

SUTTON TRUST NEWS RELEASE



Not for use before 0001 Wednesday 12th November 2014

NEARLY A THIRD OF GRADUATE INTERNS ARE UNPAID,

EACH SPENDING £926 A MONTH TO WORK FOR FREE – SUTTON TRUST

A six month unpaid internship will cost a single person living in London a minimum of £5,556 (or £926 a month), according to new Sutton Trust research published today, which recommends that all interns should be paid the minimum wage.

These costs are revealed in a new Sutton Trust research brief alongside analysis of the latest higher education data which shows 31% of university graduates working as interns are doing so for no pay.

A newly published Ipsos Mori poll for the Sutton Trust, showing that 70% of people aged 16-75 in England agree unpaid internships 'are unfair because only people from wealthy families are likely to be able to work for a significant period without pay,' is also included in today's research brief. This belief is consistent across all social and financial profiles.

Support for paying interns varies according to the length of the placement. A third of those questioned say interns working for up to a month should be paid the minimum wage or above. This proportion increases to 55% for internships of 4-6 months and 73% if internships last longer than 12 months. Less than 3% think internships lasting longer than a month should be completely unpaid.

The new research brief, *Internship or Indenture* examines the cost of an internship in London and Manchester. Cheaper rental costs mean a six month placement in Manchester is less expensive than one in London but would still set back an intern a minimum of £4,728 (£788 a month), excluding transport costs (which are usually paid by the employer).

Today's research finds the cost barriers to participating in an unpaid internship have significant consequences for social mobility. The Government's Social Mobility and Child Poverty Commission reported that at least half of entry-level vacancies at City investment banks and leading law firms are likely to be filled by graduates who have already completed work experience with the employer. It also found that 63% of cultural and creative, 56% of media-related, and 42% of financial and professional services internships advertised on the Graduate Talent Pool website were unpaid.

Dr Lee Elliot Major, Director of Development and Policy at the Sutton Trust said;

"Unpaid internships are increasingly the gateway to a job in the most competitive professions. But as today's research shows, the cost of taking on an internship without pay is beyond the means of the vast majority of individuals.

“Paying all interns who work for over a month the minimum wage would significantly improve access to these placements for those from more modest backgrounds, offering them a stepping stone into many coveted jobs, thus increasing social mobility.”

Today’s research brief recommends:

- All internships longer than one month should be paid at least the National Minimum of £6.50 per hour, and preferably the National Living Wage of £7.85 (or London Living Wage – £9.15 – in London).
- Internship positions should be advertised publicly, rather than being filled informally.
- Recruitment processes should be fair, transparent and based on merit.

For further information or to arrange interviews please contact Sharmini Selvarajah on 020 7802 0645 or Conor Ryan on 0207 802 1660

NOTES TO EDITORS

1. The Sutton Trust is a foundation set up in 1997, dedicated to improving social mobility through education. It has published over 150 research studies and funded and evaluated programmes that have helped hundreds of thousands of young people of all ages, from early years through to access to the professions.
2. *Internship or Indenture?* is available [here](#) from 0001 Wednesday 12th November.
3. Ipsos MORI surveyed a quota sample of 1,728 adults aged 16-75 in England from 13th – 17th June 2014 via its Online iOmnibus Survey. The survey data were weighted by age, gender, region, social grade, working status and whether the participant is responsible for their household grocery shopping. Data are weighted to the known profile of the English population aged 16-75.
4. The Social Mobility and Child Poverty Commission report on access to the professions can be downloaded [here](#).
5. Average savings were taken from the 2012 ING Direct Customer Savings Monitor, as reported [here](#).
6. Average earnings data was calculated from the 2013 ONS Annual Survey of Hours and Earnings.
7. Cost of living figures used in the research brief (sourced and compiled by the Sutton Trust)) for a six month period are:

COSTS TO INTERN FOR A SIX MONTH INTERNSHIP	LONDON	MANCHESTER
Accommodation	£2,784	£1,950
Median rental cost for room in a shared property in Lewisham (cheapest London borough) or Manchester – from June 2014 Valuation Agency Office private rental market tables	£2,784	£1,950
Bills	£1,199	£,1205
Average spend of a single person household on water and energy from the ONS 2013 Family spending report	£582	=
Band A council tax for 20140-15 in Lewisham or Manchester (net of single person discount)	£340	£346
TV license	£73	=
Cheapest BT broadband and line rental package	£156	=
Orange Sim Only mobile phone contract	£48	=
Food	£710	=
Average spend of single person household on food, from 2013 Family Spending Report	£710	=
Transport	£525	£351
London weekly bus pass	£525	-
Manchester Arriva weekly saver transport ticket	-	£351
Other	£863	=
Average spend of single person household on clothing,	£863	=

health and miscellaneous goods and services (e.g. personal care products, cleaning supplies), from 2013 Family Spending Report		
Total	£6,081	£5,078
Total excluding transport	£5,556	£4,728

Poll results

Q: For each of the following internship lengths, which statement comes closest to your opinion about whether employees should pay or not pay interns? (N=1,728)

	Up to 1 month	1-3 months	4-6 months	7-12 months	More than 12 months
Internships should pay the National Minimum Wage or above	33%	43%	55%	67%	73%
Internships should pay some salary, but below the National Minimum Wage	9%	19%	18%	10%	4%
Internships should only have to cover expenses (e.g. for travel, lunch)	28%	17%	7%	3%	3%
Internships should not pay any money	13%	3%	1%	2%	2%
Don't know	18%	18%	18%	18%	18%

Note: All adults aged 16-75 in England base: 1,728

Percentage agreeing that an internship of 4-6 months should be paid at each level, by income bracket

	Up to £19,999	£20,000-£34,999	£35,000 - £54,999	£55,000+
Internships should pay the National Minimum Wage or above	51%	56%	57%	61%
Internships should pay some salary, but below the National Minimum Wage	15%	21%	22%	20%
Internships should only have to cover expenses (e.g. for travel, lunch)	8%	6%	5%	8%
Internships should not pay any money	2%	1%	2%	1%
Don't know	25%	16%	14%	10%

Note: Annual household income up to £19,999 base: 511; £20,000-£34,999 base: 418; £35,000-£54,999 base: 348; £55,000+ base: 191; AB base: 453; C1 base: 471; C2 base: 383; DE base: 421

Q: To what extent, if at all, do you agree or disagree with each of the following statements:
Unpaid internships are...

	Overall agree	Up to £19,999 agree	£20k - £34,999 agree	£5k - £54,999 agree	£55k+ agree	AB Social Grade agree	C1 Social Grade agree	C2 Social Grade agree	DE Social Grade agree
<i>unfair because everybody working should be paid at least some salary</i>	70%	69%	71%	70%	67%	70%	71%	71%	67%
<i>unfair because only people from wealthy families are likely to be able to work for a significant period without pay</i>	68%	64%	72%	72%	66%	66%	71%	69%	67%
<i>fair because they provide young people with valuable work experience</i>	24%	21%	25%	24%	35%	29%	25%	21%	20%
<i>fair as people who really want a particular career will find a way to financially support themselves</i>	15%	13%	16%	16%	22%	17%	15%	16%	11%

Note: Annual household income up to £19,999 base: 511; £20,000-£34,999 base: 418; £35,000-£54,999 base: 348; £55,000+ base: 191; AB base: 453; C1 base: 471; C2 base: 383; DE base: 421