

## Low Pay Commission Evidence Submission

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Inspiring Interns is a specialist graduate internship agency that focuses on finding quality placements for university leavers that lead to permanent graduate jobs. Since being founded in 2009 Inspiring Interns has helped over 4,000 people find internships, 66% of which have directly led to paid employment with the host company.

### **National Minimum Wage and its application to internships**

Inspiring Interns was delighted to see the NMW rise in accordance with inflation and rising living costs to £6.50 per hour earlier this year. However, we continue to firmly believe that a blanket application of NMW would serve to reduce opportunities for students and graduates to gain crucial experience and make the step from education to gainful employment. It has been argued that, given the initial introduction of NMW did not lead to a reduction in jobs, we could expect a similar lack of impact on internship positions. However, (proper) internships are an entirely separate category of opportunity: non-essential positions that do not fulfil key functions within organisations. It would therefore be highly likely that firms would not absorb the greater additional cost that blanket NMW would impose and instead cut their internship programmes. This is particularly true of the SME sector – an area that provides fantastic opportunities for graduates to get hands-on experience but one in which excess costs are swiftly eliminated.

It is also worth reiterating that applying NMW to every single opportunity would not solve the issue around the London-centric nature of many placements. The London living wage is currently £8.80– NMW would not be sufficient to allow graduates to relocate to the Capital for a placement and would not affect the social mobility issues surrounding access to internships.

We would like to see a new minimum wage specifically for interns, much like that applicable to apprentices to combat the growing risk applicable to employers hiring graduates in the current economic climate. We believe this intern minimum wage should sit somewhere between the apprentice minimum wage of £2.68 and National Minimum wage of £6.50 to mark this career stepping stone and improve social mobility.

### **Quality and access**

Despite the wide-ranging support for internships, they are surrounded by negative press and have been left open for exploitation by unscrupulous companies. While confusion around what exactly an internship involves remains, this situation is bound to continue and leaves many employers nervous about engaging with internships.

With our extensive experience we feel it is important to outline what a genuine internship involves, particularly with much confusion still surrounding the term. A proper (expenses-only) internship should be:

- A learning experience
- Time-limited

- Carefully structured in advance
- Closely supervised
- Followed up
- With potential for permanent work

When these guidelines on quality are followed, internships are a very positive force and, as our record shows, translate into new permanent jobs.

It is, however, not enough simply to improve the quality of internships when some graduates cannot afford to undertake extended periods of work experience without financial support. Some campaign groups are calling for all internships to be paid – this is an impossible demand, the impact of which would be (as we have already discussed) to reduce opportunity, not to widen access. The Government must therefore ensure that relevant funding is made available to graduates and sufficiently promotes all tools that reduce youth unemployment and increases vocational skills. It is important that a successful framework is created for internships to work as a means to gainful employment.

If we are to combat the rising levels of graduate unemployment, it is essential that we see the creation of high-quality internship placements combined with the additional government support through the Work Experience schemes to ensure no-one is unable to complete an internship for financial reasons. Quality and Access – these are our key objectives.

In addition to internship quality and access, we would also like to see vocational training courses brought to the forefront of discussions in terms of improving graduate employability. We believe that a level of funding should be provided for vocational training courses for graduates to make them more accessible. Too frequently, said courses are only available for the wealthy.