

Internship Outcomes

Talent Retention for Companies, Pathway to Jobs for Graduates

Key Insights

- Former interns who started an entry-level position in 2017-2019 are 20% less likely to leave their companies within 1 year compared to non-former interns. During the onset of the COVID-19 pandemic in 2020, Interns who started entry-level positions are even more likely to stay with former interns being 29.7% less likely to leave in 1 year vs non-former interns.
- Graduates of the class of 2022 are 22.9% more likely to start a full-time position after graduation within 6 months if they had intern experience. Industries showing the greatest increased likelihood to start a full-time position within 6 months for those with intern experience are: Financial Services (30.0%), Technology, Information and Media (26.4%), and Hospitals and Healthcare (24.7%).
- Overall: Internship experience is beneficial for students by helping them find full-time employment after graduation and for employers by increasing entry-level talents' retention.

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Entry-level Talent Who Were Former Interns Stay Longer At Jobs Than Those Who Were Not

Despite the costs for companies to hire interns and have their full-time employees train them when they only stay for a short period of time, interns have proven to be valuable. Former interns who return to the same company where they interned tend to stay longer than entry-level talent without internship experience.

When analyzing those who started their entry-level roles in 2017-2019, we find that the percent of former interns and non-former interns who leave their companies in 1, 2, or 3 years to be as follows:

| Entry-level hires in 2017-2019 | % leaves within 1 year | % leaves within 2 years | % leaves within 3 years |
|--------------------------------|------------------------|-------------------------|-------------------------|
| Not Former Intern | 28.8% | 47.6% | 59.4% |
| Former Intern | 23.1% | 42.9% | 58.5% |

Source: LinkedIn Economic Graph

Former interns are 20% less likely than non-former interns to leave their companies within one year, 9.9% less likely within two years, and 1.5% less likely within three years. This shows that most of the benefits of hiring former interns are seen in the earlier years of their employment.

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The gap between former interns and non-former interns are even larger during the pandemic. For interns who started their full-time roles in 2020, the year the COVID-19 pandemic began, the difference between former interns and non-former interns are even greater. Former interns are 34.6% less likely than non-former interns to leave their entry-level roles within 1 year, 15.2% less likely within 2 years, and 3.2% less likely within 3 years:

| Entry-level hires in 2020 | % leaves within 1 year | % leaves within 2 years | % leaves within 3 years |
|---------------------------|------------------------|-------------------------|-------------------------|
| Not Former Intern | 29.7% | 50.7% | 62.0% |
| Former Intern | 22.0% | 44.0% | 60.0% |

Source: LinkedIn Economic Graph

When breaking down the differences in how long 2017-2019 entry-hires stay by company industry, the results are seen below:

| % Less Likely a Former Intern Leaves vs a Non-Intern | | | |
|--|----------|-----------|-----------|
| Company Industry | < 1 Year | < 2 Years | < 3 Years |
| Accommodation and Food Services | 16.6% | 7.4% | 1.2% |
| Administrative and Support Services | 11.0% | -0.2% | -6.5% |
| Consumer Services | 4.2% | -3.3% | -6.9% |
| Education | 7.5% | -0.9% | -8.2% |
| Entertainment Providers | 8.0% | 0.1% | -4.4% |
| Financial Services | 24.5% | 14.6% | 4.5% |
| Government Administration | 1.4% | -4.0% | -6.9% |
| Hospitals and Health Care | 1.6% | -2.1% | -5.4% |
| Manufacturing | 24.4% | 15.3% | 6.6% |
| Oil, Gas, and Mining | 29.1% | 18.7% | 9.5% |
| Professional Services | 24.1% | 12.7% | 3.1% |
| Retail | 28.7% | 17.0% | 8.9% |
| Technology, Information and Media | 27.3% | 16.1% | 5.4% |
| Transportation, Logistics, Supply Chain and Storage | 19.4% | 10.2% | 2.5% |
| Utilities | 29.2% | 18.8% | 10.6% |
| Wholesale | 27.0% | 15.8% | 5.1% |

Source: LinkedIn Economic Graph

For all industries, former interns are more likely to stay at the company of their entry-level role than their counterparts in the first year of full-time employment. Top industries where this is the case are Utilities (29.2%), Oil, Gas, and Mining (29.1%), and Retail (28.7%). However, for a few industries including Government Administration and Hospitals and Health Care, this trend switches such that more non-interns stay longer than former interns when looking at the 2-year or 3-year mark as marked in red. A potential reason may be that employees in these industries are more likely to include intern experience as part of overall tenure, and therefore would leave their companies with shorter full-time tenure, but similar overall tenure with their non-former intern counterparts.

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Former Interns Start Full-Time Employment Faster After Graduation

For students, internship experience is highly valuable, making it much easier to find a job after they graduate from school.

Class of 2022: % More likely a former intern finds a job than a non-former intern

| Company Industry | < 6 Months | < 1 Year |
|-----------------------|------------|----------|
| Overall | 22.9% | 6.9% |
| Sub-Bachelor's Degree | 17.5% | 5.6% |
| Bachelor's Degree | 20.8% | 6.2% |
| Graduate Degree | 25.8% | 7.4% |

Source: LinkedIn Economic Graph

For the Class of 2022, those who did any internship prior to graduation were 22.9% more likely to start a role within 6 months of graduation than who did not. They're 6.9% more likely to find a role within 1 year.

The benefits of internship experience are also more seen for more advanced degrees: graduate degree holders are 25.8% more likely to find a role within 6 months with internship experience vs sub-bachelor's degree holders at 17.5%.

Class of 2022: % More likely a former intern finds a job than a non-former intern

| Company Industry | < 6 Months | < 1 Year |
|---|------------|----------|
| Accommodation and Food Services | 11.4% | 3.6% |
| Administrative and Support Services | 19.0% | 6.4% |
| Consumer Services | 23.9% | 7.9% |
| Education | 19.9% | 7.1% |
| Entertainment Providers | 17.2% | 6.3% |
| Financial Services | 30.0% | 8.0% |
| Government Administration | 22.0% | 8.2% |
| Hospitals and Health Care | 24.7% | 6.7% |
| Manufacturing | 20.5% | 6.6% |
| Oil, Gas, and Mining | 9.4% | 2.8% |
| Professional Services | 23.8% | 6.8% |
| Retail | 15.1% | 5.3% |
| Technology, Information and Media | 26.4% | 7.3% |
| Transportation, Logistics, Supply Chain and Storage | 18.6% | 6.1% |
| Utilities | 18.4% | 6.9% |
| Wholesale | 18.6% | 4.2% |

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Source: LinkedIn Economic Graph

When breaking the difference down by company industry, the industries showing internship experience providing the greatest benefit for increasing likelihood to starting a job within 6 months of graduation are: financial services (30.0%), technology, information and media (26.4%), and hospitals and healthcare (24.7%). It is clear overall that internship experience is beneficial for new graduates as even the lowest ranked industry, oil, gas and mining, former interns are 9.4% more likely than non-interns to find a job after graduation within six months.

In a tumultuous job market such as during the onset of the pandemic, the advantage of internship experience was even greater: those in the graduating Class of 2020 with internship experience were 52.1% more likely to start a job within 6 months and 28.4% more likely to start a job within one year compared to graduates with no internship experience.

Final Thoughts

Overall, internship experience brings many positive outcomes. For companies, former interns stay longer at their companies, which reduces recruiting costs. For entry-level job seekers: former interns can find their first jobs faster. Unfortunately, not everyone is able to take advantage of them due to many providing no pay (unpaid internships), programs heavily recruiting from top schools, and firms only hiring interns from bachelor's degree programs. We plan on exploring these issues in subsequent reports.

Appendix

Methodology

Percent of Entry level hires who leave their companies in 1, 2, or 3 years. Entry level hires is defined as all LinkedIn members in the U.S. who added a position on their LinkedIn profile in 2017-2019 or 2020 (as defined in their respective tables) that maps to an entry-level role. The time they were at a company is determined by the starting and ending dates of the position on their LinkedIn profile. If a member lists a new position with a new job title within the same company due to a promotion or role change, the time in that new job position is also included.

Percent of Graduates who find a job within 6 months or 1 year of graduation. Graduates of the Class of 2022 are defined as any LinkedIn member who lists an ending of 2022 for any degree listed on their LinkedIn profile. If the month of graduation is unlisted, a graduating month of May is assumed. The time between graduation and first job is determined by calculating the number of months between graduation and the first position listed on their LinkedIn profile that is full-time. A member is considered to have intern experience if they have started and ended an internship position during their degree program.