



From Transactional to Transformational: Closing the Gap Between Worker Expectations and Experience for Internships and Apprenticeships

Executive Summary

As AI reshapes entire industries, robust human capital strategies that build value through intangible skills are more important than ever. In this environment, companies face an urgent imperative: develop the distinctly human skills that unlock organizational value that technology cannot replace. Work-based learning (WBL) programs like internships and apprenticeships represent proven pathways to build these capabilities while creating robust talent pipelines.

This report, developed by JUST Capital with support from Strada Education Foundation, reveals a critical gap between what workers need to thrive in these programs and what companies currently deliver. Experts signal a strong relationship between WBL investment and key business performance metrics and our research shows that the American public — representing workers, consumers, shareholders, and communities — overwhelmingly value both internships and apprenticeships. However, many corporate programs remain stuck in transactional models that fail to deliver transformational outcomes for workers and businesses.

This report is intended to function as an actionable playbook for corporate HR and People leaders who are seeking to move the needle on WBL programs in their company. It will provide these leaders with the resources needed to make an effective case for program initiation, improvement, or reform, as well as guidance and advice that they will find helpful at multiple stages of the implementation process. Notably, this report encourages practitioners not to view internships and apprenticeships as competing alternatives, but as complementary strategies in a comprehensive talent development portfolio.

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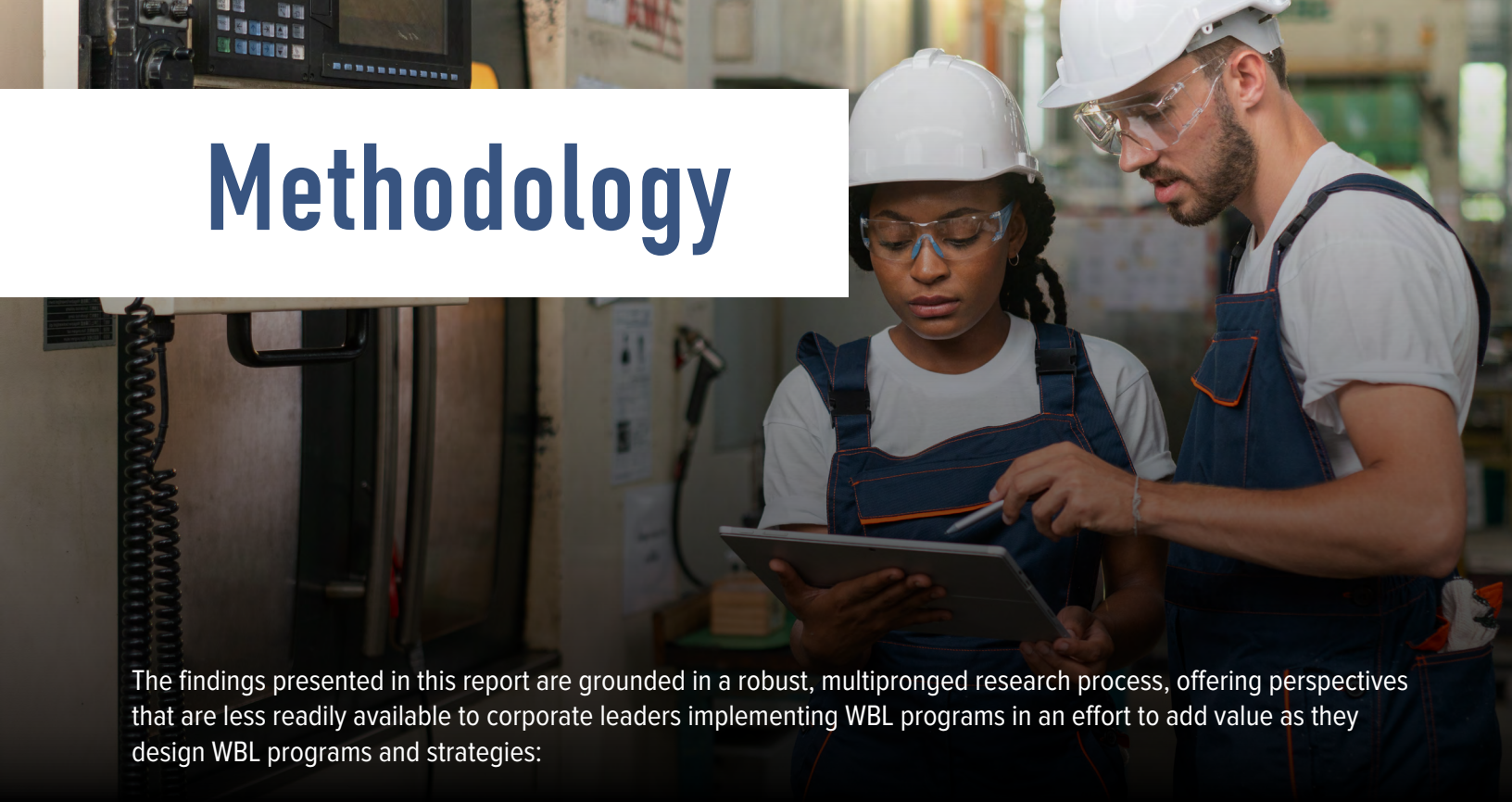
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Methodology



The findings presented in this report are grounded in a robust, multipronged research process, offering perspectives that are less readily available to corporate leaders implementing WBL programs in an effort to add value as they design WBL programs and strategies:

Literature review

We conducted a detailed review of existing research on internship programs, apprenticeship programs, and WBL more broadly to identify leading practices for program design.

Expert interviews

To validate and expand on these insights, we consulted seven leading researchers in the field who helped us better understand both the elements of effective program design and the barriers to WBL program expansion.

Corporate disclosure analysis

We then conducted original data collection and analysis on corporate disclosures from the 101¹ largest employers in the Russell 1000 to assess the current landscape of corporate internship and apprenticeship programs.

Public polling

In partnership with The Harris Poll, we conducted original public opinion research including targeted focus groups and a nationally representative survey of 2,001 respondents to better understand the American workforce's expectations for corporate leadership in supporting training and advancement through WBL opportunities.

Read the full methodology [HERE](#).

¹ We originally planned to analyze the 100 largest Russell 1000 companies, but expanded the list to 101 due to a tie in U.S. employee count for the 100th spot.

The Business Case: Building a Future-Proof Talent Pipeline

The Internship Advantage

Internships aren't just nice-to-have programs. They are strategic investments with measurable returns:

Recruitment

50-60% 
[of interns](#) convert to full-time hires, dramatically reducing recruitment costs

Retention

Employees who started as interns [stay at companies](#) longer on average

ROI

80% 
[of employers](#) rank internships as their #1 talent source for return on investment

“

I did an internship for the position that I am in now... it helped me understand roles and responsibilities.


”

– Focus group participant


The Apprenticeship Advantage

Apprenticeships deliver even stronger returns for companies needing specialized skills:


Recruitment

 Direct training in precisely the capabilities your business needs — at a time of [skilled labor shortages](#)

Retention

 Apprenticeship graduates show higher [loyalty and retention](#) rates

ROI

 [Numerous studies](#) indicate that the return on investment tends to be positive

“

Apprenticeships should be about long-term mentoring and training — and you see more ROI for that person, too. They become more productive over time as an apprentice, and hiring costs are lower for an apprentice converting to an entry-level professional role compared to filling that role with someone outside the organization.

”

- Dr. Annelies Goger, Fellow, Brookings Metro

The Portfolio Approach: Leveraging multiple work-based learning programs for impact

Leading companies recognize that internships and apprenticeships serve different, but complementary, purposes:

Internships

Ideal for building broad entry-level pipelines, especially for roles requiring college degrees

Apprenticeships

Well-suited for developing specialized technical skills and building loyalty in skilled trades

One program is not a replacement for the other – and in fact, nearly 60 percent of companies in our analysis disclosed offering both, reflecting the value of maintaining active internship and apprenticeship programs to meet diverse talent needs.

American Workforce Expectations: Demand for Quality Programs

The American public, including workers, consumers, shareholders, and communities, broadly supports internship and apprenticeship programs. Our polling shows that over 80% of the general public, across demographic groups, express a more favorable view of companies that offer work-based learning programs like internships and apprenticeships, and that Americans generally find these roles to be valuable training opportunities.

Perceptions of Internships

70% of the American public views internships as extremely or very valuable

74% of employees at large companies share this positive view

75% of respondents who have completed internships found them valuable

84% of U.S. consumers view companies offering paid internships more favorably

43% of U.S. consumers view companies offering unpaid internships less favorably, highlighting a reputational risk

Perceptions of Apprenticeship

75% of the American public sees apprenticeships as extremely or very valuable

79% of employees at large companies share this positive view

74% of frontline workers see apprenticeships as extremely or very valuable

82% of respondents who have completed apprenticeships found them valuable

73% of the public thinks it is important for apprenticeships to result in industry-recognized credentials



From Transactional to Transformational: What Workers Really Want

Not all internships or apprenticeships are created equal, and not just any coffee-fetching or “grunt work” role will suffice. Our focus groups revealed that workers clearly distinguish between WBL programs that merely “check boxes” and those that genuinely transform careers, and overwhelmingly favor transformative opportunities:

Transactional

- Unpaid or underpaid roles
- Minimal engagement with and guidance from staff
- No lasting relationships or opportunities for career advancement
- Designed solely to meet academic credit requirements
- Fails to deliver relevant training or skill development
- Limited opportunities for meaningful learning (“grunt work”)

Transformational

- Fair compensation
- Consistent feedback and strong mentorship
- Meaningful relationships and long-term connections
- Designed with pathways to full-time roles and career advancement
- Opportunities for personal and professional growth
- Real-world, hands-on experience

Meeting Worker Expectations: Research-Backed Best Practice

Feedback from the public, especially workers, and supporting research indicate that WBL programs are most effective when designed to offer a win-win: valuable experience for the employee and strong business outcomes for the company.

Research-Backed Pillars of Best Practice: Internships



Paid Positions

At or above local living wage standards

[Research shows](#) unpaid internships are linked to lower job satisfaction, which can [undermine](#) long-term employee retention.



Mentorship

Dedicated supervisor with regular check-ins

Interns benefit most when autonomy in their work is paired with regular feedback from [trained mentors](#) who are invested in their growth.



Training

Purposeful learning and development programs

Structured learning and development through courses, workshops, or training sessions can accelerate intern readiness and performance, according to experts.



Career Path

Clear connection to full-time opportunities

Designing internship experiences with conversion to full-time employment in mind – from training to mentorship – helps ensure that successful interns are ready to step into long-term roles and reduces future hiring and onboarding costs.



Networking

Structured opportunities to build professional relationships

By building structured networking opportunities – particularly with near-peers – into internship programs, companies can help interns develop [valuable social capital](#).



Meaningful Work

Real projects with measurable impact

Assigning interns to real projects or team-based work not only builds their capabilities but also demonstrates trust and value, which is [essential](#) preparation for potential full-time roles.

“Unpaid internships and WBL opportunities are prohibitive for students who don’t have familial or other financial resources to cover costs associated with completing them.”

- Dr. Mindi Thompson, Chair of Counseling Psychology and Director, Center for Research on College-Workforce Transitions, University of Wisconsin-Madison

Research-Backed Pillars of Best Practice: Apprenticeships



Competitive Starting Wages

With transparent progression timeline

Apprentice pay should be structured to start at a competitive rate – though initially [below the market rate for specialized labor](#) – and increase with demonstrated skill development. This approach is a key cost-saving mechanism compared to paying a full salary rate to a full-time entry-level hire during their onboarding and training period.



Mentorship

One-on-one coaching and skill development

Individualized mentorship alongside regular feedback, performance evaluations, and constructive coaching are [cornerstones](#) of successful apprenticeship programs. Experts indicated that, when implemented well, this supervision supports skill development, improves an apprentice's sense of belonging, and provides clear opportunities to improve.



Skill Building

Structured curriculum with hands-on application

Apprenticeships should feature a [structured skill-building curriculum](#) that combines learning with the hands-on application of skills in the workplace.



Career Path

Planned conversion to full-time roles

Apprenticeships should be designed with [clear pathways](#) to full-time employment. This connection can improve program return-on-investment, strengthen talent pipelines, and offer apprentices long-term job security.



Networking

Structured opportunities to build relationships

Access to social capital and professional networks supports apprentice development, workplace integration, and long-term mobility.



Credentialing

Industry-recognized certification upon completion

High-quality apprenticeships focus on building specialized, job-relevant skills that culminate in a certification or license.



Duration

1-4 years depending on skill complexity

Apprenticeships should last at least one year, with two to four years considered ideal. Experts said that this extended time frame allows for meaningful mentorship, skill development, and career advancement, while also enhancing cost efficiency through gradual wage progression.

Disclosure Snapshot: Company Disclosures Reveal a Gap Between Impactful Practice and Reality

Our analysis shows that large employers are making progress on transparency and program quality, but significant gaps remain.

While disclosure does not always capture the full extent of company practices, our research is based on the resources that companies use to attract candidates – meaning disclosed programs likely reflect the companies’ policies and practices. Conversely, limited disclosure may signal limited practice. Given that workers and the public consistently value transparency, companies can unlock a competitive edge by publicly highlighting these efforts.

Program Prevalence

Internships: 97 of 101 companies (96%) disclose active programs

Apprenticeships: 59 of 101 companies (58%) disclose active programs

Internship Gaps

Pillar	Impactful practice <i>Including American public expectations and research-backed best practice</i>	Company Disclosure (n=97)
Paid Positions	Wage or salary at or above local living wage standards	64% disclose paid programs, but only 2% disclose a minimum wage that meets the national living wage standard ²
Mentorship	Dedicated mentor with regular supervision and check-ins	51% disclose offering structured mentorship programs
Networking	Structured opportunities to build professional relationships	30% disclose offering structured networking opportunities
Meaningful Work	Real projects with measurable impact	59% disclose intern contributions to project or team work
Training	Structured learning and development program	40% disclose a structured learning and development program
Career Path	Clear connection to full-time opportunities	4% disclose a specific rate of converting interns to full-time employees

² \$22.92 is the 2024 national population-weighted average living wage for a single worker, according to the MIT Living Wage Calculator; actual living wage requirements vary by location.

Apprenticeship Gaps

Pillar	Impactful practice <i>Including worker expectation and research-backed best practice</i>	Company Disclosure (n=59)
Competitive starting wages	Living wage with a transparent progression timeline	53% disclose paid programs, and only 5% disclose a starting wage that meets the national living wage standard ³
Duration	1-4 years depending on skill complexity	41% disclose the duration of their apprenticeship program, ranging from 10 weeks to 260 weeks (5 years) with a median duration of 52 weeks (1 year)
Skill-Building	Structured curriculum with hands-on application	61% disclose structured learning and development opportunities, and 47% disclose hands-on contributions to project or team work
Credentialing	Industry-recognized certification upon completion	32% disclose that apprentices earn a credential upon program completion.
Mentorship	One-on-one coaching and skill development	51% disclose offering personal mentorship
Networking	Structured opportunities to build relationships	15% disclose structured networking opportunities
Job Security	Planned conversion to full-time roles	8% disclose a specific conversion rate of apprentices into full-time hires, with 5% reporting 100% conversion

³ \$22.92 is the 2024 national population-weighted average living wage for a single worker, according to the MIT Living Wage Calculator; actual living wage requirements vary by location.

The Most Critical Gaps

1. Apprenticeship Disclosures Are Lacking, Especially Related to Credentialing

Apprenticeship disclosures are generally more limited than internship disclosures. A post-analysis review using the apprenticeship.gov [Partner Finder](#) revealed that of the 59 companies that disclosed apprenticeship programs, 37 (62.7%) appear in the federal apprenticeship registry—where credentialing is a required outcome. Yet only 14 of those 37 companies (37.8%) publicly disclosed that their programs result in a recognized credential.

Credentialing may be more common than public disclosures suggest especially among companies with federally registered programs. However, inconsistent transparency makes it difficult for prospective applicants to assess the long-term value of these opportunities.

2. Compensation Transparency & Living Wages

While the majority of internships and apprenticeships are paid, many still give no indication of their pay status. Even of those that do disclose they are paid, almost no companies disclose that they pay a wage that meets or exceeds the nationally averaged living wage.⁴ This lack of wage transparency may be resulting in qualified candidates overlooking quality programs in their job hunt.

3. Networking Infrastructure

Only 30 percent of internship programs and 15 percent of apprenticeship programs report structured networking, which workers and research both identify as crucial to success. An expansion of networking infrastructure, combined with increased transparency about these programs, will help companies demonstrate their commitment to workforce advancement to prospective candidates.

⁴ \$22.92 is the 2024 national population-weighted average living wage for a single worker, according to the MIT Living Wage Calculator; actual living wage requirements vary by location.



Closing the Gap: Implementation Guide for Overcoming Barriers

Our research identified barriers that can undermine internship and apprenticeship program efficacy and solutions corporate leaders might consider to overcome them.

Barriers to Efficacy and Paths to Progress for Internships

Barrier

The recruitment and hiring process is not attracting interns who are well-suited or motivated for the work.

“Companies have ‘false requirements.’ Often, companies require interns to be in certain academic programs, or at a specific educational level. However, interns’ on-the-job realities are frequently misaligned with these requirements. There is an opportunity for host teams to work with HR to better pinpoint the experiences and skills that are truly necessary for entering these roles, and to update position requirements accordingly. Essentially, I would like to see companies shift away from structural requirements and take a more flexible, developmental, and skills-based approach.”

- Dr. Katie N. Smith, Associate Professor, Temple University

Solution

This mismatch may be due to screening criteria – such as specific coursework and institutional prestige – that do not accurately reflect the skills and mindset needed to succeed in the role. Increasing collaboration between Human Resources and intern managers can help align hiring criteria with the real requirements of the role and ensure a better match between candidates and opportunities.

Once expectations and requirements are aligned, it’s equally important to clearly communicate what the internship offers. Transparency helps candidates assess fit and make informed choices. Stronger partnerships between educational institutions and employers can further support this process by creating more reliable, well-matched pathways into quality internships.

Barrier

Despite incorporating many components of leading practice into internship design, intern outcomes still vary significantly across mentors.

“Training and incentives for managers are critical. Companies may have policies around learning and development, but without real support at the supervisor level, those policies won’t have a meaningful impact.”

- Kerry McKittrick, Co-Director, Harvard Project on Workforce

Solution

This variability often stems from inconsistent mentor quality. Mentors play a critical role in shaping the intern experience: if their guidance and supervision are lacking, program outcomes will suffer regardless of broader structures. To address this, companies should strengthen mentor selection, training, support, and incentives, with a clear focus on and structured time for intern development. Doing so can help ensure a more consistent and effective experience across the program.

Barrier

The intern talent pipeline lacks depth and diversity, limiting fresh perspectives and lived experiences within the company.

Solution

A shallow intern pipeline may stem from unintentional barriers that restrict who can apply. Short-term work experiences like internships can be challenging for many candidates who face financial or geographic constraints preventing them from taking advantage of available opportunities. To expand access, company leaders must ensure that all internships are paid at least a local living wage. They can also take efforts to expand recruitment beyond prestigious four-year institutions, particularly towards attracting skilled candidates from community colleges or non-traditional education pathways.

Companies can also thoughtfully build remote internship and apprenticeship opportunities. While poorly designed virtual roles can negatively impact employees' development of social capital, experts testified that meaningful networking in virtual environments is possible through thoughtful design. One potential strategy is to pair virtual work with an in-person kick-off event, which will allow employees to build relationships in-person and cultivate them during their virtual work. This approach will enable more candidates to apply for internship positions, including those skilled through alternative routes, who often do not have family resources to support an un- or underpaid summer experience or are unable to relocate for a short-term opportunity.

In our dataset, 58 of the 88 companies that disclosed the modality of their internship programs indicated only in-person opportunities, and only two companies disclosed a minimum wage at or above the national living wage estimate for a single worker⁵, thereby leaving many qualified candidates underserved and many large companies missing out on valuable talent.



Virtual internships have remained common since the initial height of the COVID-19 pandemic... they can reduce geographical and financial barriers for interns, as well as recruitment and hosting costs for companies. Virtual options may make internships accessible for students who may be otherwise unable to participate in these experiences.



- Dr. Katie N. Smith, Associate Professor, Temple University



The creation of a high-quality internship experience, where both the employer and the intern benefit, relies on the intern having the opportunity to do meaningful work and build real skills in a supported environment. No matter what else happens in internship placement, there has to be an opportunity for interns to gain skills and implement them through real work.



- Haley Glover, Senior Director, UpSkill America at The Aspen Institute

⁵ We used the MIT Living Wage Calculator's 2024 living wage standard of \$22.92 as the living wage standard in our analysis. This wage is averaged across the United States; certain locations would require higher wages, others lower wages.

Barriers to Efficacy and Paths to Progress for Apprenticeship

Barrier

The upfront costs of launching an apprenticeship program feels prohibitively high.

Solution

While the initial expenses, especially for designing in-house training curricula, can be significant, they transition over time into more predictable costs like program maintenance, mentor time, and apprentice wages. Meanwhile, the long-term benefits of higher retention, improved productivity, and reduced recruitment costs compound. Conducting a long-term return-on-investment analysis that incorporates these inputs can help demonstrate how early investments can yield meaningful and sustained returns.

Barrier

Apprentices are struggling to build connections and feel isolated in the workplace.

Solution

Social belonging and peer networks are essential for all workers. Programs that place only one apprentice at a job site can inadvertently hinder their ability to build meaningful relationships that are essential to these elements of well-being. Programs should aim to host multiple apprentices at each location to foster a sense of community, strengthen peer support, and help build social capital, which contributes to confidence and retention.

Barrier

Some apprentices are dropping out due to a lack of commitment or poor fit for the role.

Solution

This issue often stems from insufficient candidate evaluation during the hiring process. Apprenticeships are long-term commitments that require alignment between the apprentice's interests and the career path they are entering. To reduce mismatches, implement a more robust screening process to assess experience, skills, and interest in the role to ensure candidates are motivated and well-suited for the work ahead.

Barrier

Apprenticeship programs are not receiving enough applicants.

Solution

To expand your pipeline, design apprenticeship roles to be broadly accessible. Since these programs are intended to build skills over time, they should not require prior credentialing, licenses, or advanced education. Of the 17 companies in our dataset that disclose a minimum education level for their apprentices, 13 required only a high school diploma. Additionally, seven companies reported setting an upper limit on education or work experience to explicitly target those without degrees, technical training, or formal work experience.

To further widen the talent pool, companies should evaluate their recruitment strategy. Many programs still rely heavily on networks tied to specific industries or unions, which can unintentionally limit access for candidates from different backgrounds. Additionally, to ensure candidates with a range of responsibilities outside of work can apply, companies should consider offering support for transportation, childcare, or other demands that can otherwise pose barriers.

Barrier

Apprentices' skills are not progressing at the same pace as their wages.

Solution

Programs should provide apprentices with wage increases as their skills develop. If there is not sufficient time for skill development, productivity gains may lag behind wage increases. To avoid this, program length should reflect the complexity of the role – ideally lasting at least one year, and extending to 2-4 years for specialized skill sets. This allows time for deeper learning and more sustainable wage progression.

About JUST Capital

The mission of JUST Capital, an independent nonprofit, is to demonstrate how just business – defined by the priorities of the public – is better business. Our goal is to help companies create value for all their stakeholders – their workers, customers, communities, the environment, and shareholders – by focusing on the issues that matter most to Americans. To date, we’ve polled nearly 200,000 Americans on the issues they believe companies should prioritize when it comes to just business behavior, and those insights guide our work. We believe that business and markets can and must be a force for the greater good and that by shifting the resources of the private sector, we can drive competition to build a better future for all. Our research, rankings, indexes, and corporate initiatives help track, analyze, incentivize, and scale stakeholder performance. JUST Capital publishes the annual list of America’s Most JUST Companies, the JUST 100, in partnership with CNBC. To learn more, visit: www.JUSTCapital.com.

Editor’s Note: Strada Education Foundation is a financial supporter of JUST Capital and this report. This content reflects independent analysis by JUST Capital’s research team.