

Workforce Ready:

Exploring Equity in Paid and Unpaid Internships

KEY TAKEAWAYS

- ▶ Undergraduate internships, particularly paid internships, are associated with higher earnings and career satisfaction, but fewer than one in three college students actually completes a paid internship.
- ▶ Women and men completed internships (paid and unpaid) at about the same rate. However, women were less likely than men to have completed paid internships.
- ▶ Latinx Californians were less likely than other Californians to complete paid internships, and white Californians were more likely to complete paid internships than other Californians.
- ▶ Californians with a parent who earned a bachelor's degree completed paid and unpaid internships at a higher rate than other Californians.
- ▶ Relatively few Californians who earned a bachelor's degree at age 30 or older completed paid or unpaid internships, compared to those who graduated at younger ages.

Internships Enhance Career Outcomes, but Paid Opportunities Are Limited and Uneven

Undergraduate internships, where students learn career skills and develop professional contacts through a time-limited work experience, are a valuable activity with measurable payoffs, but only a select few take part in these opportunities. The limited research on the effects of internships finds that internship participants tend to have more successful transitions from college to the workforce, including higher initial earnings, better occupational fit, and more positive assessments of their education and early career experiences. One summary of the research on career readiness concludes that out of 13 workforce development strategies reviewed, only participation in internships received top marks in the categories considered: a well-established and large body of supporting evidence, causal and quasi-

experimental research related to employment outcomes, wide implementation across colleges, and ease of implementation.¹

For instance, studies find that recent graduates who completed internships are less likely to be underemployed (working in jobs that do not require a bachelor's degree), and those who completed internships or other work-based learning activities in college also report greater career satisfaction, regard their education more highly in terms of value for the price and in terms of goal attainment, and express higher confidence in their workplace skills.²

Some evidence suggests, however, that internships provide a bigger career boost when the interns are paid. One year after completing a bachelor's degree, graduates

who completed paid internships earned \$3,100 more per year, on average, than those who did not, controlling for background characteristics, but there was no such advantage for those who completed unpaid internships.³ For all these reasons, students and their families increasingly perceive the value of internships and seek out colleges with strong offerings.⁴

Yet despite all the interest in the benefits of internships, few undergraduates actually complete them. Less than one-third of US students who earned bachelor's degrees participated in a paid internship, and participation rates are even lower among some groups of students.⁵ Among recent graduates of California public universities, just one-quarter completed a paid internship, as did just one-tenth of recent graduates of US community colleges.⁶ (Equivalent results are not available for recent graduates of the California Community Colleges.)

Moreover, national studies of internship participation repeatedly find gaps in access across demographic groups, raising concerns about equity.⁷ Not everyone has the opportunity to participate in internships due to financial and systemic barriers, like the need to work to support themselves and their families or the costs of relocating. Nor do all students enjoy the same level of social capital,

much of which is derived from their parents. Parents with college degrees can use their own experience to inform their children's choices about education and work and can tap their professional networks to help their children identify, seek, and land internships. Further, observers have expressed concerns that unpaid internships can be exploitative, assigning students to tasks that scarcely engage their college-level skills and knowledge, and imparting little to no useful work experience.⁸

Many factors likely affect whether a student completes an undergraduate internship. Using data from a recent survey of Californians, this brief explores the landscape of opportunity, revealing that 15% of Californians had internships, with 6% in paid internships and 9% in unpaid ones.

The following sections focus on four background characteristics that could plausibly affect one's subsequent employment experiences: gender, race and ethnicity, first-generation college student status, and age. Evidence of differences in internship participation across these groups, presented in the following sections, suggests unequal opportunities for this important career-building activity.



15%
of Californians
had an internship
6% had paid experiences
9% had unpaid experiences

Women Are Less Likely than Men to Complete Paid Internships

Women today enroll in and graduate from college at substantially higher rates than men, but their higher participation does not necessarily translate to better preparation for careers.⁹ Despite decades of greater postsecondary achievement, women lag behind men in several measures of employment success. Proportionally fewer women are in the labor force, for example, and they earn less, on average.¹⁰ The disparity in pay—the average US woman earns 82 cents for every dollar earned by a man—is dwarfed by gender differences in wealth.¹¹ Women-headed households have just 55 cents of wealth for every dollar of wealth possessed by men-headed households, and the gap is even larger for women of color.

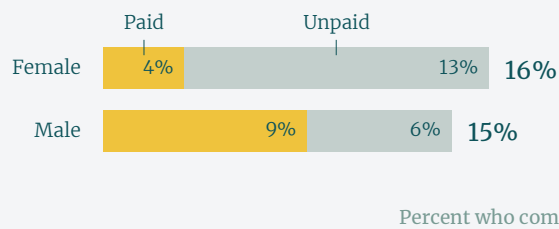
These disparities are typically attributed to factors such as women’s overrepresentation in lower-paying occupations, their disproportionate role in caring for children and other dependents, and workplace discrimination. Another contributing factor may be

the different undergraduate internship experiences college-educated women and men have.

Figure 1 shows the internship experiences of Californians aged 18–65, including those who never attended college but excluding those who ever enrolled in graduate programs (who were not surveyed about their undergraduate internship experiences). Women are no more likely than men to have completed an internship (16% vs. 15%), but this comparison obscures a potentially meaningful difference. Women were less likely than men to have completed a paid internship as an undergraduate (4% vs. 9%) and more likely to have completed only an unpaid internship (13% vs. 6%). This distinction is consequential because, as mentioned, paid internships have more upsides and fewer downsides than unpaid internships. Paid ones can lead to potentially higher earnings after graduation, more equitable access for students who often support themselves through employment, and reduce the risk of exploitation by employers.

Figure 1: Women are less likely to complete paid internships and more likely to complete unpaid internships, compared with men

Californians’ participation in undergraduate internships, by gender and paid status



Note: Values for paid internships include individuals who completed at least one paid internship but may have also had unpaid experiences. Results are limited to individuals aged 18–65. Californians who attended graduate school are excluded because their undergraduate internship experiences are unknown. Detail may not sum to totals due to rounding.

Source: Strada Education Foundation and Westat. (2022). 2022 Work and Education in America Survey.

White and Asian Californians Completed More Paid Internships Than Their Black, Latinx, and Native American Peers

Disparities in college preparation and enrollment—preconditions for participating in undergraduate internships—along the lines of race and ethnicity are long-standing and well-documented in California, and these differences persist into higher education.¹²

Gaps in enrollment, persistence, and graduation between white and Asian Californians on the one hand and other racial and ethnic groups on the other hand cut across institution types, including all three of the state's public segments.

Similarly, participation in internships is not uniform across racial and ethnic groups. Looking first at paid internships, we find two statistically significant differences in participation: white and Asian Californians completed paid internships at higher rates (9% and 10%, respectively) than their black, Latinx, and Native American peers (5%, 3%, and 0%, respectively), and

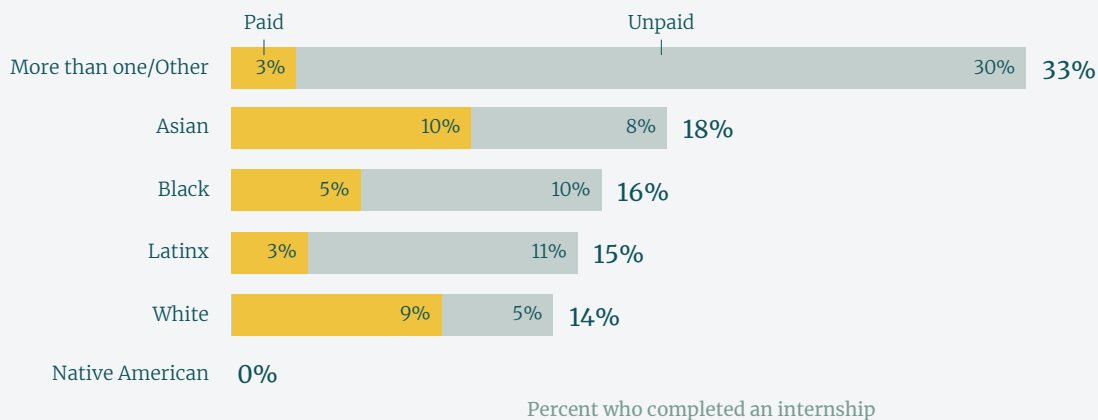
Latinx Californians completed paid internships at a lower rate (3%) than non-Latinx Californians (8%) (figure 2). These results partly mirror findings of a national survey that found proportionally fewer Latinx bachelor's degree recipients completed internships, compared with white and Asian Californians who graduated in the same academic year.¹³

Turning to unpaid internships, non-white Californians completed them at a higher rate (11%) than white Californians (5%). Californians of multiple or “other” races completed unpaid internships at a higher rate (30%) than other Californians (9%).

Considering paid and unpaid internships overall, those most likely to complete an internship are Californians who identify as being of multiple or “other” races (33%, compared with 15% of other Californians). No other groups differ at a statistically significant level.

Figure 2: White and Asian Californians completed paid internships at a higher rate than Californians of other racial and ethnic groups

Californians' participation in undergraduate internships, by race and ethnicity and paid status



Note: Values for paid internships include individuals who completed at least one paid internship but may have also had unpaid experiences. Results are limited to individuals aged 18–65. Californians who attended graduate school are excluded because their undergraduate internship experiences are unknown. Detail may not sum to totals due to rounding.

Source: Strada Education Foundation and Westat. (2022). 2022 Work and Education in America Survey.

First-Generation College Students Were Three Times Less Likely to Complete Paid Internships Than Continuing-Generation Students

Individuals with at least one parent who earned a bachelor's degree, or continuing-generation students (even if they last enrolled decades ago), are more successful at entering and completing higher education than those who would be among the first in their families to graduate from college, or first-generation students.¹⁴ Parents with bachelor's degrees confer advantages to their children in multiple avenues. They draw on their own experience to guide their children through college's procedural hurdles.¹⁵ They typically have more income and wealth to support their children's education.¹⁶ And they are more likely to steer their children toward high-status extracurricular activities and use social connections to help them land prestigious jobs in extremely competitive recruitment processes.¹⁷

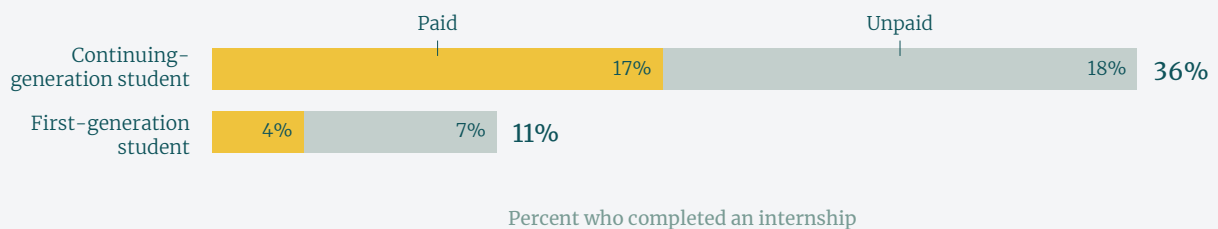
Overall, 36 percent of continuing-generation students

(who make up 19 percent of Californians aged 18–65 who did not enroll in graduate school) completed an internship, more than three times the 11 percent of first-generation students who did so (figure 3). The gulf is even wider for paid internships, which 17 percent of continuing-generation students and 4 percent of first-generation students completed as undergraduates. Additionally, 18 percent of continuing-generation students completed unpaid internships, more than twice the rate of first-generation students (7%).

These results align with a recent analysis of Americans who earned a bachelor's degree in 2015–16. It found that continuing-generation students were 10 percentage points more likely to have participated in a paid internship than first-generation students (32% vs. 22%).¹⁸

Figure 3: Californians whose parents completed bachelor's degrees are more than three times more likely to have participated in an internship

Participation in undergraduate internships, by parents' highest education and paid status



Note: Values for paid internships include individuals who completed at least one paid internship but may have also had unpaid experiences. Results are limited to individuals aged 18–65. Californians who attended graduate school are excluded because their undergraduate internship experiences are unknown. Detail may not sum to totals due to rounding.

Source: Strada Education Foundation and Westat. (2022). 2022 Work and Education in America Survey.

Older Students Participated in Far Fewer Internships of Any Type

Students older than the traditional college-going ages of 18–24 years old, also known as adult students, face an array of obstacles less frequently encountered by their younger counterparts, particularly the need to support themselves and their families, including caring for dependents.¹⁹ Policies that have excluded many California adult students from state financial aid exacerbate the financial pressure to work, often full time. Recently enacted legislation lifts these eligibility restrictions and will allow awards to this population once the state appropriates funding.²⁰ Many adults also contend with past negative experiences with higher education that make reenrollment more difficult. Their discomfort with higher education—and particularly with using technology—may extend to internships as well.²¹

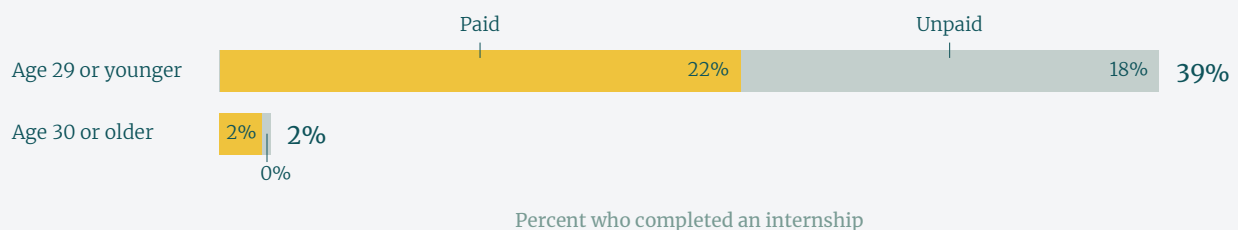
Using age at bachelor’s degree completion as a rough proxy for age while enrolled reveals that a much smaller proportion of adult students participated in

internships during their bachelor’s degree studies than did their younger counterparts. (Unlike the previous analyses, this analysis is limited to individuals who completed a bachelor’s degree.) Among Californians who earned a bachelor’s degree, 87 percent completed by age 29, which means they most likely started postsecondary education at age 24 or younger, the commonly used upper cutoff age for traditional-age college students.²² The remaining 13 percent completed a bachelor’s degree at age 30 or older and most likely started or reentered higher education at age 25 or older.

Among Californians who completed bachelor’s degrees at age 30 or older, 2 percent participated in an undergraduate internship (figure 4). By contrast, 39 percent of Californians who completed their bachelor’s degrees before age 30 had participated in an internship. Of this group, 22 percent had a paid internship, and 18 percent had an unpaid internship.

Figure 4: Very few older bachelor’s degree recipients participated in paid or unpaid internships

Participation in undergraduate internships among Californians who earned bachelor’s degrees, by approximate age at completion and paid status



Note: Values for paid internships include individuals who completed at least one paid internship but may have also had unpaid experiences. Results are limited to individuals aged 18–65. Californians who attended graduate school are excluded because their undergraduate internship experiences are unknown. Respondents’ age at completion is estimated as their age at the survey administration in 2022 minus the number of years since they completed their bachelor’s degree. Detail may not sum to totals due to rounding. The true value for Californians aged 30 or older who completed a paid internship is 0.26%, even though it appears as 0% in the figure.

Source: Strada Education Foundation and Westat. (2022). 2022 Work and Education in America Survey.

Recommendations for Employers, Governments, and Colleges

Most students plan to participate in internships while in college,²³ and employers seek job applicants with relevant work experience. However, these preferences often fail to materialize adequately or equitably.

This brief shows that participation in internships, particularly paid internships, is unevenly distributed across categories of gender, race and ethnicity, first-generation status, and age. California's employers, government agencies, and colleges must redouble their efforts and work together to expand internship opportunities and engagement so that all students can participate.

Employers, government, and colleges alike must recognize that equitably providing internships is a shared responsibility. With such a commitment, employers offer internships with an eye toward including historically underrepresented groups, like those analyzed in this brief; colleges actively encourage employers and students to participate, including preparing students and helping to make appropriate matches; and governments solve for public problems and market failures in connecting students with work-based learning experiences. These partners must work in tandem, with shared language, and identify shared goals and values that will drive students' engagement in internships. Achieving such cooperation is no small accomplishment, given the typical mismatches between colleges and employers in culture, structure, and values (to say nothing of either party's relationship to government), but research has identified specific strategies to address these challenges.²⁴

Employers should phase out unpaid internships—which favor students with the means to forgo paid work and which some research suggests are of negligible value to job applicants—in favor of paid internships.²⁵ Reframing internships as a form of talent acquisition and development—especially one that emphasizes equity—may help convince skeptics of the value of this investment.

Federal, state, and local governments should expand sponsorship of broadly accessible internships, particularly for employers that tend to have restricted budgets, such as small businesses, nonprofit organizations, and public agencies. Such an effort will reduce disparities in opportunity and support the state's multiple work-based learning initiatives. Rather than reinvent the wheel, governments can look to existing successful examples of subsidized internships and similar programs.²⁶

Colleges and universities should elevate and prioritize internships as a central aspect of undergraduate education. A key element of this strategy is introducing students to internship opportunities early in their college experience, even before they matriculate. This connection can be made, for example, through precollege outreach efforts and new student orientation. Other promising practices include weaving internships into courses and programs, enlisting faculty and academic advisors to promote internships (and providing them professional development to do so, if needed), offering workshops and other programs on topics such as résumé writing, and offering adequate career advising services.²⁷

The analyses in this brief are based on a 2022 survey of 1,171 California adults aged 18–65. Participants were asked about their experiences in education and employment. The *2022 Work and Education in America Survey* was conducted by the Strada Education Foundation and Westat. The results are weighted to be representative of California residents by age, race and ethnicity, gender, and employment status.

An important limitation of the survey is that it measures only internships held during respondents' highest level of education. To focus on undergraduate internship experiences (those occurring while the student pursued an associate's or bachelor's degree or while they were enrolled in a technical, trade, vocational, or professional school or program), this brief excludes the 14 percent of Californians who enrolled in or completed graduate programs and whose undergraduate internship experiences are unknown. Because the survey considers only internships held during respondents' highest level of education, the analyses may underestimate the number of internships held by respondents who attended multiple institutions, such as community college students who transferred to four-year colleges.

Each difference described in the text is statistically significant at the 95 percent level unless otherwise noted. All calculations were made using unrounded values.

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