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Unpaid Internships & Inequality: A Review of the Data and Recommendations for Research, Policy and Practice

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Executive Summary

Internships can be “door openers” to opportunity and social mobility for college students, but unpaid internships pose considerable legal, ethical, and practical challenges. In particular, low-income and first-generation students may be unable to pursue unpaid positions, thereby acting as a discriminatory gatekeeping function that exacerbates inequality. In this policy brief, I first review the evidence regarding the prevalence of unpaid internships and the demographics of students pursuing them, followed by existing policy solutions and recommendations for future research, policy, and educational practice.

CCWT estimates that there are 3.28 million interns in the U.S., and that about 1 million of these interns are not paid for their work,

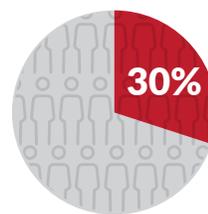
Why are unpaid internships a problem (or not)?

Before discussing policies salient to unpaid internships and potential solutions, I first consider arguments and evidence regarding the problematic aspects of these experiences. Arguments against unpaid internships center around problems with financial exclusion, favoritism for the elite and well-connected, legal issues with uncompensated work, evidence that unpaid positions are less valuable than paid positions, and the argument that unpaid labor is a basic violation of worker rights and the ethical treatment of college students.

It is also important to consider the arguments for unpaid internships—that unpaid interns are “paid in experience,” that they can provide students valuable networking with and connection to potential employers, and that they are the only option for some employers (e.g., non-profits, government agencies, etc.)—as the field considers how to best engage employers, policymakers, and students themselves about how to address a situation that is problematic for too many students.

How many unpaid interns are there in the U.S.?

Despite being widely discussed in the media and higher education circles, there are few reliable estimates of the number of college internships in general and of unpaid positions in particular. Estimates of the total number of college students pursuing internships vary widely from 21.5% to 50% of college students taking an internship, with the only nationally representative estimate coming from the Baccalaureate & Beyond 2016/2017 release of 30% overall participation. With 10.9 million students attending undergraduate institutions (IES, 2020), and using the B&B 16/17 figure of 30%, approximately 3.28 million college students take an internship while in college.



30% or 3.28m college students take an internship while in college



The percentage of unpaid internships ranges from 30.8% to 58.1%

Next, the percentage of unpaid internships ranges from 30.8% (B&B 16/17) to 58.1%—with an estimated 3.28 million internships in the U.S. Using the lower-bound of 30.8% uncompensated internships, approximately 1 million interns in the U.S. are unpaid on an annual basis. Obscured by these data, are the large number of non-interns who have never taken an internship at all, and our research at CCWT shows that 67.3% of these students had in fact wanted to take one.

From our review of the literature three key findings: (1) the lack of robust, cross-institutional data on internships is problematic and hinders evidence-based decision making on work-based learning in higher education, (2) the total number of college internships is higher than previous estimates (3.28 million versus 1.5 million), but the fact remains that at least ½ of all college students (and likely many more) are not pursuing these valuable experiences, and (3) that at least 30.8% of interns are unpaid, with about 1 million student interns working without financial compensation.

Which students are participating in unpaid internships?

Next, the literature was reviewed to determine whether patterns existed in the demographics of students pursuing unpaid internships. In considering these data it is important to note that students may not necessarily be “choosing” an unpaid internship, but that uncompensated positions may be the only (or a majority) of internship opportunities available for certain groups of students.

While some studies documented variation by race and ethnicity, the evidentiary base is extremely limited on this point. A rare study on this point analyzed 1,376 seniors taking the 2018 NSSE revealed the following descriptive statistics regarding student populations who took an unpaid internship: Asian, Native Hawaiian, and other Pacific Islander students (68% took an unpaid internship), Black students (63%), Hispanic or Latino (56%), white (56%), multiracial (56%), and other race or ethnicity (61%) (Zilvinskis, Gillis & Smith, 2020).

More evidence exists on gender disparities in unpaid internships. Descriptive statistics from our own NSCI project indicate discrepancies in internship compensation among gender categories: women (54.3% paid versus 45.7% unpaid), men (75.9% paid versus 24.1% unpaid), and other gender identities (47.5% paid versus 52.5% unpaid) (Hora et al, 2021), and the discrepancy between internship pay by gender holds constant across multiple studies.

Few studies have examined the dynamics between internship compensation and first-generation college student status, but in analyses of the 2020 Student Survey, NACE (2021) researchers found non-significant differences in unpaid internships by first-generation status, with 52% first-generation students taking unpaid internships in comparison to 39% non first-generation students. Research on socio-economic status and unpaid internships is mixed, with Gardner (2010) finding that students with family incomes below \$80,000 pursued unpaid internships (46%) more than students with family incomes above \$80,000 (40%), but when other variables such as gender, organization type (e.g., for-profit, non-profit, government), and academic major were included in the analysis, the picture became more complex.

Next, the literature is consistent in finding that students in business, engineering, and STEM fields are much more likely to be paid for their internship than other disciplines (e.g., education, health science, arts and humanities). The inequity in payment structure of internships by disciplines, dictated commonly by industry standards of employers in various fields, indicates the internship by field may dictate opportunities for some students. Relatedly, research is consistent in finding that unpaid internships are clustered in the non-profit and

government sectors. In Gardner's 2010 analysis, 57% of the internships offered by non-profit organizations were unpaid, followed by 48% in government and 34% in the for-profit sector.

In summary, students accept unpaid internships because that is often the reality of opportunities within their field of study and industry, indicating the distinct role of and opportunity for employing organizations to address this issue.

Key insights from the literature: Raising questions of equity, access and possible solutions

1 *The fields of higher education and workforce development need better data on internship compensation*

More and better data on internship compensation is needed if postsecondary institutions, philanthropy, government, and employers are to successfully minimize (or eliminate) the negative impacts of unpaid internships on specific groups of college students. These data can be from national surveys such as CCWT's National Survey of College Internships (NSCI) and also employer-based surveys that explore in depth reasons for or against paying student interns.

2 *Uncompensated work for underserved college students is highly problematic*

As long as certain facts remain about the population of college students in the U.S.—that only 1 in 5 students take an internship, that 81% of students work paid jobs (NCES, 2020), that 31% were in poverty (Chen & Nunnery, 2019), and some estimate that 41% of college students are food insecure (Nikolaus et al., 2020)—the unpaid internship is either out of reach or could inflict hardship for millions of college students.

3 *Advocacy for High-Impact Practices (HIPs) should not include internships until the compensation issue is addressed*

With indications that unpaid internships are not a fringe phenomenon, but impact between 30%-50% of all college interns, postsecondary institutions are doing a great disservice to their students by advocating or even mandating an experience that could potentially do harm. Even though internships have demonstrably positive impacts on students' career outcomes, attention should focus on reducing the number of unpaid positions before advocating this particular HIP.

4 *Why are women disproportionately participating in unpaid internships, and are the long-term impacts on their careers?*

Perhaps the most consistent and well-documented feature of unpaid internships is how they are disproportionately pursued by female college students. This is extremely concerning given continued evidence that the gender wage gap is real, persistent, and substantial—with some estimates that women earn 84% of what men are paid (Barroso & Brown, 2020).

5 *Should efforts to subsidize or otherwise address unpaid internships focus on specific majors and organizations?*

The data also indicate that unpaid internships tend to be concentrated in non-profit organizations and government agencies, and in organizations that aren't engaged in STEM, business, or engineering-related fields. This state of affairs suggests that efforts to subsidize or otherwise address unpaid internships may benefit from a targeted approach, where students in particular departments or programs (e.g., social work, the arts) and/or internships in non-profit organizations are the focus.

6 What should postsecondary institutions, employers, philanthropy, and government do?

If all parties engaged in the college-workforce transition are to take the issue seriously, then the question becomes—who is responsible for funding these unpaid internships? Specifically, what role exactly should employers, government, postsecondary institutions, and other institutions play?

Current policies and initiatives to address the unpaid internship problem

Employers: Paying interns

In considering the role of employers, it is important to recognize three key facts: (1) many employers do pay their interns for high-quality, meaningful internship experiences, and for some a paid internship program is an essential part of their recruitment strategy, (2) some employers—especially those in the non-profit sector—do not have sufficient budgets to pay interns and rely on volunteers for much of their programming, and (3) exploitation of student interns—paid or unpaid—does happen where employers recruit interns to fill shortfalls in their own labor pool and create internships that have little to no connection to students' learning and career objectives.

Government: Funding and/or banning unpaid internships in federal and state government

Government agencies can be engaged in the unpaid internship debate in three ways: (1) via appropriations at the federal and state levels, (2) through directives that reduce (if not ban) unpaid internships in government, and (3) through efforts to link the Federal Work Study (FWS) program to internships. In addition, the federal government also plays a critical regulatory role in determining whether an unpaid internship is legal, at least for those located in the private sector via the Primary Beneficiary Test under the Fair Labor Standards Act (FLSA).

Postsecondary institutions: Campus-level initiatives to fund or subsidize internships

Perhaps the most active venue for addressing unpaid internships are colleges and universities themselves, where efforts are underway across the nation to raise funds to disburse to students pursuing unpaid internships and/or needing financial assistance to support their experience.

- *Sacramento State (CA)*: Sacramento State's Gaining Access to Internships (GAIN) Fund provides up to \$1,500 per semester to low-income students if they obtain an unpaid academic internship required for a degree or an internship that provides them with real-world, career experience but does not cover their living expenses (Sacramento State, 2022). Funds are actively solicited from philanthropy, alumni, businesses, and individual donors.
- *Temple University (PA)*: Temple University created the "Unpaid Internship Stipend Program" as a one-time program to disburse unspent funds from career services budgets and distributed \$2,000 grants to 25 students taking unpaid internships. Other units on campus also subsidize unpaid interns including the College of Liberal Arts which provides \$2,000 stipends funded by alumni (Temple CLA, 2022) and \$4,000 stipends for unpaid internships administered by the undergraduate studies program (Temple Undergraduate Studies, 2022).
- *The University of Maryland (MD)*: The University of Maryland created the Bright Futures Initiative which awards students with need-based scholarships of \$100-\$1000 that can "help offset expenses incurred during unpaid internships." The initiative is funded by individual donors, the campus career center, and the

campus-wide President’s Promise (University of Maryland, 2022). The campus also provides a one-stop-shop webpage that lists scholarships to fund unpaid internships that are both internal and external to the university.

Philanthropy: Providing unrestricted funds or supporting specific internship interventions

Philanthropy can also play a role in addressing the unpaid internship situation. While one option includes providing unrestricted or general use funds for campuses to provide scholarships, fellowships or stipends to students, another possibility is for philanthropy to dictate the terms of how campuses subsidize unpaid internships, work with employers, and consider program sustainability. In this brief I review an example of a more hands-on approach that was taken by the Ascendium Education Group (formerly Great Lakes Higher Education) in their Career Ready Internship (CRI) grant program from 2014 to 2018.

Third-party organizations: Chambers of Commerce

Finally, organizations such as local Chambers of Commerce have organized funds to subsidize employers to pay their interns. One example of this is the Greater Scranton Chamber of Commerce in Pennsylvania, which partnered with the University of Scranton’s Small Business Internship Initiative in 2019 to raise funds from the local business community. These funds were disbursed to local for-profit and small businesses to support either traditional internships (at least 100 hours of work) for up to \$1,000 per student, or for “micro-internships” (remote, project-based experiences) for up to \$500 per student (The Greater Scranton Chamber of Commerce, 2022).

Recommendations for future research, policy, and educational practice

- 1** Collect more data on internships and use them to inform evidence-based decisions.
- 2** Employers—pay your interns or seek external funding to subsidize them.
- 3** Postsecondary institutions—collect more data, target interventions to women and non-profit internships, dedicate financial aid funding to support students doing unpaid internships, build partnerships across campus units and with external partners, and address the myth that students cannot get academic credit for paid internships.
- 4** Government—continue the FWS Experiment, revise the Primary Beneficiary Test, end unpaid internships in all government agencies (especially at the federal and state levels).
- 5** Philanthropy—actively fund efforts to subsidize internships.
- 6** Third-party organizations—organize or facilitate fundraising to provide subsidies to employers to pay their interns.

Introduction

Internships are an increasingly prominent and influential part of the higher education landscape, with mounting evidence demonstrating that an internship experience can be a “door opener” to a high-paying job and social mobility. Consider that job applications with an internship received 14% more callbacks than those without one (Nunley et al., 2016), that students with an internship have 15% lower unemployment rates (Silva et al., 2016), 6% higher wages (Saniter & Siedler, 2014) and 3.4% higher grades (Binder et al., 2014) than those without one. With these numbers it is unsurprising that a growing number of colleges and universities prominently display internship participation rates on their promotional materials, and students and higher education professionals increasingly see them as an essential part of the college experience.

The role that an internship may play in securing a well-paying job makes them particularly important for low-income and first-generation students, for whom an internship could truly be a launching pad to a life-changing career and financial situation. Given that low-income college students are disproportionately female and/or Black, Hispanic, or Asian, an internship may also be a key element in addressing gender and racial equity in the labor market, which remains a persistent problem in the U.S.

But internships are inaccessible for many college students, with recent evidence showing that 67% of non-interns had in fact wanted to pursue one but not due to a lack of information, the need to work a paid job, or a heavy course load (Hora et al., 2021). These data suggest that students without extensive family, social, or campus networks may be at a disadvantage, given the critical role that networks play in obtaining “leads” or information about job or internship openings. Additionally, for the 81% part-time and 43% full-time college students who must work paid jobs to cover tuition and living expenses, and for whom relocating to an expensive city like Washington D.C. is untenable, an internship is simply out of reach (NCES, 2020).

This situation makes internship compensation a critical issue for higher education researchers, policymakers, and campus professionals engaged in workforce development, career development, and diversity, equity, and inclusion (DEI) efforts. While they have long been a source of concern for their legality, with unpaid interns filing lawsuits against employers and special policies issued by the federal government regarding intern pay, unpaid positions are increasingly being scrutinized as a problem of worker rights and structural inequality in a cultural moment where both are of paramount concern. Consequently, several complex questions are currently facing the field:

- Is it time to eliminate unpaid internships?
- How can we make the internship experience accessible to all college students regardless of race, gender, socio-economic status, or access to social capital?
- What are the most promising solutions for addressing the unpaid internship problem?
- What role should government, employers, philanthropy, or postsecondary institutions play in addressing the situation?

To answer these complex questions, the field needs robust and comprehensive data on the prevalence and impacts of unpaid internships, as well as a thorough analysis of the policy and practitioner landscapes

surrounding internship compensation. To fill the gaps in the literature on these points, this policy brief will ideally inform evidence-based decision-making on internship policy, design, and implementation in the U.S., and to advance the conversation on these issues in a way that is grounded in the data and attentive to the realities of current policy and practice.

I first review the reasons why unpaid internships represent a critical problem in higher education, followed by a brief discussion of why some consider them to be unproblematic or a necessary part of the college-workforce transition. Next, data are reported on the number of internships overall and the number of unpaid positions, two data points that are surprisingly difficult to obtain given the lack of national surveys on the topic. Then the demographics of unpaid interns, and current policies and initiatives focused on internship compensation are discussed. Finally, the brief concludes with recommendations for future research, policymakers, and practitioners so that all students have access to this critical “door-opening” experience.

Why are unpaid internships a problem (or not)?

Before discussing policies salient to unpaid internships and potential solutions, it is useful to consider arguments and evidence regarding the problematic aspects of these experiences. Arguments against unpaid internships center around problems with financial exclusion, favoritism for the elite and well-connected, legal issues with uncompensated work, and the argument that unpaid labor is a basic violation of worker rights and the ethical treatment of college students. In addition, the arguments for unpaid internships—that they pay students with experience and that they are the only option for some employers (e.g., non-profits)—are also important to understand as the field considers how to best engage employers, policymakers, and students themselves about solutions and next steps.

Con: Unpaid internships may exclude middle-class and/or low-income students from pursuing these opportunities

The first argument against unpaid internships is financial—where they are simply untenable for students who aren't wealthy and have ample family resources to subsidize their living expenses and tuition while working for free.

Relying on family capital is rather common for unpaid interns. In a study on internships in the creative industry, Shade and Jacobson (2015) interviewed women who were unpaid interns in Toronto and New York City, finding that the students would have been unable to participate in an unpaid internship without parental financial support in the form of helping to pay for room, board, and travel expenses. These financial barriers can also be amplified by geography, with the high costs of living in such cosmopolitan centers of Europe and North America make relocating for an unpaid internship unrealistic for students without access to substantial resources (e.g., Sutton Trust, 2014).

Consider the unpaid United Nations intern who lived in a tent in downtown Geneva (Foulkes, 2015) and concerns are growing that many students are “working multiple part-time jobs, taking out additional loans, or even skipping meals” to add the all-important internship to their résumé (Curiale, 2009, p. 1536). With student debt already a major concern in higher education, the prospect of students taking out additional loans to pay for an unpaid internship should raise a red flag, as living and working in a major metropolitan area for a summer internship could cost thousands of dollars. Thus, it is likely that many middle-class and/or low-income students self-select out of unpaid work due to their socio-economic status, and thus are kept from these opportunities and their later rewards or take out loans that may be adding to an already considerable debt load.

Con: Unpaid internships may favor well-connected and wealthy students via “whisper networks” and pervasive and negative views by middle-class and/or low-income students

Another common argument against unpaid internships is that they are often advertised and thus available primarily via “whisper networks” or informal social and professional contacts that are by definition exclusionary and hard to access. While little empirical research exists on this point, anecdotal evidence and practitioner insights supports the notion that some internships are indeed not posted on publicly available websites or job boards, and that some positions are obtained through “friends of friends.”

Beyond the limited and unequal access to internships afforded by insider networks, another problematic aspect of unpaid internships that implicates social class is the tendency for some working class students to have strongly negative views of internships altogether. O’Connor and Bodicoat (2017) found that upper- and middle-class students at an elite university in the UK were knowledgeable and enthusiastic about the role of internships in their career development, whereas working class students were more likely to be critical of internships and viewed them—even high quality, well-paid internships—as an exploitative waste of time, using language to describe internships such as “slave labour” and “exploitation” (p. 445). While such sentiments may be grounded in an understandable aversion to unpaid work, they unfortunately may lead some students to not pursue what could be a positive and influential experience.

Making matters worse is that students in less-elite institutions may lack the resources to find and pursue an internship. Allen and colleagues (2013) found that elite institutions in the U.K. provide extensive coaching on how to access internships, including interview coaching and résumé audits, whereas universities that serve working class students tend to lack such services. For institutions with fewer programs and services related to internships, students may struggle to find and successfully pursue internships (Finley & McNair, 2013). Thus, social class and the institutional prestige and resources of a student’s university can support or inhibit their entry into the internship labor market.

Con: Unpaid internships can be illegal (but are often allowable and legal)

The Fair Labor Standards Act (FLSA) was enacted in 1938 and was designed to protect employees and ensure that they receive adequate compensation for work performed. The FLSA continues to evolve, but in the eighty-three years since its creation, it still does not specifically address unpaid internships. A key turning point in the establishment of the modern internship occurred in 1947 in the Supreme Court case of *Walling v. Portland Terminal Co* in which the Court determined that the railroad company did not have to pay railway workers during their week-long training program, citing that the trainees did not expedite the railroad’s business or displace any of the regular employees (Waxman, 2018).

Since the FLSA provides little guidance in determining whether an employee is entitled to minimum wage compensation, the case became one of the first instances of defining what constitutes an ‘employee’ and prompted the creation of the ‘trainee exception.’ The Court found six considerations relevant in identifying the trainee exception which became known as Fact Sheet #71 under the Department of Labor (Brookhouser, 2015).

These criteria have been challenged on legal grounds as providing too large of a loophole for employers, as in the well-known 2013 lawsuit filed by *Glatt v. Fox Searchlight Pictures, Inc.*, which challenged the six-prong test when three interns at Fox Searchlight Pictures sued their employer for not paying them, arguing that their work responsibilities consisted of menial tasks which did not provide any educational benefit. Applying a version of the six-prong test, the Court deemed that the interns were entitled to compensation, and several other lawsuits filed on behalf of unpaid interns followed.¹

In 2018 the test was revised, with one factor being added and the intent of the guidelines altered so that employers had to consider the “primary beneficiary” of the experience—the employer or the intern. Unlike the previous six-factor test, for which employers had to meet all criterion to be allowed to not pay their interns, the new primary beneficiary test is far more flexible and does not require all seven items to be operative (see Box at right).

Ultimately, the law states that while some unpaid internships are clearly illegal, many are legal and allowable, particularly in the case of positions in government and the non-profit sector (sectors not subject to the primary beneficiary test). However, as blatant exploitation of high school and college interns have been documented in China (e.g., Chan, Pun & Selden, 2015), and increased attention to worker rights and employee satisfaction has arisen amidst the Covid-19 pandemic, the question of the legality of unpaid internships continues to be a perennial topic and cause of concern.

FLSA Primary Beneficiary Test (2018)

1. The extent to which the intern and the employer clearly understand that there is no expectation of compensation. Any promise of compensation, express or implied, suggests that the intern is an employee—and vice versa.
2. The extent to which the internship provides training that would be similar to that which would be given in an educational environment, including the clinical and other hands-on training provided by educational institutions.
3. The extent to which the internship is tied to the intern’s formal education program by integrated coursework or the receipt of academic credit.
4. The extent to which the internship accommodates the intern’s academic commitments by corresponding to the academic calendar.
5. The extent to which the internship’s duration is limited to the period in which the internship provides the intern with beneficial learning.
6. The extent to which the intern’s work complements, rather than displaces, the work of paid employees while providing significant educational benefits to the intern.
7. The extent to which the intern and the employer understand that the internship is conducted without entitlement to a paid job at the conclusion of the internship.

¹ E.g., *Benjamin v. B & H Educ., Inc.*, --- F.3d ---, 2017 WL 6460087, at *4-5 (9th Cir. Dec. 19, 2017); *Glatt v. Fox Searchlight Pictures, Inc.*, 811 F.3d 528, 536-37 (2d Cir. 2016); *Schumann v. Collier Anesthesia, P.A.*, 803 F.3d 1199, 1211-12 (11th Cir. 2015); see also *Walling v. Portland Terminal Co.*, 330 U.S. 148, 152-53 (1947); *Solis v. Laurelbrook Sanitarium & Sch., Inc.*, 642 F.3d 518, 529 (6th Cir. 2011).

Con: Evidence exists that unpaid positions may be less valuable than paid positions

A growing body of research is examining differences in outcomes between unpaid and paid internships, and some evidence suggests that unpaid positions may not be as effective or productive an experience as their paid counterparts. A conceptual paper by Rogers and colleagues (2021) discusses potential differences in how tasks are designed on the job and interns' career development, Basow and Byrne (1992) found that unpaid internships have a negative impact on students' self-perceptions, and analyses by NACE (2019) found that unpaid interns had lower starting salaries, fewer job offers, and longer job searches than paid interns. More details on some of the literature are provided later in this report.

While more research is necessary on the longitudinal outcomes of paid versus unpaid internships, early indications are that paid positions are preferable with respect to college students' professional development and long-term career success.

Con: Unpaid internships are a basic violation of worker rights and the ethical treatment of college students

The last argument that some make against unpaid internships is relatively simple—that unpaid labor is a basic violation of worker rights and an unethical way to treat students. As more colleges and universities become aware of college students living in poverty, going hungry, and even being homeless while attending school (i.e., basic needs), the prospect of having their students work for free appears to be a less than acceptable position. This is apparent in growing efforts to subsidize unpaid internships, and institutional recognition that uncompensated work (especially when they are mandated by academic programs), is not consistent with principles of equity or open access to opportunities.

Pro: Students taking unpaid internships are paid in experience

Perhaps the most common argument in favor of unpaid internships is that they ultimately “pay off” for the student with the new skills, professional connections, and experience that they obtain. As some say, an unpaid internship “pays in experience.” In some fields such as media and the arts, it is not uncommon for observers to also argue that they had to “pay their dues” with an unpaid internship in the past, and that it’s just part of the system of career advancement. In addition, employment conversion is a possible outcome of an unpaid internship, and the important role that these unpaid positions may play in connecting students to professional networks and full-time jobs should not be ignored.

Being aware that these sentiments are not uncommon and a frequent rejoinder to the contention that unpaid internships should be eliminated or subsidized is important so that advocates can consider this point and formulate a response (e.g., see points 1-5 above).

Pro: Unpaid internships are the only option in some sectors (e.g., non-profits)

Finally, an argument that is not necessarily for unpaid internships but against their outright banning is that for budget-strapped employers and organizations (e.g., non-profits, small business), it is not reasonable or feasible to pay an intern. This may be due to the fact that no budget exists to support staff who are not 100% productive and/or that no current staff are available to provide adequate mentoring or supervision. In some cases, organizations with these concerns may rely on a substantial number of volunteer labor, or only work with student interns in the event that there is close supervision by academic advisors.

This argument is especially important to consider in light of the unpaid internship problem, as the non-profit sector's (and also some government agencies) financial constraints are well-known and given that many college students' career goals are in these fields, addressing this issue should be a high priority.

How many unpaid interns are there in the U.S.?

Despite being widely discussed in the media and higher education circles, there are few reliable estimates of the number of college internships in general and of unpaid positions in particular. This, of course, is a major problem as policymakers and postsecondary professionals do not know how many internship positions exist, how many college students pursue internships, and how many of these are paid or not. As a result, advocacy for internships and debates about compensation have outstripped the availability of evidence on these programs, making “data-driven decision making” and subsequent continuous improvement efforts impossible.

Fortunately, the U.S. Department of Education’s 2016/2017 Baccalaureate and Beyond Longitudinal study (B&B 16/17), which involved interviews with 19,490 individuals who had obtained a baccalaureate degree, does include questions about participation in paid or unpaid internships. In addition, cross-institutional surveys such as our Center’s new National Survey of College Internships (NSCI) and long-standing surveys in higher education such as the National Survey of Student Engagement (NSSE) and the NACE Student Survey are adding to the evidentiary base. However, these surveys are limited by their reliance on few items related to internships (e.g., B&B 16/17), small sample sizes from a relatively small number of institutions (e.g., NSCI), or the absence of internship-specific questions that delve into nuanced questions about internship prevalence, quality, and access (e.g., NSSE). As a result, existing data should be interpreted with great caution until measurement issues are addressed in the field of internship and work-based learning studies.

Estimates on the total number of college internships in the U.S.

Before estimates about the number of unpaid internships in the U.S. are discussed, it is important to understand the number of internships in general. In Table 1 below, estimates of the number of internships in the U.S. are provided from the few scholars and organizations attempting to measure participation in these programs. Details on the nature of the study samples are provided when available, which provides important contextual information to consider when drawing conclusions from these figures (e.g., estimates may overlook 2-year institutions).

Table 1: Estimates of the total number of college students engaged in the internship labor market

Source	Total % of Intern Participants	Nature of Sample
National Survey of Student Engagement (2020) ¹	50% (n=99,424) of seniors taking the survey had participated in “an internship, co-op, field experience, student teaching, or clinical placement”	484, 242 college freshmen and seniors across 584 bachelor’s granting institutions in US and Canada
National Association of Colleges and Employers (2021) ²	48.7% (n=5,151) of respondents indicated participation in an internship only, in response to the question, “have you taken part in an internship and/or co-op program since starting college?”	Data from 10,579 students at 139 (mostly four-year but some two-year institutions)
Baccalaureate & Beyond 2016/2017 release (2021)	69.8% of respondents (n= 19,490) did not have a paid internship also did not have an unpaid internship	Data from 2016/2017 administration of B&B, a nationally representative survey based on 19,490 graduates of four-year institutions
Perlin (2012) ³	Between 1 and 2 million undergraduate interns per year	Personal extrapolation based on career information websites and census data
Gardner (2012) ⁴	21% (n=5,780) had “recently completed” an internship	27,335 undergraduates from 234 four-year institutions completed an online survey between September and December of 2009
National Survey of College Internships at CCWT (2021) ⁵	21.5% (n=2,609) of survey respondents indicated they had taken an internship in the past 12 months	12,130 undergraduates from 16 four-year and one two-year postsecondary institution

Sources:

¹ NSSE 2020 HIPs Participation Data Dashboard (https://tableau.bi.iu.edu/t/prd/views/ar20_hips/HIPsin2020) and NSSE 2020 overview (<https://nsse.indiana.edu/nsse/reports-data/nsse-overview.html>).

² NACE (2021). *The 2020 Student Survey Report*. National Association of Colleges & Employers.

³ Perlin, R. (2012). *Intern Nation: How to earn nothing and learn little in the brave new economy*. Verso Books.

⁴ Gardner, P. (2010). *A comparison of credit and non-credit internships in their expectations and the utilization of campus resources*. Intern Bridge and the Collegiate Employment Research Institute at Michigan State University.

⁵ Hora, M.T., Colston, J., Chen, Z., & Pasqualone, A. (2021). *National Survey of College Internships (NSCI) 2021 Report: Insights into the prevalence, quality, and equitable access to internships in higher education*. Center for Research on College-Workforce Transitions. University of Wisconsin-Madison.

As Table 1 makes clear, estimates of the total number of college students pursuing internships in the U.S. are in short supply, and vary widely among studies and samples from 21.5% to 50% of students taking an internship. Further, extrapolations based on dated and/or unclear sources are common, with references to Perlin’s 2012 estimate of 1-2 million internships commonly found in both research papers and media reports (e.g., Howe, 2014). For instance, a paper on internships in business and management stated that each year, “US organizations employ up to an estimated 2 million college students as interns” (Rogers, 2019), citing Perlin’s (2012) statement that “it is probably a conservative estimate that between 1 and 2 million people participate in internships each year in the U.S.”

The only nationally representative dataset available on internships comes from the U.S. Department of Education’s most recent release of the Baccalaureate and Beyond Longitudinal study (B&B), which involved interviews with 19,490 individuals who had obtained a baccalaureate degree. The publicly available data from the B&B 16/17 release do not include questions about general participation in internships or if respondents had pursued both paid and unpaid internships, but by plotting the questions regarding paid and unpaid internship participation together the data show that 69.8% of respondents who did not have a paid internship also did not have an unpaid internship. This means that the participation rate of at least one internship experience at some point during an undergraduate experience would be approximately 30%.²

As a result, except for the B&B survey, no representative data exist on the total number of internships in U.S. higher education. In the absence of these data, extrapolations and small-sample estimates are the only way to get a sense of the scope and prevalence of internships in the U.S., albeit a coarse and imperfect one. With 10.9 million students enrolled in four-year undergraduate institutions (IES, 2020), and using the B&B 16/17 figure of 30%, approximately 3.28 million college students take an internship while in college. It is important to recognize that this is simply an estimate, and one that relies on what some may argue is an under-estimate of the percentage of college students who take internships on an annual basis.

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Estimates on the total number of unpaid college internships in the U.S.

Next, we turn to the question of how many unpaid internships there are in the US. The problem of the lack of data on the broader question of internship participation overall of course limits our ability to answer this question, but a growing number of empirical studies and national surveys are providing insights on this point. In considering these data it is important to note that students may not necessarily be “choosing” an unpaid internship, but that uncompensated positions may be the only (or a majority) of internship opportunities available for certain groups of students. In Table 2 below, we report estimates of the number of unpaid internships in the U.S. along with details on the nature of the study samples are provided when available.

² One of the projects of CCWT in 2022 will be to analyze the microdata for the B&B to examine the prevalence of internships among the entire sample, and the proportion of students taking no internship, a paid internship, and/or an unpaid internship.

Table 2: Estimates of the total number of college students engaged in unpaid internships

Source	Total # of Study Participants	Paid vs Unpaid	Nature of The Sample
National Association of Colleges & employers (2020) ¹	2,215	47% unpaid internships	Data from 10,579 students at 139 (mostly four-year but some two-year institutions)
Baccalaureate & Beyond (2021)	19,490	28.7% of undergraduates took a paid internship, and 30.8% took an unpaid internship (no count of general internship participation)	Data from 2016/2017 administration of B&B, a nationally representative survey based on 19,490 graduates of four-year institutions
Gardner (2012) ²	27,335	No data provided on total % of paid vs. unpaid positions. Non-profit employers were the top provider of unpaid internships (57%) followed by Government (48%). 34% of the internships in the for-profit sector were unpaid.	27,335 undergraduates from 234 four-year institutions completed an online survey between September and December of 2009
Crain (2016) ³	348	46% unpaid internships	348 respondents, 12,220 recent graduates from the University of Georgia (2013-2015)
Zilvinskis et al (2020) ⁴	1,376	57% unpaid internships	2,410 seniors taking the NSSE in 12 institutions, using new high-impact practice (HIPs) focused questions that also ask about internship compensation

Source	Total # of Study Participants	Paid vs Unpaid	Nature of The Sample
Hunt & Scott (2020) ⁵	5,315	58.1% unpaid internships	5,315 respondents to the United Kingdom’s 2011-2012 Destinations of Leavers from Higher Education survey (the first time a question on internships was included)
National Survey of College Internships at CCWT (2021) ⁶	3,809	39.8% unpaid internships	12,130 undergraduates from 16 four-year and one two-year postsecondary institution

Sources:

- ¹ NACE (2021). *The 2020 Student Survey Report*. National Association of Colleges & Employers.
- ² Gardner, P. (2010). *A comparison of credit and non-credit internships in their expectations and the utilization of campus resources*. Intern Bridge and the Collegiate Employment Research Institute at Michigan State University.
- ³ Crain, A. (2016). *Understanding the impact of unpaid internships on college student career development and employment outcomes*. NACE Foundation.
- ⁴ Zilvinskis, J., Gillis, J., & Smith, K. K. (2020). Unpaid versus paid internships: Group membership makes the difference. *Journal of College Student Development*, 61(4), 510-516.
- ⁵ Hunt, W., & Scott, P. (2020). Paid and unpaid graduate internships: prevalence, quality and motivations at six months after graduation. *Studies in Higher Education*, 45(2), 464-476.
- ⁶ Hora, M.T., Colston, J., Chen, Z., & Pasqualone, A. (2021). *National Survey of College Internships (NSCI) 2021 Report: Insights into the prevalence, quality, and equitable access to internships in higher education*. Center for Research on College-Workforce Transitions. University of Wisconsin-Madison.

As with research on internship participation in general, the data on internship compensation is spotty and reliant on small-sample studies and surveys, though the inclusion of the UK Destinations of Leavers from Higher Education (DLHE) survey introduces a large-sample data point to the literature (see Hunt & Scott, 2020). Across the studies reported in Table 2, the percentage of unpaid internships ranges from 30.8% (B&B 16/17) to 58.1% (Hunt & Scott, 2020). Again, while inexact, an extrapolation provides the field with a sense of the prevalence of unpaid internships, and with an estimated 3.28 million internships in the U.S. (see above) and the conservative lower-bound of 30.8% uncompensated internships, approximately 1 million interns in the U.S. are unpaid on an annual basis.

1 million
college internships are
unpaid on an annual
basis

Consequently, the state of unpaid internships in the U.S. is not dissimilar to that of the U.K., where Hunt and Scott (2020) argued that “unpaid internships appear to be much more common than previously estimated, with more than half of those doing an internship at six months unpaid (p. 473).” This is clearly not a fringe problem afflicting just a handful of college students but appears to be a systemic issue.

There is an issue, however, that is obscured by these data, which can convey the mistaken impression that students can be put into one of two camps—that of unpaid interns or that of paid interns. There is a substantial number of students that are “non-interns” who have never taken an internship at all, and our research shows that 67.3% of these students had in fact wanted to take one (Hora et al., 2021). The reasons for their not pursuing an internship are varied and often intersecting (e.g., working paid job, heavy course load, no openings), and the fact that a large number of today’s college students are not pursuing an internship (paid or unpaid) should be as equally alarming as the prevalence of unpaid positions.

Ultimately, the review of the literature suggests three key findings: (1) the lack of robust, cross-institutional data on internships is highly problematic and hinders evidence-based decision making on work-based learning in higher education, (2) the total number of college internships is higher than previous estimates (3.28 million versus 1.5 million), but the fact remains that at least ½ of all college students (and likely many more) are not pursuing these valuable experiences, and (3) that at least 30.8% of interns are unpaid, with about 1 million student interns working without financial compensation.

Who are the unpaid interns and where do they work?

Next, the existing literature was examined to ascertain the characteristics of students who pursue unpaid internships and the types of organizations where they work. Establishing the status of the evidence on these points is important given widespread concerns that unpaid internships are disproportionately impacting specific populations, particularly low-income students and those in specific majors (e.g., arts and humanities).

The concern here is that unpaid internships—some of which are critical stepping stones to elite, high-wage professions (e.g., in government)—cannot be pursued by low-income students who do not have the financial resources to cover tuition and living expenses without working a paid job. In addition, some argue that first-generation students who may not enjoy extensive familial networks may not have access to these positions, and that unpaid internships are disproportionately taken by students of color. Beyond student-level characteristics however, some observers are concerned that students in certain majors and/or who pursue internships in the government or non-profit sectors will be disproportionately uncompensated.

Further complicating matters is how these individual- and organization-level forces intersect, thereby shaping or constraining opportunities for certain student populations. For instance, some speculate that more women are likely to take unpaid internships because of their increased participation in majors associated with health, social services, and education. If these patterns are borne out in the data, then the field of higher education and work-based learning would have some insights into which students, majors, and types of internships should be targeted for subsidies or other interventions.

However, given the lack of data on internships in general and compensation in particular, these patterns and concerns are open empirical questions that should be viewed as hypotheses and not as settled fact. In this section a selection of the existing evidence on the demographics and organizational characteristics of unpaid interns in the U.S. is reviewed, and the current state of knowledge on the topic and key areas for future inquiry are briefly discussed.

Differences in internship compensation by race/ethnicity

First, the evidence on racial differences in internship compensation was reviewed, which is unfortunately an understudied topic.

Analyses of 1,376 seniors taking the 2018 NSSE revealed the following descriptive statistics regarding student populations who took an unpaid internship: Asian, Native Hawaiian, and other Pacific Islander students (68% took an unpaid internship), Black students (63%), Hispanic or Latino (56%), white (56%), multiracial (56%), and other race or ethnicity (61%) (Zilvinskis, Gillis & Smith, 2020). Logistic regression analyses of the data revealed significant results for only one group—Asian, Native Hawaiian, and other Pacific Islander students (n=75)—who were 50% less likely to take a paid internship than other racial groups. The authors correctly note that a limitation with the study includes survey items that are not precise with respect to what constitutes an internship experience, and that the results are not generalizable given the non-random sample and small sample size (Zilvinskis et al., 2020).

Our own NSCI project indicate a similar range of internship compensation among racial categories: Asian American (53% took a paid internship), Black (56.7%), Hispanic or Latino (56.5%), white (62.3%), multiracial

(63.4%), and American Indian or Alaska Native students (41.7%) (Hora et al., 2021). These data should be interpreted with caution given the non-random nature of the sample, small sample size, and low response rate of some institutions in the dataset.

In contrast to these two sets of data, descriptive statistics from the B&B 16/17 survey reveal much lower participation rates in unpaid internships in general and by racial or ethnic group. However, it is once more important to recognize that the B&B 16/17 items sample the entire survey population which includes both interns and non-interns, making the results for internship participation and compensation lower than other surveys as the denominator is much larger. These results indicate the following participation rates in unpaid internships: Asian (32.9%), Native Hawaiian, and other Pacific Islander students (33.4%), Black students (30.4%), Hispanic or Latino (32.6%), white (30%), and multiracial (34.1%) (NCES, 2022).

One study that focused on a single workplace—the House of Representatives in Washington, D.C.—surveyed House offices about the racial composition and compensation practices of their interns (Jones, 2020). While 1/3 of the offices did not participate in the study, the data indicate that 78% of interns in these offices received some type of compensation, and no statistically significant differences between paid and unpaid interns based on race or gender. However, the specific level of pay or stipends was unavailable, raising the prospect that intern compensation may not cover the costs of living in an expensive city like Washington, D.C. The data also indicate that while white students are only 56% of undergraduate college students in the country, they comprise 76% of paid interns in Congress, revealing a substantial racial disparity among interns working in the House of Representatives (Jones, 2020).

While these studies provide some indications that participation in paid internships is not equitably distributed across racial categories, not enough data exist to definitively support this claim.

The final study that provided estimates of racial differences in internship pay was an analysis of 3,952 graduating seniors who participated in the 2019 NACE Student Survey, which focused on whether the proportion of interns by racial groups overall were similar (or not) to the proportion of paid interns by race (NACE, 2020). The study found that multi-racial and Black students (i.e., 6.6% of the sample were Black versus only 6% of paid interns) were under-represented among paid interns, that white and Asian American students were over-represented among paid interns, and that Hispanic and multi-racial students were over-represented among students who had never had an internship at all (NACE, 2020). However, this analysis was not peer-reviewed and details on the sample and research methodology were not included in the report.

Overall, while these studies provide some indications that participation in paid internships is not equitably distributed across racial categories, not enough data exist to definitively support this claim. Until then, suggestions that unpaid internships are disproportionately taken by students of color should be avoided, particularly when more data exist on how other student characteristics—namely gender, major, and organization type/sector—are associated with uncompensated work.

Differences in internship compensation by gender

While there are several studies that examine the dynamics among gender, equity, pay, and the internship labor market (e.g., Oberman et al., 2021; Shade & Jacobson, 2015), in this section only published studies that provide empirical insights into the scope and prevalence of gender differences in internship compensation are reviewed. In contrast to the ambiguous findings on racial differences in internship compensation, the evidence thus far indicates clear disparities based on gender.

In contrast to the ambiguous findings on racial differences in internship compensation, the evidence thus far indicates clear disparities based on gender.

Descriptive statistics from our own NSCI project indicate discrepancies in internship compensation among gender categories: women (54.3% paid versus 45.7% unpaid), men (75.9% paid versus 24.1% unpaid), and other gender identities (47.5% paid versus 52.5% unpaid) (Hora et al, 2021).

Gardner (2010) found that women were significantly more likely to pursue an unpaid internship than men, and also that women from low-income families were more likely to be in an internship at non-profit organizations and government agencies than women from higher income families. This suggests that the role that socio-economic status and organizational type should also be considered when studying the relationship between gender and internship compensation. Crain's (2016) later study of student interns at the University of Georgia (UGA) supported these findings, with data indicating that male students were significantly more likely to take a paid internship than female students. NACE's (2021) analysis of data from their Student Survey report similarly found that only 37% of male student interns were unpaid versus 51% of the female interns in the sample—a statistically significant difference.

In a recent study on the topic, Zilvinksis and colleagues (2020) found that 58% of men but only 35% of women had unpaid positions, and that the odds of women being paid was 34% lower than for men. The authors speculate that these results may be due to the tendency for female students to pursue majors (and occupations) that are lower-paid and in the non-profit sector, but the data also showed that in majors with high concentrations of paid internships (e.g., STEM, business) just 73% of female interns were paid versus 86% of men.

Descriptive statistics from the B&B 16/17 survey indicate that 34.9% of female respondents took an unpaid internship versus 25.1% of males, but again the lower rates are important to recognize as likely based on the different population included in this question. That said, the discrepancy between internship pay by gender holds constant across studies. Clearly, wage inequality is an issue in the internship labor market that is not limited to occupations and sectors.

Differences in internship compensation by student socio-economic status and family background

Next, I review data on one of the most common concerns in the field—that low-income students are unable to pursue unpaid internships due to their lack of financial resources. In this section we also review findings on student first-generation status, which is strongly linked to socio-economic status as well as access to professional networks and job opportunities.

Gardner's (2011) analysis addressed the assumption that families with higher incomes would be more likely to pursue unpaid internships, but he found that students with family incomes below \$80,000 pursued in unpaid internships (46%) more than students with family incomes above \$80,000 (40%). However, once other variables such as gender, organization type (e.g., for-profit, non-profit, government), and academic major were included in the analysis the picture became more complex. For instance, high-income students (i.e., family income more than \$120,000) were more likely to take unpaid internships in for-profit companies than students whose families earned less than \$80,000, men were more likely to pursue unpaid government internships than women (23% to 18%), and low-income students were more likely to take unpaid internships in non-profit organizations (i.e., 31% of students with <\$80,000 family income versus 15% of students with > \$120,000 family income) (Gardner, 2011).

Relatively few studies have examined the dynamics between internship compensation and first-generation college student status. In their analyses of the 2020 Student Survey, NACE (2021) researchers found non-significant differences in unpaid internships by first-generation status, with 52% first-generation students taking unpaid internships in comparison to 39% non first-generation students. Data from the NSCI indicate that 46.2% of first-generation students took an unpaid position versus 38.3% of their continuing generation colleagues (Hora et al., 2021).

Another variable related to socio-economic status examined in the literature is parents' education level. Using data from the United Nations, Silva (2021) found that 2/3 were unpaid, that 1/4 received external funding or support for their positions (from non-family sources), and that students with parents with advanced degrees were 37% more likely to have an unpaid internship than a paid internship. In addition, interns from developing countries were 78% more likely to be in unpaid positions, which may seem counter-intuitive until one reflects that interns from these countries are likely come from elite families with ample wealth. Silva (2021) also notes that interns in the sample have already passed a considerable screen to become a UN intern, and likely reflect high-achieving students from well-connected, privileged backgrounds and networks. Interestingly, Blau and Lopez (2020) also found that other individual-level variables such as proximity of student's home to campus and how often Microsoft Excel was required at the internship were significantly associated with paid internships.

Finally, Zilvinksis and colleagues (2020) reported the following data on internship compensation by students' parental education level: parents who did not complete high-school (33% paid), who completed some high school or some college (38%), completed a bachelor's degree (45%) and completed a graduate degree (50%). These variables, however, were not statistically significant with internship pay. Overall, while the literature suggests that student socio-economic status does influence their engagement in unpaid internships, the direction of the relationship is unclear and other factors (e.g., gender, major, organization type) clearly play a role in this dynamic.

Differences in internship compensation by discipline/student major

Next, one of the most important variables associated with internship compensation—that of students' majors and/or their disciplinary affiliation is discussed. In this area of inquiry, the evidence is clear that students in business, engineering, and STEM fields are much more likely to be paid for their internship than other disciplines.

Findings on the topic include Crain's (2016) study that demonstrated business and agriculture were significantly more likely to pursue paid internships than students in the College of Education, while journalism, political science, and international affairs majors as well as students in the College of Family and Consumer Science at UGA were more likely to have an unpaid internship. Similarly, Gardner (2010) found that the majors most associated with unpaid internships included education (only 34% paid positions), social sciences (35%) and health sciences (39%), in contrast to engineering and computer science (87%), business (70%), and agriculture and natural resources (66%).

Data from the NSCI support some of these findings. The highest percentages of paid internships were for students in engineering (92%), business (78%), physical sciences (74%), other majors (56%), health professions (51%), and the biological sciences (50%). The majors with the lowest rate of paid internships included education (13%), social service professions (21%), and the social sciences (39%) (Hora et al., 2021).

In addition, analyses of NSSE data by Zilvinksis et al. (2020) found that students majoring in education (3% paid positions), social service (13%), and the health professions (16%) were less likely to have a paid internship than engineering students (91%). Other institution-level factors associated with internship pay include whether an internship was required by the academic program (18% paid positions) and if the student received course credit for the internship (26% paid positions), which introduces two additional variables that should be part of the conversation.

The data indicate that while unpaid internships are taken by students majoring in STEM and business programs, they are more concentrated in other majors, thus suggesting that attention be focused on students in these departments. However, another way to look at variation in internship compensation pertains to the sector (e.g., for-profit, non-profit, government) and industry of the host organization, two factors may or may not be closely tied to students' majors while in college.

Differences in internship compensation by type of host organization

Organization-level features that are associated with internship compensation, the first being the type of host organization (i.e., non-profit, for-profit, or government), are also important to consider. In Gardner's 2010 analysis, 57% of the internships offered by non-profit organizations were unpaid, followed by 48% in government and 34% in the for-profit sector. A key point highlighted in Gardner's (2010) report is the relationship between organization type and student major, with for-profits tending to work with students in business, communications, engineering, and health majors. In contrast, non-profits were more likely to host

While the literature suggests that student socio-economic status influences their engagement in unpaid internships, the direction of the relationship is unclear and other factors (e.g., gender, major) play a role in this dynamic.

students in arts and humanities, education, and social science majors. While these findings pertain to unpaid internships only, these patterns of organization type and student major are evident in both paid and unpaid positions.

Gardner (2011) also conducted several analyses of the relationships among company size, industry, student income level, and internship compensation—all questions that should be examined in greater depth and with more transparency and recent data. While several of Gardner's (2011) results suggest areas of future inquiry, one should be studied in greater depth—high-income students appear to be more engaged in internships in general more than low-income students, especially at large, for-profit companies that compensate their internships.

Another study of internship compensation by type of organization was conducted by NACE (2021), where researchers found that of 1,170 respondents who had taken an internship, 20.2% of unpaid positions were in a non-profit, 12.1% were in a private for-profit, 12.6% were in state or local government, and 2.1% were in federal government.

Differences in internship compensation by host organization industry/sector

Another organizational characteristic that may impact internship compensation is that of the industry or sector of the employer. With this variable, it is important to recognize that categorization schemes for firms vary over time and my national context, with the U.S. relying on the North American Industry Classification System while other nations use different schemes. Additionally, the sector of an internship host cannot be assumed to be closely linked to that of a students' academic major and vice versa, making this variable an important one to include in studies on compensation. Unfortunately, little work exists in this area.

Hunt and Scott's (2020) analysis of data from the UK revealed that paid internships were most uncommon in the following industries: creative arts and entertainment (16.5% paid), programming and broadcasting (19%), sports activities and recreation (22%), motion pictures and music (24%) and publishing (27%). In contrast, the data from the DLHE indicates that industries with the highest rates of paid internships included financial services (73%), education (73%), public administration (59%), human health activities (59%), and computer programming and consulting (57%).

Another study that tangentially addresses the issue of organization industry is that of Blau and Lopez (2020), who examined the relationship between compensation and whether the student obtained a full-time job consistent with their major. Their analysis found a stronger positive relationship between paid internships/co-ops and obtaining such a job (Blau & Lopez, 2020).

Differences in career outcomes by internship compensation

Finally, evidence on the relationship between internship compensation and students' career outcomes is reviewed. Again, relatively few studies exist on the topic. Guarise and Kostenblatt (2018) found that paid interns found jobs more quickly than unpaid interns, that paid interns had higher salaries in their first jobs after graduation, but also that students with unpaid internships had higher salaries (i.e., \$1,908) than students with no internships at all. Their analysis also revealed that internship compensation does not appear to impact how graduates evaluated their career success—both on their own terms and also in relation to their peers (Guarise & Kostenblatt, 2018). An interesting issue that Guarise and Kostenblatt (2018) examined, which to our knowledge hasn't been explored before in the literature, is the impact of compensation on the tasks an intern performs

on the job. Their analysis found that unpaid internships were positively associated with job complexity in government positions (versus for-profit work), and that unpaid interns in government had tasks they considered to be more significant than in for-profit organizations. This finding suggests that one positive aspect of unpaid government internships is that they provide meaningful, complex work for student interns.

Another study on this topic was conducted by Crain (2016) at UGA, who found that unpaid internships were negatively correlated to student salary and employment outcomes (e.g., unpaid interns were 11% less likely to report satisfaction with their first job). However, unpaid internships were positively correlated with career outcomes such as confirming/rejecting career interests, networking, and the quality of supervision—that latter two of which were statistically significant from paid internships. Finally, Blau and Lopez (2020) found a significant, positive relationship between paid internships and securing full-time jobs, securing a full-time job consistent with the students' major, and also between unpaid internships and a student being self-employed after graduation.

Key insights from the literature: Raising questions of equity, access and possible solutions

What does the research literature tell us about unpaid internships and their prevalence, impacts, and characteristics? In the spirit of relying on evidence to guide policy and practice-oriented debates in education, I argue that considerations about internship compensation should at the very least incorporate key ideas and findings from the empirical literature, regardless of its relative infancy. Towards that goal, the following questions and issues should be considered as higher education begins to grapple with the problem of unpaid internships.

KEY INSIGHTS FROM THE LITERATURE

The fields of higher education and workforce development need better data on internship compensation

More and better data on internship compensation is needed if postsecondary institutions, philanthropy, government, and employers are to successfully minimize (or eliminate) the negative impacts of unpaid internships on specific groups of college students. If the ideal of “evidence-based decision-making” is to be realized in guiding policy and practice in education, then establishing better datasets must be a high priority for the field. At the moment, however, debates about unpaid internships are rhetorical and anecdotal—which is essential to raise awareness of their negative impacts on some students, but insufficient to guide (and monitor) widespread change and policymaking.

Ideally, data would be nationally representative (e.g., B&B 16/17), include large numbers of postsecondary institutions (e.g., NSSE), include questions that delve deeply into the internship experience and obstacles to participation (e.g., NSCI), and include a variety of institution types (e.g., four- and two-year, MSIs, etc.). Further, these data should be easily accessible to institutional leaders and practitioners so that they could rapidly query the data to inform local decision-making. In addition, data from employer-based surveys that explore in depth reasons for or against paying student interns would contribute to the national conversation by illuminating employers’ rationale for funding their internship programs or not.

KEY INSIGHTS FROM THE LITERATURE

Uncompensated work for underserved college students is highly problematic

Even though the empirical evidence is sparse on the ways that unpaid internships may be disproportionately impacting underserved and/or historically marginalized college students, and that unpaid positions are unlikely to disappear in certain sectors and professions due to budgetary constraints (e.g., non-profit organizations), the fact remains that for students without ample financial resources, unpaid labor represents a hardship that could result in skipped meals, missed rent or tuition payments, or debt. Further, with these potentially transformative positions that could launch a career out of reach, an unpaid internship functions as yet another gatekeeping

mechanism that is a “door opener” for privileged, wealthy students while excluding students who are not.

As long as certain facts remain about the population of college students in the U.S.—that only 1 in 5 students take an internship, that 81% of students work paid jobs (NCES, 2020), that 31% were in poverty (Chen & Nunnery, 2019), and some estimate that 41% of college students are food insecure (Nikolaus et al., 2020)—the unpaid internship is either out of reach or could inflict hardship for millions of college students.

KEY INSIGHTS FROM THE LITERATURE

Advocacy for High-Impact Practices (HIPs) should not include internships until the compensation issue is addressed

Internships are considered a “high-impact practice (HIP)” that students should pursue while in college (Kuh, 2008), with some observers even calling for colleges and universities to make them a core requirement for graduation (Busteed & Auter, 2017). In some academic programs and institutions, internships requirements are already in place, due to professional requirements (e.g., social work) or institutional mission/ethos (e.g., Cal Poly San Luis Obispo), but internships are increasingly becoming a central feature of institutional strategies for enhancing college student success in the early 21st century.

This advocacy should stop immediately. With indications that unpaid internships are not a fringe phenomenon, but impact between 30%-50% of all college interns, postsecondary institutions are doing a great disservice to their students by advocating or even mandating an experience that could potentially do harm. Even though internships have demonstrably positive impacts on students’ career outcomes, attention should focus on reducing the number of unpaid positions before advocating this particular HIP.

KEY INSIGHTS FROM THE LITERATURE

Why are women disproportionately participating in unpaid internships, and are the long-term impacts on their careers?

Perhaps the most consistent and well-documented feature of unpaid internships is how they are disproportionately pursued by female college students. This is extremely concerning given continued evidence that the gender wage gap is real, persistent, and substantial—with some estimates that women earn 84% of what men are paid (Barroso & Brown, 2020). While the literature attributes this discrepancy to discrimination and differences in educational attainment, experience, and “occupational segregation” or the tendency for certain demographics to be over- or under-represented in an occupation, it is also possible that unpaid internships play a role. In fact, some research on female college students pursuing unpaid internships reveals that the experience socializes women into under-valuing themselves on the job as well as sexist attitudes and practices in the workplace (Shade & Jacobson, 2015).

In studying and addressing unpaid internships in U.S. higher education, attention should be paid to investigating their impacts on women, why they are pursuing these experiences in larger numbers than male students, and what can be done to reduce these discrepancies or ameliorate their negative impacts on these early-career female students.

KEY INSIGHTS FROM THE LITERATURE

Should efforts to subsidize or otherwise address unpaid internships focus on specific majors and organizations?

The data also indicate that unpaid internships tend to be concentrated in non-profit organizations and government agencies, and in organizations that aren't engaged in STEM, business, or engineering-related fields. Consequently, for students in programs such as the arts and humanities or social services, an unpaid internship in a non-profit organization may be their best option if they want an experience that is aligned with their career goals and interests. This state of affairs suggests that efforts to subsidize or otherwise address unpaid internships may benefit from a targeted approach, where students in particular departments or programs (e.g., social work, the arts) and/or internships in non-profit organizations are the focus.

In addition, given the sheer volume of unpaid internships in certain sectors and the important role that they play in some students' career trajectories, some stakeholders may resist calls to "ban" or eliminate unpaid internships entirely until and unless funds are identified to subsidize these positions. In other words, instead of eliminating these opportunities entirely, which may be deleterious to students as well as budget-constrained non-profit organizations or small businesses, the goal could first be on seeking funds to subsidize these positions.

KEY INSIGHTS FROM THE LITERATURE

What should postsecondary institutions, employers, philanthropy, and government do?

Finally, these data should raise red flags for all of the stakeholders involved in higher education, especially those committed to promoting High Impact Practices (HIPs), supporting under-served students' success in and after college, and in creating better pathways to the 21st century workforce. The number of students not engaged in internships at all is high, the scale of the unpaid internship problem is vast, and the increased advocacy for HIPs risks adding yet another exclusionary screen that hinders the success of historically marginalized and low-income college students.

If all parties engaged in the college-workforce transition are to take the issue seriously, then the question becomes—who is responsible for funding these unpaid internships? Specifically, what role exactly should employers, government, postsecondary institutions, and other institutions play?

Current policies and initiatives to address the unpaid internship problem

Next, several policies and initiatives that have focused on addressing unpaid, whether to provide subsidies for student interns, change policy to eliminate unpaid work, or other efforts to mitigate their negative impacts, can provide readers with a sense of what has been tried in the past, what appears to be working, and how future endeavors could be organized.

To highlight potential leverage points for change across these efforts, they are organized according to the primary role group who is responsible for securing and/or distributing funding to students—employers, government, postsecondary institutions, philanthropic organizations, and third-party organizations (e.g., workforce development boards).

Employers: Eliminating unpaid work when possible

The first and obvious party to consider addressing the unpaid internship problem is the employer who hosts and supervises the student intern. In considering the role of employers, it is important to recognize three key facts: (1) many employers do pay their interns for high-quality, meaningful internship experiences, and for some a paid internship program is an essential part of their recruitment strategy, (2) some employers—especially those in the non-profit sector—do not have sufficient budgets to pay interns and rely on volunteers for much of their programming, and (3) exploitation of student interns—paid or unpaid—does happen where employers recruit interns to fill shortfalls in their own labor pool and create internships that have little to no connection to students' learning and career objectives.

With these issues in mind, any solution to the unpaid internship problem should start with employers. At the campus level, this could manifest in one of two ways. First, it is not uncommon for some colleges and universities to refuse to post unpaid internship positions for their students. Taking this stand provides a clear signal to the employer community that access to a particular pool of potential labor and future employees is restricted to those who are willing to pay student interns. Second, campuses can work with their employer relations or career services units to conduct active outreach to employers and encourage them to pay their interns. This can involve simply making the case that interns should be paid or also pointing employers to pools of funding that could subsidize a students' experience (see below).

In cases where employers are unable to find the budget to support student interns, which is not uncommon in small businesses and the non-profit sector, it may be essential then to turn to alternative sources of funding that can subsidize a students' experience.

Government: Funding and/or banning unpaid internships in federal and state government

Government agencies can be engaged in the unpaid internship debate in a variety of ways, and at both the federal, state, and local levels. In this section, three areas where government is actively involved in unpaid internships are highlighted—via appropriations at the federal and state levels, through directives that reduce (if not ban) unpaid internships in government, and through efforts to link the Federal Work Study (FWS) program to internships.

In addition to these efforts, it is important to note that the federal government also plays a critical regulatory role in determining whether an unpaid internship is legal, at least for those located in the private sector.

As previously noted, the Primary Beneficiary Test under the Fair Labor Standards Act (FLSA) stipulates the conditions under which a for-profit employer can legally elect to not pay an intern, though these criteria do not apply to the sectors which include the bulk of unpaid internships—non-profit organizations and government agencies. Organizations such as Pay Our Interns have called on the Department of Labor to broaden their regulations to include the non-profit sector, and the creation of a task force that investigates FLSA violations, revisiting the “volunteers” exception, and on collecting national-level data on the prevalence of unpaid internships.

Considering the broader political and regulatory context in which government agencies engage in the unpaid internship debate is important, as they underscore their influence in shaping the parameters (and rules) of internship compensation.

Federal and state appropriations. One of the ways governments can address the unpaid internship situation is to allocate funds (via budgeting and appropriations processes) to pay their own interns—of which there are many in Washington D.C. and in state capitals around the nation. In 2020, over 200 former White House interns called on the Biden Administration to initiate change by agreeing to pay future White House Interns, and funding for both White House and State Department internships were included in bills from the House Appropriations Committee, offering \$4.5 million and \$10 million respectively for each agency (Kaplan, 2021). Similar efforts are underway in states like California so that internships in the state legislature are funded (Jiminez-Bayardo, Sanguinet & Vera, 2021).

These efforts have not occurred in a vacuum, but instead have been the result of organizations such as Pay Our Interns and high-level statements such as this from the National Commission on Military, National, and Public Service (2017):

Recommendation 24c: Pay all Federal Government interns. Because many Federal internships, such as within some congressional offices and at agencies that have authority to accept voluntary services, remain unpaid, these opportunities are limited to those Americans who have alternative means of financial support (p.75).

This call to action is due in part to the growing recognition that unpaid internships act as an unfortunate and yet powerful gatekeeping mechanism in government work, along with the reality that some capitals are overly reliant on these unpaid workers. In a recent article in *Foreign Policy*, an analyst at a Washington D.C. think-tank said, “Everyone pretty much knows that Washington wouldn’t work the way that it does without unpaid interns” (Gramer & Weber, 2021). This could quickly change if federal, state, and local government budgets included line items for internship salaries, stipends and other forms of financial support.

One example of this can be found in the state of Maryland, where the state government funds the Maryland Technology Internship Program (MTIP). The program was launched in 2014 and provides Maryland employers engaged in STEM-related work up to 50% of an intern’s wages (up to \$3,000 per intern) for up to six intern positions. Further, the program requires that 50% of the MTIP funding go to small businesses (with fewer than 150 employees), and to date has funded over 650 technical internships in the state (UMBC, 2022).

Policy directives against unpaid internships. Another way that government can reduce or eliminate unpaid internships—either within the government workforce or in the labor market writ large—is through policy. An obvious example of a policy change that would radically alter the prevalence of unpaid internships is updates to the FLSA that either tightened restrictions on which positions could be legally unpaid or by restricting them altogether.

Another route that government could take is to order agencies to begin paying their interns. For instance, the Biden Administration signed an Executive Order on Diversity, Equity, Inclusion and Accessibility in the federal government directing federal agencies to “take steps to reduce their reliance on unpaid internships,” recognizing the barriers these roles create for low-income and first-generation professionals (White House Executive Order, 2021). In their FY22 budget request, the administration also stated that the number of paid internships in the federal workforce had declined from 60,000 in 2010 to 4,000 in 2020, saying that this effectively is “reducing the opportunity for many to serve” (White House, 2022, p.42).

Clearly, the issue of unpaid internships is on the minds of some in government, and the levers for change are within their grasp via funding and legislative mechanisms.

Federal Work Study Experimental Sites Initiative. With regard to financing internships outside of government (e.g., for- and non-profit organizations, postsecondary institutions, etc.), the federal government also has a powerful and nationwide tool at its disposal—Federal Work Study (FWS). First introduced as part of Title IV of the Higher Education Act of 1965, FWS provides funds to colleges and universities that subsidize students’ part time employment. The formula for the subsidy varies depending on the nature of the work and the employer, with on-campus employment and off-campus work with non-profit organizations not to exceed 75%, off-campus employment with for-profit employers not exceeding 50%, and positions involved in family literacy or community service allowing 100% subsidies (Federal Student Aid, 2021). Some estimate that 92% of the funds for FWS—which exceed \$1 billion a year—are allocated towards on-campus jobs, while 8% is spent on off-campus non-profit and government work, and just .07% supporting student work with off-campus for-profit employers (Federal Register, 2019). While the funding allocated towards FWS may appear generous, the average award for these jobs is approximately \$1,550 which funds just 16% of the public tuition and fees for today’s college student (Scott-Clayton, 2017).

In 2019 the Department of Education launched the FWS Experimental Sites Initiative to expand the scope of the FWS program to include more off-campus positions with for-profit employers, while also facilitating more and closer industry-education partnerships. In addition, a core argument of the initiative was that experiential education opportunities such as apprenticeships, were more meaningful than many on-campus jobs, and that federal funds should be supporting more off-campus work experiences. As then Education Secretary Betsy DeVos said at the time, “Rather than working the dorm cafeteria line, students—particularly low-income students—will be able to ‘earn and learn’ in ways that will set them up for future success” (Murakami, 2020).

The initiative removed limits on private sector positions and increased the wage subsidy to for-profit employers to 75%, allowed institutions to pay low-income students for program-manded work experiences (e.g., student teaching, clinical rotations), increased the number of hours FWS student can work, and also removed the requirement that institutions use at least 7% of FWS allocation for community service programs (e.g., family literacy)—all of which were intended to “provide maximum flexibility to institutions” (Federal Register, 2019, p. 23782).

While the rollout of the program has been hindered by the pandemic, and some critics question the focus on for-profit employers and argue that the DoE should make getting a FWS off-campus position as easy as an on-campus position (Noy & Craig, 2021), the effort represents an interesting and promising effort that could address the unpaid internship situation. Further, for some campuses (e.g., UW-Madison) where the 27 for-profit employers engaged in the program are small- and minority-owned businesses, the program could help to support local small business instead of large corporations who arguably should not be benefiting from these federal monies. At UW-Madison, the initiative is also fostering new partnerships across colleges as different programs work together to identify new employer participants, match students to these opportunities, all while addressing the dual issue of a growing demand for internships and the problem of unpaid work being inaccessible to low-income students.

Postsecondary institutions: Campus-level initiatives to fund or subsidize internships

Perhaps the most active venue for addressing unpaid internships are colleges and universities themselves, where efforts are underway across the nation to raise funds to disburse to students pursuing unpaid internships and/or needing financial assistance to support their experience. In this section I briefly outline a selection of these efforts, which is necessarily an incomplete list.

- *Sacramento State (CA)*: Sacramento State's Gaining Access to Internships (GAIN) Fund provides up to \$1,500 per semester to low-income students if they obtain an unpaid academic internship required for a degree or an internship that provides them with real-world, career experience but does not cover their living expenses (Sacramento State, 2022). Funds are actively solicited from philanthropy, alumni, businesses, and individual donors.
- *SUNY Oneonta (NY)*: The State University of New York at Oneonta has a single application form for students to be considered for grants or other aid to subsidize their internship experience (e.g., transportation, living expenses, etc.). The funds supporting this aid include alumni donations (e.g., The Helen & Michael Casper Fellowship for Internship Support), range from \$250 to \$3,500 and are administered by the Career Development Center (SUNY Oneonta, 2022).
- *Temple University (PA)*: Temple University created the "Unpaid Internship Stipend Program" as a one-time program to disburse unspent funds from career services budgets and distributed \$2,000 grants to 25 students taking unpaid internships. Personnel involved in the program hope to institutionalize the program to continue supporting Temple students (Lewis, 2021). However, other units on campus also subsidize unpaid interns including the College of Liberal Arts which provides \$2,000 stipends funded by alumni (Temple CLA, 2022) and \$4,000 stipends for unpaid internships administered by the undergraduate studies program (Temple Undergraduate Studies, 2022).
- *Loyola University Chicago*: The Center for Engaged Learning, Teaching, and Scholarship (CELTS) at Loyola University Chicago worked closely with several entities across the University, including the Office of Financial Aid, Student Government of Loyola Chicago, and the Office of the Provost to facilitate a number of funding opportunities for students completing unpaid internship, paying \$1500 to support them. In addition, CELTS established the Social Justice Internship Program which connects students to a year long internship receiving a \$4,000 tuition scholarship, all of which is institutionally funded.

- *The University of Maryland (MD)*: The University of Maryland created the Bright Futures Initiative which awards students with need-based scholarships of \$100-\$1000 that can “help offset expenses incurred during unpaid internships.” The initiative is funded by individual donors, the campus career center, and the campus-wide President’s Promise (University of Maryland, 2022). The campus also provides a one-stop-shop webpage that lists scholarships to fund unpaid internships that are both internal and external to the university.
- *Cal State East Bay (CA)*: The California State University East Bay runs the “Community Service Internship Program,” which provides 30 awards of \$1,500 to \$2,000 for students pursuing internships in regional non-profit organizations (Cal State East Bay, 2022).

Philanthropy: Great Lakes Higher Education “Career Readiness Internship” initiative

Next, it is useful to consider the possible role that philanthropy may play in addressing the unpaid internship situation. While one option includes providing unrestricted or general use funds for campuses to provide scholarships, fellowships or stipends to students, another possibility is for philanthropy to dictate the terms of how campuses subsidize unpaid internships, work with employers, and consider program sustainability. An example of a more hands-on approach is one taken by the Ascendium Education Group (formerly Great Lakes Higher Education) in their Career Ready Internship (CRI) grant program from 2014 to 2018.

In 2013-2014, Great Lakes Higher Education (now Ascendium Education Group) provided nearly \$2.5 million to 19 four-year Wisconsin colleges and universities as part of the pilot phase of the CRI program, followed by \$5.2 million in awards to 40 institutions in four states. In launching the program, the foundation noted that internships were “good for all involved” due to their acquisition of skills and post-college career outcomes, but that because many were unpaid, “students with unmet financial need often can’t afford to work without a paycheck” (Great Lakes, 2015).

The project provided up to \$450,000 to four-year institutions and up to \$180,000 to two-year colleges, with the stipulation that the college would partner with employers to create meaningful (i.e., linked to students’ academics and career goals) part-time internships for low-income students. In addition, the funds had to create entirely new positions instead of subsidizing existing internships, and campuses were asked to work across departmental and unit boundaries in order to foster more institutional collaboration and thus the long-term viability of the program. The pilot phase led to the finding that 98% of the participants re-enrolled in the Spring 2015 semester, which led to the expansion of the project. In the three-year version of the program, Ascendium provided administrative support and 100% of interns’ wages and transportation costs in year 1, then 90% in year 2 and 80% in year 3—a structure intended to have institutions begin to take on program costs and build sustainability into the program.

An evaluation of the program found that most of the participating colleges worked with government agencies or non-profit organizations (66.7%), with fewer engaging for-profit employers (33.3%), with a scarcity of positions available in STEM-related fields (Zachry Rutschow & Taketa, 2019). Institutions also reported that more non-profit employers were involved in the project due to their sector needing additional, low-cost labor, and less than half of these organizations were not seeking full-time employee prospects from the program. Some campuses played a strong role in mediating the program by handling student applications and working with employers to establish “internship learning contracts,” while others played a more hands-off role.

Overall, the CRI program funded approximately 5,730 new internships that served mostly underrepresented students (i.e., 30% students of color, 42% first-generation, all targeted low-income students), but less than 20% of the eligible population of low-income students participated in the program. In addition, 57% of the employers offered no funding, and by the end of the program in the Spring of 2018 only 12% had offered more than \$400 to students, indicating that employer financial investments (and buy-in) to the program was minimal. The project was seen as successful in helping institutions to increase the overall number of funded internships but was ultimately not sustainable at many of the colleges as ½ ended the program at the end of the grant period and many dropped the low-income student inclusion criterion (i.e., making subsidized internships available to all students).

The evaluation team noted that the campuses that enjoyed the greatest success had focused on building relationships among on- and off-campus parties involved in internship programming (e.g., career services, employer relations, local workforce agencies), with one aim being to connect students with multiple support systems across campus (Zachry Rutschow & Taketa, 2019).

Third-party organizations: Securing and facilitating subsidies for employers

Finally, organizations such as local Chambers of Commerce have organized funds to subsidize employers to pay their interns. One example of this is the Greater Scranton Chamber of Commerce in Pennsylvania, which partnered with the University of Scranton's Small Business Internship Initiative in 2019 to raise funds from the local business community. These funds were disbursed to local for-profit and small businesses to support either traditional internships (at least 100 hours of work) for up to \$1,000 per student, or for "micro-internships" (remote, project-based experiences) for up to \$500 per student (The Greater Scranton Chamber of Commerce, 2022).

Similar programs are facilitated by the Sarasota Chamber of Commerce via the CareerEdge Internship Reimbursement Program (which is funded by grants from two foundations)(CareerEdge Funders Collaborative, 2022), and the Work and Learn Indiana program that is a partnership between the state and the Indiana Commission for Higher Education (CHE) to provide matching funds to eligible employers (Work and Learn Indiana, 2022). A non-Chamber related initiative is sponsored by the Foundation for California Community Colleges in partnership with the California Film Commission, which provides tax credits of up to 25% for productions based in California and that include career-focused training programs (Foundation for California Community Colleges, 2022). The program has supported 53 students who have been paid interns in 11 film productions.

These examples illustrate how funding for internships can be secured and distributed by third-party organizations as an alternative or a complement to employers, government, postsecondary institutions, or philanthropy alone addressing the issue.

Recommendations

While the prevalence of unpaid internships in the U.S. labor market is daunting, there are solutions that can and should be pursued. I conclude this policy brief with recommendations for how stakeholders can work to address this problem that is far more widespread than commonly understood. In making these recommendations, I and my colleagues at CCWT are guided by the conviction that the ultimate goal is to ensure that all college students—regardless of their social class, socio-economic status, access to networks, or institutional/disciplinary affiliation—should be able to pursue an internship that is paid so that they do not have to take on debt or endure hardship. Until and unless this happens, the college internship will continue to be one of the most effective gatekeeping mechanisms in U.S. society for restricting access and opportunity for low-income and under-resourced students.

1. Collect more data on internships and use them to inform evidence-based decisions

We need more and better data to continue tracking the prevalence of unpaid internships in the U.S., and which students are being disproportionately affected by them. The federal government should make questions from the B&B 16/17 on general internship participation available on their PowerStats tables, and also [POI request here].

In addition, colleges and universities around the U.S. should participate in national survey projects that contain more detailed and nuanced questions about internships—especially CCWT's National Survey of College Internships (NSCI)³—so that they can better understand how their students' internship experiences, make evidence-based decisions about internship programs at the campus level, and contribute to a growing national dataset on internship prevalence, quality, and equitable access.

2. Employers—pay your interns or seek external funding to subsidize them

Employers should pay their interns. This is especially the case if interns provide substantive value to the work, are a key part of recruiting strategies, and if the organization has an explicit mission focused on fairness, equity, and social justice. If no budget is available to pay interns, either create one or actively seek the growing numbers of external pools of funds available to subsidize the costs of an internship program (e.g., Chambers of Commerce, local colleges or universities, etc.).

3. Postsecondary institutions—collect more data, target interventions to women and non-profit internships, dedicate financial aid funding to support students doing unpaid internships, build partnerships across campus units and with external partners, and address the myth that students cannot get academic credit for paid internships

Colleges and universities should collect more data via surveys such as the NSCI on their students' internship experiences and use these data to monitor the prevalence of unpaid internships on their campus and which students are taking them. With these data in hand, institutions can design and implement interventions that focus on specific groups of students (e.g., women, those pursuing internships in non-profit organizations, etc.), and engage in continuous improvement efforts on cross-campus internship programming.

³ For information on how to register for the Fall 2022 administration of the National Survey of College Internships see: <https://ccwt.wceruw.org/the-national-survey-of-college-internships-nscli/>

Postsecondary institutions also should explore ways to dedicate financial aid to support students doing unpaid internships. Such an endeavor would necessarily involve various parties on campus, but efforts to use FWS funding to support off-campus internships are an example of how this can be done effectively. In addition, postsecondary institutions need to engage in more partnerships with local Chambers of Commerce, philanthropic organizations, employers, and government to create new internship opportunities and then pools of funding to ensure that these are paid experiences. It is clear that solutions to the unpaid internship problem will require systemic efforts across multiple parties and will require the proverbial “village” of stakeholders to come together to dismantle the current inequitable system in place. It is also evident, however, that partnerships should be built across campus so that different units are working in coordination with one another to provide subsidies for unpaid internships and/or are working with employers. It is notable that the Ascendium grant prioritized on-campus partnerships and that some campuses (e.g., Temple University) offer subsidies for unpaid internships in a de-centralized manner via different units and programs, while others provide students with a one-stop-shop for these funds.

Colleges and universities should also address and dispense with the widely held myth that students cannot receive academic credit while also getting paid by the employer. Whether student interns are paid is up to the employing organization, while awarding credit is the purview of the academic unit—students should be able to acquire both pay and credit for their internship.

Finally, colleges and universities should ensure that internships that are required by an academic program or department and/or that are taken for credit, are not unpaid positions. This is because mandatory internships place a considerable burden on students by forcing them to take positions that may be poorly paid or not paid at all. Further compounding these burdens are for-credit internships, which require students to pay tuition. In the not uncommon case of for-credit, required internships that are unpaid, a student is faced with indefensible situation of paying tuition for uncompensated labor.

4. Government—continue the FWS Experiment, revise the Primary Beneficiary Test, end unpaid internships in government

Government at the federal, state, and local levels should immediately end all unpaid internship programs within their offices and agencies. This is especially the case in Washington D.C., and at state capitals around the nation, where funding can be found to adequately pay these interns who do a considerable amount of labor. In cases where government interns do not engage in meaningful work, eliminate these positions until and unless pay and real tasks can be found for these students.

At the policy level, the federal government should continue and expand the Federal Work Study experiment that supports off-campus student employment, and all government efforts to subsidize internship programs should target funding to small businesses instead of large employers.

Finally, the Department of Labor needs to revise the Primary Beneficiary Test governing the legality of unpaid internships in for-profit organizations. The current seven-factor test is far too ambiguous and flexible, enabling unscrupulous employers ample legal cover to create poorly designed “internships” that are not educational and should be paid hourly labor. Solutions could include making all seven-factors (instead of just one) requirements for an unpaid internship and also by extending the test to non-profit organizations and government agencies. Such changes should be considered and made in coordination with key stakeholders to ensure that multiple

perspectives are heard and incorporated, but with the well-being and educational experience of the student held as the main priority.

5. Philanthropy—actively fund efforts to subsidize internships

Philanthropic organizations should create or expand programs to support postsecondary institutions, government, and third-party organizations (e.g., Chambers of Commerce) to subsidize paid internship programs. In doing so the lessons learned from the Ascendium Career Readiness Internship program should be carefully studied (Zachry Rutschow & Taketa, 2019), particularly the steps required to make these programs sustainable and not dependent on philanthropy over the long term. To launch these efforts in the beginning, however, funds will be required to demonstrate to institutional leaders the value and vehicles for funding student internships, and to provide the time necessary to design and then nurture the complex partnerships required to create a viable “internship ecosystem” at a local and regional level.⁴

6. Third-party organizations—provide subsidies to employers to pay their interns

Finally, organizations such as local Chambers of Commerce can play a critical role in facilitating the complex partnerships required to organize funding mechanisms to subsidize internships at scale. Local and state Chambers, as well as other entities such as workforce development boards or initiatives, career readiness focused non-profit organizations, and other third-party organizations should continue to work with employers and educators to create and administer funding to subsidize new internship opportunities.

⁴ Creating and maintaining cross-organizational partnerships is exceptionally difficult. For a resource on challenges and strategies associated with partnerships in education, see: Hora, M.T, and Millar, S.B. (2011) *A guide to building educational partnerships: Navigating diverse cultural contexts to turn challenge into promise*. Stylus Publishing.

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