

The growing cost of internships could add to inequality

Written by The Conversation

In today's hyper competitive job market, internships are becoming a must-have on almost every job applicant's CV. But when should a worker be paid for an internship, and is the rise of unpaid internships simply broadening the gap between those who can afford to work for free and those who can't? We explore these and other issues in this [Internships Investigated](#) series.

Internships and unpaid work can sometimes lead to ongoing employment, but our research shows there are various costs that may exclude people who are economically disadvantaged.

Substantial out-of-pocket expenses can be associated with an internship and few interns receive reimbursements for the costs incurred. For example, if the workplace is not close to where the intern lives, significant travel or accommodation costs, not to mention substantial travel time, may be required to undertake the placement. And sometimes there are costs associated with specialist clothes, personal protective equipment or materials that interns have to pay for.

[Our research found](#) that students who participate in unpaid work, organised privately outside of course requirements, are often required to cover the cost of liability insurance during their internship.

High profile employers, [such as the United Nations](#), expect interns to be responsible for funding their own travel, insurance, accommodation and living expenses in some of the world's most expensive cities.

There is a high level of willingness from young people to participate in internships. The challenge is ensuring those who struggle to afford out-of-pocket expenses are not excluded.

Upfront fees

Some interns also pay for a third-party agency, often referred to as an "internship broker", to secure an unpaid work position. Our ongoing research suggests the number of these agencies

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appears to be increasing, especially in the graduate student market. International students seem to be particularly vulnerable.

[One recent example](#) of this practice was an organisation called the Top Education Institute. Located within a university in Sydney, the agency was seeking to charge international students A\$2,800 for the opportunity of an internship at consulting firm PriceWaterhouseCoopers. PwC later clarified that the opportunity was for a course, not an actual internship at PwC.

Another example is Professional Pathways Australia. This Monash University company [charges international students](#) studying in fields such as accountancy, law and public relations, A\$1,500 to A\$1,800 to secure a 12 week unpaid work placement. It's an additional A\$150 for insurance. A non-refundable A\$500 is charged simply to submit an application.

Opportunity costs

Students may also face other indirect costs if they need to forgo paid work while undertaking an internship. Some young people who rely on their part-time jobs to cover basic living expenses may be prevented from participating in unpaid work or [face hardship in doing so](#).

Combining part-time work with a full-time placement may also compromise their ability to perform well in their studies. In the longer term, students who are reliant on a part-time income and who undertake less unpaid work as a result, may become less competitive in the job market than their more financially advantaged peers.

The opportunity costs of unpaid work experience is already very familiar to students studying teaching and nursing at university or aged care and early childhood education VET courses. To gain their qualifications, these students need to complete a substantial number of hours undertaking unpaid work placements.

For example, aged care, disability and home care students who are enrolled in a Certificate III in Individual Support, must intern for 120 hours, or more than three weeks full-time. For many teaching and nursing graduates, the requirement is more than 30 weeks over the full degree.

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[There have been calls](#) to pay student teachers and student nurses the minimum wage while they are on placement. Some countries overseas have already partly adopted this practice. For example, [Ireland pays student](#) nurses slightly less than the minimum wage.

A 2012 [UK Government report](#) on internships put this issue of pay firmly on the political agenda at the last UK general election. The UK Labour Party adopted [a policy of banning](#) unpaid internships lasting longer than four weeks.

There is still a lot that we do not know about the costs and benefits of internships. To devise appropriate policy responses, we need to know how widespread the use of intern brokers is, what kinds of travel, insurance and other upfront costs interns commonly incur, and to what extent the reliance on paid work acts as a barrier to participation for the economically disadvantaged.

Read more stories from Internships Investigated [here](#).

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