

Making Work Pay: call for evidence on unpaid internships - CIPD Submission

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This call for evidence is informed by insights gathered from a recent survey, conducted between 30 July to 31 August 2025, of just under 150 (148) CIPD members. The aim was to understand how their organisations use internships, including the roles offered and approaches to pay, to gather views on the clarity of current legislation, and to explore the potential impact of proposed reforms banning unpaid internships.

<u>Questions on Unpaid Internships and internships paid below the National Minimum</u> Wage

Pattern and use of internships amongst survey respondents (Q1 to Q10)

- Most survey respondents stated that they had either hired interns in the past (59%) and/or were planning to hire them in the future (51%), with 41% reporting that they currently had interns in their organisation.
- Of those who either currently employ, or have employed interns in the past, they typically offer between one and five internships a year in their organisation (53%).
- There was a wide variation in terms of placement length, with intern placements typically lasting *between one month to one year* (37% said between 1 and 6 months and 28% between 6 months to 1 year).
- The majority of respondents (80%) who currently employ interns, or who have employed them in the past, reported that all interns were paid, with 88% of those paying them at or above the National Minimum Wage (NMW).
- For the minority who do not pay interns: 57% cited that internships are part of an educational programme, while others mentioned travel or meal reimbursements or that they were work-shadowing roles.
- 84% of survey respondents agreed that it would be **useful to define the term** "intern" in legislation.



Regulation 53 of the National Minimum Wage Regulations 2015 (Q11 to 14)

Over half of respondents (53%) said that if the exemption was removed, and they had to pay UK students on an internship the NMW, there would be no impact on their organisation. For a minority, however, it would have a small (16%) or a significant impact (8%).

For those who stated it would have an impact on their organisation, the reasons included higher costs - having to pay wages would strain already tight budgets - and fewer internships offered - some would stop offering internships or reduce the amount they offered.

Worker protection and fairness

Of the CIPD members that responded to our survey, the majority of respondents (76%) agree that "unpaid internships or internships which are paid below the NMW should be banned if they are not related to an educational or training course".

There were several reasons given for this view, including:

- They think it's unethical and exploitative not to pay staff for their work
- Unpaid roles create barriers for those from lower-income backgrounds who often can't afford to work with no pay, worsening inequality and reducing workforce diversity
- They also think that, if interns contribute to business output, they should be compensated
- Normalising unpaid work depresses wages and devalues entry-level jobs

However, it is also important to recognise that the vast majority of CIPD respondents whose organisation offered internships already pay their interns with the most interns paid above the NMW. A number of CIPD members also noted that existing employment legislation, if properly enforced, would protect the majority of interns as most would be classified as having worker status under this. They highlighted that even if legislation was introduced to ban unpaid internships there was still need for action to raise awareness amongst young people of their employment rights, alongside stronger labour market enforcement so those rights are better protected.

Additional comments/suggestions regarding internships

The proposal to ban unpaid internships is clearly welcomed by CIPD members who responded to our request for feedback. Yet, additional action is needed to unlock meaningful opportunities for all young people. Internships remain a common entry route into many professions, with around 40% of young graduates having completed



one. Yet access to these opportunities is deeply unequal. Recent research from the Sutton Trust study found that over half of middle-class graduates had undertaken an internship, compared to just a third of those from working-class backgrounds, with financial barriers disproportionately excluding those without family support.

To truly widen access, we must go further. Updated guidance and practical support for employers are essential to ensure internships are not only paid, but also fair, transparent, and inclusive. The CIPD has <u>developed a set of principles for effective internship programmes</u>, including clear job adverts that state pay, duration, and expectations; fair recruitment processes; structured work plans; regular supervision; and meaningful feedback through references. These measures help ensure internships provide genuine development opportunities and act as a stepping stone into sustained employment, rather than reinforcing existing inequalities.