

INTERNSHIP ON INCOME

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BACKGROUND:

WERE LOOKING FOR SOMEONE AGE 22-26



Are internships that important to your future?
Should you be more worried about your working experience or your cumulative GPA?

OBJECTIVE:

To determine how *internships* undertaken during one's education would affect one's *income* in the future.

METHODOLOGY:



The time series data was collected from the NLSY97 database (aggregated by the Bureau of Labour statistics of the US), and is ranged from 1997 to 2015.



Different regressions were then ran in STATA software to observe the multiple effects.

DESCRIPTIVE STATISTICS:

	Mean	Standard Deviation	Min	Max
INTERN	0.117025	0.3214512	0	1
EDUCATION	1.47944	1.356257	0	7
ABILITIES	35778.59	31830.16	0	100000
AGE	19.5644	9.40087	0	36

$$\log(\text{income}) = \beta_0 + \beta_1 \text{intern} + \beta_2 \text{education} + \beta_3 \text{abilities} + \beta_4 \text{age} + U$$

MAIN FINDINGS:

Descriptive statistics:

Among the observation, only about 12% of the individuals have got an internship during their period of study.

- On average, individuals have attained a high school diploma.
- On average, there are more individuals considered having a low ability score.

CONCLUSION:

The study shows that *internship does have positive returns on income*. Surprisingly, a high ability does not always mean high income.

So go get your experience if you want to be rich!

EMPIRICAL RESULTS:

	(1)	(2)	(3)	(4)
Intercept	4.292236 (0.0125)	2.341121 (0.0174)	2.237665 (0.0197)	-0.444438 (0.0303)
INTERN	3.16316 (0.0365)	1.495335 (0.0349)	1.434015 (0.0354)	1.54622 (0.0339)
EDUCATION		1.600404 (0.0088)	1.570352 (0.0092)	0.6997253 (0.0110)
ABILITIES			4.37E-06 (3.93e-0)	0.0000128 (3.75e-07)
AGE				0.1299891 (0.0039)
AGE_SQ				0.0022541 (0.0001)
R- Squared	0.0468	0.2415	0.2423	0.3329
Adjusted R- Squared	0.0468	0.2415	0.2423	0.3328

Empirical results:

Even after controlling other selected variables in the 4 regression models, internship persists as a valid contribution towards future income.