



# UNPAID INTERNSHIPS AND EARLY CAREER OUTCOMES

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## EXECUTIVE SUMMARY

- ▶ The study examines the immediate and longer-term effects of unpaid internships on career outcomes. The study included recent graduates, alumni who had been out in the work force for five years, and employer representatives who supervised the interns.
- ▶ All Endicott College students perform a full-time, semester-long internship. The internships are classed as paid; unpaid; and unpaid, but with some other form of compensation, e.g., parking and transportation stipends. More than 70 percent of recent graduates reported taking part in an unpaid internship.
- ▶ Overall, 98 percent of recent graduates were employed, in graduate school, or serving in the military within six months of graduation.
- ▶ Results of the survey of alumni found no significant difference in salary or career progress between those who had taken part in unpaid versus paid internships.
- ▶ Twenty-five percent of the employers taking part in the survey reported offering paid internships, while 51 percent reported offering only unpaid internships. Twenty-four percent offered both paid and unpaid internships at their site.
- ▶ A majority of the employers taking part reported that they did not see a difference in the performance of interns based on their paid/unpaid status.
- ▶ Some employers reported that interns who received academic credit for their internship performed better than those paid by the employer for their internship.
- ▶ Overall, the study supports the hypothesis that the paid/unpaid status of the internship does not significantly impact initial or longer-term career outcomes.

An expanded executive summary—in narrative form—is available through “The Positive Implications of Internships on Early Career Outcomes,” which appeared in the May 2017 issue of the *NACE Journal*. The article is available online at [www.naceweb.org/job-market/internships/the-positive-implications-of-internships-on-early-career-outcomes](http://www.naceweb.org/job-market/internships/the-positive-implications-of-internships-on-early-career-outcomes).



# INTRODUCTION

Internships, both paid and unpaid, are a vital component of the academic experience at Endicott College. All Endicott undergraduate students are required to complete a full-time, semester-long internship, typically in the fall semester of their senior year. The success of the institution's internship model is reflected in the consistently positive survey results gathered from students and employers. Both the longevity and comprehensive structure of the program has enabled the college to collect both quantitative and qualitative survey data related to student and employer views of the program and the career outcomes of students after graduation. In light of the debate ensuing over the impact of paid versus unpaid internships on career outcomes, Endicott College has viewed this project as an opportunity to expand its research efforts in assessing the impact of the internship experience.

Funded through the NACE Center for Career Development and Talent Acquisition, the study focused on recent graduates who completed their degrees in May 2015 and on alumni from the Class of 2010 to determine the immediate and long-term impact of the internship experience on career outcomes. To explore employer perceptions of the unpaid internship on a candidate's employability, the study also included employers who have supervised Endicott students undertaking full-semester internships. The research questions and hypotheses are as follows:

- ▶ **Do full-time unpaid internships result in employment and/or the pursuit of post-graduate education within the first year?**
  - ▷ Hypothesis: Graduates who have completed (full-time) unpaid internships are just as likely to be employed and/or pursuing post-graduate education within one year following graduation as graduates who have completed (full-time) paid internships.
  
- ▶ **What is the relationship between full-time unpaid internship experiences and career outcomes (advancement in positions and/or salary) five years after graduation?**
  - ▷ Hypothesis: Graduates who have completed (full-time) unpaid internships are just as likely to advance in their positions and/or salary levels five years after graduation as graduates who have completed (full-time) paid internships.
  
- ▶ **What perception do employers have of the value of unpaid internship experiences on a candidate's employability?**
  - ▷ Hypothesis: Employers perceive unpaid internships as adding value to a candidate's employability.

The following report provides an analysis of the data and is divided into three sections: The first focuses on the data collected for graduates of the Class of 2015 six months after graduation, the second discusses the 2010 alumni survey, and the third describes the findings from both a survey and focus group of employer representatives who had hosted Endicott full-semester interns.





# CLASS OF 2015 POST-GRADUATION SURVEY RESULTS

The first portion of the study focused on recent graduates, and addressed the question: *Do full-time unpaid internships result in employment and/or the pursuit of post-graduate education within the first year?*

Data were collected through a survey administered to the Class of 2015 six months after graduation. Overall, data were gathered for a total of 460 graduates, representing a knowledge rate<sup>1</sup> of 83 percent. A question was added to the Class of 2015 survey to determine if the internship was paid or unpaid: Among respondents, 92, or 20 percent, had paid internships; 9 percent (41 students) took part in internships that were unpaid but provided some other form of compensation, such as parking and transportation stipends; 327 students, or 71 percent, were unpaid.

Career outcomes data indicated that 98 percent of 2015 Endicott graduates were employed full or part time, self-employed, enrolled in graduate programs, or enlisted in the military. Ninety percent of the graduates indicated that their employment was directly related to their fields of study, and 53 percent reported that they obtained their current positions directly from their internships. Unfortunately, although this provided useful information about recent graduates, it did not yield any specific data about the relationship between paid and unpaid full-time internship experiences and career outcomes in the short term.



<sup>1</sup> "Knowledge rate" is used in lieu of "survey response rate" as it reflects an approach that goes beyond simply relying on respondent-reported outcomes information and includes outcomes data provided through other means, e.g., through faculty, social media, or employers.



## 2010 ALUMNI SURVEY RESULTS

The second portion of the study delved into the outcome effects of full-time unpaid internships, but from a point further down the career road. Class of 2010 graduates were surveyed to address the question: *What is the relationship between full-time unpaid internship experiences and career outcomes (advancement in positions and/or salary) five years after graduation?*

The alumni survey was administered through a collaborative effort between the Endicott College Office of Alumni Relations and the Internship and Career Center.

The total number of alumni graduating in 2010 was 385. A mixed-method approach was implemented, using both qualitative and quantitative measures. A survey instrument was developed following the examination of available literature on this topic and distributed to all contacts that were available to the researchers. (Due to invalid e-mail addresses, the survey was actually sent to 294 graduates.) The researchers used the online survey software to design and distribute the survey instrument, and tested the survey with half a dozen graduates from other classes (their responses were not included in the analysis).

Surveys were distributed via e-mail, with a personalized message from the vice president of the undergraduate college. The most recent e-mail addresses, which were provided by the respondents themselves, were acquired from the Endicott College Office of Alumni Relations. Two e-mail reminders were sent out; the first was sent one week after the initial distribution. The second reminder was sent three weeks after the initial send.

In addition, a solicitation to participate in the survey was placed on a Facebook page affiliated with the Department of Social Sciences.

Overall, a total of 106 completed surveys were received for a response rate tabulated at 36 percent.

## Respondents

Thirty-five percent of the respondents (37) were male and 65 percent (69) were female. The mean age was 28.18 (SD=.709). Forty-eight percent of respondents currently reside in Massachusetts, 7 percent in New York, 4 percent in Connecticut, 4 percent in New Hampshire, 4 percent in Rhode Island, and 5 percent in California. (See Table 1.)

By major, the largest concentration of respondents were in sports management (12 percent), communications (11 percent), interior design (9 percent), and hospitality (8.5 percent). (See Table 2).

	Frequency	Percent
MA	51	48.1
NY	7	6.6
CA	5	4.7
CT	4	3.8
ME	4	3.8
NH	4	3.8
RI	4	3.8
AZ	2	1.9
MD	2	1.9
US Territory	2	1.9
CO	1	0.9
FL	1	0.9
GA	1	0.9
MO	1	0.9
NJ	1	0.9
OH	1	0.9
VA	1	0.9
VT	1	0.9
Panama	1	0.9
Spain	1	0.9
Turkey	1	0.9
<b>Total</b>	<b>96</b>	<b>100.0</b>

	Frequency	Percent
Visual Communications	4	3.8
Nursing	6	5.7
Psychology	4	3.8
<b>Hospitality</b>	<b>9</b>	<b>8.5</b>
Liberal Studies	3	2.8
Elementary Education	6	5.7
Journalism	2	1.9
Physical Education	1	0.9
Finance	1	0.9
Financial Management	2	1.9
History	2	1.9
Criminal Justice	7	6.6
Education	1	0.9
Early Childhood Education	1	0.9
Creative Arts Therapy	1	0.9
M.B.A.	1	0.9
Business Management	8	7.5
<b>Interior Design</b>	<b>10</b>	<b>9.4</b>
Athletic Training	2	1.9
<b>Communication</b>	<b>12</b>	<b>11.3</b>
Entrepreneurial Studies	1	0.9
<b>Sports Management</b>	<b>13</b>	<b>12.3</b>
Computer Science	1	0.9
<b>Total</b>	<b>98</b>	<b>100</b>



## Nature of the Internship

In terms of where they performed their full-semester internships, the largest concentration did so in sports management settings (12 percent), marketing/communication/media settings (12 percent), and educational settings (11 percent.) (See Table 3.)

Twenty-two percent of the respondents reported that they had a paid internship, while 10 percent reported their internship was unpaid, but they received some other form of compensation. The majority of alumni (68 percent) had an unpaid internship. (See Table 4.)

Of the 21 respondents who reported having paid internships, 62 percent received an hourly wage, 5 percent received a salary, and 33 percent received a stipend. (See Table 5.)

	Frequency	Percent
Arts & Art Administration	1	1
Art Therapy	1	1
Athletic Training	1	1
Business Services (Finance, Real Estate, Insurance)	6	6.1
Consulting (Management, Technology, etc.)	1	1
Criminal Justice	5	5.1
Education	11	11.1
Government - Local (city, county, etc.)	3	3
Government - State or Federal	1	1
Graphic Design	3	3
Healthcare (including mental health)	6	6.1
Hospitality	8	8.1
Interior Design	8	8.1
Marketing/Communication/ Media	12	12.1
Non-profit Charitable Organization	4	4
Retail or Sales	1	1
Social Services	3	3
Sports Management	12	12.1
Technology (Programming, Information Systems)	1	1
Other	11	11.1
<b>Total</b>	<b>99</b>	<b>100*</b>

\*Rounded

	Frequency	Percent
Paid (i.e. salary/stipend/hourly wage)	21	21.7
Unpaid, but received other compensation (i.e. subsidized parking, commuting allowance)	10	10.3
Unpaid/no compensation	66	68.0
<b>Total</b>	<b>97</b>	<b>100</b>

	Frequency	Percent
Hourly wage	21	61.9
Salary	1	4.8
Stipend	7	33.3
<b>Total</b>	<b>21</b>	<b>100</b>

## At the Five-Year Mark

Respondents were asked a series of questions related to their current career status, including their current salary and their satisfaction with the progress of their salary and career.

### Salary

Approximately 30 percent of the respondents reported an annual salary range of \$50,000 to \$59,999 annually. Fifteen percent reported earning \$90,000 or more. (See Table 6.) Approximately 56 percent reported satisfaction with their progress toward their salary goals. (See Table 7.)

A chi-square test for independence was used to explore the relationship between paid and unpaid internships and salary five years after graduation. A chi-square test for independence indicated no significant association between paid and unpaid internships and current annual salary: Chi-Square (14, n=78) = 13.91,  $p = .46$ ,  $\phi = .42$ . In other words, there is no significant difference between having a paid versus an unpaid internship experience and level of salary five years after graduation. Hence, the hypothesis that graduates who completed full-time unpaid internships are just as likely to advance in their salary levels five years after graduation was supported.

In addition, a one-way between-groups analysis of variance was conducted to explore the impact of paid/unpaid internship status on levels of satisfaction in meeting salary goals. Participants were divided into three groups (Group 1: Paid internship; Group 2: Unpaid internship, but received some form of compensation; Group 3: Unpaid internship). There was no statistically significant difference at the  $p < .05$  level in level of satisfaction for the three groups:  $F(2, 82) = 2.2$ ,  $p = .12$ .

	Frequency	Percent
\$20,000 - \$29,999	2	2.6
\$30,000 - \$39,999	6	7.7
\$40,000 - \$49,999	13	16.7
\$50,000 - \$59,999	23	29.5
\$60,000 - \$69,999	9	11.5
\$70,000 - \$79,999	9	11.5
\$80,000 - \$89,999	4	5.1
\$90,000 or more	12	15.4
<b>Total</b>	<b>78</b>	<b>100.0</b>

	Frequency	Percent
Strongly agree	24	28.2
Somewhat agree	24	28.2
Neither agree nor disagree	22	25.9
Somewhat disagree	13	15.3
Strongly disagree	2	2.4
<b>Total</b>	<b>85</b>	<b>100.0</b>

### Career progress

Descriptive statistics were also run to analyze the level of satisfaction with the progress made toward meeting overall career goals and the success that graduates have achieved in their careers to date. The majority (89 percent) of respondents either strongly agree or somewhat agree that they are satisfied with their overall progress in meeting career goals. (See Table 8.) The majority (92 percent) also strongly agree or somewhat agree that they are satisfied with the success they have achieved to date in their careers. (See Table 9.)

The survey also explored participants' level of satisfaction with the progress they have made toward meeting their career advancement goals. (See Table 10.) Approximately 44 percent of 2010 alumni strongly agree that they are satisfied with their career advancement goals while approximately 39 percent somewhat agree with this statement. Hence, more than four out of five of the respondents reported being satisfied with the progress they have made in career advancement five years after graduation.



An independent samples t-test was conducted to compare the career satisfaction scores for alumni who had paid versus unpaid internships. Respondents were asked to rate their level of agreement with the following statement: “I am satisfied with the progress I have made toward meeting my goals for advancement in my position” (strongly agree = 1, strongly disagree = 5). There was no significant difference in scores for paid (M= 1.68, SD= 0.95) and unpaid (M= 1.88, SD= 0.99) internships;  $t(83) = -0.79, p = 0.45$  (two-tailed). The findings indicate that there is no difference in the degree of satisfaction with career advancement based on whether an individual had a paid versus an unpaid internship. Thus, results appear to indicate that alumni in this study who had paid internships did not have a significant advantage in their career progression.

**TABLE 8: I AM SATISFIED WITH PROGRESS TOWARD OVERALL CAREER GOALS**

	Frequency	Percent
Strongly agree	39	46.4
Somewhat agree	36	42.9
Neither agree nor disagree	6	7.1
Somewhat disagree	1	1.2
Strongly disagree	2	2.4
<b>Total</b>	<b>84</b>	<b>100.0</b>

**TABLE 9: I AM SATISFIED WITH CAREER SUCCESS TO DATE**

	Frequency	Percent
Strongly agree	47	55.9
Somewhat agree	30	35.7
Neither agree nor disagree	4	4.8
Somewhat disagree	1	1.2
Strongly disagree	2	2.4
<b>Total</b>	<b>84</b>	<b>100.0</b>

**TABLE 10: AM SATISFIED WITH PROGRESS TOWARD MEETING GOALS FOR ADVANCEMENT IN MY POSITION**

	Frequency	Percent
Strongly agree	37	43.5
Somewhat agree	33	38.8
Neither agree nor disagree	10	11.8
Somewhat disagree	2	2.4
Strongly disagree	3	3.5
<b>Total</b>	<b>85</b>	<b>100.0</b>

Based on these results, the hypothesis that graduates who have completed full-time unpaid internships are just as likely to advance in their positions and/or salary levels five years after graduation as graduates who have completed full-time paid internships was supported.

# EMPLOYER PERCEPTIONS

The third part of our research focused on employers and addressed the question: *What perception do employers have of the value of unpaid internship experiences on a candidate's employability?* This question was addressed through two means: a survey and focus groups.

## Survey of Internship Supervisors

The Endicott College Research Center distributed surveys to all internship supervisors who had hosted at least one full-semester intern between the years of 2011 and 2016. A total of 327 supervisors completed the survey.

**Type of industry:** Of the 327 respondents, the highest percentage of employers were from the business industry (15 percent). The second highest percentage of employers were from the communication field (12 percent), and the third highest percentage of employers were from sports management (12 percent).

Approximately 10 percent of the employers surveyed self-identified as being in the field of psychology, 9 percent from interior design, and 8 percent from hospitality management.

**Type of organization:** When asked to designate the type of organization that they represented (profit, nonprofit, or government), the majority (60 percent) indicated the profit sector. Thirty-two percent of employers designated the nonprofit sector, and approximately 8 percent identified government.

**Organization size:** The majority (82 percent) work in organizations that have fewer than 500 employees. Nine percent work in organizations with 500 to 1,000 employees, 3 percent in organizations with 1,000 to 2,500 employees, and 4 percent in organizations with 2,500 to 5,000 employees. The remaining 2 percent had more than 5,000 employees.

## Internship characteristics

Sixty-eight percent of respondents had accepted one to five Endicott interns at their site within the most recent fiscal year. Fifty-five percent of respondents reported hosting at least one Endicott full-semester intern over the past five years.

Twenty-five percent reported offering paid internships, while 51 percent reported only offering unpaid internships. Twenty-four percent offered both paid and unpaid internships at their site.

When asked what influenced their decision to make an internship paid or unpaid at their sites, the majority (63 percent) reported that the decision was based on the available budget. Other factors that were indicated by employers were advanced skills/experience in the field (23 percent) and recruitment for the talent pipeline (14 percent).

## Why an Endicott College intern?

When asked what aspects of the Endicott College internship program influenced their decision to specifically select an Endicott student intern, the majority (66 percent) indicated that the length of the internship program (hours and days per week) was the most influential factor. The second highest factor (55 percent) was the structure of the academic internship program at Endicott. Other common factors that were chosen by respondents included professional skill development (50 percent), workplace readiness (48 percent), and the unpaid internship option (44 percent).

## Type of compensation

The employers who responded that they offered paid internships at their respective organizations were also asked what form of compensation was provided to those interns. More than three-quarters reported providing an hourly wage to interns. Nineteen percent provide a stipend/reimbursement, and approximately 3 percent provide a salary.



### Conversion: Interns to full-time hires

When asked about the number of interns who were offered full-time employment upon completion of their internships and accepted the offer, 42 percent reported that within the most recent fiscal year, they had converted between one and five interns to full-time hires. Two percent had converted 10 to 20 interns to full-time hires, and 1 percent of employers had converted more than 20 interns to full-time hires.

### Value of paid versus unpaid internships

Employers were also asked several open-ended questions on the survey. When asked if they had observed a difference in performance between candidates who have previously completed unpaid internships versus those with paid internships, the majority answered that they either had not noticed a difference between the two types of interns or did not offer paid internships at their sites.

However, some of the respondents *did* indicate that they find paid interns perform better during their internships than their unpaid counterparts. Specifically, one of the respondents whose organization offers paid internships stated the following: *We used to offer primarily unpaid internships. We placed much greater emphasis on the learning experience for the intern since that was the sole compensation. I would say we focus less on the “teaching” aspect in paid internships. The value for the interns is more likely found in the application of skills and learning as they go. From an employee perspective, I think paid interns perform better; however, if I were an unpaid intern, I believe I’d have more freedom to learn and experiment with less on the line financially.*

In contrast, some reported that they found that unpaid interns performed better than paid interns at their site. One respondent stated: *I have found unpaid interns are actually more eager to learn and get involved with the team and members of the club. We have only ever taken in one paid intern and wouldn’t do it again as you don’t get the same response from them.*

In addition, several employers emphasized that, in general, the academic credit provided for an internship created an advantage over paid internships. One respondent noted: *In my experience, students that are earning school credit have been more accountable than students just receiving monetary compensation. They seem to care more about their level of performance and the future impact it could have on their GPA for grad school or future internships.*

### Employer Focus Groups

We also conducted two focus groups with a total of eight representatives—all intern supervisors—from organizations that host full-time, semester-long interns. A content analysis was conducted based on the notes taken during the sessions. Participants were asked: *Have you observed a difference, if any, in performance between candidates who have previously completed unpaid internships versus those with paid internships?* In addition, they were asked: *Would a candidate’s completion of a paid versus unpaid internship influence a hiring decision?*

Overall, there was consensus that it did not matter whether potential job candidates had undertaken paid or unpaid internships. Instead, what mattered was how the individual interns performed at their internship sites.<sup>2</sup>

An additional consensus of focus group participants was that interns who had an unpaid internship were actually at an advantage because *“a job that is unpaid would let me know that the candidate has gone above and beyond. Likely shows passion—willing to work without pay. Not just going through the motions and getting a paycheck.”*

### Employers and Unpaid Internships

Overall, both the results of the employer survey and focus groups indicate that employers perceive unpaid internships as adding value to a candidate’s employability. Hence, the hypothesis that employers will perceive unpaid internships as adding value to a candidate’s employability was supported by the findings.

<sup>2</sup>An additional note of interest: Many of the participants pointed out the importance of the duration of the full-semester internship in giving Endicott College students an advantage as compared to students from other schools. The consensus was that Endicott students are more focused due to the full-time and full-semester nature of the senior year internship.

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## CONCLUSIONS: THE VALUE OF THE UNPAID INTERNSHIP

The analysis of data gathered from the internship program at Endicott College supports all three hypotheses proposed as the basis for this study of unpaid versus paid internships:

- ▶ Graduates who have completed full-time, unpaid internships are just as likely to be employed or pursuing post-graduate education within one year following graduation as those who have completed full-time paid internships.
- ▶ Similarly, graduates who completed full-time unpaid internships and have subsequently been employed for five years are just as likely to advance in their positions and/or salary levels as those who completed full-time paid internships.
- ▶ Finally, in the hiring process, the majority of employers did not favor candidates who had completed paid internships over those who had held unpaid internship positions. The factors most likely to influence hiring decisions as cited by the majority of employers surveyed related to the duration and structure of the internship program, the skill-level and experience of the intern, and the quality of the intern's performance.



# RESEARCHERS

## Lead Investigators



Nathalie Saltikoff, Ph.D., is associate professor of human services in the Department of Social Sciences at Endicott College in Beverly, MA, where she has been teaching since 2001. She has worked with seniors completing their semester-long internships as a faculty adviser for many years. Saltikoff has a Ph.D. from Boston College Graduate School of Social Work, and a master's degree from Smith College School of Social Work.

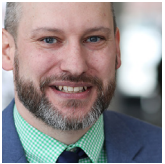


Alefiya Albers, Ph.D., came to Endicott in 2008 after completing her doctoral research on genetic animal models of schizophrenia at Columbia University. In her time at the college, her research interests in neuroscience have shifted toward the study of olfaction and brain health. On campus, along with student research assistants, she studies associations between olfactory changes and the incidence of sub-concussive head injury in college athletes. She is also engaged in several collaborations with researchers at Massachusetts General Hospital examining the utility of olfactory dysfunction as a predictor of incipient Alzheimer's disease in preclinical aging populations.

## Research Projection Management



Laura Rossi-Le, Ed.D., is the Vice President and Dean of the Undergraduate College at Endicott College, where she is responsible for overseeing all aspects of the college's academics. She has held a variety of administrative positions at both public and private colleges. During her 20-year career at Endicott, she has provided leadership in the evolution of Endicott's experiential learning program, through which students in all majors complete three required internships, combining classroom theory and professional practice. She holds a master's degree in English from Duke University and a doctorate in higher education curriculum and instruction from Drake University.



Eric Hall has more than 13 years of experience in career services and higher education. Currently, he serves as the Dean of Internship and the Career Center at Endicott College, where he provides leadership for the college's hallmark internship program and career preparation programming for both the undergraduate and graduate colleges. He holds a graduate degree in higher education: student affairs from the University of Connecticut and an undergraduate degree in kinesiology: sports studies from the University of New Hampshire. In 2016 and 2017, Endicott was recognized by *U.S. News and World Report* as one of 21 and universities having an exemplary internship program and was ranked #2 in the nation by the *Wall Street Journal* for institutions that prioritize career preparation.



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