As the challenge to find quality candidates continues, employers are looking for creative approaches to attract and retain top talent. Organizations that once overlooked offering an internship program may reconsider their approach as they realize the potential of this valuable pool of talent.

MRA – The Management Association conducted this Hot Topic Survey among Midwest employers to report on 2019 experiences and to plan for 2020 intern hiring. The results provide insight into internship program structure, performance satisfaction, compensation, and future intern hiring practices.

**Intern Demand and Performance**

- **65%** of participating organizations hired interns in 2019.
- **94%** of respondents are very satisfied or somewhat satisfied with the quality/performance of their interns.

### Comparing Intern Assignments from 2017 and 2019

Survey results show a progressive increase in demand for interns in several areas of the organization, with the largest increase (9%) in Manufacturing/Operations/Quality positions.
Intern Compensation

Paid vs. Unpaid

Paid internships are most predominant. Eighty-five percent offer paid internships to appeal to this rising pool of talent.

Factors Used to Determine Intern Pay

- **51%** Job duties
- **34%** Flat pay rate for interns regardless of other factors
- **31%** Year in school (increase pay for each year)
- **29%** Academic major
- **29%** Previous internships (increase pay if a past intern)
- **24%** Degree level (i.e. master’s level intern paid more than bachelor’s level)
- **24%** Survey data
- **20%** Previous work experience
2020 Hiring Interns (continued)

Intern Compensation (continued)

Average Hourly Intern Wages—Past 3 Years
Average hourly wages increased steadily across all intern positions from 2017 to 2019.

There are a few positions where intern wages have risen more, specifically Manufacturing/Operations/Quality (+16%), Business Administration (+14%), and Finance (+13%).

Organizations project an increase in wages across all intern positions for 2020, with a notable increase of $0.50 or more in Manufacturing/Operations/Quality, Engineering, and IT positions.

Average Hourly Wage Trend

<table>
<thead>
<tr>
<th>Position</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Projected 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting</td>
<td>$14.15</td>
<td>$14.38</td>
<td>$14.50</td>
<td>$14.75</td>
</tr>
<tr>
<td>Business Administration</td>
<td>$12.73</td>
<td>$12.95</td>
<td>$14.71</td>
<td>$15.17</td>
</tr>
<tr>
<td>Communications</td>
<td>$12.97</td>
<td>$13.19</td>
<td>$13.25</td>
<td>$13.52</td>
</tr>
<tr>
<td>Engineering</td>
<td>$16.26</td>
<td>$16.52</td>
<td>$17.13</td>
<td>$17.75</td>
</tr>
<tr>
<td>Finance</td>
<td>$13.78</td>
<td>$13.92</td>
<td>$15.69</td>
<td>$16.02</td>
</tr>
<tr>
<td>Health</td>
<td>$11.00</td>
<td>$11.00</td>
<td>$12.25</td>
<td>$12.37</td>
</tr>
<tr>
<td>Human Resources</td>
<td>$13.70</td>
<td>$13.85</td>
<td>$15.01</td>
<td>$15.46</td>
</tr>
<tr>
<td>IT</td>
<td>$14.80</td>
<td>$14.98</td>
<td>$15.20</td>
<td>$15.87</td>
</tr>
<tr>
<td>Manufacturing/Operations/Quality</td>
<td>$14.36</td>
<td>$14.69</td>
<td>$16.98</td>
<td>$17.54</td>
</tr>
</tbody>
</table>
2020 Hiring Interns (continued)

Internship Program Structure

Internship Duration and Minimum Level of Schooling
Looking to 2020 and beyond, organizations signal a change in the structure of internships. While summer internships, around 3 months in length, remain the most common (68%), more organizations offer semester length, about 2–3 months (41%), and year-round or school year internships (38%) over setting an internship for a specified duration (25%). Internship eligibility requires: post-secondary schooling (42%) or post-secondary at minimum of junior academic level or graduate (26%).

Internships for Experienced/Seasoned Professionals

59% of organizations will offer an internship to an experienced/seasoned professional looking to make a career change.

Advantages of Internships for Experienced/Seasoned Professionals
• Can build a future talent pool
• Employers benefit from their years of experience. Seasoned professionals can contribute at a higher level
• Established work ethic, hard worker

Reasons for Not Considering Experienced/Seasoned Professionals
• Does not fit the definition of intern. A separate program is offered for experienced professionals
• Internship program is not designed to accept experienced/seasoned professionals
• Program guidelines require current enrollment in college, technical program, recent graduate, or entry level employee

Top 3 Benefits Offered to Interns
Is offering a paid internship enough? Additional benefits/perks may provide extra incentive for talented individuals to accept one internship over another or increase interns’ commitment to the experience. Participating organizations favor flexible work schedules (79%) to support interns as they juggle school, work, and social activities.

79% Flexible work schedule
$27% 401(k) or retirement plan
26% Paid holidays
Future Plans

Who Gets Hired

More than a third (37%) of participating organizations will hire less than a quarter of their interns to fill permanent full-time or part-time positions. A little over a third are planning other strategies or will not hire interns at all to fill current open positions.

Intern Forecast

68% of organizations intend to hire interns during the next 12 months, and 63% of employers plan to hire about the same number of interns as last year.

Point of Conversion—Intern to Employee Status

Of organizations that do hire interns, internships provide the benefit of working with an individual in advance to assess their skills, and if they perform well, convert them into an entry-level employee. See conversion days as shown on the right.
Future Plans (continued)

**Intern Recruitment Channels**
We asked organizations where they recruit and which channels are the most successful for recruiting top intern talent.
Most organizations (66%) recruit from college/university career service centers. Alternatively, referrals from employees/others, onsite college fairs, company websites, and connections at colleges/universities are sources used by more than 50% of participants.

<table>
<thead>
<tr>
<th>Where organizations recruit interns</th>
<th>Most successful recruitment channel</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Person with megaphone] 66% College/university career services</td>
<td>![Person and speech bubble] 44% Referrals from employees/others</td>
</tr>
<tr>
<td>![Person with megaphone] 62% Referrals from employees/others</td>
<td>![Magnifying glass] 41% Onsite college fairs</td>
</tr>
<tr>
<td>![Microscope] 59% Onsite college fairs</td>
<td>![College/university career services] 38%</td>
</tr>
<tr>
<td>![Globe] 59% Company website</td>
<td>![Connections at colleges/universities] 29%</td>
</tr>
<tr>
<td>![Handshake] 57% Connections at colleges/universities</td>
<td>![LinkedIn] 28% Job sites (e.g. Indeed, LinkedIn, Glassdoor)</td>
</tr>
</tbody>
</table>

**Conclusion**
Hiring interns for your organization can provide mutually beneficial work and learning experiences. An internship program built with a solid, well-planned structure that offers competitive compensation and a few additional perks, and fosters networking and recruitment opportunities will more likely engage interns and build a steady pipeline of qualified talent to fill future job openings.

**Methodology**
- **Brief**
  - 18-Question Survey
- **397** MRA Participating Organizations
- **Jan. 2020** Data Collected
MRA’s Total Rewards Team
Focuses on Solutions

Our Currently Published Surveys

Compensation Surveys
- Benchmark Compensation*
- Industrial & Production Trades*
- National Executive Compensation
- National IT & Engineering Compensation*
- National Sales Compensation
- National Wage & Salary

Policy & Benefit Surveys
- Health & Insurance Benefits
- Holiday Practices
- National Policies & Benefits

Business Trend Surveys
- Compensation Trends
- National Business Trends
- Turnover

Industry Surveys
- Healthcare Compensation Survey*
- Logistics & Construction Compensation
- Nonprofit Compensation & Benefits*

Hot Topic Surveys
- Advancement of Women in the Workplace Survey
- Compensation Besides Base Pay Survey
- Compensation and Talent Insights for 2020 and Beyond
- Diversity and Inclusion—Best Steps Forward
- Don’t Underrate the Power of Soft Skills
- Employee Turnover Survey
- Hiring Interns Survey
- Variable Pay: Your Advantage in a Competitive Labor Market
- Opioid Epidemic Survey
- Sexual Harassment in the Workplace Executive Summary
- Wellness and Wearable Technology Survey
- Your Competitive Edge in Attracting, Retaining, and Rewarding Top Talent

* MRAPay and On-Demand Salary Tool available for these surveys

Rely on MRA Surveys
From strategy to tactics, how do you apply these insights to your organization’s total rewards story?

Known for local, regional and national, employer-matched, employer-reported data—with MRA surveys, you can be confident your organization is making vital business decisions based on solid, high quality market data.

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Questions?
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