

Expansion of UNC Internship PilotLeslie Boney

Situation: Proposal requests funding to expand the “Duke Energy funded” internship model pilot system-wide over 3 years, creating a sustainable model to increase the number of students graduating with internships and the number of employers offering them.

Background: The UNC Board of Governors in its strategic plan, [Our Time, Our Future](#), asked UNC to “form a partnership with businesses across the state to support growth in experiential learning opportunities for students prior to their graduation....” Increasing internships was also the number one recommendation of the spring UNC Employer Focus groups. This proposed project builds upon a current externally-funded internship program pilot combining our SBTDC and Career Services offices at six campuses, expanding it to all 16 campuses and to more students and NC employers.

Assessment: This proposal would help scale system-wide internships primarily with students (seniors) and employers (small to medium size) who have not participated in them before, in an attempt to study if we can simultaneously grow supply and demand for interns. It includes a strong plan for evaluating program outcomes for both students and employers, plus a built-in sustainability aspect. Over time, this would build capacity at both the campuses and companies for the quantity and quality of such key talent development and recruitment/employment opportunities.

Action: This is for Information and assessment for possible funding beginning 1/16.

PROPOSAL TO EXPAND MODEL UNC INTERNSHIP PROGRAM SYSTEM-WIDE

SYNOPSIS: We propose to expand our current UNC ‘Duke Energy-funded’ pilot from 6 to all 16 campuses. The ‘Duke Energy model’ has all the elements for an eventual “scaled” system-wide internship program: active participation by campus-based SBTDC and Career Services offices; employer participation (especially among companies new to internships, and small to medium-sized); a strong plan for evaluating program outcomes for both students and employers; and a built-in sustainability model. All employer recruitment and student matching would be handled on campus; centralized data collection would ensure project learning.

We propose to expand this model to the ten UNC institutions beginning January 2016. The investment would provide partial subsidies to employers, who would engage 150 total interns for 320 hours at a wage of \$10 per hour. The partial subsidy to employers would diminish over time, with all subsidies ending Year 4. Funding required would be \$142,900 Year 1; \$178,500 Year 2; \$171,000 Year 3 to pay for employer subsidies to partially support interns, enable enhanced administrative coordination from SBTDC, and support a thorough evaluation which could inform adjustments to program design and potential future investments of public and private funds.

The project would intentionally focus on students who have not previously had internships and companies that have not previously offered internships, to test whether an effort with strong campus-level support can grow the available number of internships and yield positive outcomes for students not currently benefiting from internships.

What the UNC employer survey communicated about internships:

Increasing internships was the number one recommendation of the spring UNC Employer Focus groups. NC employers of UNC graduates noted that internship is the single most important student engagement activity to prepare them to be better employees, a finding that echoes national studies (see below). From our employer focus groups in [2012](#) and again this spring, we also know that many businesses are concerned about the time and cost of setting up and supervising the internships. Businesses understand the concept, and know it helps them identify talent. This proposed expansion program will help address both of these challenges.

Through this initiative, we propose to identify those rising seniors at UNC institutions who have not previously had an internship and connect them to small- to medium-sized employers who have not previously offered internships, in an attempt to study if we can simultaneously grow supply and demand for interns.

What the national data says about internships:

Academic research strongly supports the value of internships to students and employers. For example, students who take advantage of experiential learning opportunities tend to have higher degrees of academic engagement, higher GPAs, greater clarity about their careers, even deeper connections to faculty. [Whitman & Crews (2012). Other research shows that students with internship experience get more requests for job interviews and are less likely to be underemployed than their peers who did not have internships and that the positive “returns” of internships are larger for non-business majors than business majors [Nunley and Pugh (2014)]. Perhaps more significantly, various national surveys of employers show almost 100% of them consider a paid internship to be the most meaningful non-academic differentiator for a job candidate. In fact, some employers even say they have started to hire “only” those who come to them first as interns. A 2012 *Chronicle of Higher Education* study found employers place more weight on just such experiences over any academic credentials when evaluating them for employment. The same study also found that an internship is the single most important credential to have on a college graduate’s resume and that’s across all industry segments (employment during college, unpaid internships and volunteer work all ranked lower).

Based on a National Association of Colleges and Employers (NACE) 2012 study - 60% of interns are offered actual jobs by their host employers; according to a study by Northeastern University this year, 97% of employers emphasize experiential learning experiences in hiring decisions. NACE's Job Outlook Report 2015 found a similar percentage (92.6) of employers prefer to hire candidates with 'work experience.'

Despite the number of studies suggesting value of internships, there is much we still do not know. We do not know much about the students who are not currently getting internships during their time at UNC institutions – their demographics, fields of study and why they haven't had internships. Similarly, our employer survey didn't identify why employers have not previously offered internships. We need to learn more about both these groups if we are to succeed in ensuring that more students and more businesses benefit from internships.

What UNC campuses are doing currently:

Currently, students are 'doing internships' on every campus. While we do not currently do official counts of internships, the last UNC Community and Economic Engagement report found that there were some 65,000 enrollments in 'experiential learning' (which include internships) courses in Academic Year 2013-2014. Further, the most recent Senior Survey indicated that 55% of responding students 'had a major that included a co-op, internship, etc.'" Our focus in this program is the 45% of students who are not having such critical opportunities prior to graduation and the employers who are not hiring interns. This is clearly consistent with the recommendation of Our Time Our Future: "Responding to employer demands for graduates with more applied experiences, UNC should form a partnership with businesses across the state to support growth in experiential learning opportunities for students prior to their graduation and should promote development of increased campus-based experiential learning opportunities." (p.69)

Three new pilots underway this past summer:

In order to help increase these kinds of opportunities at as many campuses as possible, UNC General Administration actively supported three pilot internship efforts this summer. These include:

NC HBCU program focus: The NC HBCU Internship Program – funded by the General Assembly and Governor's office - targets students at those historically black UNC campuses and private colleges and matches them to large, for-profit companies such as Red Hat, BofA, Cisco Systems, etc.

SECU Foundation program focus: The SECU Foundation Internship Program has initially involved students at three selected UNC campuses (ASU, ECU, and UNCP) interning at community-based non-profit organizations and public agencies operating in those under-served regions.

Duke Energy Foundation focus: The Duke Energy supported UNC Internship Program – initially involving six targeted campuses (UNCA, NCSU, FSU, ECU, UNCP, UNCW) - involves rising seniors who have not had such an experience in their 3-4 years. It also targets small to medium-size private sector employers who may not have hosted an intern previously.

Following the results of the pilots this summer, the General Assembly has expanded the eligibility for the HBCU program to include all HBCU's, providing new opportunities for students on our HBCU campuses with large companies. The SECU Foundation is considering expansion of its program to additional campuses next summer, expanding opportunities for students in nonprofit and governmental organizations. We believe the expansion of the Duke Energy model provides a significant opportunity to expand internships among our largest segment of employers – small and medium-sized businesses.

Proposal overview:

The goal of this program for employers is to make it easy for them to gain experience and success in hosting interns from UNC system institutions, and to have a positive first experience that will make them want to make that a recurring part of their business activity. The goal for students is to increase the range and availability of internships, so that they can gain critical opportunities to apply what they have learned in the classroom and to find fulfilling jobs in a timely manner following graduation.

Concept: Expand the model created with Duke Energy funding that is currently working on 6 campuses to all 16 campuses. Target small-medium-sized employers in order to expand current paid internship efforts system-wide. Involve students (seniors) who have not had such an experiential opportunity.

- **GA Role:** The Program Manager at GA oversees the overall internship program by providing umbrella system-wide coordination and communication of guidelines, policies and procedures and for reporting of metrics and outcomes over time.

On campus, the internship program is a strong collaborative effort between the UNC-serving [Small Business and Technology Development Center \(SBTDC\)](#) – who find the employers - and the Career Services Centers –who find the students.

- **SBTDC Role:** Serves as the lead in managing the placement and supervision of interns, vetting and finalizing employer companies, and serves as primary liaison between the intern, employing company and Career Development Center contact. SBTDC, which has offices at all 16 UNC campuses, is responsible for the internship job description, weekly summaries and intern appraisal and shares these with Career Services Centers and the overall project manager at the UNC System Office.
- **Career Services Centers Role:** Provide the lead role in identifying potential student interns, hold collaborative discussions with SBTDC Advisors to determine students' skills and abilities and can provide SBTDC with referrals of employer companies for consideration. CSC will also take the lead in assisting graduates with gaining full-time employment and for tracking job status for program outcome reports – especially if placement is external to the internship host employer.

Project timeline, fiscal and metric details:

Use Strategic Initiative funding for the buildout for three years. \$142,900 for year 1; \$178,500 for Year 2; \$171,000 for year 3; \$54,000 to sustain the effort after that. Funding used as follows:

Year 1: 40 total interns (roughly 4 per campus) on the 10 expansion campuses work 320 hours for small-to-medium-sized companies. Students are paid \$8 an hour from strategic initiative funds; employers are responsible for paying \$2 an hour and any other costs. SBTDC receives \$20,000/year to help support campus-level administrative costs of the program. An external evaluator receives \$13,000 to assess results; GA gets \$7,500 to support state-level administration and increase awareness of the program. Total \$142,900.

Year 2: 50 total interns (roughly 5 per campus) work 320 hours with subsidy of \$8/hour. SBTDC fee increases to \$30,000; external evaluator fee increases to \$18,000. Total \$178,500.

Year 3: 60 total interns (roughly 6 per campus) work 320 hours. Strategic initiative funds support \$5 hour wage; businesses pick up remainder of the wage. UNC state-level administration cost increases as private funding from Duke Energy ends. Total \$171,000.

Year 4: Move to all privately-funded student wages. Evaluation complete. Total \$54,000 for administration.

Budget Summary

Year	Intern #	Intern subsidy	SBTDC	Evaluator	GA admin	Total Strategic initiative cost	Total employer cost (+ benefits)	Ratio public/ private funds
1	40	\$102,400 (\$8/hour)	\$20,000	\$13,000	\$7,500	\$142,900	\$25,600 (\$2/hour)	5.6/1
2	50	\$128,000 (\$8/hour)	\$25,000	\$18,000	\$7,500	\$178,500	\$38,400 (\$2/hour)	4.6/1
3	60	\$96,000 (\$5/hour)	\$30,000	\$20,000	*\$25,000	\$171,000	\$96,000 (\$5/hour)	1.8/1
4	60	\$0	\$30,000	\$5,000	*\$19,000	\$54,000	\$192,000 (\$10/hour)	1/3.6

*Note years 3 and 4, UNC General Administration programmatic support from Duke Energy for 0.25 FTE ends

General strategy to evaluate success:

This project builds off of the strengths of three key assets:

- North Carolina's small-to-medium sized employers ---the largest source of jobs in our state, and not currently participating in internships at the same rate as large employers
- The Small Business Technology Development Center – currently on all UNC campuses and with more than 6,500 small-to-medium sized business clients
- Career Services Offices – deeply familiar with UNC system students and their employment interests and needs

We will gather quantitative and qualitative data on all internships and engage an evaluator to assess key metrics, including post-internships academic performance and eventual employment outcomes.

Through the evaluation, we expect to gather more data on the characteristics of students not currently getting internships at UNC and to learn more about the outcomes of those internships compared to a control group that did not receive internships. Similarly, we will learn more about small-to-medium-sized employers in North Carolina who do not currently offer internships, what their experience with internships is, whether they can be a dependable and growing source of internships, and whether they continue to offer internships as employer subsidies decrease. A full evaluation strategy will be developed separately, and an evaluator engaged by Spring 2016.

Conclusion:

This program will not replace existing established internship programs; instead it would target students who have not previously had internships and companies that haven't traditionally had interns. Done right, this effort will reach a whole new cadre of employers (mostly small- to medium-sized) who will benefit from UNC students in the near term by having people who can take on meaningful projects and possibly in the long term because they have the “first chance” to offer the students jobs.

Over time, once proof of concept has been shown to these new employers of the value of these interns, it is expected companies will be willing to pay the full wages of student interns, and it will become an established part of the NC landscape.

The funds targeted at this will be high-leverage: we believe they will build sustainable capacity, develop best practices and improve student employment outcomes. The evaluation of the program will help us assess the validity of those beliefs, and provide us with valuable knowledge about how to improve the outcomes associated with internships.