Expanding Internships: Employer Insights and Scalable Solutions

Pathways Institute - Thursday, November 14, 2024

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The Business-Higher **Education Forum is a** national network connecting pioneering corporate and higher education leaders to identify emerging skills and co-develop pathways that address talent gaps.



We empower and catalyze collaborations that deliver accelerated, inclusive, and effective solutions across education and work.

Business and university leaders join the Forum to **lead innovation** that meets the changing talent needs of learners, workers, and businesses.



Guiding Research Questions & Methodology

Research Questions

- **1. The Marketplace for Internships.** How do the internships that employers offer compare to market demand?
- **2. Employer Motivations and Barriers.** What factors influence employers' production of internships?
- **3. Strategies to Increase Supply.** What resources might be effective at increasing employer engagement and supply?

Methods

Secondary Research

- Review of academic and grey literature
- Analysis data from existing surveys and labor market info
- Scan of state policies and practices

Qualitative Exploration

- Interviews with BHEF members/partners (n=8)
- Employer focus groups (~n=25)

Employer Survey

Employer Perspectives Survey (EPS) (n=2,700)

Question

How many undergraduate students wanted to intern last year?



Question

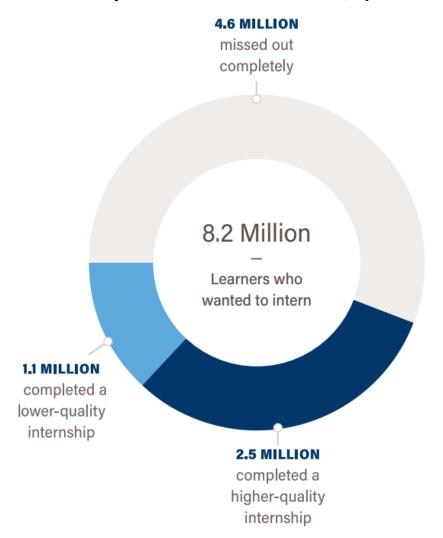
How many undergraduate students actually interned last year?



Despite strong demand, most learners who want a quality internship "miss out"



Number of learners who want to intern, by outcome



BHEF estimates that U.S. employers offered 3.6 million internships in 2023, less than one opportunity for every two learners who wanted to intern –

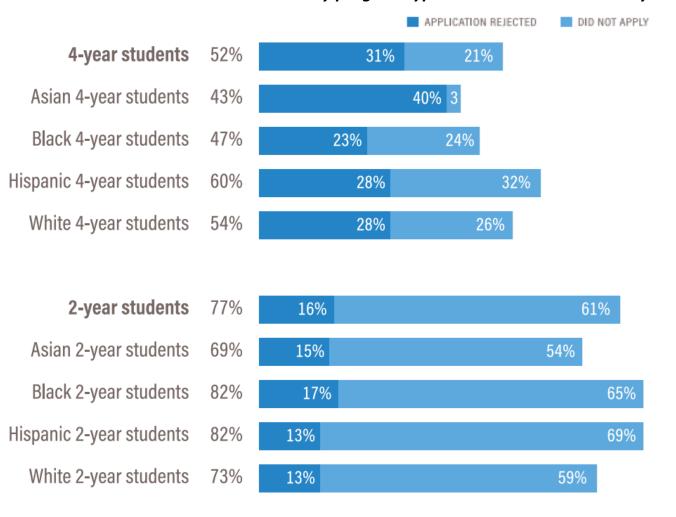
4.6 million learners missed out completely

Students of color and those from a two-year program most likely to miss out



Share of students who wanted to intern but "missed out", by program type and student race-ethnicity

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 and Asian students from four-year programs are most likely to be rejected.



Internships provide... **LEARNERS** with an enduring advantage



- Immediately after completing their internship, former interns tend to have more job offers, higher pay, and a greater likelihood of finding work aligned with their education
- In the future, former interns are better able to "signal" those skills to future employers and avoid long-term underemployment

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

Before Graduating
Secure an offer of employment²

Upon Graduating
Effectively signal skills to recruiters³

1 year after graduation
Work in better jobs that earn more money⁴

(3)
Continue to avoid underemployment⁵

Employers offer range of internship structures, a choice that influences their supply

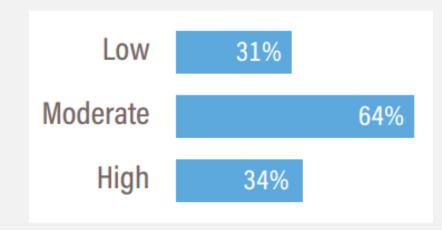


Employers are exploring alternatives to the "traditional" on-site, summer/semester-based program.

Intensity

Low-intensity (micro) internships often occur as a *supplement* to more intensive opportunities, while high-intensity (year-long) placements can serve as stand-alone opportunities that provide enough time for engagement, teamwork, and projects.

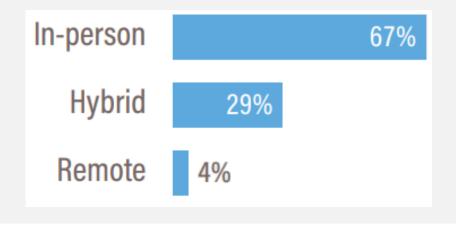
Share of employers-with-internships, by duration



Setting

Employers often look for new hires with experience in their work setting. Employers were mixed on the utility of offering internships fully-online, with some noting the difficulty of managing and engaging a short-term virtual employee.

Share of employers-with-internships, by location



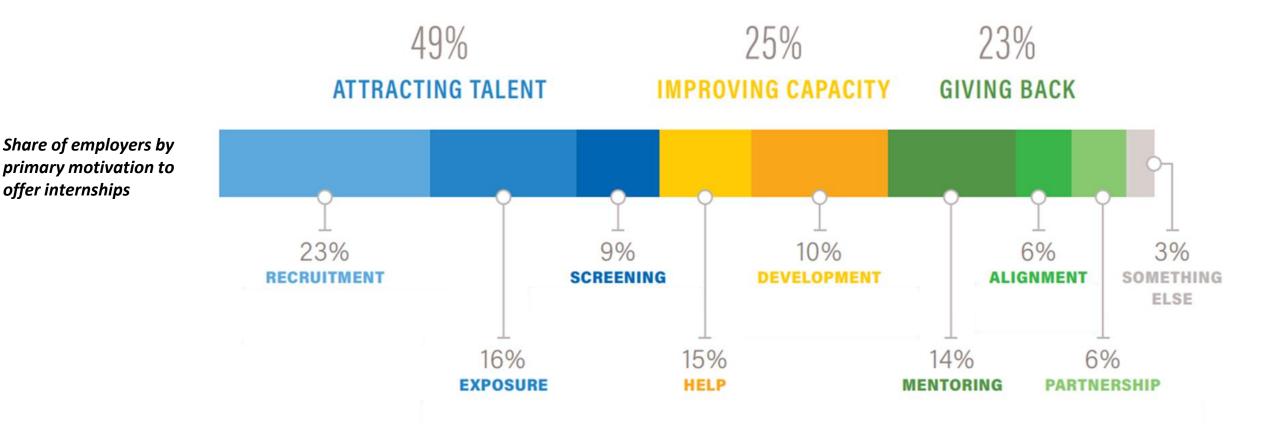
Poll Question

Menti.com - 4196 2030



Half of employers motivated to offer internships primarily to attract early-career talent





Half of employers constrained <u>primarily</u> by operational challenges

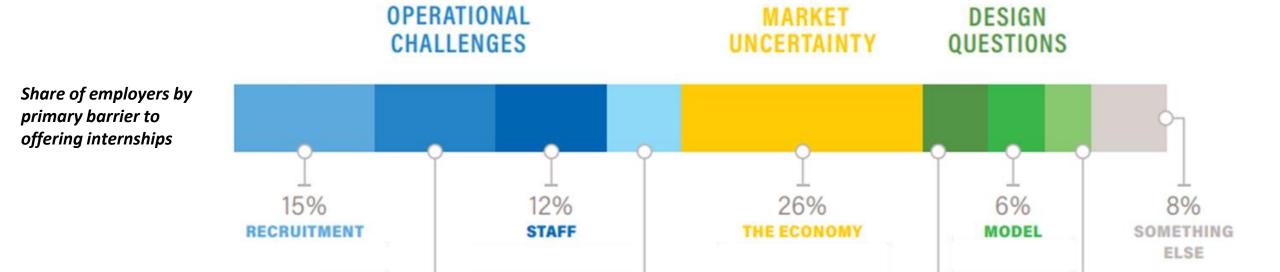
13%

WORK



5%

HIGHER ED



8%

BUY-IN

7%

POLICY

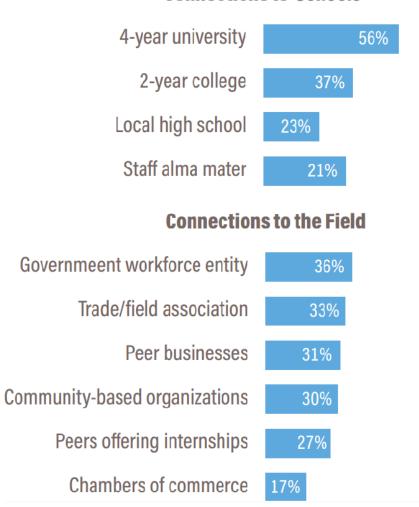
26%

A variety of partnerships and resources can be leveraged to increase internship supply



Share of employers that feel partner would help begin/expand internships

Connections to Schools



Employers are interested in receiving that support through **partnerships** with higher education, including four-year universities and two-year institutions.

Connections with entities in the field are perceived as less important, particularly chambers of commerce.

A variety of partnerships and resources can be leveraged to increase internship supply



Share of employers that feel resource would help begin/expand internships

Employers are interested in **support** to (a) cover internship program costs, (b) find and recruit candidates, and (c) conduct a costbenefit analysis would bolster their ability to offer internships.

They are not especially interested in receiving a toolkit to help them start or expand internships.

Operational Supports	
Receipt of financial subsidies	45%
Help with candidate sourcing	38%
Managing interns/program	30%
Data & Reports	
Cost-benefit analysis	34%
Future skills analysis	31%
Skills taught at local college	27%
Toolkit to start/expand internships	23%

Key Recommendations – Higher Education & Intermediaries



- Assess the role your institution plays in providing access to internships.
- Develop a greater variety of internship models.
- Build systems and structures to track internship participation, quality, and outcomes and evaluate the benefits associated with different experiences.
- Proactively manage internship supply:
 - Routinely collect information about your employer partners' motivations, capacity, and willingness to experiment with new models and structures.
 - Use labor market analyses to target outreach to employers.
 - Diagnose misalignments.
- Provide and streamline operational supports in response to your employer partners' greatest barriers
- Check if your institution allows **Federal Work Study funds** to be used for off-campus internships. If not, push for expansion.

Thank You!

For additional information or questions contact: <u>Jennifer.Thornton@BHEF.com</u>

Report and supplemental materials available:

Expanding Internships: Harnessing Employer Insights to Boost Opportunity and Enhance
Learning | BHEF



APPENDIX

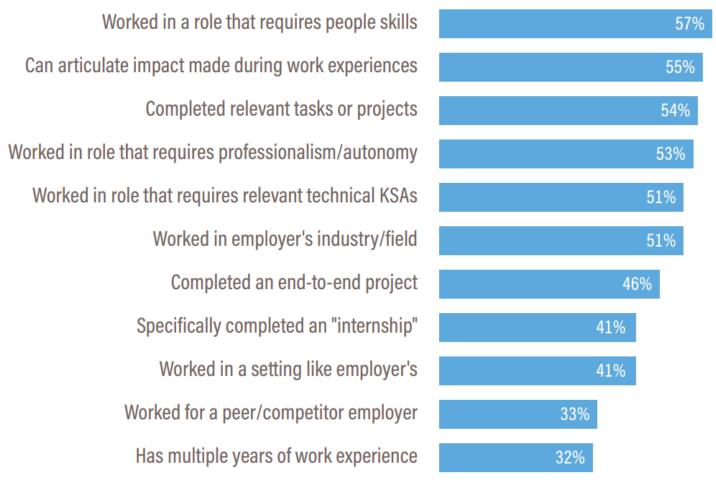


Internships provide... **EMPLOYERS** with skilled, experienced new workers



When considering a recent graduate's work experience, employers are looking for candidates who possess people skills, have completed relevant on-the-job projects, and can demonstrate their ability to work autonomously in a professional setting.

Share of employers that feel element of recent grad's work history is important when hiring



Early-career hiring behaviors can be used to classify employers into four core profiles



BHEF has developed a typology for classifying employers based on their early-career hiring behaviors.



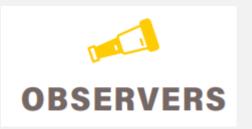
offer internships and full-time jobs for recent grads



offer internships but do not have full-time jobs for recent grads



have full-time jobs for recent grads but do not offer internships



neither offer internships nor full-time jobs for recent grads

A third of employers with internships offer higher quality experiences



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

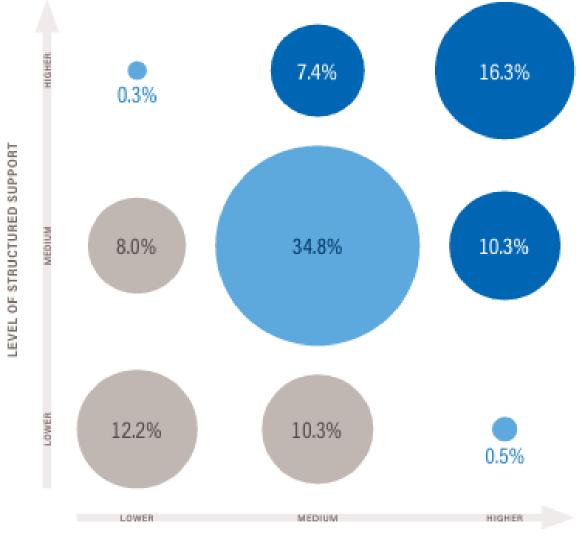
Markers of Focus on Skills Development:

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

Higher-level of quality = 5 or more markers

Medium-level of quality = 2-4 markers

Lower-level of quality = 0-1 markers



LEVEL OF FOCUS ON SKILLS

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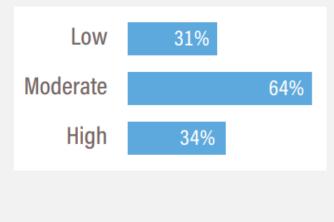


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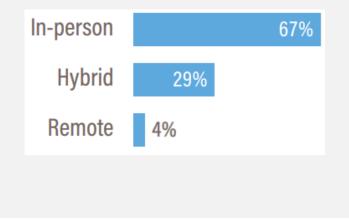
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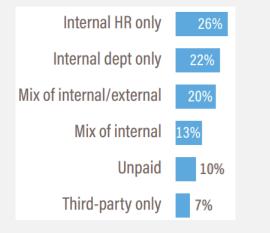
Share of employers-with-internships, by location



Funding

90% of employers pay their interns, with most financing coming from internal sources. About one in four employers (27%) used some amount of external funding to support their internships, with 7% of relying *solely* on a third-party.

Share of employers-with-internships, by funding



Key Recommendations – 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. Many are receptive to inquiries from students.
- Throughout your career, promote the value of internships within your company or organization