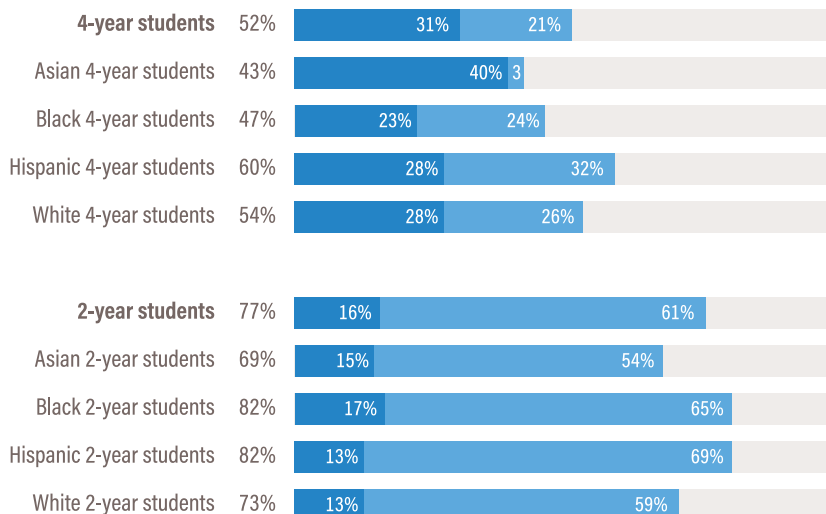
of students do not intern because of a lack of opportunities,¹³ and for every three people who apply to an internship, just one will get it¹⁴—a rate of rejection that’s been increasing in recent years.¹⁵ As **Figure 4** shows, Hispanic students from two-year and four-year programs and Black students from two-year programs are the most likely to miss out on having an internship—primarily because they did not apply—and Asian students from four-year programs are most likely to be rejected.¹⁶ Other research has also found that students from more-selective colleges and higher-income families are more apt to obtain internships.¹⁷

Disproportionate levels of unmet demand have encouraged market interventions that focus on increasing equitable access, such as targeting resources toward specific populations with the hope of expanding internship uptake. A program able to recruit employers to hire its participants is successful, even if that employer already had an internship program and the region sees no net increase in total opportunity.¹⁸ With such an explicit focus on increased supply, there will continue to be a deep gap between internship production and demand.

Increasing access requires increasing the supply of quality internships. And to do that, the field needs to engage employers as partners in designing for additional internship supply.

FIG 4. Hispanic students and those from 2-year programs face steep odds in securing an internship
Percent of students who want an internship but “miss out”

■ APPLICATION REJECTED ■ DID NOT APPLY



Source: BHEF analysis of NSCI data, 2023

Employers as Suppliers

Factors that Influence Internship Availability and Quality

Most employers (76 percent) that responded to BHEF's 2024 *Employer Perspectives on Internships Survey* reported offering internships to current college students and/or recent graduates, and 70 percent said they offer an experience of medium-level quality or better.¹⁹ See **Figure 5** and textbox on the next page for definitions.

This rate of employer engagement in internships is higher than other estimates,²⁰ because BHEF's definition includes both lower-intensity internships (such as micro-internships, experiential learning, and leadership programs) and higher-intensity options (co-ops). It also includes programs that use terms other than "intern" to describe their learners, such as "scholars," "fellows," "trainees," "apprentices," and "summer analysts."²¹ Assessing employer engagement in this broad range of program offerings—not just traditional internship formats—allows the field to understand more clearly the options available for learners to develop and demonstrate their skills.

This report explores strategies that increase the supply of internships among employers currently offering them, engage employers who do not offer internships and support employers with unfilled internship slots or interest in expanding internships offered.

FIG 5. Employers surveyed who offer internships ★ 76% | ☆ 70% offer medium-quality or better



What is a quality internship?

For the purposes of this study, BHEF defines an undergraduate internship as “a short-term (less than a year) opportunity for a two-year or four-year college student or recent graduate to work and apply academic learning to real-world tasks.”²² BHEF defines quality based on how consistently interns receive different elements of a structured, skills-based experience. Although these factors are not perfect indicators of quality, they align with the current academic thinking around the program elements that best support student learning and development.²³ BHEF has classified employers’ internship quality based on the number of these elements present.²⁴

Markers of Structured Support:

1. Formally onboarded
2. Placed with a trained supervisor
3. Receive centralized resources/supports
4. Placed with a staff “buddy”/mentor
5. Receive regular feedback
6. Have satisfaction/engagement tracked

Markers of Focus on Skills Development:

1. Receive clear learning outcomes
2. Work on team
3. Learn internal tools/systems
4. Start and complete a project
5. Present work
6. Have skills tracked

Consistent with findings from the 2023 National Survey of College Internships (NSCI), roughly 30 percent of employers with internships offer an experience that is low on structure of skills-focus; the remaining 70 percent of employers offer experiences considered to have an acceptable level of quality, with 34 percent being of higher-quality.

BHEF’s 2024 EPIS explored how different aspects of an employer and their internship experience influence the supply and quality of internships, including: 1) characteristics, 2) motivations, 3) barriers, 4) structure, 5) recruitment practices, and 6) partnerships and external resources.

FIG 6. A third of employers with internships offer higher-quality experience

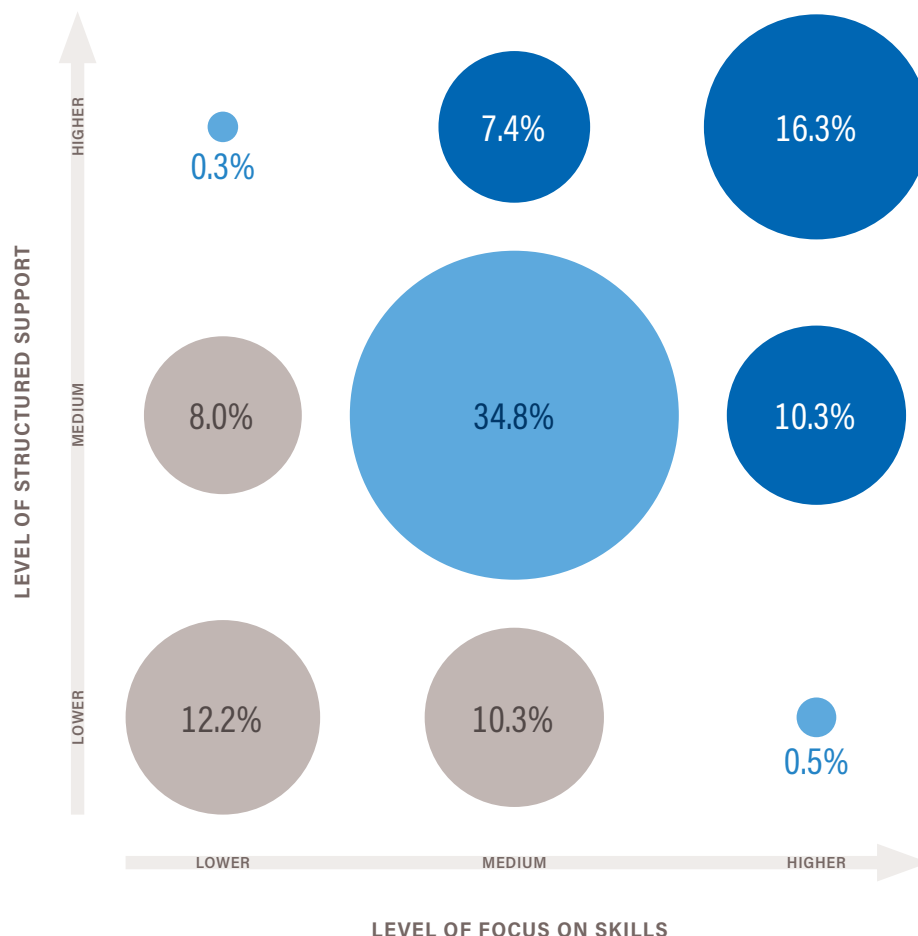
Percent of employers focused on structured support and skills, by number of elements

- HIGHER QUALITY
- MEDIUM QUALITY
- LOWER QUALITY

34% of employers offer higher-quality internship experiences

NOTE: Higher-level defined as possessing 5 or more (of 6) markers of structured support or focus on skills, medium as possessing 2-4 markers, and lower as possessing 1 or fewer markers.

Source: BHEF 2024 EPIS; n=2,036



Employer Characteristics

Consistent with prior research, employers that offer internships are more likely to be large (1,000+ FTE)²⁵ and to cluster in certain industries, such as information services, health-education, and construction-manufacturing.²⁶ BHEF observed minimal variation by sector²⁷ or location.²⁸ Among organizations offering internships, those most likely to create a quality experience were for-profit firms and those operating outside of government and the leisure-hospitality industry. See detail in **Figure 7**, which also shows the presence of higher-quality experiences.

The single most influential factor, however, is not related to size, industry, or sector: it is the employer's concurrent need for hiring early-career talent. Among respondents to BHEF's 2024 EPIS, 87 percent that hire recent college graduates (i.e., those who earned an associate or bachelor's degree in the last year) for full-time roles also offer internships, compared to 27 percent that do not have hire recent graduates.

These early-career hiring behaviors are conceptualized as employer profiles in **Figure 8**, which categorizes employers based on: a) whether they reported offering internships in 2023 and b) whether they were actively recruiting recent graduates for full-time roles at their company. The bulk of employers—71 percent of BHEF's 2024 EPIS—were Recruiters who engaged in both forms of early-career hiring.

- Recruiters are employers who offer internships and have early-career job openings, so that internships provide on-ramps to early-career opportunities.
- Producers are employers who offer internships but don't have full-time, early-career job openings, providing interns

For students, the primary purpose of internships is to gain skills and pursue an area of passion; most (71 percent) are not hoping to be recruited by their host employer, and 96 percent feel that other outcomes are more important.³⁰

with experience that may benefit their full-time employer in the future.

- Consumers are employers who do have full-time, early-career job openings but don't offer internships, hiring staff that may have benefitted from another company's internship program.
- Observers are employers who neither offer internships nor have full-time, early-career job openings.

The strong association between hiring recent graduates for full-time roles and hiring interns appears driven in large part by

FIG 8. Profiles for classifying employer hiring of interns and recently graduated college students

	Offer Internships	Have Early-career Job Openings
RECRUITERS	✓	✓
PRODUCERS	✓	✗
CONSUMERS	✗	✓
OBSERVERS	✗	✗

Source: BHEF classification of employers from BHEF's 2024 EPIS; n=2,548

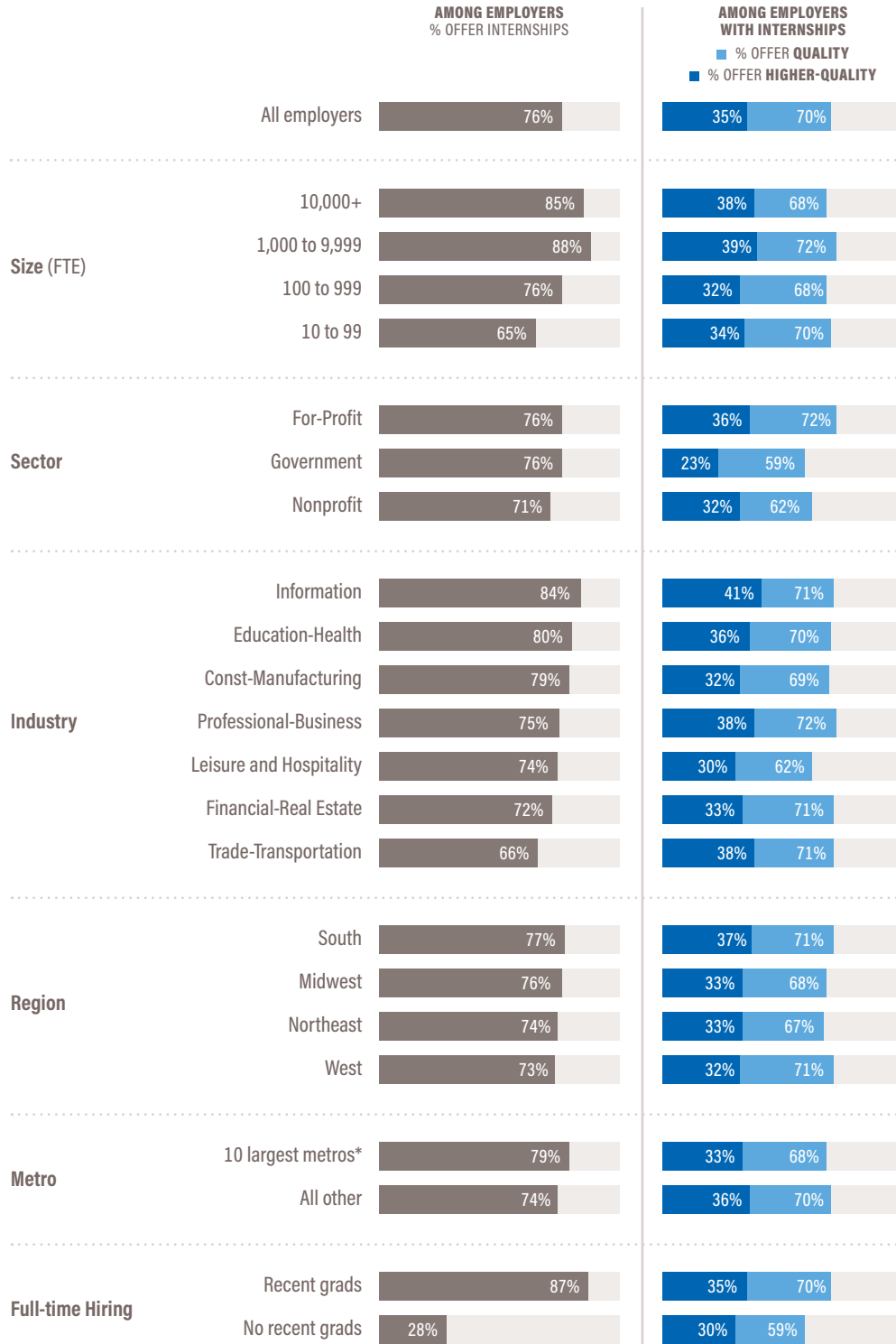
employers' use of internships as a **recruitment mechanism**. Of the 2,100 employers that hire college graduates for full-time roles (Recruiters and Consumers), 62 percent report offering recruitment-oriented internships, 25 percent offer internships for other reasons, and just 13 percent do not offer internships. These findings are similar a 2021 SHRM study, which found that 62 percent of employers use internships to develop their entry-level employment pipeline.²⁹

Other factors also appear to drive the association between hiring recent graduates for full-time roles and hiring college students for internships. BHEF interviews suggest, for example, that employers that hire early-career talent are generally better equipped to offer undergraduate-level internships: they have

tasks appropriate for young workers, supervisors accustomed to providing onboarding, continuous training and mentorship, and a clear process for growing young talent.

Employers that are hiring young workers are also more likely to be hiring in general. Research supports this observation, finding that the absence of labor demand was the primary reason that employers do not offer internships. Recent dips in internship postings have tracked with a decline in all job postings, as employers find it "more difficult to justify or add on interns" during layoffs and hiring freezes.³¹

FIG 7. Internships are most common among large employers and those that hire recent graduates
Likelihood of offering undergraduate internships and high-quality internships, by characteristics



*New York, Los Angeles, Chicago, Dallas, Houston, Atlanta, DC, Philadelphia, Miami, and Phoenix

Source: BHEF's 2024 EPIS; n=2,692

Employer Motivations

The need to attract talent dominates other reasons to offer internships. BHEF's 2024 EPIS asked employers about the factors that motivate or would motivate them to offer internships. A full 80 percent of respondents report that developing early-career talent drives or would drive their decision to offer internships, and half said it is the *most* important driver. Specifically, a third cited a path to full-time employment as their primary reason to offer an internship, 16 percent a desire to expand or diversify the workforce entering their field, and 9 percent the wish to screen candidates before offering full-time employment. See **Figure 9**.

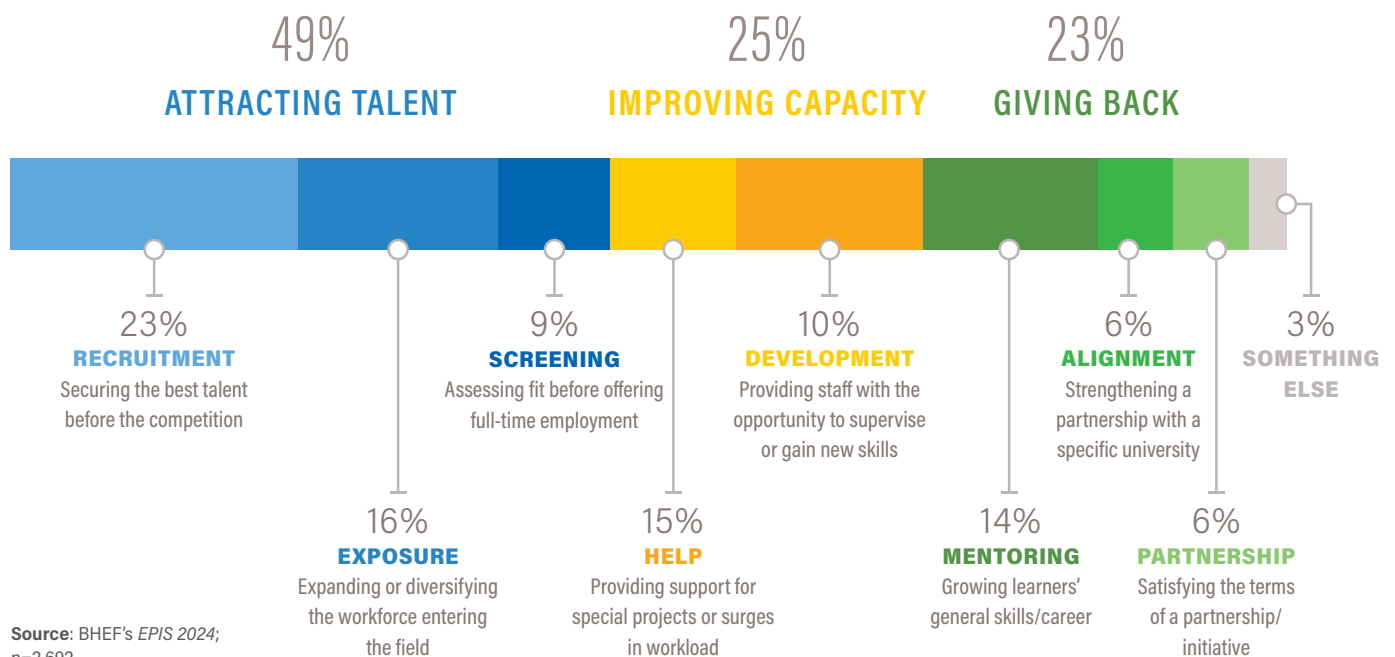
The importance of recruitment also emerges in how frequently employers offer a full-time job to interns (53 percent of employers with internship programs make a job offer "most" or "all" of the time) and what outcomes are tracked (43 percent track the "conversion rate" of interns to full-time employees). A representative of one employer of early-career talent, when

asked during an interview what qualifications they seek in recent graduates applying for jobs, responded that the question did not pertain **because their company rarely hired outside of its internship program**.

Recruitment is not the primary driver, of course, for all employers. Roughly equal shares of employers feel that improving internal capacity (25 percent) and giving back (23 percent) are the key motivations for offering internships. And, most employers cite multiple reasons for offering internships. Just 9 percent of employers were motivated only by attracting talent, 5 percent were motivated only by giving back, and 5 percent were motivated only by improving capacity.³²

As shown in **Figure 10**, employers interested primarily in attracting talent offered some of the highest rates of internships and were some of the most likely to provide a higher-quality experience. In contrast, employers driven by improving internal

FIG 9. Three primary motivations for offering internships
Percent of employers by primary reason for offering (or potentially offering) internships



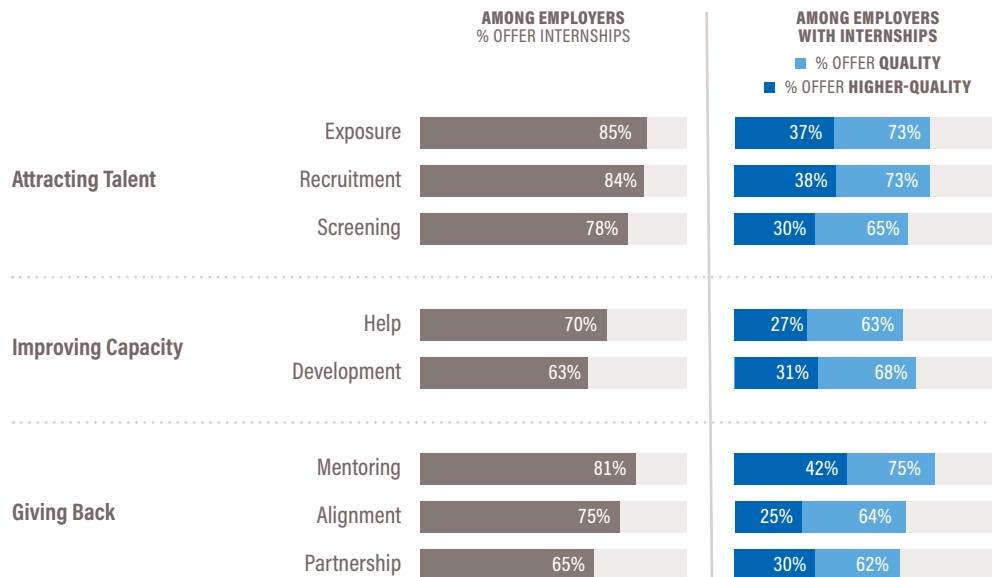
capacity and satisfying the terms of a partnership were less likely to offer an internship and a quality experience. Forty-two percent of employers motivated by mentoring offered a higher-quality experience, the highest level in the sample.

Employers' goals in offering internships are closely linked to their capacity to provide such experiences. That observation emerged during BHEF interviews and focus groups, particularly among large employers concentrating on recruitment that hire interns based on: (a) the number of early-career workers needed in the future and (b) the historical rate at which interns have converted to full-time staff. These companies have no incentive to hire more interns than full-time positions needed, as they view internships as an expense only recuperated if the intern converts to an employee. However, labor market analyses and entry-level job projections may be a valuable tool for partners working with recruitment-focused employers to expand internship opportunities.

Small employers describe similar limitations. For example, one employer that offers relatively few positions for the benefit of students said it would be a challenge to offer more opportunities because "the return on investment is not there." Another small employer also felt that increasing the number of internships offered would probably mean a loss in quality, as its goal is to give interns the best possible experience—a feat that would be harder to accomplish with more interns to manage and assign to tasks.

Prior research supports those observations, too. While "giving back" is a powerful reason for employers to support internships, evaluators of internship initiatives have found that efforts to scale and sustain such experiences by appealing to the desire to "give back" are challenging: "most [employers can] justify supporting only a few interns per cycle [in the name of corporate social responsibility]"³³

FIG 10. Employers focused on giving back offer higher-quality experiences
Percent of employers offering internships, by primary motivation



Source: BHEF's EPIS 2024; n=2,692

Employer Limitations

Resource considerations can also influence an employer's ability to begin or expand a program.

BHEF's 2024 EPIS asked respondents to select which factors discourage them from starting or expanding internships. These include issues related to the economy, program design questions, and operational challenges. As shown in **Figure 11**, half of employers cite operational challenges with running the program: not being able to source qualified candidates (15 percent), not having tasks/work appropriate for interns to complete (13 percent), not having staff available to supervise (12 percent), and low buy-in from staff and/or leadership (8 percent).

One in four cited the potential hiring freezes and reductions in force at their company (and the financial uncertainty in the broader field) as the primary barriers, and one in five cited program design-related questions: selecting the best model, understanding student labor laws, and negotiating credit requirements with institutions of higher education. A sizable share of employers (9 percent) did not think any of these limitations influenced their decision to offer internships.

As with the primary motivations for offering an internship, these barriers also influenced employers' offering of internships and the quality of internships produced.

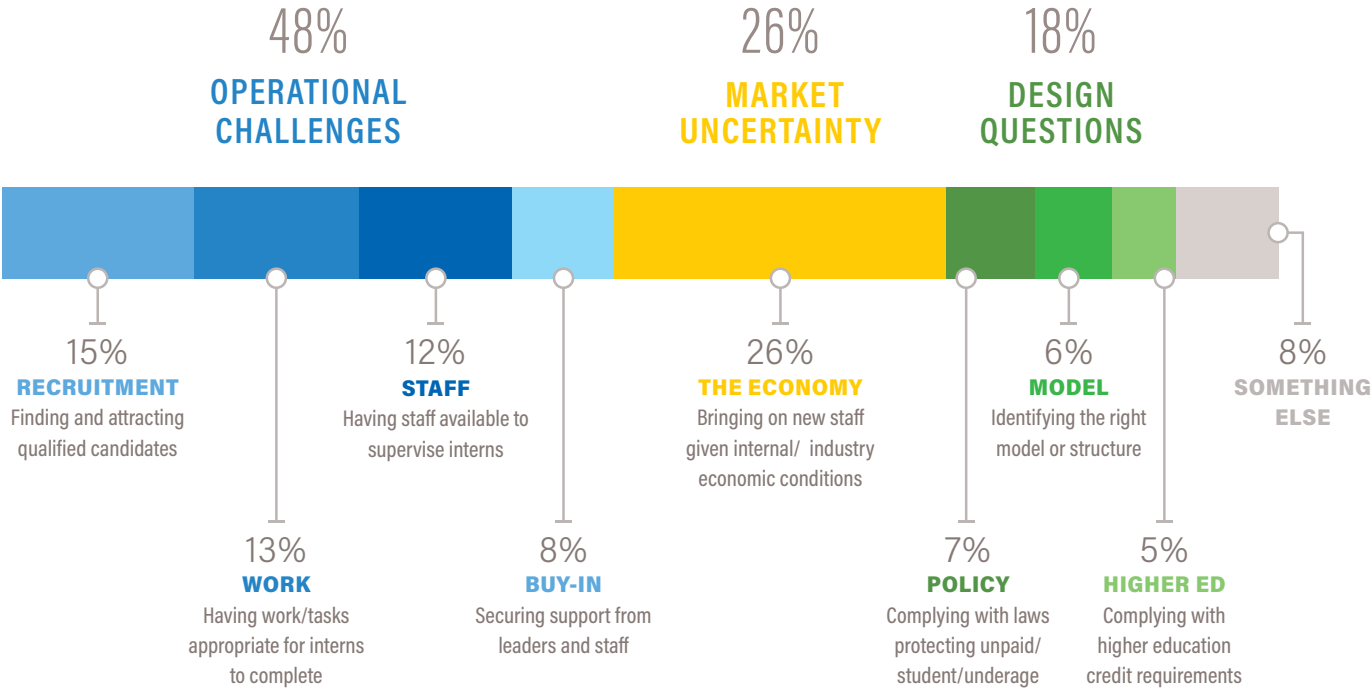
As shown in **Figure 12**, despite economic concerns being the single largest barrier for employers, it has not yet prevented most employers from offering internships or providing a high-quality experience. (BHEF's 2024 EPIS was not able to assess the extent to which employers have scaled back the number of internships offered.) Similarly, concerns about coordinating academic credits with institutions of higher education does not appear to have influenced the supply or quality of internships.

Employers who feel that a lack of work or appropriate tasks is their biggest limitation were the least likely to offer internships. This barrier emerged as a theme during BHEF interviews, as employers describe the difficulty of finding work or tasks that can be completed over the span of an internship. Some employers simply have limited opportunities for early-career work, while others struggle with a project-based workload that would be difficult to complete in the typical duration of a semester or summer-long internship.

When it comes to quality, employers that feel limited by staff and leadership buy-in or concerns over student worker laws tended to be the least likely to offer a quality program. BHEF's interviews revealed that entrenched hiring policies can restrict the number of internships, even if there's interest at the organization in offering them. In contrast, executive buy-in that internships are an important part of competitive strategy, and the resulting culture change, can encourage an internship program's growth. The issue of student worker laws arose a few times during BHEF interviews and in open-ended questions on BHEF's 2024 EPIS, where employers described legal and regulatory requirements that govern whom they can employ: individuals over the age of 17, individuals with proper licensures, and individuals with certain certificates or credentials.



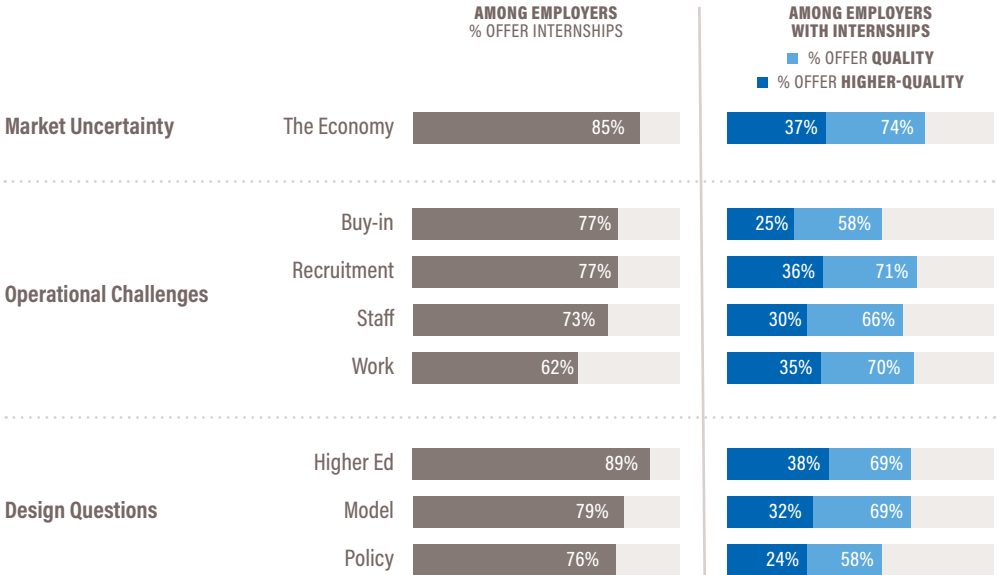
FIG 11. Three kinds of limitations to offering/expanding internships
Percent of employers by primary reason for not offering (or potentially scaling back) internships



Source: BHEF's EPIS 2024; n=2,692

FIG 12. Relevant tasks are the biggest barrier for employers, as buy-in and policy concerns limit quality

Percent of Employers Offering Internships, by Primary Barrier



Source: BHEF's EPIS 2024; n=2,692

Structure of Internships

Traditionally, employers structure undergraduate internships to span an academic term or summer, with interns located on-site in a professional setting—a model that is still the dominant one. However, as presented in **Figure 13**, some organizations are creating alternatives to that classic structure, and that can also influence their ability to offer internships.

INTENSITY. Duration of Internships

Two-thirds of employers report offering moderate-intensity internships lasting over a summer or academic semester. One-third offer high-intensity (yearlong) opportunities, and another third have low-intensity experiences that last no longer than 40 hours total.

BHEF interviews suggest that low-intensity experiences are often perceived as a supplement that occurs before or after more intensive opportunities—for example, to prepare students for internships, to market the employer to former

interns, or to determine placement for those offered a full-time job. As a result, most employers do not offer these experiences as standalone programs but typically stack them with more-intense experiences. Some smaller employers that do not have the internal resources to offer both low and higher intensity internships have been reluctant to try these short-term models out of concern that interns would not have enough time to develop meaningful skills or experiences.

In contrast, employers seem receptive to high-intensity placements, where interns have a lengthy period to learn the organization and its tools and to begin adding value.³⁴ One company representative BHEF interviewed described extending a program to 12 months to solve for the “steep learning curve, large upfront investment, and quick departure” inherent in moderate-intensity internships. The program works with interns to make room in their class schedules for a program of 20 to 25 hours per week, and they lauded it for allowing managers to more fully vet an intern’s fit for a full-time role.

SETTING. Location where interns work

Most employers that offer internships had interns come to a physical work site either all of the time (67 percent) or on a hybrid schedule (29 percent).

BHEF interviews suggest that setting matters quite a bit to employers, as they look for full-time hires who have experience not only in their field but also in the same type of work setting—whether an office, laboratory, or other place. In BHEF’s *2024 EPIS*, 40 percent of employers said it was important for recent grads to have worked in a setting like their own. BHEF interviews also suggest that the move to a virtual workforce may have potential negative impacts for entry-level talent, as some employers with fully remote offices expressed reluctance to offer internships due to the difficulty of managing and engaging a short-term virtual employee. (Employers that were virtual pre-pandemic seemed better equipped.)

HIGHER ED. Ability to offer academic credits

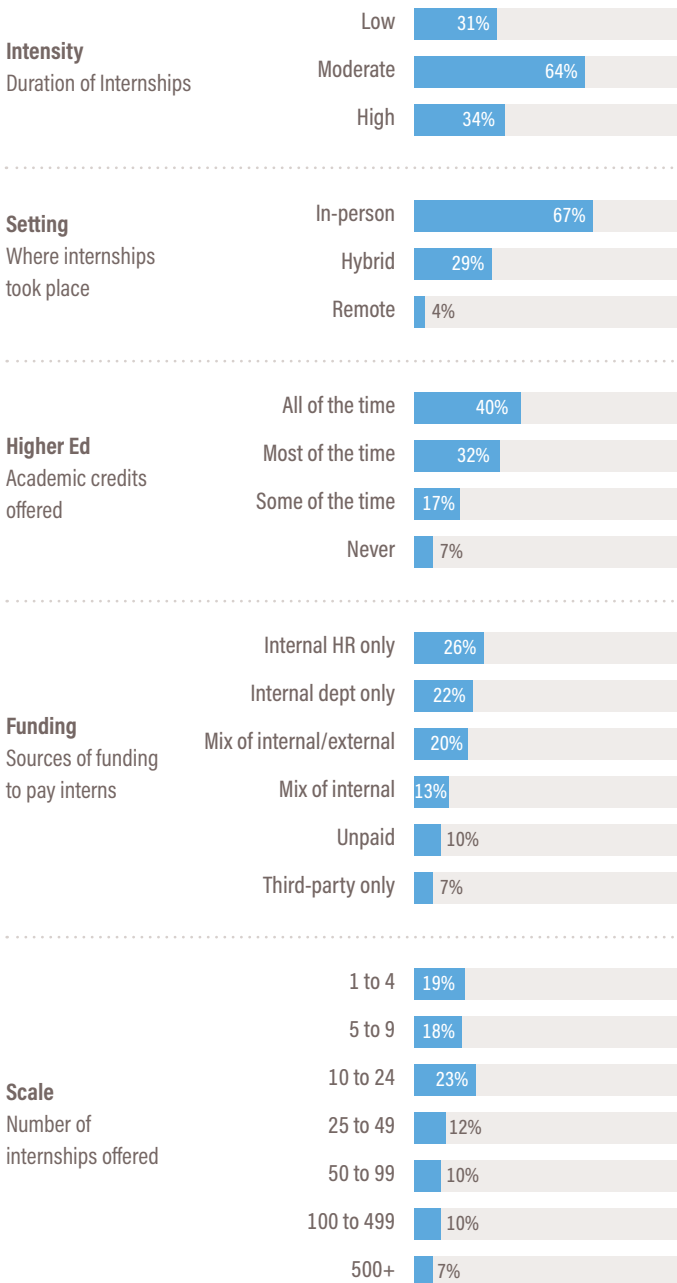
Forty percent of employers offer internships for which learners earn academic credit all of the time, and an additional 32 percent offer them most of the time.

Prior research has found that academic credits represent a struggle for employers, to the extent that one in four employers on one survey said they completely refuse to deal



FIG 13. Range of internship experienced offered
Characteristics of employers with internships

*Low=less than 40 hours total; Moderate=summer or semester-based;
 High=yearlong



Source: BHEF's EPIS 2024; n=2,036

with academic credits, and 18 percent will only accept them if required for graduation.³⁵ This aversion to credit-bearing internships was related to a perceived lack of flexibility, the number and depth of evaluations necessary to confer credit, and concerns that learning objectives developed by faculty members will be overly academic and not relevant to the workplace or assignment. This perception of inflexible or complicated credit-bearing internships was not borne out in this study.

FUNDING. Sources for paying interns

Most employers (90 percent) compensate their interns, with the bulk of financing coming from internal sources. Of those, 63 percent make payments from an HR or department budget, 20 percent blend internal and external funding, and 7 percent rely solely on financial support from a third-party.

BHEF interviews reinforce that survey finding—all 28 employers spoken with paid their interns, with one participant questioning whether unpaid internships still exist. (They do.³⁶) However, the amount they paid interns ranged considerably, and compensation that is a "living wage" in one area may be insufficient in another. The survey did not explore decisions about compensation, but it is an important area for additional research and experimentation to support scaling of internship opportunities.


SCALE. Number of internships offered

Most employers offer multiple internship positions; the most common range is 10 to 24 positions, correlated with size of organization. During BHEF's interviews, several employers described their internship programs as at capacity, as the number of roles offered is finely tuned to their particular need—such as recruitment, giving back or task completion. For example, one interviewee articulated their company's expectation that all business units that hire interns have an equal number of full-time entry-level positions to fill in the coming year.

Recruitment Practices

How employers approach sourcing may limit their ability to increase the number of interns hired. Generally, the entity primarily responsible for sourcing interns is internal HR (66 percent). Some other employers rely on departments and hiring managers to source candidates (31 percent); only a few depend mostly on a third-party internship supplier (2 percent).

To secure candidates for available openings, employers use a variety of channels (see **Figure 14**). More than half of employers with interns proactively seek out internship candidates through college job boards, career services, and public job boards. A slightly smaller number of employers use on-campus hiring (46 percent). Passive recruitment mechanisms are also quite common. In 2023, 87 percent of employers with interns reported hiring at least one intern in direct response to an informal inquiry or recommendation. The most common source of informal recruitment is professional connections (39 percent), followed by direct outreach from a student (35 percent) and a recommendation from a friend or family member (29 percent). Nine percent of employers hired an intern after being contacted by a third-party supplier.



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The importance of colleges in recruitment is consistent with other employer/student surveys³⁷ and BHEF interviews, where multiple small employers spoke about the importance of college faculty members who routinely send resumes of promising students, even when the employer is not actively looking for interns.

The reality of how interns and employers connect relies heavily on partnerships between business and higher education, and may lead to employer lists of preferred colleges and universities to both find and screen for desirable candidates. Such processes may be efficient and effective for employers looking to source talent,³⁸ but they can also lead to a homogenous intern pool that misses otherwise qualified candidates—particularly from institutions and student

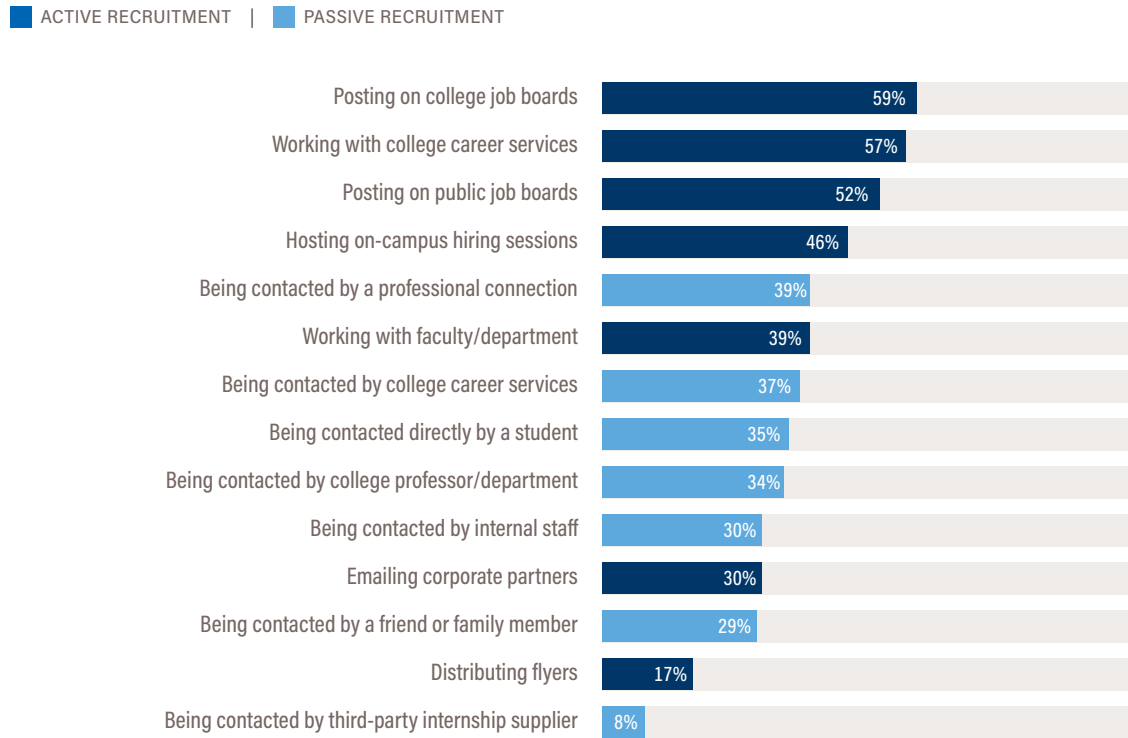
populations already underrepresented in the internship ecosystem, such as community college and Hispanic students.

Employers are interested in hiring a range of interns, including two-year students (43 percent), four-year students (71 percent), and those who have earned their bachelor's or associate degree in the past year (58 percent). Thirty-nine percent of employers reported that the *majority* of their interns are four-year juniors and seniors, followed by four-year freshman and sophomores (29 percent) and two-year students (17 percent). Fifteen percent report that most of their interns have graduated college.

Employers were asked which factors they consider “important” when hiring interns (**Figure 15**). The most important factor was the intern's major or field of study. BHEF interviews suggest that this attribute helps employers quickly assess technical or specialized skills—particularly if they are familiar with the curriculum at the student's college and abide by industry regulations, such as those working in finance requiring a CPA. Employers also look to GPA (49 percent) and the college attended (44 percent) as a similar proxy for knowledge, skills, and abilities. A number of other important factors were not related to technical or specialized skills, including a candidate's ability to diversify the workforce (54 percent) and their personality or perceived “fit” (53 percent). However, such criteria are not necessarily designed to expand opportunity to those who have historically missed out: BHEF interviews suggest that employers frequently compete for candidates who are demographically diverse and functioning at the top of their class—whose academic preparation and pedigree already presage labor market success.

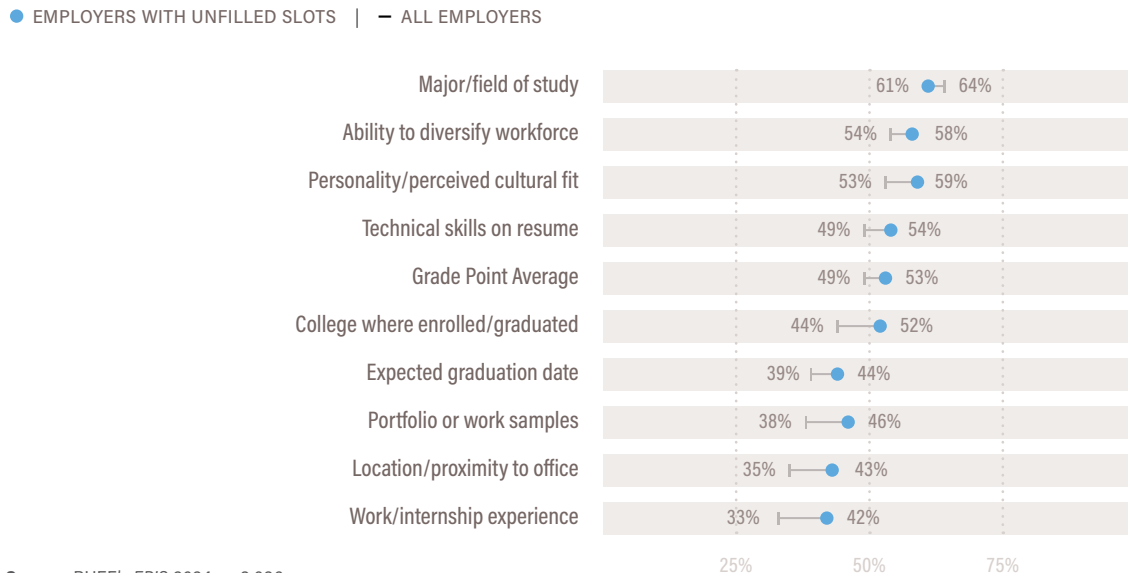
Decisions about what, and how many, qualifications an intern should possess appear to limit the hiring of interns. Just as some students cannot find a matching internship, certain employers cannot find a matching intern.³⁹ In fact, nearly one in three respondents to BHEF's *2024 EPIS* indicated that some portion of available internships went unfilled in 2023.⁴⁰ Those employers tend to have more requirements for internship candidates. As many as 58 percent of employers with unfilled internships selected five or more attributes as important, compared to 47 percent of all employers. They also place a strong emphasis on prior work and/or internship experience (42 percent, versus 33 percent of all employers⁴¹), the possession of a portfolio, the college attended, and proximity to the office. In addition, they were less likely to have recent graduates as interns (53 percent, versus 62 percent).

FIG 14. Employers rely on a range of active and passive recruitment strategies
Percent of employers with internship programs engaged in active and passive intern recruitment



Source: BHEF's EPIS 2024; n=2,036

FIG 15. Employers with unfilled internships tend to have more selective hiring preferences
Percent of employers that consider a factor "important" when selecting interns, by unfilled slots in 2023



Source: BHEF's EPIS 2024; n=2,036

Partnerships and External Resources

BHEF's 2024 EPIS asked employers what partnerships and third-party-provided resources would likely lead them to increase their production of internships. The results are presented in **Figure 16** and organized into the two core categories of support: partners and resources.

Partners to help scale internships

Over half of employers felt that partnerships with four-year universities would help them scale their internship programs. This finding is not a surprise, given the extent to which employers' current recruitment practices rely on collaboration with colleges, including active recruitment (posting to internal college job boards) and passive recruitment (being contacted by career services). Prior research of small to medium-sized employers suggests this group may be particularly receptive to universities coordinating internship logistics and management duties.⁴² One BHEF interviewee noted how their university partner was responsible for almost all logistical aspects of the internship, to the extent that this very small employer was unaware of how their interns were being managed and evaluated.

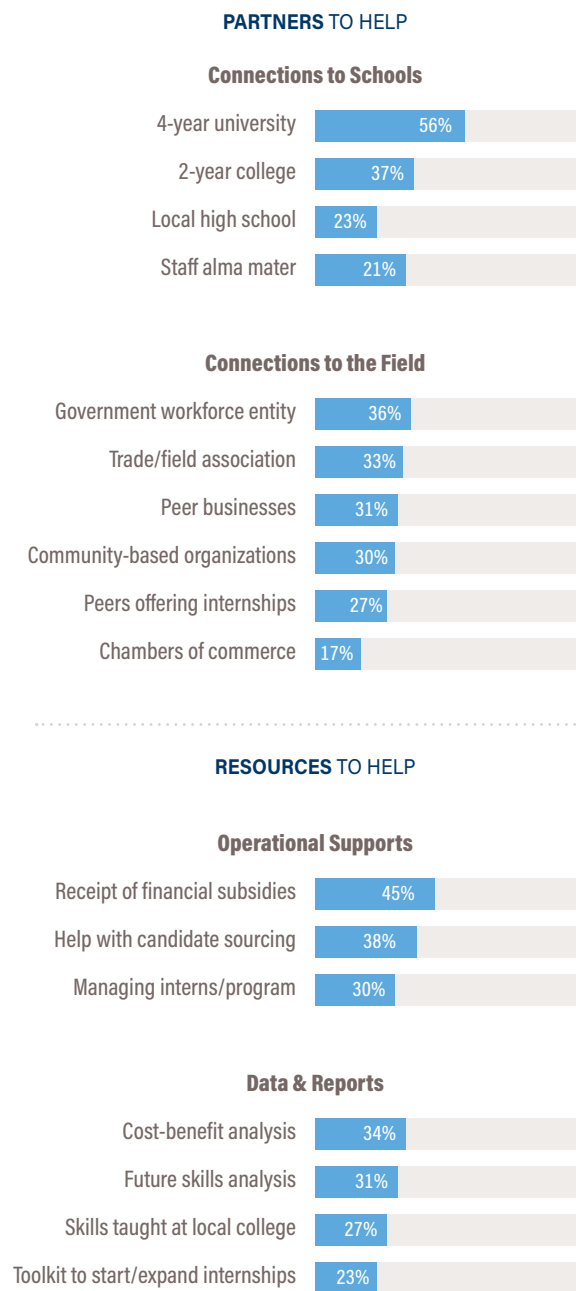
A sizable portion of respondents (37 percent) also feel that partnerships with two-year institutions would help them to start or expand their internship program. While the survey did not ask what such a partnership might look like, the logistical and management functions noted for four-year institutions likely apply. Colleges and employers may be able to work together to address known barriers (pay, competition with other employment, childcare needs) for this population.

A little over a third of employers felt that a connection to government workforce development officials—state or local—would help them start or expand internships.

Resources to help scale internships

The most attractive form of operational support, which nearly half of respondents selected, came in the form of financial support—subsidized wages, tax incentives, direct compensation, coverage of program costs, and the like. Such funding incentives are increasingly common. Around one in four employers with an internship program report using external or third-party funding to pay interns. BHEF also identified 12 states that provide at least one financial incentive to businesses to encourage internships⁴³ and numerous private and national internship initiatives that fully or partially cover interns' wages.

FIG 16. Partnerships with 4-year colleges and funding most important for internship expansion
Percent of employers that feel a resource would help them start/expand internships



Source: BHEF's EPIS 2024; n=2,036

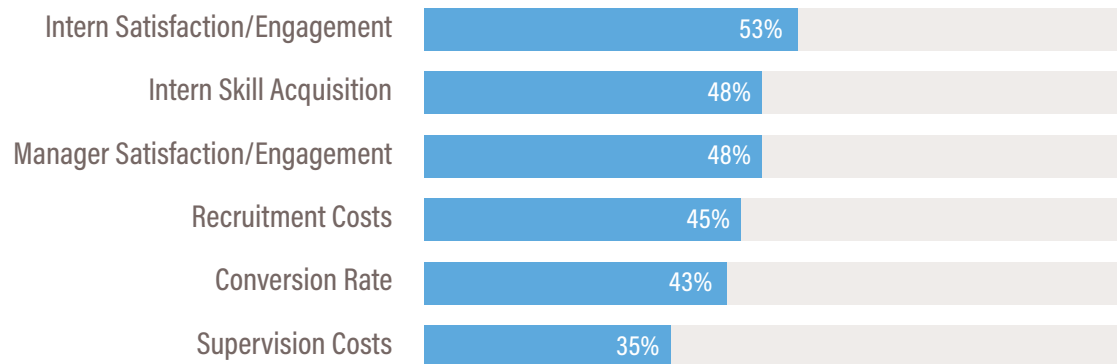
Providing money to employers that host interns appears to initially increase the number of internships offered, but the programs often still struggle with sustainability. For example, one large-scale, grant-funded initiative successfully grew the number of internships only to have participants end the program after funding ceased. The evaluation found that half of employers offered no funding of their own and were unlikely to offer paid internships in the future,⁴⁴ as the program tended to attract those with limited budgets that wanted subsidized labor.⁴⁵ State internship incentives have not been evaluated.⁴⁶

Among the different types of data/reports that employers could receive, program cost-benefit information emerged in survey responses as an important resource for starting or scaling internships. Employers that BHEF interviewed also mentioned a desire for this information. Most viewed sponsoring internships as a company expense, particularly given the amount of time that managers and mentors spend in developing interns and when benefits are only realized upon

conversion to full-time staff and may not be cost-effective. All but the largest companies described needing help in tracking internship program performance and specifically mentioned wanting to conduct a cost analysis that examines return on investment.⁴⁷ In the broader field, published cost estimates of internship programs are rare,⁴⁸ and published cost-benefit analyses are virtually nonexistent.⁴⁹

The desire for cost-benefit information highlights a broader need among employers for better systems for defining, tracking, evaluating and responding to internship outcomes. During BHEF interviews, a number of employers mentioned tracking program outcomes informally, often because of a decentralized internship system that limits comparability across departments. In BHEF's *2024 EPIS*, only about half of employers report tracking data that allows them to quantify: a) how much money they are investing in the program and b) what direct and indirect benefits they derive from the investment. See **Figure 17**.

FIG 17. Employers track a variety of internship metrics
Percent of employers tracking internship metrics



Source: BHEF's *EPIS 2024*; n=2,036

Employer Perspectives Based on Early Career Hiring Needs

As shown in **Figure 18**, the factors that are most influential (depicted in gold) and least influential (depicted in grey) in employers' decisions about internships vary by their early-career hiring type.

	Offer Internships	Have Early-career Job Openings
RECRUITERS	✓	✓
PRODUCERS	✓	✗
CONSUMERS	✗	✓
OBSERVERS	✗	✗

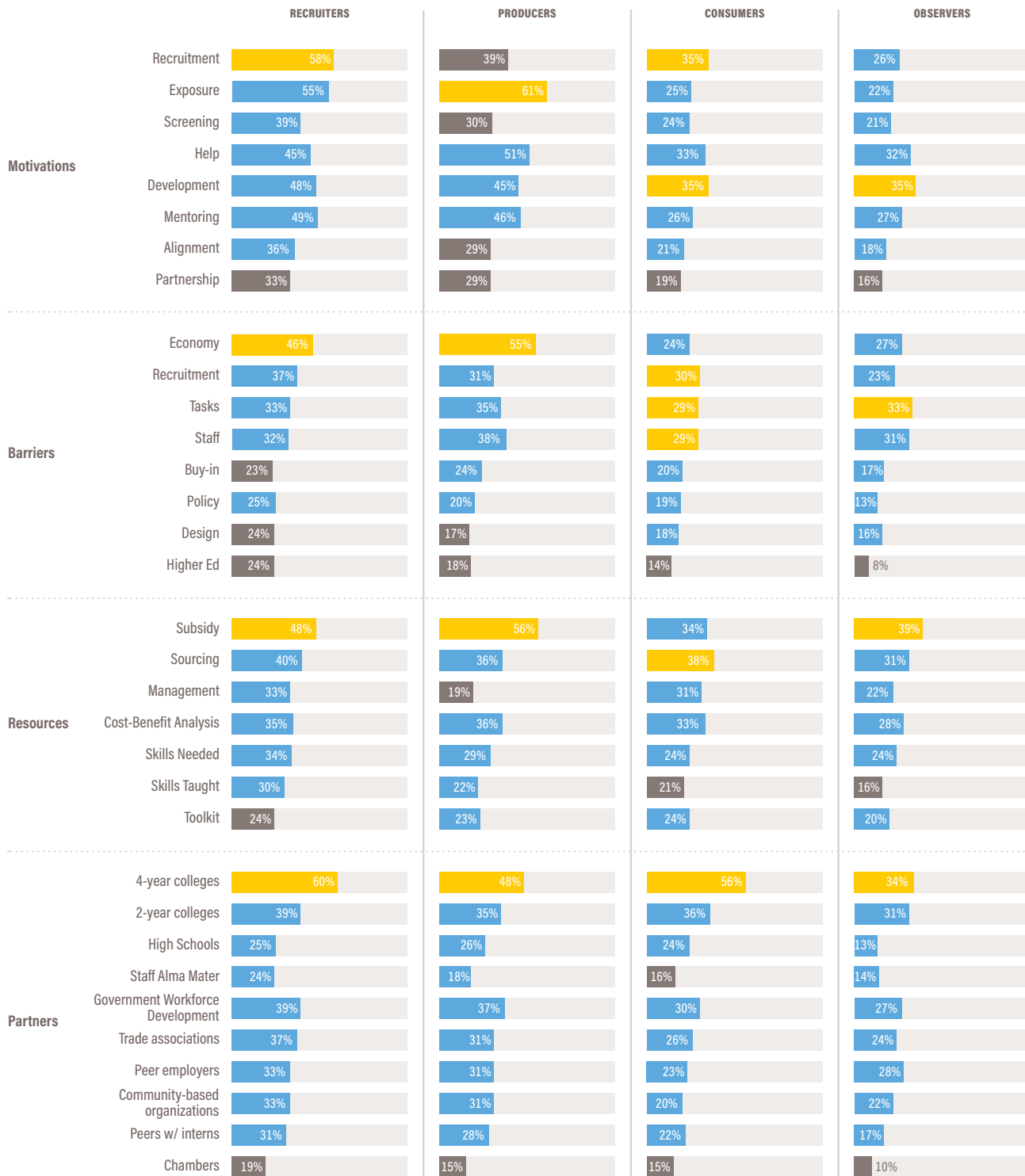
Some of these influences are predictable—for example, the top reason that Recruiters offer internships is for recruitment, and financial subsidies are important to employers across the board. Producers, who by definition are not hiring recent graduates for full-time roles, were less likely to care about recruitment and screening for entry-level roles. Employers were also generally aligned on which partners are most and least important in their ability to start or expand internship programs.

Exploring the most and least influential factors by BHEF's Early Career Hiring Employer Profiles also yielded a number of surprises.

- Motivations.** Producers, although not motivated by immediate talent needs, were still significantly interested in attracting talent, with 61 percent selecting "expanding or diversifying the field" as a top motivation. Consumers were just as likely to be motivated by recruitment of top talent as staff development opportunities. These findings suggest that Consumers, despite hiring recent graduates into full-time roles, do not currently view internships as a recruitment mechanism in the same way as Recruiters.
- Barriers.** Financial uncertainty matters far less to Consumers than Recruiters and Producers. This group primarily did not offer internships due to challenges with finding qualified candidates, having appropriate tasks, and having staff on hand to supervise. Consistent with BHEF interviews, Observers—who do not offer internships or hire recent graduates—were most limited by not having appropriate work or tasks available for interns to complete.
- Resources.** Apart from Consumers, employers agreed that subsidies would be the most influential in their ability to start/expand internships. For their part, Consumers reported that support for candidate sourcing would most help them start an internship program. While Recruiters felt that toolkits were the least helpful, Producers selected help with managing interns/program operations, and Consumers and Observers both felt it would not be helpful to know the skills taught at local colleges.

FIG 18. Early-career hiring influences what matters (and doesn't matter) about internships
Percent of employers selecting motivations, barriers, resources, and partners, by early-career hiring

■ TOP FACTOR(S) | ■ BOTTOM FACTOR(S) Source: BHEF 2024 EPIS; n= 2,548



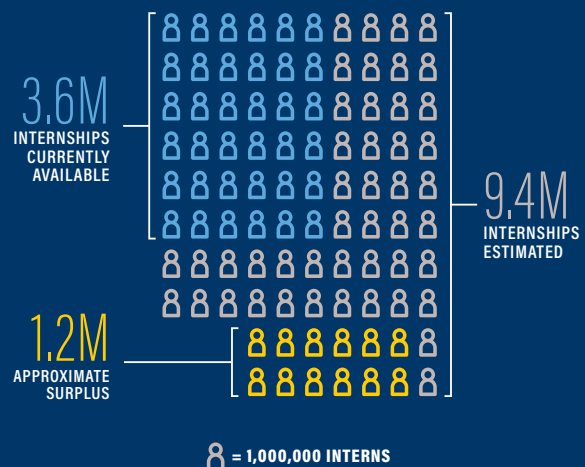
Strategies for Expanding the Supply of Quality Internships

Despite the growing prevalence and importance of internships, the current supply—3.6 million in 2023—has not kept pace with learner demand. That has created a skewed, opaque system where more than half of the people who want an internship miss out entirely—and one in seven feel their internship experience has done little to help them develop and demonstrate skills.

Increasing supply and access requires engaging **employers**, and this report has highlighted a number of factors that drive those actors to create, distribute, and sustain internships. These insights can be used to design strategies that expand the number of internships created to meet demand. Based on BHEF analysis of the EPIS, if every employer had offered internships at the same level as peers of their size in 2023, as many as 9.4 million opportunities would have been available to students—a *surplus*. While that is an unlikely scenario, it represents the ceiling of supply and demonstrates the effort needed to meet student demand. The EPIS suggests that employers are offering another 1.8 million low- and high-intensity experiences. However, due to variations in the structure and names of those opportunities, students—and other employers—may not view them as valuable and high-quality. The following strategies offer recommendations to strengthen and expand the internship ecosystem in response to both students’ and employers’ needs and motivations.

SCALING INTERNSHIPS TO MEET DEMAND

The supply of internships is estimated to be 3.6 million. If every employer had offered internships at the same level as peers of their size in 2023, as many as 9.4 million opportunities would have been available to students. This is an approximate surplus of 1.2 million.



STRATEGY 1.

Target interventions to increase the supply of internship opportunities based on the Business-Higher Education Forum’s Early-Career Hiring Employer Profiles.

One of the greatest predictors of whether an employer will offer internships is their concurrent hiring of recent graduates. This association is likely driven by a number of factors, as employers that need to fill early-career roles are more likely to: a) use internships to recruit, b) have tasks appropriate for young workers, c) have supervisors with experience managing those who need oversight, and d) be financially stable. (By definition, they are hiring.) See **Figure 19**, which summarizes findings from Figure 18.

Insights into the needs of these employers can be used to increase the number of internships offered by Recruiters and Producers and to encourage Consumers and Observers to enter the marketplace.

- **Recruiters** seek to establish internship programs calibrated closely with their future hiring needs, a focus that makes this group sensitive to market uncertainty. Recruiters report being likely to scale if they receive a financial subsidy, diminishing the risk of interns not converting to full-time employment while still responding to motivations like expanding interest in their industry. This strategy may not be sustainable but could connect a targeted cohort of students to high-quality internship experiences and provide a path to post-graduation employment. Any subsidy should focus

on producing net new internships rather than merely supplanting funds already invested.

- **Producers** have a similar profile to Recruiters, except that their primary motivation to offer internships is on longer-term expansion and diversification of the workforce. They are also heavily motivated by needing extra help on tasks and particularly sensitive to market uncertainties. Help sourcing qualified interns available to complete short-term, discrete tasks and assignments would probably be attractive to Producers.
- **Consumers** face a variety of operational challenges (recruitment, tasks, and staff capacity) and would be most likely to begin offering internships if they received help finding qualified interns. They would probably benefit most from an intervention that focuses on candidate sourcing and matching and that provides support with intern program management.
- **Observers** do not hire interns primarily because they do not have appropriate tasks or work. This group would be motivated to begin offering internships as a development strategy—providing existing staff with management experience and the ability to learn new skills from students.

Partners or intermediaries working closely with employers should understand their demand for interns, as well as early-career talent. Employers of all sizes, industries and sectors are represented in the Early-Career Hiring Profiles. However, Recruiters tend to be large, for-profit companies, Consumers and Producers are slightly more likely to be small nonprofits, and Observers are more likely to be small businesses operating in the finance and real estate industry.

FIG 19. Employers’ influences vary by early-career hiring
Most influential factors in offering an internship, by early-career hiring type

	RECRUITERS	PRODUCERS	CONSUMERS	OBSERVERS
Motivations	Recruitment	Exposure	Recruitment, Development	Development
Barriers	Economy	Economy	Sourcing, Tasks, Staff	Tasks
Resources	Subsidy	Subsidy	Sourcing	Subsidy
Partners	4-year colleges	4-year colleges	4-year colleges	4-year colleges

Source: BHEF 2024 EPIS; n=2,548



STRATEGY 2.
Build full-service intermediary structures to handle internship operations and reduce employers' barriers to participation.

After market uncertainty, the top barriers to offering an internship relate to program operations: sourcing and attracting qualified interns, having the right mix of tasks or projects for interns to complete, and being able to dedicate a portion of a supervisor's time to mentoring, oversight, and feedback. A variety of intermediary structures and organizations are poised to offer scaled solutions to these challenges: consortia of colleges, regional intermediaries like chambers of commerce, national organizations like industry associations, edtech companies, and others.

Most employers said they were not interested in receiving help with program operations, but they were receptive to externally-provided candidate sourcing. There is some nuance to this finding, however. BHEF interviews suggest that smaller employers have benefited when operational functions (recruitment, onboarding, supervision, feedback, evaluation) are completely outsourced; as noted, other surveys have detected similar employer interest in institutions taking on program operations. For candidate sourcing, employers of all sizes—but particularly small to mid-sized and/or those with less formal recruitment systems—rely on colleges and universities for active and passive recruitment, and

an intervention that expands the number and depth of these ties could help scale internship offerings.

Other models use third parties outside higher education to provide these functions, offering support with finding qualified learners, matching them to available internship opportunities, providing training and oversight, and monitoring outcomes. Some of these interventions are supported directly through government initiatives.⁵⁰ Handling payroll and liability, similar to temporary staffing agencies, can also be of value, particularly to smaller organizations. An intermediary might be particularly helpful at finding qualified students for employers with unfilled slots, many of whom have strict criteria that are difficult to assess objectively (e.g., people skills, personality, ability to add diversity). Working with employers to understand what is important in an intern, finding candidates with the right mix of qualifications, and helping applicants demonstrate their fit for an open role can facilitate immediate matching. And in the longer-term, educators and intermediaries can use this information to respond with programmatic interventions—collaboratively designing projects, changing curricula, building skills—that better address employers' internship preferences and support student success in the labor market. Intermediary structures and organizations can also play a crucial role in building capacity within smaller, less resourced institutions seeking to improve access to internships, as well as in ensuring that all interns receive wraparound supports and consistently high-quality opportunities.



STRATEGY 3.
Expand and test different models that align needs of employer and learners.

One-third of employers offer low-intensity internships, typically in addition to an existing moderate-intensity program. While such options are common, their role in expanding access—that is, increasing the share of students who complete an internship—is somewhat unclear. BHEF interviews suggest that employers view these programs as a *supplemental* experience to prepare students for a longer duration internship or to further recruit and vet former interns they aim to hire for a full-time role. They may be reluctant to offer these experiences, *in lieu* of a more intense one, out of concern that the duration is not sufficient for interns to gain meaningful skills and experience or for employers to assess fit, convert them to full-time employees, gain extra help, and the like. High-intensity internships, in contrast, are very appealing to employers, particularly those who hope for a direct benefit from intern labor. To date, research has not explored how internship duration, structure, or modality affects outcomes for learners or employers.⁵¹ It would be worthwhile to test the development of high-quality, low-intensity/micro internships

for Observers and Consumers, particularly small to mid-sized employers that do not have the resources to pursue moderate-intensity models but are interested in offering internships.

As the field continues to expand beyond moderate-intensity, in-person internships, there is an opportunity to design alternative programs to intentionally focus on shared employer and learner goals.⁵² See **Figure 20** for examples.

Lower-intensity internships may be particularly appealing to students looking to explore careers and gain general experience—such as freshmen, sophomores, part-time learners and community college students preparing to transfer—and recent graduates hoping to find a full-time job or to subsidize their search with meaningful employment. These groups currently comprise a sizable portion of interns and compete with those approaching graduation for moderate-intensity roles. In fact, if this pool of interns were provided alternatives that best meet their current career goals (exploration, exposure, direct hire), it could close the supply gap: the number of internships available (3.6 million) slightly exceeds the number of graduates from a two-year or four-year program (3 million).

IMAGINING BROADER ACCESS TO A VARIETY OF INTERNSHIP MODELS

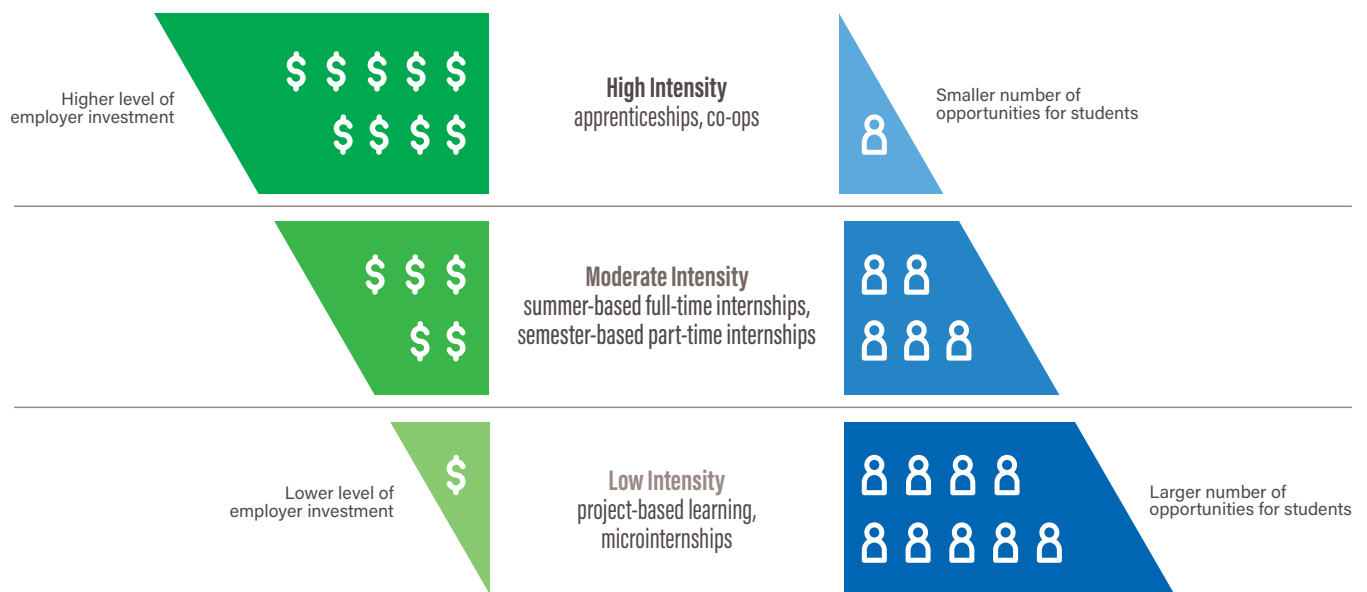


FIG 20. Alignment of employer and learner needs

MOTIVATION	EMPLOYERS	LEARNERS
RECRUITMENT	Employers looking to secure the best talent before the competition	Students approaching graduation looking to secure a job offer, including juniors and seniors and community college students working toward an associate degree
EXPOSURE	Employers looking to expand or diversify the workforce entering the field	Students earlier in their academic career, seeking career exposure and direction, including 4-year freshmen/sophomores and community college students looking to transfer
HELP	Employers looking for support for special projects or surges in workload	Students at all levels who have the requisite skills and training to make an immediate impact and gain real-world experience
MENTORING	Employers looking to enhance young people's general skills/career	Students at all levels who want to apply a specific skill in a real-world setting to demonstrate competence and build social capital
DEVELOPMENT	Employers looking to provide staff with the opportunity to supervise or gain new skills	Students who participate in simulated/virtual or classroom-based learning ⁵³ and who would benefit from feedback, mentoring, and oversight
SCREENING	Employers looking to assess fit before offering full-time employment	Recent graduates who are available to work immediately after undergoing screening ⁵⁴

Source: BHEF analysis

STRATEGY 4.**Develop industry-recognized, data-driven elements of quality internships.**

This study found that approximately 30 percent of employers offer internships with low-levels of structured support and focus on skills. However, research is still nascent about how these different markers of quality affect student outcomes or how they help employers with their underlying goals around recruitment, career exposure, giving back, securing cost-efficient help, and supporting the professional development of current staff.

Defining objective, measurable program elements that help learners and employers reach their goals is crucial for building higher-quality experiences. The markers of quality identified in this report are not especially difficult to implement. What is missing is rigorous evaluation and consensus around what a quality internship is and how it can benefit an employer.

This study also revealed that a common definition of “internship” does not exist. Many employers that offer an internship-like experience use different terms to describe their program, and employers that use the term provide a range of durations and settings to a wide variety of students, including those who have already graduated from college. An intern is not necessarily a student or learner, raising questions about whether internships must be rooted in connecting college with work.

Understanding what elements must be in place for an opportunity to be considered an internship, and a high-quality one, will yield better estimates of participation and make sure colleges, businesses, and intermediaries are speaking the same language. Moreover, shared understanding will help validate the role of new models in the marketplace and their capacity to offer learners the chance to acquire key skills, as well as enable various employers to recognize those skills as signals of career readiness.

30%

of employers offer internships
with low-levels of structured support
and focus on skills.





A Call to Action for Stakeholders

Employers

- **Commit to offering at least one new paid internship.**
 - For larger employers that offer 50 or more internships per year, commit to increasing internships by 4 percent.
 - For “Consumers,” build out an internship program that will meet your early career hiring targets within three years.
- **Consider internships holistically**, recognizing the continuum of models. Offer a low or high intensity alternative to complement current internship opportunities or offer an internship opportunity at a different time of year.
- **Identify if you have had unfilled internships** in the past year, and if so, discover the causes (e.g., GPA requirement, only open to limited majors or certain types of schools). Commit to addressing those factors and broaden your target candidate pool.
- **Identify which barriers on page 11 are limiting your ability** to offer or expand internships. Seek partnership with other organizations to help expand opportunity.
 - Connect with a regional or national intermediary or higher education institution to identify solutions for operational challenges, offer turnkey solutions, or support design.
 - Reach out to career services departments and/or faculty members at local higher education institutions to identify and screen promising candidates.
- **Establish clear, measurable outcomes** to fuel internship improvement and expansion. Better measurement can illuminate the ways that internships are advancing your company's overall goals and strategy.
- **Ensure internship programs adhere to high-quality design principles** outlined in this report, including intentional design and dedicated resources.
 - Design for inclusion so that internships increase workforce diversity.

Policymakers

- **Set statewide and institutional goals for internships.**
 - Confirm or develop work-based learning definitions applicable to postsecondary institutions to support implementation and measurement of engagement and impact.
 - Identify or create a definition of work-based learning quality and provide guidance on how to implement it in program design to employers and higher education partners.⁵⁵
 - Provide direction and funding support to meet specific policy objectives (e.g., improving access for learners with disabilities or engaging small businesses).
- When initiating new funding programs or directing funds of existing initiatives to subsidize the cost of internships for employers, **focus on net new internship opportunities and scale.**
- **Use existing policy levers**, like the Perkins Act and the Workforce Innovation and Opportunity Act state plans, to articulate standards of quality and fund innovative models of work-based learning for underrepresented learners.
- **Promote the use of Federal Work Study funds** for off-campus internships and career relevant on-campus opportunities.
- **Identify if workers' compensation or liability insurance are issues in your state.** If so, provide a remedy or clear guidance on supplemental needs and coverage options for higher education institutions.
- **Consider supporting regional intermediary organizations** and/or temporary employment agencies as employers of record to provide a layer of protection for employers, centralize the process for hiring and ensuring student eligibility, and contribute technical assistance.

Higher Education and Intermediaries

- **Assess the role your institution plays in providing access to internships.** Is participation more robust among students enrolled in certain departments or majors? Can opportunities be better integrated into the curriculum? Identify incentives and remove barriers to increasing access to quality experiences.
- Develop a greater variety of internship models to meet the needs of and clearly demonstrate quality and value to students and employers.
- **Build systems and structures to track internship participation,** quality, and outcomes and evaluate the benefits associated with different experiences.
- **To proactively manage internship supply:**
 - Routinely collect information about your employer partners' motivations for offering internships, their current capacity to offer internships, the factors that are most likely to affect the number of internships offered, and their willingness to experiment with new models and structures.
 - Use labor market analyses to target outreach to employers that may expand or offer internships to fill talent and skills gaps.
 - Take steps to diagnose misalignment between employers and students in a defined work-based learning partnership: Can interested students find opportunities? Do current structures fulfill employers' goals?
- **Promote the success of your work-based learning models** to policymakers, students, and employers.

- **Provide and streamline operational supports** in response to your employer partners' greatest barriers, such as:
 - Candidate sourcing and matching
 - Technical assistance to design and implement quality programs
 - Intern assessment and evaluation
 - Wraparound student supports
 - Tech-enabled collaboration
 - Data collection and systems
- **Check if your institution allows Federal Work Study funds to be used for off-campus internships.** If not, push for expansion.

Students

- **In addition to utilizing college and public job boards to find and apply for internships:**
 - Ask faculty members or other advisors for introductions to employers of interest.
 - Reach out to small and mid-sized employers in your community about internship opportunities, even if the organization has not posted an internship opportunity online. Many are receptive to inquiries from students.
- **Use the standards identified in this report to vet the quality of available internships** before agreeing to an offer.
- **Throughout your career, promote the value of internships within your company or organization.**



Internships. Short-term opportunities, lasting no more than one year, where learners work and apply academic learning to real-world tasks

Learners. Two-year students, four-year students, and recent graduates with an associate or bachelor's degree

Quality. The extent to which internships consistently include structured support and a focus on skills

- **Structured Support.** Interns consistently receive: 1) formal onboarding, 2) placement with a trained supervisor, 3) centralized resources and supports, 4) a staff buddy/mentor, 5) regular feedback, and 6) tracking of their satisfaction or engagement.
- **Focus on Skills.** Interns consistently receive: (1) clear learning outcomes, (2) the ability to work on a team, (3) exposure to internal tools and systems, (4) the opportunity to complete a project start to finish, (5) the opportunity to present their work, and (6) tracking of their skill development.
- **Higher-Quality.** Five or six elements of structure or five or six elements of focus on skills
- **Lower-Quality.** One or no elements of structure or one or no elements of focus on skills
- **Quality.** Two or more elements of structure or two or more elements of focus on skills

Motivations. The reasons that employers offer internships

- **Recruitment.** Securing the best talent before the competition
- **Exposure.** Expanding or diversifying the workforce entering the field
- **Screening.** Assessing fit before offering full-time employment
- **Help.** Providing support for special projects or surges in workload
- **Development.** Providing staff with the opportunity to supervise or gain new skills
- **Mentoring.** Growing young people's general skills/career
- **Alignment.** Strengthening a partnership with a specific university
- **Partnership.** Satisfying the terms of a partnership/initiative

Barriers/Limitations. The reasons that employers do not offer internships

- **Recruitment.** Finding and attracting qualified candidates
- **Work.** Having work/tasks appropriate for interns to complete
- **Staff.** Having staff available to supervise interns
- **Buy-in.** Securing support from leaders and staff
- **The economy.** Bringing on new staff given internal/industry economic conditions
- **Policy.** Complying with laws protecting unpaid/student/underage workers
- **Model.** Identifying the right model or structure
- **Higher ed.** Complying with higher education credit requirements

Intensity. The duration of an internship

- ▼ **Low.** Internship lasting 40 hours or less
- **Moderate.** Internship lasting an academic term or summer
- ▲ **High.** Internship lasting a year.

BHEF Early-Career Hiring Employer Profiles. A system for classifying employers based on their hiring behaviors

	Offer Internships	Have Early-career Job Openings
RECRUITERS	✓	✓
PRODUCERS	✓	✗
CONSUMERS	✗	✓
OBSERVERS	✗	✗

BHEF applied a mixed methods approach to this study, as follows:

Employer Perspectives on Internships Survey. BHEF's 2024 EPIS was fielded in May 2024 by a professional survey vendor. The survey received 2,692 complete responses from employers that met eligibility criteria of (a) working for an employer with 10+ FTE and (b) knowing whether the employer offers work-based learning opportunities. Respondents primarily (68 percent) worked in human resources; the remaining 32 percent were department directors (10 percent), staff supervisors (15 percent), or other members of corporate leadership (7 percent). Compared to the general population of employers, the sample skewed toward larger companies and had overrepresentation in the finance-real estate industry (and underrepresentation in the retail-trade and leisure-hospitality industry). Representation from nonprofits and governments was proportional.

Interviews. BHEF interviewed representatives of 28 different employers, including conducting 11 in-depth interviews and three focus groups ranging in size from four to seven attendees.

Labor Market Analysis. To estimate the **supply of internships**, BHEF analysts applied past-year internship participation for college juniors and seniors, underclassmen, students enrolled in community college, and recent graduates to enrollment numbers for the 2021-22 academic year. This estimate of supply is within the mid-range of previous estimates. BHEF also used participation and supply rates from the 2024 EPIS, disaggregated by employer size, and applied them to the population of U.S. employers (BLS enterprises) to estimate that employers offered 3.4 million "internships" in 2023.

To estimate **learner demand**, BHEF applied known rates of internship interest—the percent of juniors, seniors, and community college students who completed an internship in the past year or wanted to intern but could not—to the above enrollment numbers. For populations where internship interest is unknown, analysts assumed that there were twice as many individuals who would like to intern as who completed an internship and then doubled the internship supply to estimate demand.

	STUDENTS ¹	% INTERNEED ²	INTERNSHIP SUPPLY	% WANTED TO INTERN ⁴	INTERNSHIP DEMAND
Upperclassmen @ 4-year IHE	4,788,239	36%	1,723,766	77%	3,686,944
Underclassmen @ 4-year IHE	7,094,182	4% ³	283,767	8%	567,535 ⁶
Students @ 2-year IHE	3,087,600	13%	401,388	55%	1,698,180
Recent College Graduates	—	—	1,165,146 ⁵	26%	2,330,292 ⁶
TOTAL PRODUCTION	—	—	3,574,067	—	8,282,951

1 IPEDS, 2021-22

2 Internship participation rates, NSCI, 2023

3 Wolfgram, Ahrens, and Wu (2020) estimate that 9 percent of interns have three or more internships, or approximately 4 percent of all students. The final percentage was adjusted to align with Guterman (2020) who estimated that 19.4 percent of college-level internships

are completed by freshman and sophomores. These rates are similar to the percent of EPIS respondents who reported the majority of interns were underclassmen.

4 % wanted an internship based on the sum total of students who completed an internship and students who wanted an internship but could not (NSCI, 2023)

5 Guterman (2020) estimates that 33 percent of first-time interns have already graduated

6 Where unknown, BHEF assumes that the number of individuals interested in having an internship is twice the number able to participate.

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1. Generally, the opportunity for professional development and career exploration is the most important aspect of an internship to young people. In particular, interns hope to gain skills (77 percent), learn more about a particular industry (65 percent), network (54 percent), and secure a reference (47 percent). In addition to caring about these direct career benefits, 65 percent of interns hope the internship will allow them to dive deeper into an area in which they were passionate—in fact, 13 percent of interns feel this factor is the most important outcome of their experience. Interns tend to place less importance on being offered a job: 29 percent feel being recruited is an important outcome of their internship, and just 4 percent feel it is the most important. See Ezarik, 2022.
2. An estimated 58 percent of interns accept an offer of full-time employment at their host company, presumably before graduation. See Gata, 2023.
3. See, for example, Nunley et al, 2017; Nunley et al, 2016; Eddy, 2019; *Chronicle of Higher Education*, 2012; Bolli, Caves, and Oswald-Egg, 2021; Tu, 2022; Knepler and Zapata-Gietl, 2019; Deming et al, 2023; Cortellini, 2020; Florida Council of 100, 2023
4. Gray, 2021; Haller, 2023; Burning Glass Technologies and Strada, 2018; Goldberger, McLaughlin, and Snyder, 2021
5. Haller, 2023; Burning Glass Technologies and Strada, 2018
6. Shandra, 2022
7. Estimates vary. The National Association of Colleges and Employers (NACE) survey shows that 62 percent of graduating seniors completed an internship during college (Gata, 2023), while results from the 2022 National Survey of Student Engagement (Ghosh, Torpey-Saboe, and Clayton, 2023) suggest that 48 percent of seniors have completed such an experience. Also see Wolfram, Ahrens, and Wu, 2020.
8. The National Survey of College Internships (NSCI) examines three primary markers of internship quality: (1) a plan for the intern's learning, (2) a level of the job activities that builds skills, and (3) supervisor mentoring and support. Also see Strada, 2024.
9. LinkedIn researchers (Anders, 2021) determined that 38 percent of entry-level positions require three years of experience, with considerable range based on the industry (also found by Gardner, 2013). Similarly, Mauer (2018) describes an analysis by TalentWorks that found that the amount of experience required to get an entry-level job has been steadily increasing 2.8 percent each year. Skynova (nd) suggests that hiring managers may not be fully aware of how these expectations have changed.
10. See reference 3.
11. Such observations have been made of mandatory internship requirements in Europe: reduced utility for employers at indicating soft skills and the potential for negative signal if employers perceive that students were not "good enough" to be converted to a full-time employee by their host organization. See Bolli, Caves, and Oswald-Egg, 2021, and Klein, 1994.
12. NSCI, 2023
13. *Ibid*
14. Eddy, 2019
15. Lucas (2023) observes that, in 2023, several companies saw an increasingly large pool of internship applications and low acceptance rates. BHEF interviews also support this trend.
16. Similarly, Gata (2023) found that White and Black students have the highest rates of internship participation.
17. Shandra, 2022
18. Notably, a thorough 50-state evaluation of work-based learning policies did not consider whether the program was able to increase employer partnerships or total opportunity. See American Student Assistance, 2021.
19. This finding that 30 percent of employers offer lower-quality experiences is similar to findings from the 2023 NSCI, where 30 percent of interns reported limited skill development as a result of their internship. Also see Strada, 2024.
20. 43 percent of respondents report offering something called an "internship," nearly identical to a recent Harris Poll that placed employer participation at 44 percent (Refresh Leadership, 2022) and an internal BHEF analysis of job postings for internships, which placed the rate at 39 percent. Note that student surveys suggest that around 80 percent of graduating seniors completed some form of experiential learning.
21. 42 percent of respondents do not use the term "internship" to describe their program.
22. For a thorough review of the complexity associated with defining an internship as a distinct experience from other forms of work-based learning—and associating its components with quality—see Hora, Wolfram, and Thompson, 2022. Note that internships may also resemble other forms of student employment (the differentiator being the placement of interns in a field that requires a college degree, offers long-term career growth, and is linked with their course of study) and apprenticeships (the differentiator being the level of commitment by students, employers, and colleges, including duration, mentorship, pay, credentials, oversight, regulation).
23. See Hora, Wolfram, and Thompson, 2022; Strada Education Foundation, 2024.
24. Overall, about 50-60 percent of respondents to BHEF's 2024 EPIS report always providing these various markers of quality, except for skill tracking (48 percent), the presence of centralized resources and supports (44 percent), and the assignment of a staff "buddy" or mentor (37 percent).
25. Ezarik (2022) reports that 40 percent of internship placements were at large companies with over 1,000 employees; an estimate from Zippia (nd) places the rate at 72 percent. Also see Florida Council of 100, 2023.
26. Jaeger et al, 2023; Goldberger, McLaughlin, and Snyder, 2021; Ghosh, Torpey-Saboe, and Clayton, 2023
27. The NSCI (2021) found that 59 percent of internships were in the private sector.
28. See Grand Canyon University, 2019; Schwartz, 2023.
29. Naff et al, 2023
30. Ezarik, 2022

31. Stahle and Bunker (2023) found that job postings for internships declined 14.7 percent between 2022 and 2023, a rate that reflects recent changes to overall hiring (total job postings declined 16.1 percent year over year) but is higher than changes to summer jobs (down 10.2 percent). Also see Bailey, Hughes, and Barr, 1998 and Lucas, 2023.
32. The only recent survey to compare employer motivations is a survey of Spanish employers by Ferrandez-Berruero and Sánchez-Tarazaga (2021), which found that 84 percent of employers were looking to identify future employees and/or fulfill a broader social duty to students and higher education. Also see Bailey, Hughes, and Barr (1998) for a summary of motivations gleaned from employer research conducted in the mid-1990s.
33. An evaluation of the Year Up internship program found that, as the program grew, it became increasingly difficult to secure the internships needed, both in terms of quantity and quality. The evaluators found that, "to a substantial degree, the difficulty appeared to be linked to Year Up's traditional emphasis on social responsibility... although an impressive number of firms have participated, for most corporate social responsibility could justify supporting only a few interns per cycle." The analysis prompted a fundamental shift in the program's recruitment strategy. See Fein, 2016. Related, a site-specific evaluation of the School-to-Work initiative found that, "philanthropic motivations [were] not an adequate basis for employer participation, [potentially backfiring] by implying that the employer is not already contributing to the community." Staff report shifting to emphasize the bottom-line benefits of participation to the employer: a steady supply of dependable young people with some training in relevant fields and "reliable temporary employee[s] who could be hired with no fee... without benefits, and with no implied long-term commitment." See Wieler and Bailey, 1997.
34. Rutschow and Taketa (2019), in their evaluation of the School-to-Work Initiative, found that limited participation by employers in certain fields was driven by the simple need for more hours.
35. Gardner, 2013; Florida Council of 100, 2023
36. Strada, 2024
37. Florida Council of 100, 2023; NSCI, 2023; Ezarick, 2022
38. Sasser, 2009
39. This review did not find research on unfilled internships. However, some studies suggest that prestigious employers are also more likely to have a high volume of applicants, as are name-brand companies that are the target of employment searches. See Rosenbaum, 2018; Hao, 2023.
40. The 2024 EPIS did not assess the volume of unfilled positions or the reason that slots went unfilled.
41. Overall, one-third of employers felt it was important for an applicant to an internship program to have prior internship/work experience. Just 25 percent said it was "not important".
42. Metzger, 2002
43. The use of financial incentives to support apprenticeships is higher. The Education Commission of the States (2023) found that 28 states offer at least one work-based learning incentive, mostly for apprenticeships.
44. Rutschow and Taketa, 2019; Rutschow and Taketa, 2017
45. Similarly, an evaluation of a K12 internship program in Oakland, CA found that the program was "successful largely because employers [were] being offered free labor". See U.S. Department of Labor, 1997.
46. For example, a search of the NCSL State Tax Incentive Evaluations Database, along with detailed follow-up on the specific programs offered in each state, did not surface such reports. BHEF reviewed all reports flagged under job training and workforce development for a mention of interns/internships. See NCSL, nd.
47. Very large companies report having either conducted these analyses already or having such high rates of conversion that they do not need to justify their investment in internships
48. Internship on Demand, 2022
49. Bailey, Hughes, and Barr (1998) summarize a series of older case studies that found three of six employers realized net benefits from offering an internship or apprenticeship. Dansberry (2012) found that interns in the NASA internship program generated approximately \$28 million in useful technical work furthering NASA's technical missions, a positive return on investment of \$2 for each dollar spent to fund USRP internships. Yunfang and Weiping (2020) studied internships in China, and found that returns are only realized for internships over four months in length, and relatively low rates of retention reduce the long-term benefits of businesses. Also see Helper et al (2016) for a complete cost-benefit analysis of apprenticeship programs, and theoretical constructs put forward by Bennett, 2008.
50. For example, the Massachusetts Connecting Activities / Career Ready Database, which connects high school students and employers to work-based learning opportunities, also tracks outcomes (skills gained, wages earned, student reflections/ satisfaction, employer performance reports) and includes checklists of core competencies, which are filled out before and after a student's placement to allow for pre/post testing of participation.
51. See Hora, Wolfgram, and Thompson, 2022. Note that Virkola (2018) found evidence that providing employers with information on workers' performance in a simulated workplace improved students' subsequent labor market outcomes in the entry level job market, though a more extensive review of work-based learning strategies (Deming et al, 2023) found minimal evidence that experiential learning coursework (including simulations) impacts employment and earnings.
52. For a summary of alternatives to traditional internship structures, see Virginia TOP, 2022.
53. Turning on-campus jobs into internships is likely an effective strategy at increasing the supply of internships and has been attempted in past efforts to scale internships (e.g., the School-to-Work Initiative), but the labor market outcomes associated with a college-based internship (relative to external placement) are unknown.
54. Resources on how to increase intern conversion recommend different "keep warm" strategies to ensure employers do not lose individuals during the lag between internship completion and full-time work commencing.
55. Virginia is implementing the Virginia Talent + Opportunity Partnership (V-TOP), a statewide program to increase the number of postsecondary students who have an internship experience before graduation. V-TOP's goal is to create 100,000 new internship slots by 2033, including 18,000 transformed Federal Work Study positions.

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Desha Jason, Manager, Talent Management, State Farm

Phil Kendzior, VP of Workforce Development, Baylor Scott & White Health

Kechi Kwizera, SVP & Director, National Workforce Development Strategy, Bank of America

Ivelisse Maldonado, Travelers EDGE Program Manager, Emerging Talent Programs, Travelers

Alexa Merschel, Managing Director, Talent Acquisition Strategy & Operations Leader, PwC

Vico Minnocci, Systems Architect, Ancera

Katrina Novak, Workforce Planning Analyst, Bell Flight

Katie Patel, US Diversity Talent Acquisition Leader, PwC

Molly Pearl, Associate, Portfolio Operations, Blackstone

Jason Pufahl, VP of Security Services, Vancord

Elliot Robson, CEO, Eduworks Corporation

Chris Rudnicki, Chief Operations Officer, Tyton Partners

Michael Saylor, CEO, Blackswan Cybersecurity

Jackie Sekiguchi, Community Affairs Manager, Texas Mutual Insurance Company

Kimberly Spivey, AVP, Workforce Partnerships, HCA Healthcare

Kaleb Warnock, CEO, FloWar

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About BHEF

The Business-Higher Education Forum (BHEF) is a national network that connects pioneering corporate and higher education leaders to co-develop solutions that address talent gaps. BHEF empowers and catalyzes collaborations that deliver accelerated, inclusive, and effective solutions across education and work.

Business and university leaders join BHEF to lead innovation that meets the changing talent needs of learners, workers, and businesses. For our members and partners, BHEF:

- Convenes action-oriented summits and roundtables
- Rapidly prototypes, implements, and scales talent solutions that bridge learning and work
- Illuminates emerging talent needs and skills gaps
- Advocates for transformative business-higher education partnerships

For more information about BHEF, visit bhef.com.

Authors

Candace Williams, Director of Regional Initiatives

Jennifer Thornton, Senior Vice President and Chief Programs Officer

Elizabeth Hughes, Research and Insights Advisor

Kristen Fox, Chief Executive Officer



One Dupont Circle, Suite 360, Washington, DC 20036

☎ 202.367.1189 | ✉ info@bhef.com | 🌐 www.bhef.com

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