

Internships in London

Background

Internships are becoming increasingly important for London as a stage from education to employment. As discussed at the Committee's meeting in March 2014, more businesses are now using internship programmes to try out new staff, particularly graduates, and ensure that they are ready to enter the workplace.

It is a legal requirement for businesses to pay the National Minimum Wage to interns that work for them (i.e. have set hours and conduct work that would otherwise be done by someone else). Intern Aware, the National Union of Students and other organisations are campaigning for all interns who work for more than four weeks to be paid the National Minimum Wage.

When the Committee held a meeting on internships in London on 20 March 2014 it became clear that the lack of robust data was inhibiting informed debate on the issue of internships in the capital. The Committee commissioned two surveys of young adults (aged 19-30) to generate primary data on the number, types, and quality of internships in London. The first was a TNS survey of 697 young Londoners, the second was a Talk London survey of 120 current and former interns. This paper summarises the key findings and headline results from the two surveys.

Hypothesis

Internships are an important stepping stone from education to employment for many young adults. However, some people are excluded from them because not all internships are advertised and a significant proportion do not pay the National Minimum Wage or higher.

Key findings from the TNS survey of young Londoners

- Over a third of young adults who responded to the survey have been, or currently are, an intern.
- Young people believe internships can improve their chances of getting a job.
- Almost four times as many young people could do an internship that paid the National Minimum Wage, compared to one that was unpaid. This rises to almost five times as many young people who said they would be able to do an internship if they were paid the London Living Wage.

Key findings from the Talk London survey of current or former interns

- Just under 4 in 10 of the current and former interns had been paid the National Minimum Wage or above.
- 9 in 10 current and former interns thought that all interns should be paid at least the National Minimum Wage.
- A fifth of current and former interns heard about their most recent internship through personal contacts.

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TNS survey of young Londoners – headline results

TNS conducted a survey of 697 young adults aged 19-30 in London. The aim of this survey was to assess young Londoners' awareness and views on internships, and gauge how many young Londoners had been or intended to become an intern. Interviewing was conducted through an online self-completion survey from 10 July to 5 August 2014. Results are weighted to represent Londoners aged 19-30 (weighted base 727).

More than a third (36 per cent) of respondents were, or had been, an intern.

- 7 per cent were currently doing an internship, 11 per cent had done an internship in the last 12 months, and 18 per cent had done an internship more than 12 months ago.
- Of the 36 per cent who were currently or had done an internship, just over half (52 per cent) had undertaken one internship, over a quarter (27 per cent) had done two, and one in ten (10 per cent) had done three.

Most respondents thought that internships could help people become more employable.

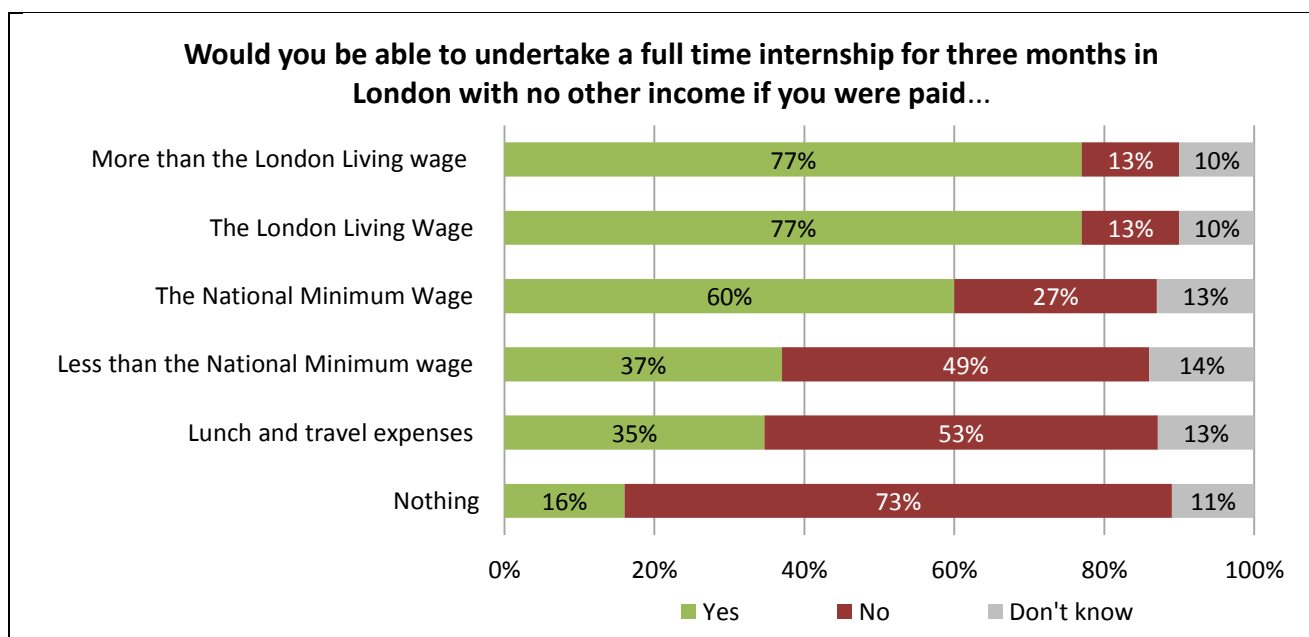
- Over three quarters of respondents agreed that internships were a good way to develop skills for work (77 per cent) and could help young adults in London to obtain permanent jobs (78 per cent).

The majority of respondents thought that interns should be paid at least the National Minimum Wage.

- 58 per cent thought that interns should be paid at least the National Minimum Wage.
- 25 per cent thought they should be paid at least the London Living Wage.
- 20 per cent thought interns should receive just lunch and travel expenses, and 7 per cent thought they should not be paid at all.

Businesses that pay interns more have a wider pool of talent to recruit from.

- Only 37 per cent of young adults would be able to undertake a three month internship which paid less than the National Minimum Wage.
- This rose to 60 per cent if they were paid the National Minimum Wage, and 77 per cent if they were paid the London Living Wage.



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Talk London survey of current and former interns – headline results

This survey was hosted on Talk London. The aim of this survey was to gather information about the nature of the internships that are taking place in the city. It was an online self-completion survey aimed at young adults aged 19-30 in London who are currently doing or have completed an internship. The survey was live from 29 July to 31 October 2014, 120 young people responded. Due to the small sample size results should be treated as indicative only.

Internships can lead to jobs, but young people overestimate how useful internships can be.

- Overall, 85 per cent thought that doing an internship would improve their chances of getting a job.
- Of those currently doing an internship, 45 per cent thought it was likely to lead to a job in the same organisation and 80 per cent thought it would be likely to lead to a job in a different organisation.
- Of former interns who responded, an internship actually led to a job in the same organisation for 28 per cent and for 38 per cent it led to a job in a different organisation.

Just under 4 in 10 had been paid the National Minimum Wage or above.

- 80 per cent were satisfied with their contribution to the organisation, and 74 per cent felt valued by the organisation, but only 32 per cent were satisfied with how much they were paid.
- 16 per cent were paid nothing, and 41 per cent received lunch and travel expenses only.
- 38 per cent were paid the National Minimum wage or more.
- 61 per cent of respondents were unable to support themselves on their income as interns alone. 47 per cent of respondents supplemented their internship earnings with savings, and the same number supplemented their earnings with money or other support from their family.

Almost all those surveyed thought that interns should be paid at least the National Minimum Wage.

- 90 per cent thought interns should be paid at least the National Minimum Wage. 60 per cent thought they should be paid at least the London Living Wage.
- Only 6 per cent thought interns should receive just lunch and travel expenses, and only 2 per cent thought they should not be paid at all.

Personal contacts are still an important way for young people to get internships.

- 35 per cent found their internship by searching online, 27 per cent from an advert, and 18 per cent through university, college or school.
- 20 per cent had heard about their internship through a personal contact. (We do not know whether these internships were advertised or not.)

The top line results and excel data tables for both the TNS and Talk London surveys are available at: <http://data.london.gov.uk/dataset/london-assembly-research>.