

An Investigation into the Status and Implications of Unpaid Internships in Ontario

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Executive Summary

This report is a response to inquiries from the Canadian Intern Association about the status and value of underpaid internships in Canada.¹ The purpose of this report is to gather information on underpaid interns in order to investigate the motivations of individuals for taking underpaid internships and the effectiveness of the host organization (i.e., employer) in meeting the expectations of interns. The report assesses the advantages and drawbacks of underpaid internships and provides advice to our client for addressing these shortcomings. This report is a component of an ADMN 598: Applied Policy Report for the Master of Public Administration program at the University of Victoria.

The conceptual framework, as derived from the literature review and research questions, was used to examine the motivations of underpaid interns and focuses on three categories of benefits: job related benefits, career related benefits, and job market/networking related benefits. Job related benefits were analyzed according to training opportunities and on the job learning; career related benefits were assessed based on career planning and career management results; and job market/networking related benefits were investigated through employment outcomes.

This report is based on an online survey and interviews of underpaid interns in the province of Ontario. The online survey was made up of 20 questions consisting of a mixture of short answer, multiple choice and dichotomous question types. Respondents were asked basic demographic questions (e.g., age, gender, education) about their internships and finances, as well as their motivations for taking an underpaid internship.

Interviews were conducted with 16 Ontario interns and were semi-structured with open-ended questions. Interns were asked general questions about their internships, what motivated them to take an internship, and how they felt about their internship experiences.

Even though the people surveyed and interviewed cannot be considered representative of the target population, they provide information to consider in drafting policies and in carrying out further research.

The main theme that emerged from this report was the dissonance that exists between the motivations of underpaid interns and the benefits that actually accrue to them. Respondents were mainly motivated to take an internship because of job related and job market/networking related benefits. Other motivations not captured by the conceptual framework were also

¹ A call for research was posted on the Association's website to "gather data about the number of internships in Canada in each sector and what sort of compensation the interns are receiving" (Canadian Intern Association, What We Do, 2014). This report was created as a direct response to these inquiries.

mentioned, such as gaining a mark of prestige and fulfilling requirements of an academic program. Despite the motivations generally aligning with our conceptual framework, the supposed benefits of internships were only demonstrated by a small number of respondents. However, respondents were generally optimistic that over the long term, the benefits of taking an internship would be realized.

As a result of an analysis of the interview and survey results eight recommendations are suggested for the Canadian Intern Association.

Recommendations

1. Educate Employers about Internships and Raise Awareness with Youth

- The Canadian Intern Association can educate employers on how internships function under existing workplace standards. This can be achieved by distributing educational materials and conducting seminars with employers and educational institutions that provide experiential learning opportunities.
- The Association could further raise awareness about internship issues among youth by partnering with universities, employment agencies and other advocacy groups to share information and best practices.

2. Commission further Research on Underpaid Internships

- The Association could consult with researchers, educational institutions and governments to develop additional research on underpaid internships. This would help provide a more solid footing for ongoing policy analysis and overall comprehension of the issue.

3. Organize an Annual Internship Conference

- The Association could organize a conference for the purpose of discussing the ongoing issues facing interns in Canada, establishing an open dialogue with key stakeholder and creating an outlet for the sharing of research and the promotion of collaboration.

Lobby Governments on Internship Issues

We recommend that the Canadian Intern Association continues to lobby the federal and provincial governments on the following internship issues:

4. Longitudinal Tracking of Underpaid Labour

- The federal government should assign a suitable agency with the responsibility and necessary funding to carry out bi-annual counts of underpaid workers in major census areas.

5. Create Federal and Provincial Statutes to Protect Underpaid Interns

- To ensure the protection of interns, the federal and provincial governments could create straightforward and stringent rules. In jurisdictions where there is existing regulations and jurisprudence regarding internships, governments could conduct a comprehensive review of their employment and workplace laws related to interns in order to identify opportunities for improvement.

6. Proactive Enforcement

- Labour ministries could more actively review employers to ensure that they are in compliance with workplace standards regarding the use and treatment of underpaid interns.
- Labour ministries could also consider contacting employers that post job advertisements that may represent a case of non-compliance with workplace standards.

7. Protection for Whistleblowers

- Anonymous reporting could be implemented in order to protect interns from some of the potentially heavy costs of lodging a complaint and to remove existing disincentives.

8. Harsher Penalties for Employers Who Break the Law

- Fines could be increased both to properly reflect the harm caused by illegal underpaid labour and also to effectively discourage non-compliance.

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1.0 Introduction

1.1 Project Objectives and Problem

It has been suggested that underpaid internships—both those that are unpaid and pay less than the minimum wage—are problematic because they can be exploitative, illegal, displace paid workers in a “race to the bottom”, disproportionately affect women, and bar access to those from less privileged backgrounds (Langille, August, 2013) (Perlin, 2011) (Seaborn, 2014) (Moffatt, 2013).² Proceeding under the assumption that underpaid internships may indeed raise a number of problems, this project seeks to understand why individuals participate in underpaid internships and whether these internships fulfill the expectations of those who take them (e.g., do individuals find their internships rewarding or valuable and why).

There are significant barriers to answering these questions. Despite the mounting concern over the perceived rise in underpaid internships, recent information and empirical research on the subject in Canada is scarce (Langille, August, 2013, p. 1). This scarcity of data makes an assessment of underpaid internships and their salient features challenging (Seaborn, 2014). Accordingly one of the important steps of this project was to collect information on interns and internships in Canada. This step helped improve our understanding of the status of underpaid interns and internships, and discover answers to our proposed questions. A potentially fortuitous by-product of collecting this information could be verification of whether underpaid internships are truly a problem, and establishing the first steps towards determining the scope and gravity of the issue.

In sum, this project collects data on interns and internships in Canada and focuses on underpaid internships. The objective of this endeavour is to provide insight into why individuals work for less than minimum wage and whether individuals find these experiences rewarding. We will also provide recommendations to our client on ways to address any of the potentially harmful consequences associated with underpaid internships.

1.2 Client and Rationale

The client of this project is the Canadian Intern Association (the Association). The Association is a federal not-for-profit organization that advocates against the exploitation of interns and aims to improve internship experiences. The Association’s mission is to work with businesses, charities, governments, universities and individuals to improve conditions for interns. The Association views itself as a resource for interns to learn their rights and share their

² A more detailed discussion of the various types of internships can be found in section 1.3.1 “What is an Internship”.

experiences, and to educate employers on how to run better internship programs (Canadian Intern Association, About Us, 2014).

The importance of this project for the Association is tied directly to their mandate of improving the experiences of interns and preventing their exploitation. In order to meet this mandate, the Association needs to know more about the status of interns in Canada. The addition of the information provided by our research will play a key role in creating further momentum and bolstering the legitimacy of inquiry into internships, and help inform the direction of future initiatives.

1.3 Background

1.3.1 What is an Internship?

There is no widely accepted definition of the word “internship” and it can refer to a vast range of positions, from short term job-shadowing to longer term contract positions (NACE, 2011). They can be part of an educational program or undertaken entirely outside the bounds of higher education (Langille, August, 2013; Seaborn, 2014). Internships may be paid at or below the minimum wage, or may be entirely unpaid; they may be held in the private, public or not-for-profit sectors; they may be full-time or part-time, and an individual can participate in more than one internship at a time (Seaborn, 2014; Perlin, 2011).

Ross Perlin, author of *Intern Nation*, echoes the above sentiments when he reflects on the broadness of the term “internship” and notes that its significance lies in its ambiguity—an ambiguity that enables the term to function as a virtual catch-all for precarious and non-traditional forms of work (Perlin, 2011). This ambiguity not only enables the term to capture a wide range of work arrangements, but also to circumvent the established notion that work involves being paid for one’s labour. Finally, and more practically, the ambiguity creates serious confusion over what *actually* constitutes an internship, and in turn, complicates and challenges any discussion of the subject.

Because of this lack of consensus and to try and impose some level of clarity on the discussion, we have adopted a working definition of “internship” that is based around common themes that appear with fair degree of consistency in discussions about internships.³ Our proposed definitions is as follows:

An internship refers to, generally and for the most part, a short-term work arrangement that can be paid or unpaid and is usually intended to provide entry-level experience or training for young workers.

Andrew Langille, a leading authority on internships in Canada, offers a more illustrative but similar definition:

Internships are a temporary form of employment for young people which may be paid (or unpaid) and might have an educational or training component to them. Unpaid internships at the core are a pre-job, a form of pre-employment vetting that allows the employer and intern the chance to “test-drive” a workplace - it's a new form of employment for today's stressed millennial generation. (Langille, August, 2013)

As noted above, internships may or may not provide compensation. For the sake of clarity and the purposes of this study, we consider an internship paid if it pays the provincial minimum wage or higher. Conversely, we consider an internship to be unpaid if it provides no monetary compensation. For the purposes of this study we have opted to discount as compensation things like bus passes, gift certificates or employee discounts. These are “perks” and not a primary form of compensation that an individual can use to manage their affairs. However, there exists a compensation grey zone between paid and unpaid. For this reason, and also because it is this study's focus, we use the term “underpaid internship” to straddle this area of ambiguity. “Underpaid internship” has been used to refer to internships that provide compensation below the provincial minimum wage (Ling, 2013). For the sake of simplicity, the

³ NACE offers a proposed definition of internships as “a form of experiential learning that integrates knowledge and theory learned in the classroom with practical application and skills development in a professional setting. Internships give students the opportunity to gain valuable applied experience and make connections in professional fields they are considering for career paths; and give employers the opportunity to guide and evaluate talent” (NACE, 2011). Frenette uses the moniker “provisional labour” to describe “temporary, conditional, and ambiguous standing of interns, as they simultaneously build their employability and provide inexpensive labor” (Frenette, 2013). US Legal defines internships as “work experience for entry-level job seekers” that occur “during a semester or over a summer” and help individuals gain valuable experience, exposure to the business environment and network contacts (US Legal, n.d.). The Merriam-Webster dictionary does not define “internship” per se, but defines an intern as “a student or recent graduate who works for a period of time at a job in order to get experience” (Merriam-Webster, n.d.). Greenhouse and Mathews further contextualize both terms by discussing the various kinds of internships (e.g., paid, unpaid, partially, or as we would refer to them, underpaid) (Mathews, 2013; Greenhouse, 2010).

term “underpaid internship” will be used throughout this report to refer to all internships that pay below the minimum wage, including those that offer no compensation.

For example, an 80-hour internship that pays \$500 would be considered underpaid *but not* unpaid since it pays \$6.25 per hour (less than the provincial minimum wage). However, an 80-hour internship that provides no compensation would be considered *both* underpaid and unpaid.⁴

1.3.2 The Era before Internships

Although formal internship programs originated in North America relatively recently during the 1960s, and did not gain much momentum until the late 1980s, the precedence for internships can be traced back to at least the 1800s in European medical residencies (Langille, August, 2013; Seaborn, 2014; Spradlin, 2009). These early European internships can trace their roots back even farther to the English apprenticeship system of the Middle Ages and the Renaissance (Burke & Carton, 2013; Perlin, 2011).

Similar to modern internships, apprenticeships of the Middle Ages were undertaken by the young and inexperienced as a way to learn skills and gain competencies in a particular field. However, unlike some modern internships, apprenticeships of the Middle Ages were more than a source of inexpensive labour. In fact, the apprenticeship system was designed to ensure the apprentice was given sufficient “time to become skilled and not simply exploited as cheap labor” (Burke & Carton, 2013, p. 99). Although the apprentice’s employer—the master craftsman—also benefited from the relationship, it was still firmly rooted in the principle of a mutually beneficial exchange between parties—labour in exchange for knowledge and training (Burke & Carton, 2013).

One might assume that the balance of power between master and apprentice favoured the former, but it is unlikely that this asymmetry of power proved frequently detrimental to apprentices. This was likely the result of two factors: first, the 1562 Statute of Artificers, a national law, established rules for the management of the apprenticeship system and ensured that master craftsmen would pass their skills onto their apprentices (Burke & Carton, 2013); second, master craftsmen had strong economic incentives to treat their apprentices well so they could recoup the significant time and money invested into their training and care. Apprentices would typically work under a master craftsman for seven years, though this could vary depending on the trade and contractual negotiations.

⁴ This is a simple calculation so taxes are not included.

As time wore on the legislation protecting the apprenticeship system was repealed, and the Industrial Revolution introduced ever more automation and division into labour processes, leading largely to the disappearance of the apprenticeship system (Spradlin, 2009).

The next evolution in internships were medical residencies. Medical residencies originated in Europe during the 1800s as a way to provide much needed hands-on experience to physicians. They were exported to Canada and the rest of North America following World War I and have been common place in the medical field of developed countries ever since (Perlin, 2011; Langille, August, 2013). It should be noted that medical residencies, although grueling, do provide compensation and sometimes even room and board. In the modern era, they also nearly guarantee employment in a highly lucrative field.

As noted, in the 1960s many professional fields began creating formal internship programs to help post-graduates gain experience, practice applied skills and learn tacit ones. These programs were focused around more traditional and lucrative professions, like law, finance and engineering. However, the civil service and politics have a long history of participating in work experience programs as well (Spradlin, 2009). Again, it is important to note that these early internships, and their modern descendants, paid their interns during their training periods. While the pay would be lower than that of an experienced worker, it would still be above minimum wage standards. Further, interns in these fields were (and still are) virtually guaranteed high-paying positions at the end of their terms (Perlin, 2011, pp. 30-41; Weissmann, 2013).

The roots of modern internships are found in nineteenth and twentieth century medical and professional internship programs and arguably extend to the apprenticeship system of the Middle Ages. All these early forms of work seemed to share a common purpose as a pedagogical tool to train and educate workers. This is a purpose that modern internships also claim to share (Perlin, 2011).

1.3.3 The Rise of Underpaid Internships

Increasingly internships seem to be diverging from the norms established during the twentieth century. Whereas they were typically offered in professional fields that led into well compensated positions, anecdotal evidence shows internships are now much more common in so-called “glamour” industries like fashion, media and journalism (Langille as cited in Seaborn, 2014, p. 5). There are also incidences of internships in non-professional, non-glamour areas like the hospitality sector (Daro, 2013). Unlike their professional peers, these new internships are unpaid, exist in highly competitive fields where internships are unlikely to turn into permanent

paying positions, and where the compensation of permanent paid positions is below median salary levels (Spring, 2014).⁵

Due to the controversy over underpaid internships, public interest in the topic has grown dramatically in recent years (Ontario Ministry of Labour, 2013). The controversy stems from a variety of factors, including a recent spate of workplace complaints, high profile media stories, and political signalling in the U.S. and Canada.⁶ But despite the recent growth in public attention given to underpaid internships, no hard numbers exist on underpaid internships—data is not tracked in Canada (Seaborn, 2014). One estimate puts the number of underpaid internships offered each year in Ontario at 100,000 (Langille, August, 2013; Langille as cited in Seaborn, 2014). Our own estimates for the province of Ontario are much lower and range between 1,000 and 5,800.⁷

The situation for hard data on internships is somewhat better in the United States than Canada; however, the sole estimate for the number of internships that occur each year comes from Ross Perlin, who puts the unofficial number of paid and underpaid internships between one and two million (2011). There does appear to be more readily available evidence showing that internships are on the increase. A 2008 study carried out by the National Association of Colleges and Employers (NACE) found that 50% of graduating students had held internships—an increase from the 17% found in a 1992 study by Northwestern University (Stout, 2010). Numbers from 2013 now put these figures at 63%; this is the highest number since polling began and a 46% increase over the result of Northwestern’s 1992 survey (Zagier, 2013).

Evidence also seems to indicate that underpaid internships are increasing as well. Both Career Builder and Monster.com reported an increase in the number of underpaid internships since the last recession (Bacon, 2011). The career development director at Stanford University also noticed “definitive evidence that the number of unpaid internships is mushrooming—fueled by employers’ desire to hold down costs and students’ eagerness to gain experience for their résumés” (Greenhouse, 2010). He noted that in the 2010 academic year, Stanford’s job board had 643 unpaid internships, or more than triple the 174 posted two years ago. These increases seem to be focused in the private sector (Tahmincioglu, 2010).

⁵ This is based on the results of our own survey of interns and analysis of internship job postings, as well as media stories.

⁶ Some of these examples will be reviewed in section 1.35 *Recent Underpaid Internship Developments in Canada*.

⁷ Our estimates are based on a one-month inventory of underpaid internship postings (see Annex D). Both our estimates and Langille’s only account for internships offered outside of educational and academic settings. Our estimate varies depending on how conservative we are with our guiding assumptions. The most conservative provides the lower estimate, while the least conservative provides the higher estimate.

It is unclear what factors are behind the apparent rise in underpaid internships. The most common attribution is the rise in unemployment that followed the global economic crisis that began in 2008 (Sagan, 2013). Commentators in the US echo this speculation, saying that with “job openings scarce for young people, the number of unpaid internships has climbed in recent years” and this has authorities concerned that “more employers are illegally using such internships for free labor” (Greenhouse, 2010). During the 2008-09 period, Ontario youth between the ages of 15 and 24 were two times more likely to be laid off than their adult counter-parts and experienced a 10% higher unemployment rate. Since the recession, this gap has not decreased and Ontario has remained one of the most affected provinces in terms of youth unemployment. In 2013, official youth unemployment fluctuated between 16% and 17% (Goebey, 2013). Langille noted that other factors, like the erosion of entry-level positions, a drive for increased corporate profits, a greater number of temporary positions and an over-saturated youth labour market may also be contributing to the increase in underpaid internships (as cited in Seaborn, 2014).

1.3.4 Legal Status of Underpaid Internships in Canada

The existing laws concerning internships and the legal status of interns varies considerably within Canada. Some provinces legislate explicitly on the practice, while others are relatively silent on the issue.⁸ One of the major points of inquiry is whether interns are considered employees under the relevant employment standards laws.

Employment standards are laws at the provincial level that cover a variety of working conditions (e.g., holidays, minimum wage, overtime, severance pay) and serve to provide all employees with basic rights. As long as an employee does not fall within any exclusions, they are covered by employment standards.⁹ Therefore, it is not sufficient to exclude someone from the protections of the employment standards act by simply calling them an “intern”. In addition, employers in every province are prohibited from paying employees less than the minimum wage—and individuals are also prohibited from accepting less than the minimum wage (Munroe, 2014; Seaborn, 2014).

In Ontario the *Employment Standards Act* applies to interns unless they fall under one of three exclusions. Students performing work through an approved educational institution and people training for listed professions, like law, dentistry and massage therapy, are covered by the first and second exclusions (Seaborn, 2014). The third exclusion covers individuals who are

⁸ These provinces are Ontario, Quebec and British Columbia.

⁹ As per Seaborn’s (2014, p. 12) cogent explanation, employment standards presume that workers are employees *unless stated otherwise*.

considered “trainees”. However, for an individual to be considered a trainee they must meet the following six conditions:

1. The training is similar to that which is given in a vocational school.
2. The training is for the benefit of the intern. You receive some benefit from the training, such as new knowledge or skills.
3. The employer derives little, if any, benefit from the activity of the intern while he or she is being trained.
4. Your training doesn't take someone else's job.
5. Your employer isn't promising you a job at the end of your training.
6. You have been told that you will not be paid for your time. (Ontario Ministry of Labour, 2014)

For the third exclusion to apply, *all six* conditions must be met; if this or the former two exclusions apply, an intern would not be considered an employee and would not be entitled to the minimum wage in Ontario.

Despite being the province with the most regulation and guidance on interns, Ontario’s exclusion based employment standards are also problematic (Seaborn, 2014, p. 15). The student exclusion gives educational institutions complete discretion and does not require any standards or oversight from relevant authorities; the professional exclusion, by removing basic compensation standards, can bar low-income individuals from entering lucrative professions; and the trainee exclusion is complex and requires significant interpretation (Seaborn, 2014, pp. 15-16). Although the Ontario Labour Board usually rules in favour of claimants seeking back wages under the trainee exclusion, few interns are even aware they can file complaints with the Ministry of Labour or fear doing harm to their reputation.

British Columbia only allows underpaid internships in two circumstances: where the intern works under a listed profession or is involved in a practicum. The listed professions are similar to those listed in Ontario. A practicum, as per the Ministry of Labour’s guidelines, is defined as “part of a formal education process for students enrolled in a public or private post-secondary institution” (Government of British Columbia, n.d.). Seaborn finds that British Columbia is a leader in terms of providing clarity around the legal status of interns and protecting them.

Similarly to British Columbia, Quebec only allows two instances where an intern may be paid less than the minimum wage: where they are working during the school year at an organization approved by an educational institution and approved by the Minister of Education, Leisure and Sport (this also includes non-profit organizations that have social or community purposes), and interns enrolled in a vocational training program recognized by law (Government of Quebec, 2014).

While the remaining provinces offer far less regulation and guidance concerning interns than British Columbia, Ontario and Quebec, federal employment laws are the most silent on the issue (Seaborn, 2014, p. 22). The federal *Canada Labour Code* applies to federal civil servants as well as federally regulated employers, such as banks, telecommunications providers and railways and contains no exclusions for unpaid workers or clarity on their status. According to a briefing note obtained under a federal access to information request, the *Canada Labour Code* does not even define “employee”. (However, it does define an “employer” as someone who employs one or more employees.) Further, the note states that the *Canada Labour Code* only applies where there is an employer-employee relationship and the employee is paid for the work they provide to the employer. Based on these considerations, the note concludes that a person providing unpaid services is not considered an “employee” and as such is not afforded the protection of the *Canada Labour Code* (The Government of Canada, 2013).

1.3.5 Recent Underpaid Internship Developments in Canada

In the last few years there have been several notable events concerning underpaid internships in Canada. The most prominent headlines were made by the complaints of two former Bell Mobility interns. The interns alleged that the corporation owed them wages for work performed as part of Bell’s Professional Management Program (PMP). The PMP, which calls itself a “full-time unpaid development opportunity”, hires over 280 post-secondary students each year (Bell Canada, 2014; Tomlinson, June, 2013). One of the complainants, Jainna Patel, alleged that the PMP had no educational value and that she was doing the same work as paid employees. Human Resources and Skills Development Canada rejected Patel’s complaint in October 2013 and cited as reasons for their decision the fact that Patel was aware the work was unpaid, that the work did not benefit the company, and that there was no evidence she was displacing paid employees (Oved, 2013).¹⁰ Jainna’s case has not affected any changes to employment standards, but will be heard by a federal employment standards adjudicator in the summer of 2014 (Weisblott, 2013).

There have been some small steps taken to improve the regulation of underpaid work in Canada. For example, as a result of obtaining confidential ministry documents, the Toronto Star learned in late 2013 that underpaid interns, trainees and co-op students in the province of Ontario were likely not covered under the province’s Occupational Health and Safety Act. Following this discovery, then Ontario Minister of Labour, Yasir Naqvi, announced his government’s intentions to reform workplace laws and close this gap. Bill 146, *Stronger Workplaces for a Stronger Economy Act*, is currently at the debate stage of the second reading (Legislative Assembly of Ontario, 2014). Another success story is that of Kyle Iannuzzi, who

¹⁰ Ms. Patel’s complaint was first submitted to the province of Ontario, who dismissed it because Bell is a federally regulated employer.

successfully made an Employment Standards claim against his former employer for lost wages.¹¹

On the political side, Scott Brison, Liberal Member of Parliament, stood up during question period in March 2014 to demand that Statistics Canada begin tracking unpaid internships (CPAC, 2014). Meanwhile, Andrew Cash, NDP Member of Parliament, has tabled a private member's bill to crack down on unpaid internships and other forms of precarious work (McKnight, 2013; Brison as cited in Seaborn, 2014). In March 2014 a similar private member's bill was put forward by Ontario Member of Parliament Jonah Schein, who wants to see unpaid internships covered by Ontario's Employment Standards and for the Ministry of Labour to keep track of who is working unpaid (McKnight, March, 2014).

However, there are still many cases of exploitation and even some involving serious tragedy. Most recently Fairmont Vancouver, a luxury hotel, and Hootsuite, a Vancouver based social media firm, came under serious public criticism over job advertisements looking to hire unpaid interns. Fairmont's advertisement sought a "Food and Beverage Intern" whose duties suspiciously resembled that of a waiter or busser. Despite claiming to be an educational opportunity, the advertisement noted that previous experience was an asset. The advertisement was later removed (Daro, 2013).

Criticism directed at Hootsuite followed a similar vein, stating that the company was using unpaid interns as a substitute for paid employees. An excerpt from Hootsuite's intern contract said that interns "shall have no claim against the company ... for vacation pay, sick leave, retirement benefits, social security, workers' compensation, health or disability benefits, unemployment insurance benefits, or employee benefits of any kind" (Daro, 2013). The contract also claimed that Hootsuite holds the intellectual property rights of all deliverables and results of services rendered by interns. Ultimately Hootsuite ceased its internship program and paid its former interns for six months retroactively (Daro, 2013).

Perhaps the most tragic event to befall an intern was what happened to Andy Ferguson in the early hours of one morning in November 2011. Andy was driving home from his practicum with a local radio station when his car crossed the centre lane and collided head on with an oncoming gravel truck, killing Andy. Police think that Andy, who had just finished a 16 hour shift at a local radio station where he was doing his practicum, fell asleep at the wheel. Andy was a student at the Northern Alberta Institute of Technology (NAIT) doing his studies in their radio and TV program. In order for him to obtain his degree he was required to complete one four

¹¹ Because the Ontario Ministry of Labour does not track complaints, there is no way of knowing how many interns have successfully filed complaints for unpaid wages.

month unpaid internship with Astral Media's local pop and rock radio stations, The Bear and Virgin Radio (Tomlinson, September, 2013).

Matt Ferguson, Andy's brother, filed a complaint with federal labour authorities claiming Andy was working excessive hours. According to the *Canada Labour Code*, employees cannot work more than 48 hours a week. There were discrepancies between the hours Andy claimed he worked and those claimed by Astral. The case was further complicated because Andy worked not only as a student for Astral, but also sometimes as a paid employee. Under federal workplace law, his student hours did not count towards the maximum of 48. Hence, investigators concluded that Astral had not violated labour standards (Tomlinson, September, 2013).

1.3.6 Advantages and Disadvantages of Underpaid Internships

In light of the critical recent attention given to underpaid internships, it is important to provide a more balanced overview of their advantages and disadvantages.

The most commonly cited advantages for underpaid internships are that they provide a path into a job or career. This is because internships provide work experience, the opportunity to network and make connections, and the chance to learn new skills or apply those learned in the classroom. These points are based upon the assumption that work experience, networking and learning new skills or applying those that have already been formally learned are important criteria in one's overall employability (i-to-i, 2012; Maertz, Stoeberl, & Marks, 2014; Bacon, 2011). However, data from the United States found that paid interns received job offers 24% more frequently than those with no internship experience. Interestingly, unpaid interns only received job offers at a marginally better rate of 1% compared to their non-intern peers (NACE, 2013). This seems to indicate that while paid interns could expect higher employability through their internships, unpaid internships were unlikely to realize any improvement to their employability.

Internships can also be beneficial for both employers and interns in the sense that they allow for a "trial period" where both can examine each other's fit for the job. An intern can judge whether they fit within the organization and their preferences for the work involved; employers can better evaluate a potential employee via the internship process and without the obligations associated with formal employment (Seaborn, 2014).

For individual interns there are two primary disadvantages to underpaid internships: opportunity costs and risk sharing. When interns work for less than minimum wage, or for no wage at all, they incur an opportunity cost by foregoing paid work elsewhere. Over a short period of time, these costs may be marginal; but over longer periods they can amount to thousands of dollars in lost wages from underpaid labour. This is even more acutely the case for

interns who must pay for their underpaid internships because they are organized through a college or university (i.e., tuition), or because “auctioning off” underpaid internships is now practiced in some areas (Kurtzleben, 2013).

The share of risk is also disproportionately shouldered by underpaid interns. In virtue of working for less than minimum wage, an underpaid intern has more to lose than one who is paid. That is to say, if a paid intern’s work placement does not lead into full time employment, at the very least they were compensated monetarily for their time and effort and have not sacrificed “something for nothing.”

1.3.7 Implications of Underpaid Internships

Underpaid internships have several potential implications over short and long term timeframes for both the interns and society at large.

Shifting Cost Burdens

Over the long term, underpaid internships will result in a shift in cost burden away from employers—who traditionally assumed some of the cost of training and educating employees—onto the rest of society. Because interns work for free, employers avoid much of the cost of training they would have typically incurred. Moreover, interns commonly rely on financial assistance from other family members—either through direct monetary supports or indirect supports, such as moving home. This shift in costs away from employers and onto society represents a subsidy to employers. The important question here is whether or not this subsidy creates more or less socioeconomic benefits.

Mental Health Issues

Many of the interns we spoke with mentioned the additional psychological duress they faced due to their precarious financial situations (e.g., the stress of trying to cope with daily expenses, or the exhaustion of working additional hours at another paid job), and feeling hopeless and devalued for not being able to find paid work after significant time and investment in education and other internships. The cost of this psychological duress is partly immediate in its effects by increasing the stress and lowering the motivation of interns, but could also have long term effects on mental health, a very significant and underappreciated problem in the labour force.

Decrease Government Revenues

Underpaid interns, because of their lower wages, contribute less to government revenues through taxes, Employment Insurance and the Canada Pension Plan. Additionally, as lower wage earners, underpaid interns will spend less than their paid counterparts and therefore contribute less to government revenues via consumption taxes like the Provincial Sales Tax. This could impact government revenues and makes provision of programs and services more difficult.

It is worth noting that strictly unpaid interns are eligible to receive social assistance during their internships. If this happens over a large scale it further exacerbates government expenditures and subsidizes the use of unpaid labour by spreading the cost burden onto society at-large.

Economic Growth

A significant rise in the number of low wage earners, such as underpaid interns, relative to higher wage earners could contribute to a decrease or slowing of overall economic growth. This is a result of the “income effect”, or the fact that an individual’s consumption is strongly correlated with their income (i.e., individuals with lower incomes consume goods at lower rates) (Sullivan & Sheffrin, 2003).

The concept of lower economic growth is closely associated with idea of delayed life milestones. As interns attempt to rebalance their finances in light of lowered incomes, student debts and increased costs of living, they may elect to delay or even forego certain life milestones that are powerful generators of economic activity, like vehicle purchases, home ownership and raising children. However, our study is very limited in its ability to measure the effect of underpaid internships on the economy and we can merely suggest it as a possible implication. To improve policy makers’ grasp of the potential economic impact of underpaid interns it would be necessary to determine other characteristics of underpaid interns, such their earnings, length of underpaid work, and a more reliable estimate of the total number of underpaid interns in the labour force.

Contributes to Loss of Paid Jobs

There is some anecdotal evidence that suggests underpaid internships may be used to replace paid positions (Langille, August, 2013; Seaborn, 2014). If this is true and occurs at a large scale, underpaid internships may contribute to an increase in unemployment and decline in aggregate incomes. This may also put more pressure on struggling government social supports.

Harm to Intergenerational Sustainability

Underpaid internships mainly affect youth. If this period of underpaid work is extended, it could significantly affect the overall lifetime income of younger generations. This could have negative consequences for the younger generation's ability to support the increasing costs of aging generations (e.g., as the baby boomer generation ages, it will begin to draw more heavily on government social supports like the Canada Pension Plan, Old Age Security, and healthcare). This could result in either a paring back of benefits for older generations or the need for greater contributions to government revenue from younger generations. Not only does this raise questions around the sustainability of intergenerational supports, but it could reduce overall intergenerational equity by disenfranchising younger generations and enriching older generations.

Inequality of Access and Disproportionate Effect on Women

Our survey found that underpaid internships are more likely to be taken by those who are from high income, non-visible minority backgrounds. If this trend is persistent over time, it means that access to internships—and the potentially valuable career starting experiences they offer—are only realistically accessible to individuals from high income households and Caucasian backgrounds. Related to this is the fact that if certain fields, like those in the media, exhibit a strong tendency to employ only those who come from privileged, Caucasian backgrounds it could lead to a situation where news and reporting is focused only around issues that are relevant to these privileged groups.

Also, because survey responses seemed to indicate that more females commit to underpaid work than males, it could slow the closing of the income gap between males and females, or even cause it to grow.

2.0 Literature Review

Our review of the literature pertaining to underpaid internships found that the great majority of reports and studies published on this issue are in the United States. Few Canadian reports were written on this topic and even fewer pertain to the issue of unpaid internships specifically. We also found that the literature reviewed generally focused on five main themes: (1) evolution and current status of internships, (2) legal considerations, (3) benefits of internships, (4) ethical and socioeconomic implications, and (5) recommendations to improve internships.

Evolution and Current Status of Internships

In the United States, a body of literature examines the history of internships and traces their origins back to the Middle Ages (Burke & Carton, 2013; Perlin, 2011; Durrant, 2013).

The recent book *Intern Nation: how to earn nothing and learn little in the brave new economy*, by Ross Perlin, is notable for being the first major work of popular non-fiction to focus sustained attention on the issue of internships. Perlin's analysis is wide-ranging and traces the history of internships from the Middle Ages up to the present, and, although focusing mainly on developments in the United States, briefly outlines the use of internships across the globe—from the mega intern programs at Disney, to small time NGO internships in London and the slave-like internships at technology manufacturer FoxConn's Asian factories. *Intern Nation's* primary contribution to the study of internships was in creating a plausible and unifying narrative around the historical causes and drivers of internships. Perlin achieves this by stringing together a vast collection of academic, business, grey and anecdotal research in a coherent and targeted way. That said, *Intern Nation* is by no means a dispassionate or strictly objective account of internships. It is a polemical exposé of the negative effects of internships and a warning of the potential inequalities and social injustices that a hyper-competitive market-based society can breed.

While there is no official data on the number of internships in the US (Bacon, 2011, p. 69) or in Canada (MacDonald, 2013), many reports have noted an increase in the number of both paid and unpaid internships (Bacon, 2011; Greenhouse, 2010; Tahmincioglu, 2010). Recently, leading authorities on internships have attempted to provide estimates for the number of annual internships in the US (Perlin, 2011) and a count of annual illegal internships in Canada and Ontario (Langille, October, 2013).

A number of US organizations have also begun to conduct longitudinal studies on internships. Since 2010 the National Association of Colleges and Employers (NACE) has conducted an annual survey of US employers with internship and cooperative education programs. The survey aims to capture “key benchmarks related to recruiting and hiring, including hiring projections, recruiting methods, and conversion and retention rates” (NACE, 2014). Similarly, Intern Bridge,

an American college recruitment consulting and research firm, published in 2011 the results of an internship survey that gathered data on interns (e.g., gender, ethnic background, household income) and internships (e.g., sector, field, compensation) (Intern Bridge, 2011). This study also compared the results of paid and unpaid interns.

Legal Considerations

A variety of US based sources focuses on the legality of unpaid internships by analyzing the history of unpaid internship law (Bacon, 2011) and discussing its current state (Burke & Carton, 2013; Durrant, 2013; Bacon, 2011). Other sources evaluated potential flaws (Burke & Carton, 2013; Durrant, 2013; Bacon, 2011; Tucci, 2012) and raise questions around the potential legal ramifications for both employers and academic institutions (Swift & Kent, 1999).

We are aware of only two sources of sustained legal discussion on internships in Canada (Langille, unpublished, 2013; Seaborn, 2014). While neither of these sources are publicly available we were able to obtain a draft copy of Seaborn's manuscript. It covers the general history of internships and the particular challenges in Canada, like the lack of data and absence of a definition for the term, elaborates on the various laws and employment standards applicable to internships at the provincial and federal level, and notes any major issues or gaps. Seaborn's analysis finishes with a set of legal and policy recommendations to protect interns and improve their welfare.

Benefits of Internships

A large body of work has identified the many benefits that an individual can gain from internships (Templeton, Updyke, & Bennett, 2012). Such advantages include authentic and applied learning (Burke & Carton, 2013, p. 102), acquisition of relevant experience to build the interns' resumes (Dodge & McKeough, 2003, p. 68; Burke & Carton, 2013, p. 103), building a professional network (Bacon, 2011, p. 68), improved employment outcomes (Finch, Hamilton, Baldwin, & Zehner, 2013), and career planning through better understanding of a profession (Maertz, Stoeberl, & Marks, 2014, p. 126).

Although a significant body of literature has outlined the general benefits for individuals of undertaking an internship, most sources assess those benefits while "controlling for internship variability by sampling from a single intern employer or educational institution" (Maertz, Stoeberl, & Marks, 2014, p. 126) rather than evaluating the experiences of interns themselves. Labelling the practice exploitative, many interns in Canada (Tomlinson, June, 2013; CBC News, 2013) and the United States (Ahmed, 2011; Greenhouse, 2010) have voiced their discontent with underpaid internships. Others admitted the challenges of unpaid work but reported positive experiences (Fox, 2013; Lewis, 2011). While there is considerable anecdotal evidence demonstrating the benefits and disadvantages of internships, there is little empirical evidence

(Maertz, Stoeberl, & Marks, 2014, p. 124; Wen, 2010, p. 6). Few studies have been conducted from the intern's point of view (Hoy, 2011; Muhamad, 2009; Wen, 2010) and those that do exist for Canada are dated or specific to certain fields (Dodge & McKeough, 2003; Hung, 2007).

In the United States, ProPublica, an independent non-profit newsroom, is currently investigating the intern economy and traveling to campuses across the United States to interview interns (McDermott, 2013).

Ethical and Socioeconomic Implications

Numerous sources discuss the ethical and socioeconomic implications of unpaid internships. For example, Burke and Carton (2013) discuss the ethical obligation to pay workers a living wage (p.122) and the practice of academic institutions that require unpaid internships to charge students tuition while providing them with little support (p.122-123).

In addition, several sources focus on the socioeconomic implications, such as providing an unfair advantage to high income individuals and limiting access to low income people (Bacon, 2011, p. 82; Durrant, 2013), financial detriment to the intern and contributing to the unemployment rate (Durrant, 2013). Seaborn (2014) states that internships serve as a social filter by keeping individuals from lower socioeconomic classes from accessing opportunities provided by underpaid internships (p.9). This results in a "creeping cultural apartheid that blocks [lower income] youths from entering high-status [jobs]" that control important "economic, social and political levers" (Langille, August, 2013, p. 2).

Summary of Recommendations from Literature Review

Our literature review found that many sources provided recommendations to modify or change laws and standards around unpaid internships. Recommendations included clarifying the law by narrowing the definition of interns to ensure that the primary purpose of the internship is educational (Burke & Carton, 2013, p. 127), adopting modified legal tests (Durrant, 2013; Tucci, 2012) and proposing changes to the guidelines (Bacon, 2011, p. 91) by, for example, adding a limited service exemption (Tucci, 2012).¹² Other reports provided recommendations aimed at maximizing benefits and minimizing the cost to interns, schools and employers (Maertz, Stoeberl, & Marks, 2014). Some also called for increased school oversight through screening of employers, monitoring workplace practices and evaluating workplace tasks (Burke & Carton, 2013, p. 128).

¹² A limited service exemption would clearly specify under what conditions it is permissible not to pay volunteers; this could be extended to cover some interns as well.

Other sources identified predictors of internships effectiveness (Wen, 2010) and provided recommendations to interns and employers to improve the effectiveness of internship programs. Wen (2010) identifies three individual factors (i.e., academic preparedness, positive attitude, and self-initiative) and four organizational factors (i.e., job challenge, effectiveness of supervision, task clarity, and compensation) that influence the effectiveness of internships.

2.2 Scan of Empirical Studies on Internships

As previously mentioned, some studies have been conducted in Canada and abroad to gather empirical information on interns and internships. This section provides an overview of some of these studies and outlines their main findings and possible limitations.

Building Pathways to Working with Collections: Can Internships and Student Work Experience Help? (Hoy, 2011)

This Australian report is based on a “qualitative research study about the initial professional learning experiences” of 16 individuals starting new positions in collecting institutions (e.g., archives, galleries, libraries, and museums) and explores three types of work-based learning experiences: internships, volunteer work and paid placements (Hoy, 2011, p. 30). The author conducted a series of three in-depth, semi-structured interviews with each participant to gather information on the participants’ “educational background and previous experiences” as well as on the ability of participants to “connect their studies, internships, and work experience to their new positions” (Hoy, 2011, p. 32). Although the study’s sample was relatively small (i.e., 16 respondents), this study provides interesting data on internships (e.g., duration, time commitment) and interns (e.g., level of qualification). The author does not specify if the internships were paid or underpaid. One of the most important findings of this study is that “participants believed their internships helped them gain positions in collecting institutions through their being able to demonstrate practical experience as well as theoretical knowledge, and it also helped them adjust more quickly to their new work environments” (Hoy, 2011, p. 36).

Determinants of Internship Effectiveness for University Students in Hong Kong (Wen, 2010)

This report studied the effectiveness of internships based on a survey of 113 students at the Hong Kong Baptist University and focus group discussions with 18 business major students. It was not stated whether the interns were paid. The study found that internship effectiveness is mostly the result of three individual factors (academic preparedness, positive attitude, and self-initiative) and four organizational factors (job challenge, effectiveness of supervision, task clarity, and compensation) (Wen, 2010, p. 2). It also found that some of the major benefits of internships

were enhanced “knowledge about the world of work, “career skills” and “career focus” (Wen, 2010, p. 9).

Undergraduate Internship Attachment in Accounting: The Interns Perspective (Muhamad, 2009)

Published in 2009, this Malaysian study examines whether “the expected benefits of internship, as perceived by interns before going for their internship, are actually achieved” (Muhamad, 2009, p. 49). To achieve this, researchers collected 156 survey responses and gathered data on the demographic profile of students and their perceptions before and after undertaking the internship. The author does not specify if the internships were paid, the results of the study showed that the interns did not achieve the benefits that they expected prior to participating in the internship (Muhamad, 2009). Despite this, the study found that internships enabled interns to make better choices about their career paths and improve their understanding of public sector accounting (Muhamad, 2009, p. 52).

Best Practices: The Dalhousie University Career Counselling Internship Programme (Hung, 2007)

This report describes major components of the Dalhousie University Career Counselling Internship Programme and “critically reviews evaluations of the internship, the impact the training has had on the interns’ personal development and professional practice, and the reciprocal benefits” (Hung, 2007, p. 50). Based on a 2006 unpublished survey of career counselling interns, this article outlines some of the positive program benefits for the interns’ professional growth and development, including increased “preparedness to develop strategies and interventions to assist clients” (Hung, 2007, p. 54). While the methods and detailed results for this survey are not publically available, the author does provide some statistics on the educational background of the 24 interns who completed this program since 1987.

Case Study: Internship and the Nova Scotia Government Experience (Dodge and McKeough, 2003)

This paper explores the “various natures of internships, the roles of the parties, their varying motivations, and [examines] the development and implementation of a practical application of internships” (Dodge & McKeough, 2003, p. 45). To achieve this, the authors examined “Career Starts”, a *paid* student internship program created by the then Nova Scotia Department of Human Resources (Dodge & McKeough, 2003, p. 45). While the methods of the study were unclear, the authors state that interns were typically motivated to undertake internships to gain “career-specific experience that can be parlayed into a career opportunity, or to move directly into a career-specific role with the Province of Nova Scotia (Dodge & McKeough, 2003, p. 50). Moreover, the study found that academic institutions favour internships because they

provide more integrative and balanced learning experiences. Employers also benefit from internships by adding flexibility to their labour force, attracting top talent and giving them the opportunity to “screen” new employees (Dodge & McKeough, 2003, p. 53).

2.3 Conclusion

Our review of the literature pertaining to unpaid internships, revealed five main focus themes for internship research: (1) evolution and current status of internships, (2) legal considerations, (3) benefits of internships, (4) ethical and socioeconomic implications, and (5) recommendations to improve internships. Perhaps more importantly we found that there were few Canadian sources on internships across these categories and even fewer Canadian empirical studies. The scan of empirical studies found that existing research on internships is limited to niche areas (e.g., counselling, accounting) that often do not specify whether the internships were paid. This demonstrates a clear need for additional investigation into underpaid internships in Canada. More precisely, attention must be given to understanding the characteristics of internships and interns and examining the motivations and experiences of interns.

3.0 Conceptual Framework

The literature review demonstrated that the benefits of internships are well documented. The current literature, however, does little to empirically investigate the motivations of Canadian interns or whether internships deliver on their potential benefits. In response to this research gap this project aims to provide data on underpaid internships in Canada and answer the question of why individuals work for less than minimum wage, whether they find these experiences rewarding, and what factors contribute to a valuable internship.

We believe that the primary reason why individuals take underpaid internships is because they are motivated by their potential benefits. This framework is intended to elaborate on our basic assumptions and create a guiding framework for the comprehension of the phenomenon. The conceptual framework will be based on the three categories of internship benefits as cited by Maertz, Stoeberl, & Marks, 2014 (see below Figure 1). According to Maertz et al. (2014), benefits fall into three categories: job related benefits, career related benefits and networking/job market related benefits. The following section provides an overview of these categories.

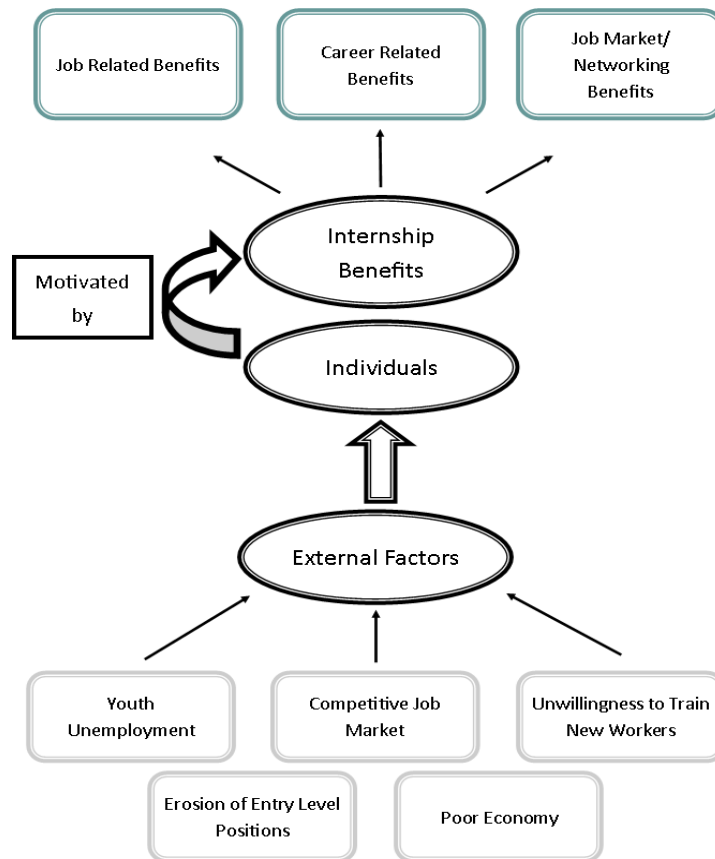


Figure 1. Conceptual Framework

3.1 Job Related Benefits

Job related benefits are those that involve learning or applying knowledge and skills through experience within a specific workplace or job (Maertz, Stoeberl, & Marks, 2014; Burke & Carton, 2013; Tucci, 2012). Job related benefits can be divided into two categories, the application of theoretical skills and learning entirely new skills. Internships provide a controlled environment where individuals can apply theories that they have learned in other aspects of their life, or learn new skills through their job related experiences. The benefits of these learning experiences increases the employability of individuals and improves their job specific performance (Maertz, Stoeberl, & Marks, 2014). Enhanced job specific performance may be linked to better overall career outcomes over the long term. Some skills that interns may benefit from applying are the so-called “soft skills”, such as problem solving, critical thinking, analysis, synthesis and evaluation (Burke & Carton, 2013).

3.2 Career Related Benefits

Career related benefits provide interns with the “opportunity to gain knowledge about careers within an industry, identify general work-related preferences, and develop deeper vocational interests” (Maertz, Stoeberl, & Marks, 2014, p. 126). By doing an internship, interns are able to gain a realistic view of their intended profession, better understand their aptitudes and preferences, and assess their fit within an industry (Burke & Carton, 2013). By gaining an improved understanding of the career field and their suitability within it, interns are better equipped to manage their careers more quickly and effectively” (Maertz, Stoeberl, & Marks, 2014). This can create an advantage for interns by helping them align their career interests and preferences with their career goals at a much earlier stage in life, promoting “more conscientious career planning and greater success” (Maertz, Stoeberl, & Marks, 2014, p. 126).

3.3 Job Market/Networking Benefits

The last category of benefits includes those that relate most closely to employability and compensation. Internships provide relevant experience that interns can use to build their resumes, distinguish themselves from other candidates and attract the attention of employers. Internships play a critical role in persuading employers during the hiring process. Some research has shown that individuals who participated in internships are more likely than their counterparts who have not participated in an internship to find employment (Intern Bridge, 2011; NACE, 2013). Researchers have suggested that this is due to their internship work experience (Intern Bridge, 2011; NACE, 2013). Internships also benefit their participants through the creation of professional relationships and networks (Burke & Carton, 2013). Such connections may open the door to new employment opportunities and put interns in touch with potential employers that they may not have otherwise been able to contact.

3.4 Conclusion and Additional Factors

Maertz et al. (2014) have outlined three categories of internship benefits: those that are job related, career related and job market/networking related. Our conceptual framework is based on the assumption that individuals are motivated to undertake underpaid internships to access these benefits. Because of the focus of this research (i.e., underpaid internships), this framework does not include compensation as a motivator even though it could arguably be considered one. It is also important to note that there are other reasons why individuals may participate in these types of internships, such as for academic requirements. Additionally, other factors or reasons that are outside of the interns' control may contribute indirectly to this phenomenon. These factors may include: high youth unemployment, a poor economy, a highly competitive job market, the erosion of entry-level positions and employers that are no longer willing to train new workers (Langille as cited in Seaborn, 2014; Bacon, 2011).

4.0 Methodology

The research project was designed to collect data on internships in Canada for the purpose of understanding (1) what motivates individuals to take underpaid internships and (2) whether underpaid internships provide benefits for those who participate in them.

The data collected will also be used to create a profile of underpaid interns and establish some of the typical characteristics of underpaid internships. This will facilitate our understanding of the phenomenon and provide a baseline of information for later research.

We used two methods for information collection: a **voluntary online survey** and **telephone interviews**. The target population of both methods were interns who had taken an internship in Canada.¹³ We used a voluntary online survey because it was the most practical, convenient and cost effective way of gathering a large amount of data on the target population. We considered surveying employers directly, but concluded it would not be a good approach.¹⁴ Semi-structured interviews were conducted so that greater detail about the experiences and motivations of interns could be investigated, and to allow personal narratives to emerge.

Hosted on *Fluid Survey*, the survey was launched on October 2, 2013 and remained open to respondents until November 2, 2013.¹⁵ To reach a large number of the target population, the survey was published on our client's website and widely distributed via social media. The survey was also picked up by a number of media outlets. The survey consisted of a mixture of dichotomous, open-ended, multiple choice and short-answer type questions. Our rationale for question type was primarily a reflection of the question itself (e.g., an open-ended question type would not make sense for a question about gender), and also the level of detail we sought.

Interviews were carried out with survey participants who indicated their willingness to do so in the survey. Questions were based on the conceptual framework and created to help understand their motivations for taking an underpaid internship and whether or not they found the experience rewarding. The interviews were semi-structured to allow for interview flexibility and encourage a more conversational dialogue that would allow participants to speak more freely about their experiences (see Annexes B and C for survey and interview questions).

¹³ The survey also asked for respondents who had taken an internship from the year 2000 and onwards.

¹⁴ There are two potential options to survey employers: (1) contacting employers directly and (2) conducting a voluntary survey. The first method faced challenges because it is not widely known which employers use underpaid interns and it is unlikely that those who do would be willing to openly discuss the subject due to its controversial nature and the potential harm it may cause to their reputation. We chose not to conduct a voluntary survey with employers because we had doubts about obtaining an adequate number of responses.

¹⁵ We selected *Fluid Survey* as our survey host because its servers are located in Canada. This eliminates the possibility that the data could be accessed under the US *Patriot Act*.

4.1 Survey Sampling and Limitations

The internship survey represents a convenience sample and as such cannot be considered fully representative of the target population. Convenience sampling was chosen because of the relative ease of delivery, but also because probability sampling of interns would require extensive resources.¹⁶ As the sample is not necessarily representative of the population, the major concern with convenience sampling is selection bias. For example, if interns with negative experiences are more motivated to respond (e.g., a chance to vent grievances), the survey responses will reflect this bias (Statistics Canada, 2013).

Various factors can affect the degree of bias in convenience samples. For example, the shorter the time period over which a convenience sample is taken, the fewer the number of members of the target population will be able to respond to it. This decreases the likelihood that the sample will be representative, and increases the likelihood that it will be biased. So an hour long survey of mall shoppers conducted between nine and ten in the morning would most likely contain a greater degree of selection bias than the same survey taken over the course of an entire day. Sample size is still important for convenience sampling, and in general, the greater the number of responses, the lower the degree of bias. Survey delivery also matters since it can bar access to certain members of the target population (Statistics Canada, 2013).

We believe that our survey has done well at reducing selection bias where possible and given the constraints of the sampling method. The survey was carried out over a period of 30 days, obtained nearly 300 responses, received good coverage in both social and traditional media channels, and was widely available and easily accessible online. Repeating this survey at regular intervals would also reduce selection bias and likely improve the representativeness of the sample (Statistics Canada, 2013).

Because the survey sample cannot be considered fully representative of the target population (i.e., interns) judgments about interns based on extrapolation of the sample data may be inaccurate. In cases where we generalize from the survey sample to the target population, evidence from other research is offered to help provide better support. Also worth noting is that some assessments in this report have their own specific limitations. These limitations will be noted in the discussion of the particular assessment.

¹⁶ In order to perform a probability sample we would need to know the entire population of interns (e.g., by taking a census), or, as a second best option, sample another population that is likely to contain members of the target population at representative levels, such as a post-secondary educational institution. Both of these options were far beyond the feasibility of this project due mainly to cost, time and availability of information.

4.1.1 The Survey Sample

The survey had a response rate of 58%. Of a total of 392 initial queries, 228 submissions were considered usable for the end product. 377 of the queries were submitted in English, while 15 were in French. An additional 164 survey forms were left nearly or totally blank and thus could not be used for this analysis, while another 11 forms left two or three questions unanswered. The unanswered questions were consistent with those that had technical issues early on in the surveying period or were optional short answer questions. We have included the results of these responses unless stated otherwise.

The vast majority of respondents (81%) reported doing their internships in Ontario. The remaining respondents were scattered unevenly across the other regions, with 12% having carried out internships in western Canada (BC/AB), 3% in Quebec, 3% in the maritime provinces (NB, NS and PEI), about 1% in the prairies (SK/MB) and less than 1% in the territories. None of the respondents had conducted internships in Newfoundland & Labrador.

The fact that an overwhelming proportion of respondents had completed internships in Ontario was anticipated because of a variety of factors, including the multitude of recent news reports on the increasing prevalence of internships in Ontario, and the Ontario-centric nature of the project's publicity. For example, both researchers and the client are located in Ontario, and most of the promotion and outreach activities were conducted through local channels.

These results are also consistent with more independent factors, such as Ontario being the most populous province in Canada. However, if population was a factor in representation of responses, it raises a question around why respondents from Quebec—the second most populous province—are not better represented. One possible common sense explanation for this is that the survey was only available in French for a limited time period and received only limited publicity in the francophone community.

Because of the inadequate sample size of respondents who completed internships outside of Ontario, and the conversely higher volume of respondents who completed internships in Ontario, the analysis of the survey responses will focus solely on the latter group. We chose to rely on the data from Ontario because as the significantly larger sample it will tend to be a more reliable and accurate indicator of trends.

4.1.2 Methods of Analysis: Survey

The survey results were measured to determine the proportion of responses for each variable under the relevant questions. The majority of responses were from individuals who participated in internships in Ontario, therefore the analysis focused on these responses. Responses were further filtered into three categories: demographic information, internship information and information on the motivations and experiences of interns. The choice of these three categories was guided by the conceptual framework and also our desire to gather a baseline of elementary data on interns and internships.

4.2 Interview Sampling and Limitations

The interviews suffer from the same limitations noted in the survey, though perhaps more acutely so since the interview sample was drawn from the survey sample. We attempted to randomly select participants for interviews, but due to a low response rate, we asked all potential candidates. Ultimately only sixteen candidates were interviewed from the pool of one hundred.

The interviews have other limitations too, such as how consistent we were in asking our questions, how accurately we listened to and transcribed respondents, and whether we misinterpreted the answers of respondents or unintentionally influenced their responses (Oatey, 1999).

4.2.1 Interview Sample

Telephone interviews were conducted with sixteen interns who had participated in at least one internship in Ontario. At least three of these interns had also participated in internships in other regions, such as British Columbia and Quebec or in other countries like Bolivia. Thirteen of the sixteen interviewees (81%) participated in internships that were either completely unpaid or paid less than the minimum wage.

4.2.2 Methods of Analysis: Interviews

Where possible, interview responses were grouped into themes and the responses coded accordingly. Responses were then explored by theme and evaluated and analyzed as per the conceptual framework. We found that not all responses fit within the scope of the conceptual framework, but nevertheless felt they were valuable and included them in our analysis to highlight the limitations of the framework.

5.0 Findings

In this section of the report we will review some of the survey and interview results and how they align with our proposed conceptual framework.

5.1 Alignment with the Conceptual Framework

The survey found that the top motivations for interns were work experience (79%), learning or training opportunities (59%), networking (48%) and to fulfill academic requirements (39%).¹⁷ 6% of respondents also mentioned other motivations, including: the inability to find paid work, the chance of gaining visibility or a mark of prestige, travel opportunities, admiration for a particular organization, or the belief that the position would lead into full-time employment.

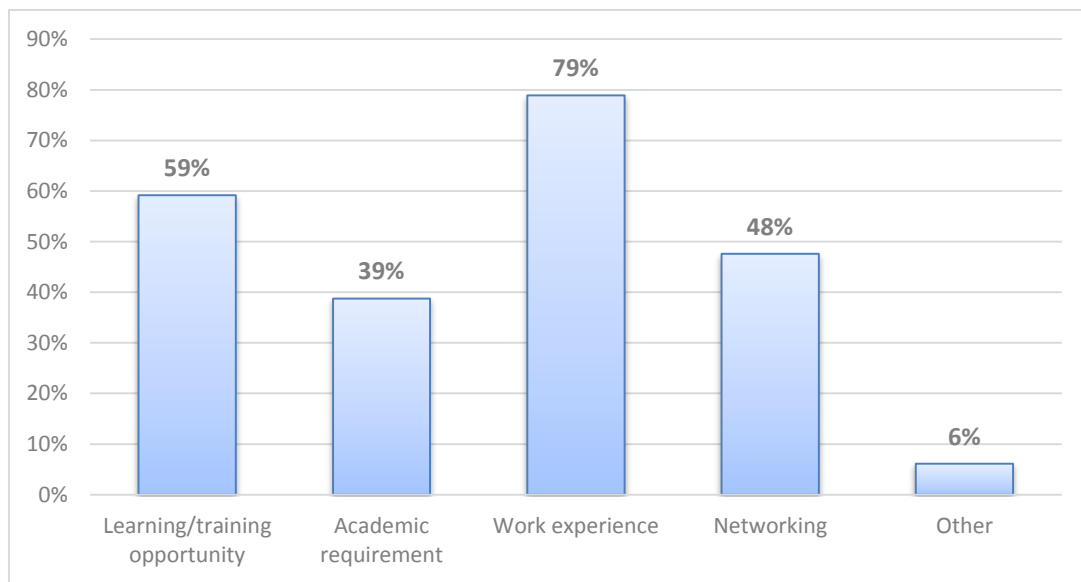


Figure 2. Percentage of interns by motivation

According to these results, it seems that most interns are motivated by job market/net-working benefits. This might be because these benefits are the most closely related to improving one's employability. Job related benefits are also an important factor for interns as evidenced by the relatively high percentage of respondents who stated that learning and training were an important factor in why they took an internship. Career related benefits were not directly addressed in the survey nor did respondents note any career related benefits as motivators for taking an internship.

¹⁷ Six respondents did not answer this question (all underpaid).

The interviews found that most interns obtained job related benefits from their placements. The value of these benefits were mixed, however. Interns who learned transferable skills that required significant training were sought after by employers and seemed to benefit more than interns who learned skills that were basic and involved less significant time to learn.

Interns did not seem to gain any appreciable career related benefits from their placements. In fact, there was a large disconnect between the realities that interns faced and how they adjusted or changed their preferences and attitudes. For most interns, the fields in which they interned are highly competitive, job openings are few and salaries tend to be below the median. Yet, interns we spoke with were optimistic about their future prospects. According to our conceptual framework (i.e., career related benefits), these interns should have adjusted their expectations and probably made decisions to move into career fields with greater employment opportunities. We witnessed the opposite, with interns who were disappointed by the reality of their field simply digging their heels in deeper. This behaviour, though perhaps “irrational” from the perspective of a third party, is rationalized on the basis of the significant time and money that interns invest into their particular career path through school and previous underpaid work placements. In the eyes of the interns, moving into a different field would mean that this investment was wasted.

Most interns said they felt as though they gained job market and networking related benefits, though actual concrete evidence of this in terms of employment was very limited. Interns again seemed hopeful that although no tangible job market or networking benefits were demonstrable, that they would materialize at some time in the future.

5.2 Additional Findings

The survey and interviews obtained information about interns and internships that was outside the scope of the conceptual framework. This section examines some of the more significant findings. We first review the interview results and then proceed to the survey.

5.2.1 Interview Results

The interview responses were divided into four sections based on the questions asked at the time of the interviews. The first section, simply called *internships*, asked the interviewees some basic questions about their internships and probed their legal status. To help determine the legality of the interviewees’ internship positions, some of the questions were based on the Ontario Ministry of Labour’s six point test for determining whether or not a worker qualifies as an unpaid intern (and therefore whether the worker should be paid or not).

The second section, called *motivations*, asked the interviewees questions about their reasons for participating in internships, how satisfied they were with their experiences and their views on the fairness of exchanging labour for experience (i.e., working for free to gain experience).

The third section, called *experiences*, focused on reasons why or why not interns found their experiences rewarding, what actions could be taken to improve experiences for interns and whether the interns could point to concrete skills or competencies gained by taking the internships.

The fourth and final section, titled *considerations*, covers any concerns that were expressed by interviewees that we considered important to note but that did not fit well into any of the other sections.

Internships

Many of the interviewees described their training as “learning by doing” or “hands on training” rather than describing the type of comprehensive vocational training that is required under Ontario workplace standards. Some of the typically non-vocational training that interns engaged in included being familiarized with particular office software (e.g., excel, publishing programs), learning how to perform fact checking and basic office protocols (e.g., setting up voicemail, logging into the computer system). These learning opportunities appear to have been focused on the delivery of services or products that would benefit the employer instead of allowing the interns to learn and practice a specific set of skills that would benefit them in the long-term. Most of the interviewees were generally expected to be ready to work with a minimum of additional training. Only three of the sixteen interviewees received significant training similar to what is given in a vocational school.

Except for one instance, all sixteen interns claimed they performed duties or had roles that were the same as or highly similar to that of a paid employee. One intern noted that over the course of their internship they learned that their internship had previously been a paid position. It was also found that all sixteen interns, based on descriptions of their working duties, performed work that provided a benefit to the employer. Examples included producing advertising and promotional materials for large corporate clients of a communications firm, writing articles in major magazines and newspapers, performing research and fact checking, organizing fundraisers, or doing basic, but necessary, administrative tasks. The lone intern who said that her duties were not performed regularly by paid employees stated that her work was equivalent to an articling lawyer.

Only one intern was aware of the laws in Ontario regarding unpaid internships at the start of her internship (this intern was also one of the three paid interns). Four interns eventually became aware of the laws during their internships, while the remaining ten were still unaware of the laws at the time of the interviews. When asked why she had not considered the legal status of unpaid internships, one intern responded that she assumed because “everyone was doing them” that internships must be legally permissible.

The interviews also found that all thirteen of the underpaid interns *would not* be willing to file a complaint against their former employer. Some of the common reasons interns provided for not pursuing recourse are outlined below:

- Four interns said they would not pursue recourse against their former employers due to concerns over damaging their reputations and being cast as trouble makers or whistleblowers
- Another four interns said they would only seek recourse if the experience had been negative or if they were only being used as a source of cheap labour
- Four other interns did not want to pursue recourse because they felt that their employer would be unfairly harmed, they felt bad for the employer, or thought that because the employer seemed unaware of the laws it would be unjust to complain about them
- Three other interns said they would not pursue recourse out of fear their case was too weak or because they were intimidated by their employers¹⁸

Motivations

Gaining experience was by far the most common reason interviewees provided for participating in an internship (fourteen out of sixteen). Six interviewees said that networking, making connections in their field or obtaining work references was a factor in why they undertook an internship, while another six respondents said they participated in an internship because they were unemployed, desperate and internships seemed like a necessary rite of passage to a paid position.

¹⁸ Totals will not equal thirteen because some interviewees gave more than one reason.

When asked if they would do their internships again, nine interviewees said they would. Reasons for this were a mixture of being provided with valuable and rewarding experiences or viewing the internship as a necessary if unpleasant requirement to gain entry to one's desired field. The seven interviewees who would not do the internship again gave two primary reasons: they felt they were not learning valuable lessons or acquiring tangible skills, and/or they felt taken advantage of.

Only four interns thought that exchanging work for experience without pay was fair. Of these four, only one felt unequivocal about it. This particular respondent felt that exchanging labour for experience was acceptable because it was simply the reality of the labour market. The other three respondents said that it was only acceptable to exchange labour for experience in certain situations, such as a controlled academic program, in particularly difficult fields to break into, or so long as the intern is actually gaining valuable experience.

The other twelve interviewees believed that exchanging labour for experience was unfair because they viewed it as a way of exploiting the current desperation in the labour market—especially within the cohort of young workers—to acquire labour at little or no cost. One interviewee spoke about how she had commonly heard internships referred to as “win-win” situations: the employer gains an additional worker to help push projects forward and the intern gains valuable lessons and skills from the experience. The interviewee felt that characterizing internships as a mutually beneficial, risk free relationship is highly inaccurate. Interns are not always guaranteed to have a valuable experience, but they will always face the cost of working for nothing (i.e., cost of living and opportunity costs). That is to say, the risk of working for free is borne mostly by the intern, whereas employers, because they face no substantial costs of taking on an intern, bear little if any risk. Two interviewees thought the practice of exchanging labour for experience was wrong because it resulted in the replacement of paid workers with unpaid workers. Reflecting on her experiences, another interviewee said that simply because someone is in training does not mean that they should not be paid.

Experiences

The top three most rewarding experiences named by interns involved times when they were given opportunities to contribute in meaningful ways at their workplaces (e.g., meeting with stakeholders, publishing articles, drafting bylaws), making connections within the sector, and being given opportunities to learn more about their field.

Interviewees were also asked for their views on how paid and underpaid internships could be improved for those who participate in them. The most popular responses are listed below in order of popularity and by topic.

Recommendations for Employers

- Provide a minimum wage
- Cover travel costs in underpaid positions
- Support interns by answering their questions, providing feedback and giving direction
- For underpaid internships, offer flexible hours so interns can work at another paid position
- Provide meaningful work, not just menial tasks
- Improve awareness of and compliance with the rules on underpaid internships
- Provide clarity on what interns will do and what they will get out of their internship
- Allow interns some time to pursue their interests
- Help integrate interns into the work environment and include them in daily meetings and functions, even if they are not completely relevant for the intern

Recommendations for Governments

- Proactive enforcement of existing laws around underpaid internships (e.g., spot audits)
- Allow anonymous reporting of employers who are violating workplace laws
- Regulate underpaid internship advertisements

Recommendations for Colleges and Universities

- Stop supporting and condoning underpaid internships
- Educate students on their labour rights and the obligations of employers
- Completion of unpaid work terms should not be a graduation requirement

Interviewees were then asked if they felt that their internships provided them with skills and competencies that would enable them to gain employment in their chosen fields. Of the fifteen respondents who responded, eleven agreed unequivocally that the internships they took provided them with skills and competencies that would help them gain employment in their field. Another three were relatively positive, though somewhat unsure, and one interviewee felt there was no change. Interestingly, of the fourteen interviewees who responded to this question positively or semi-positively, only one interviewee was currently employed.

Considerations

During our interviews we gathered a great deal of opinions and personal stories from interns that did not fit nicely into any of our response categories, but which we still consider important. The purpose of this section is to provide a space for sharing the narratives that came out of these informal accounts.

A common theme expressed by interviewees was that of desperation over the inability to find paid employment and the rationalization that they were better off working for free than not at all. Cathy said of her time as an intern that “at first I was happy to be gaining experience,” but as time went on she kept finding herself in one unpaid internship after another, each one worse than the previous.¹⁹ She realized that the only motivating factor in working for free was her own desperation.

Another intern echoed Cathy’s concerns. She “felt like she had no other real choice but to do the internship and pay her dues.” Because unpaid internships have become “normalized and accepted,” it is virtually impossible for individuals in certain sectors to not take unpaid internships. “At my internship most employees had done unpaid internships themselves, so it is ingrained in the culture and accepted by management.”

Employer culture and expectations were another often mentioned topic. Jessie, a veteran intern, got the impression over the course of his many internships that “expectations are too high on the part of employers” because they appear only willing to hire “individuals [who are] fully trained and ready to start work.” The implication for interns, said Jessie, is that they must assume all of the risk. First, by paying for their formal educational credentials, and second, by working without a wage until they can convince an employer that they will not require training and thus not be a burden. Shawn, another intern, seemed to confirm Jessie’s sentiments. He theorized that the disappearance of genuine entry-level positions was related to the rise in unpaid internships: “unpaid internships are the new entry-level jobs. Jobs that used to be entry-level four or five years ago now require years of experience.”

Perhaps the most striking finding is the emotional and psychological toll that internships took on some of the interns. Reflecting on the statements of the various interviewees, it seemed that the mixture of financial hardship and physical exhaustion faced by interns, combined with the blatant and unscrupulous opportunism often shown by employers, were significant reasons why the interns felt negatively about their experiences. Nikola, a serial intern who is also working towards her PhD, observed that while working for free is detrimental to one’s financial status, it can also lead to missed career opportunities since interns will often give their free

¹⁹ Please note that all interns’ names have been changed to maintain anonymity.

time to work another paid job. This means available time to pursue paid work in an intern's particular field is minimal, and networking opportunities often have to be skipped in favour of stocking shelves or waiting tables. Beyond this, there is detriment to interns on a psychological level. Nikola confided:

“I wonder what I've done wrong, what mistakes I must have made, that would explain why I can't get a job. I often blame myself and feel like it must be my fault. Each internship beats you down. It feels like a trap you cannot escape.”

Another intern, Doug, said he felt betrayed and lied to by his employer after giving so much, but getting so little—mindless work and menial chores—in return. What was worse for Doug was the fact that his employer, who knew he was working for free, gave him very little flexibility to accommodate his other paid job—a job Doug took specifically so he could finance his unpaid internship—and pressured him to quit the second job more than once. Similar to Doug and Nikola, several other interviewees said they felt as though they were seen as a source of cheap, disposable labour.

Interns that had positive experiences made up a minority of interviewees. Further, for those who had clearly positive experiences, all except for one was paid at or above the minimum wage. This is to say, only one unpaid intern had an obviously positive internship experience.

5.2.2 Internship Survey Results and Analysis

The survey obtained a host of information about interns and their internships, such as their age, gender, field of employment and duration of their internship. This section goes over the more significant results of the survey and provides additional analysis where applicable.

Compensation

Our survey found that an overwhelming majority of interns received little compensation from their work. 83% of respondents were underpaid, receiving less than the minimum wage or no compensation at all. Some of the underpaid survey respondents received various types of bonuses, perks and advantages while undertaking their internships. Examples of non-monetary perks included: transport reimbursement, gift cards, free tickets and party invitations and drinks.

Age, Gender and Minority Status

News reports often give the sense that underpaid internships are isolated to those in their early 20s (Williams, 2014; Langille, August, 2013). Our survey, however, indicated that underpaid interns actually tend to be older. We found that the average age of underpaid interns is 24 years of age. Additionally, 44% of underpaid interns were between 23 and 27, while 13% were

between 28 and 32. These findings raise questions about the popular belief that underpaid internships only affect individuals in their early 20s.

Survey results found that 73% percent of underpaid interns were female, while 27% were male. These results are comparable to a much larger US study that found females were significantly more likely to be engaged in unpaid internships (77%) (Intern Bridge, 2011).

While only 20% of underpaid survey respondents identified as a visible minority, this proportion is slightly lower than the proportion of individuals identifying as a visible minority in Ontario (26%).²⁰ These results reflect the view that less privileged and more vulnerable populations, such as visible minorities and recent immigrants, are less likely to undertake underpaid internships because of inequality of access. This could potentially be due to the financial and opportunity cost of such positions and the fact that visible minority and immigrant populations tend to have a higher prevalence of lower income individuals (Palameta, 2004).²¹

Highest Level of Education at the Time of the Internship

We asked respondents to provide their highest level of education both at the time of the internship and currently. We found that underpaid interns were highly educated when they took an underpaid position. 70% had completed some level of post-secondary education, with 55% holding a three or four year university degree, 8% a master's degree, 5% a college diploma/certificate and 2% a professional degree. This seems to contradict certain reports that portray underpaid interns as grossly uneducated or lazy (CBC, 2012).

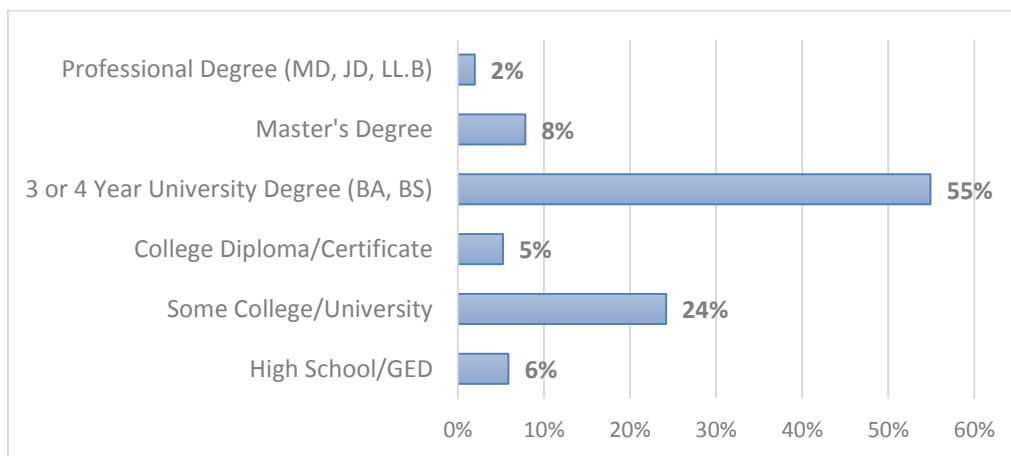


Figure 3. Percentage of underpaid respondents by level of completed education at time of internship

²⁰ Calculations based on data from Statistics Canada's 2011 National Household Survey Ontario. N.B. Due to the fact that our survey sample is not representative, the conclusions derived from this comparison should be interpreted with caution.

²¹ This conclusion is based on Palameta's report on income levels among immigrants and visible minorities.

Change in Level of Education

The overall level of educational attainment increased between when interns took their first internships and when they responded to the survey. The greatest percentage change occurred with “Professional Degrees” and “Master’s Degrees” (150% and 63%), with “College Diploma/Certificate” following closely at 60% (see Table 1 below). In terms of absolute numbers of individuals, those with “Some College/University” decreased the most at 20 individuals. These results could imply that interns sought further education—possibly as a result of being unable to find work with their initial credentials.

Highest level of completed education	At time of internship	Currently	Percentage change
High School/GED	6%	3%	50% decrease
Some College/University	24%	11%	54% decrease
College Diploma/Certificate	5%	8%	60% increase
3-4 Year University Degree	55%	58%	5% increase
Master's Degree	8%	13%	63% increase
Professional Degree	2%	5%	150% increase

Table 1. Comparison of underpaid respondents’ level of education at time of internships vs at time of survey

Internships that Led to Employment

Underpaid internships are often justified because they help individuals gain valuable experience and training that increase their employability. To determine whether this was the case, we have compared the responses of paid and underpaid interns to see if one group was more likely to be hired by their employer after completing their internship. As Figure 4 shows, an overwhelming majority of underpaid interns did not secure employment with the organization where they interned. Only 12% of underpaid internships led to full-time employment. When comparing paid and underpaid internships, we found that a greater proportion (22%) of paid internship led to a full-time position.

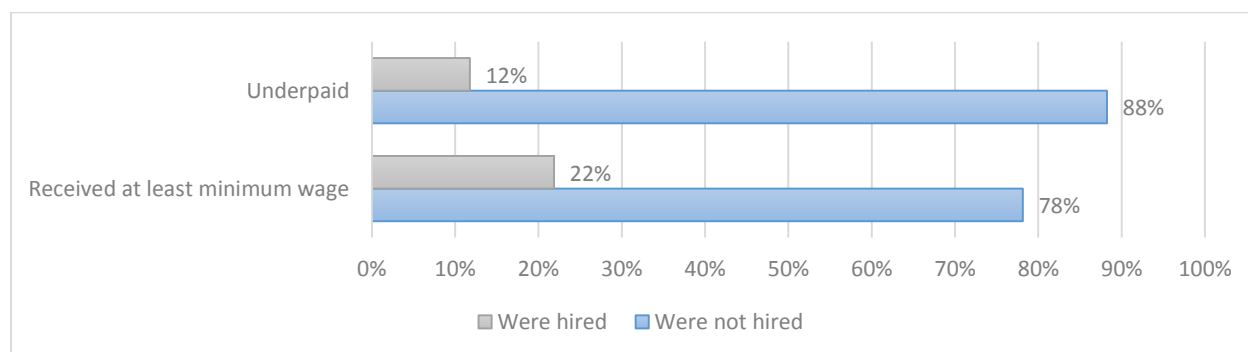


Figure 4. Comparison of paid and underpaid interns that were hired by their host organization

In order to carry out this comparison, we have equally weighted the populations of paid and underpaid interns. Understandably, because of the small proportion of paid versus underpaid respondents (17% versus 83%), the results only serve as a proximate measure and results should be interpreted carefully. However, these findings are supported by other research: a 2012 NACE study found that 60% of paid interns received job offers compared to only 37% of unpaid interns, and 36% of those who had not taken an internship (NACE, 2013).

Current Employment Status

When we asked underpaid respondents about their current employment status, a majority (64%) were now employed, leaving 36% unemployed. Analyzing these results in conjunction with the findings from the above figure appear to demonstrate that employment was often obtained by interns, although it did not immediately follow the internship. If these results are an accurate representation of the employment outcomes for underpaid interns, it signifies a worrisome reality. One of the primary reasons individuals take an underpaid internship is to increase their employability, however these results show that a significant number of interns are unemployed. The rate of unemployment could be influenced positively by interns who are still enrolled in educational programs.

Work Sector of Internship

Survey results indicated that underpaid internships were most common in the private sector. 49% of respondents carried out internships in private sector organizations, while 26% were in the public sector and 25% in the non-profit and voluntary sectors. When we compared both paid and underpaid positions, we found that underpaid respondents were somewhat more likely to intern in the private sector than in the non-profit or voluntary sectors. These findings are comparable to those found in Intern Bridge’s 2010 survey (Intern Bridge, 2011). These findings are interesting for the reason that private and public sector employers generally have access to much greater financial resources with which to pay employees compared to non-profit or voluntary sector organisations.

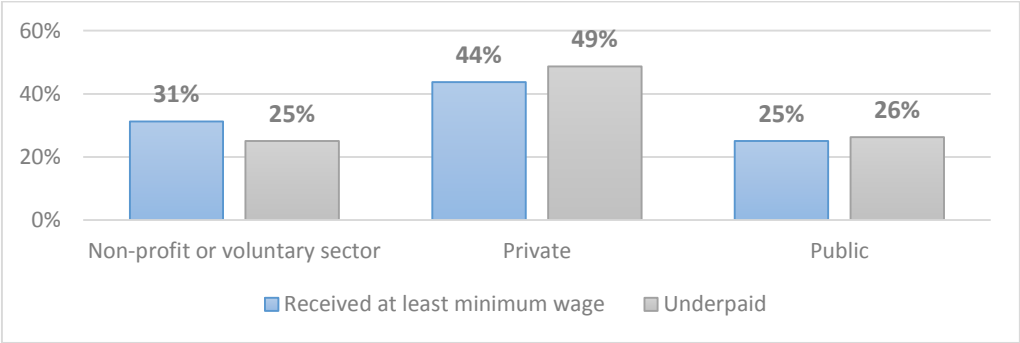


Figure 5. Comparison of paid and underpaid interns by sector

Underpaid positions in the “Arts, Entertainment, Media and Journalism” fields were by far the most common, with 41% of respondents reporting that they interned in that field. The next two most common fields for underpaid internships were “Marketing, Media Relations, PR and Advertising” and “Legal Services” at 15% and 7% of total respondents, respectively. An additional 10% of positions could not be classified within the provided categories. These results could imply that there is higher supply of individuals seeking employment in the “Arts, Entertainment, Media, and Journalism” fields. However, it could also indicate that these fields are simply more competitive.

Internship Field	Underpaid Respondents (%)
Arts, Entertainment, Media and Journalism	41%
Marketing, Media Relations, PR and Advertising	15%
Other	10%
Legal Services	7%
Consulting, Research and Analysis	6%
Political Staff/Organizers	5%
Human Relations	4%
Healthcare	3%
Education	3%
Food Services, Hospitality, Tourism and Travel	3%
Customer Service and Client Care	2%
Finance, Accounting and Banking	1%
Computer Science, Technology and Engineering	1%

Table 2. Percentage of underpaid internships by field

Duration and Time Commitment of Internships

The duration of underpaid internships did not differ greatly from the duration for all internships, or when compared to paid internships (see Figure 6 below). This implies that compensation is not a factor in the length of internships. In other words, internships tend to be short term, temporary work arrangements regardless of whether they provide compensation. 58% of underpaid respondents worked full-time hours during their internships, 40% worked between 31 and 40 hours and 18% worked 41 hours or more.

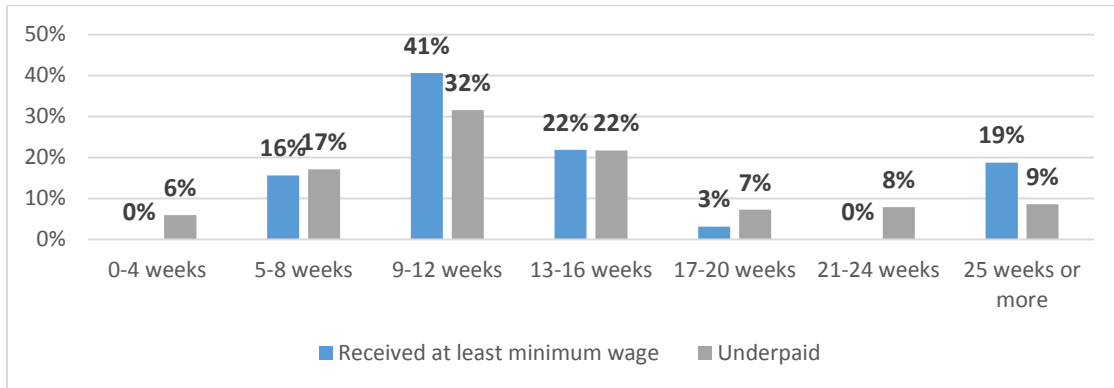


Figure 6. Comparison of paid and underpaid internships by duration of internship in weeks

Total Potential Lost Wages

The survey population of underpaid interns worked over 63,500 hours at their internships.²² To provide an estimate of the amount of wages lost we multiplied the total number of hours by the minimum wage of \$10.25 in Ontario. We found that over \$650,000 had been lost in wages through underpaid internships.²³ According to this estimate approximately \$97,500 was lost in federal tax revenue and \$32,800 in provincial tax revenue. These numbers may seem trivial, however, it is important to consider that the survey population is very likely only representative of a small percentage of the total population of underpaid interns in Ontario, and also Canada. In addition, the amount calculated for lost wages is quite generously conservative because results only included weekly hours for one internship per respondent, and many respondents held several internships (i.e., if a respondent held more than one internship, the weekly hours for the other internships were not accounted for in the survey).

²² To achieve this we first calculated the total amount of hours by multiplying the amount of weeks worked by the amount of weekly hours worked. Because the weekly hours were provided in ranges, we selected the mean whenever possible or the most conservative estimate (e.g., for the “41 hours or more” range, we selected “41” as the most conservative choice).

²³ Limitation: this is not accounting for any of the interns who received stipends or other monetary bonuses such as honorariums and gift cards.

Financial Support

Only 9% of underpaid respondents did not require outside financial support and were able to support themselves entirely on their own (see Figure 7 below).²⁴ The remaining respondents addressed their financial needs through a variety of strategies, with financial aid from family being the most common (48%), followed by holding another paid position (38%), moving back home (25%) and obtaining a loan (22%). These results demonstrate that third parties, like parents and spouses, bear a significant amount of the cost of underpaid internships.

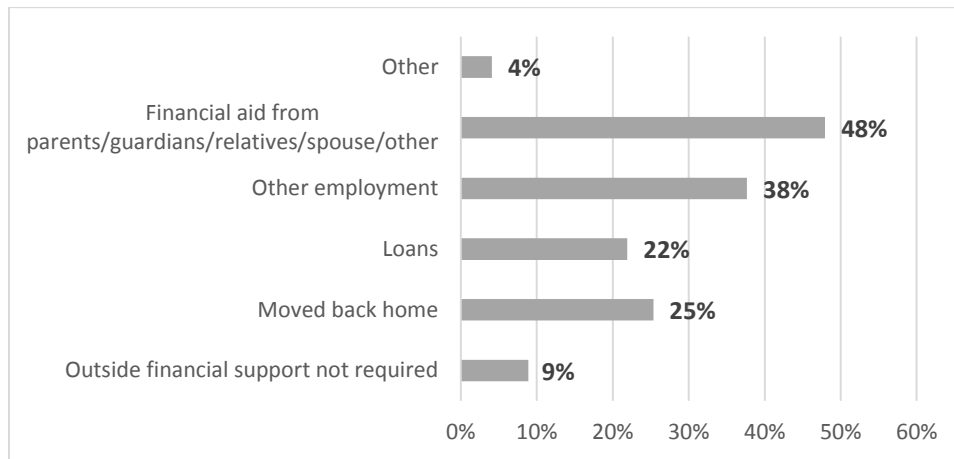


Figure 7. Percentage of underpaid respondents by financial support strategy

Unsurprisingly, paid respondents were much less likely than their underpaid counterparts to require outside financial support during their internships. 34% of paid interns did not require financial support, 22% relied on loans, 19% received financial aid from family, 19% moved back home, and only 9% took a second job. Although not an exact measure, these results appear to indicate underpaid interns bore a greater financial burden than their paid counterparts. This is because underpaid interns were much more likely to require outside financial support and often had to combine financial strategies to meet their basic needs.

²⁴ 7 respondents chose not to answer this question. This may have been due to technical issues we experienced when we first opened the survey.

Parental Income

To help determine whether socioeconomic factors, like financial or class background, influenced access to underpaid positions we asked respondents to provide the gross annual income of their parents or guardians at the time of the internship. The guiding assumption for this assessment was that respondents from more affluent socioeconomic backgrounds would be more likely to take underpaid positions as they would have access to a larger pool of financial resources.²⁵

When compared to paid interns, the parental income of underpaid interns was more concentrated in the higher income ranges. 27% percent of underpaid respondents were from households with incomes of \$150,000 or more compared to 13% of paid respondents. These results somewhat confirm our guiding assumption that individuals from more affluent socioeconomic backgrounds have better access to unpaid internships. However, there are significant limitations to this measurement. First, the survey received a small number of responses from paid respondents and this could affect the accuracy of the findings. Second, simply because an individual is from a high income background does not necessarily mean that they received financial support from their family or guardians. Third, the ranges of income do not take into account the differences in household composition (e.g., single or double income household, number of dependents). These results are valuable for the general trend they allude to, but should also be interpreted carefully due to the limitations mentioned.

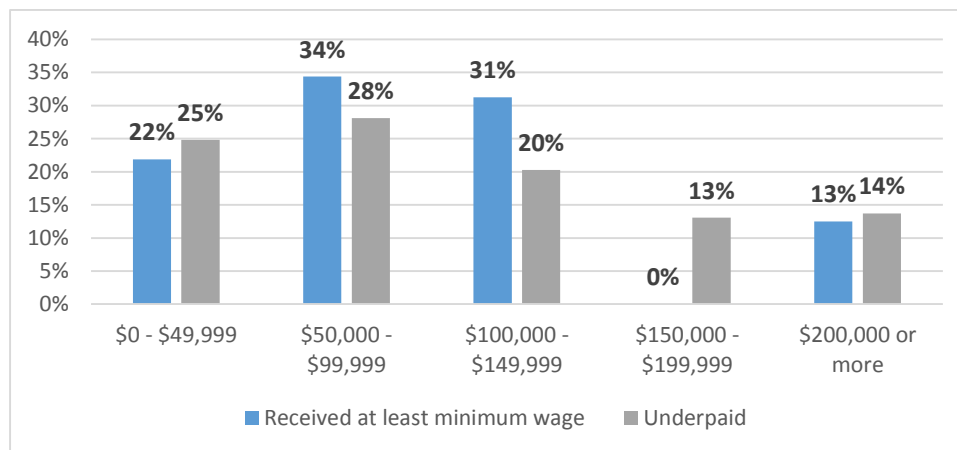


Figure 8. Comparison of paid and underpaid responses by gross annual income of parents/guardians

²⁵ The survey did not provide an option for respondents who did not want to answer or did not know the income of their parents/guardians.

Satisfaction with Internship

Prior to analyzing the data on interns' satisfaction with their internship, our working assumption was that the experiences of underpaid interns would be equal or better than those of their paid counterparts. Our rationale for this assumption was that underpaid internships are based on a trade-off between pay and experience. Namely, foregoing a wage in exchange for a more rewarding and valuable internship experience. However, we found that the overall satisfaction of underpaid interns with their internship experience was much lower than their paid peers. 86% of paid interns were satisfied with their experiences, compared to 40% for underpaid interns. Similarly, only 14% of paid interns felt their experiences were unsatisfactory, compared to 44% of underpaid interns. These results seem to imply that our original assumption that underpaid internships provided a more rewarding experience is false—it actually seems that underpaid internships offer less satisfactory experiences than paid internships.

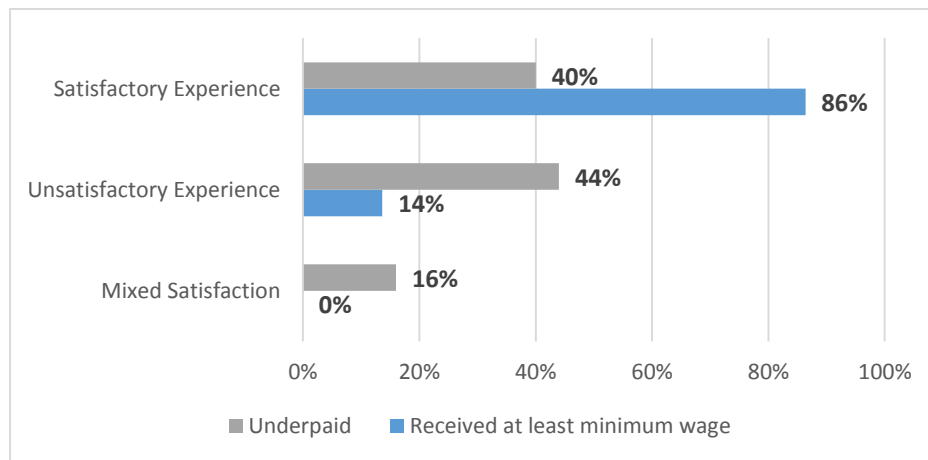


Figure 9. Comparison of paid and underpaid interns by satisfaction with internship

Number of Internships

On average, underpaid survey respondents conducted two internships, with 54% of respondents undertaking more than one. When we compared the populations of paid versus underpaid respondents, survey results showed that paid interns were more likely to have undertaken a larger number of internships. 44% of paid respondents undertook three or more internships, while 22% of their underpaid counterparts did the same. This could potentially be due to the diminishing return of underpaid internships. There is less of a risk to interns to undertake a larger number of paid internships than there is to take on multiple consecutive underpaid positions.

6.0 Discussion

The objective of this discussion is to highlight and summarize the report's most significant findings and review how they align with the proposed conceptual framework.

6.1 The Motivations and Experiences of Interns

According to the survey, there were four primary reasons why individuals took an underpaid internship: **work experience** (79%), **learning and/or training opportunity** (59%), **networking** (48%) and to fulfill **academic requirements** (39%). These results were almost entirely consistent with our follow-up interview discussions. One additional reason was that individuals might take an internship based on their feelings of desperation caused by prolonged unemployment and the view that an internship was a necessary rite of passage to a paid position. Given our conceptual framework's understanding of internship motivators, it is interesting to note that although the above benefits were the reasons that interns pursued internships, they were not consistently borne out by internships. That is to say, despite being motivated to undertake an internship because of potential benefits, these benefits rarely materialized.

The training received by interns varied in quality and value. Results were very mixed. While over half of interns said they felt that the training they received was valuable and useful, the majority of interns did not receive comprehensive training. Instead interns received what they referred to as "hands on training" or "learning by doing." We understood these terms to mean that learning was unstructured, improvised and left largely to the individual to figure out independently of the advice or guidance of more experienced staff.²⁶

The majority of interns also noted that they gained professional contacts who they felt would benefit their future job prospects. Only a minority were able to find further work opportunities through the contacts they developed during their internships. Based on the results of the interviews, the benefits derived from networking and contacts is questionable. What stood out from the interviews was the importance interns gave to simply completing an internship, regardless of whether the internship provided them with useful or rewarding experiences.

The survey attempted to measure the satisfaction of all interns by asking whether the internship had met their expectations, if it was valuable and whether the interns would recommend it to others. We compared the results of this question between paid and underpaid interns and found that 40% of underpaid interns were satisfied with their experience, while 86% of paid interns were satisfied. It should be noted that "satisfaction" is a very subjective

²⁶ This was clarified with interns through follow-up questions.

term and could mean different things to respondents; it is also not the only way of measuring the value of an internship and stands as a single aspect among many.

Interns who were satisfied with their experiences primarily felt this way because they had rewarding or valuable experiences. Oddly, some interns said that their experiences were satisfactory because, although unpleasant, they were a necessary requirement to gain access to a paid position in their field.

Interns who were less than satisfied felt this way because they did not learn valuable skills or felt taken advantage of. During the interviews several interns conveyed to us the impression that they felt like a “source of cheap and disposable labour.” Interviewees who had positive experiences made up a minority of interview respondents and only one underpaid intern had an unequivocally positive experience.

6.2 Employment Outcomes

Job market/networking related benefits are closely related to employment outcomes, thus we have used employment outcomes as one way to measure whether underpaid internships delivered this benefit. Our survey results showed that an overwhelming majority of underpaid interns did not find employment with the organization where they interned. Only 12% of underpaid internships led to job offers. Conversely, 22% of paid internships resulted in job offers.

In terms of current employment, 36% of underpaid interns were unemployed at the time of the survey. We found that while interns were somewhat likely to gain employment, it did not immediately follow their internship. Based on these results, the proposed job market/networking benefits of underpaid internships do not seem to materialize over the short term. Long term time horizons might show markedly different results, however.

6.3 The Rise and Prevalence of Underpaid Internships

As previously mentioned, US based research has demonstrated that underpaid internships have been steadily rising in that country. Although empirical research about the number of underpaid internships Canada is scarce, the increasing amount of media attention given to underpaid internships may indicate that the trend has crossed the border. Although there are notable limitations, the survey results also showed that participation in underpaid internships has increased since 2008. These numbers may be skewed since it seems more likely that individuals who have taken an underpaid internship in the last few years would respond to the survey. Despite indications that underpaid internships is a growing phenomenon, current research only provides very tentative evidence that this is the case. More work will need to be done to verify the direction of this trend.

Another important aspect of underpaid internships is their degree of pervasiveness (i.e., the level of concentration by region, job field, etc.). A one month sample of underpaid internship job postings in Ontario found 72 underpaid positions, most of which were located in the Greater Toronto Area (see Annex D for complete results). This sample was used to calculate an estimate of the number of underpaid internships per year in Ontario. The most conservative estimate was that 1,000 underpaid positions occur per year in Ontario, while our most liberal estimate was 5,800. We suspect that this provides some, though not complete, justification for the belief that underpaid internships are fairly common in large urban areas.

6.4 The Demographic Profile of an Underpaid Intern

The popular consensus is that underpaid interns are post-secondary students between the age of 18 and 22 who lack relevant work experience. However, our results provide some contrarian evidence to this popular view of underpaid interns. Survey results showed that 70% of underpaid interns had completed some level of post-secondary education. We also found that the average intern was 24 years old, although there is a significant number who are much older (33% are 25 or older). We also found that 54% of underpaid interns had completed more than one internship. Compared to the income distribution of the general population, underpaid interns from higher income (\$150,000 per annum) households were disproportionately represented in the survey results at 27% of total respondents. We were not surprised to learn that the majority of underpaid interns were females.

6.5 Overview of Typical Underpaid Internship Characteristics

The typical underpaid internship is located in the Greater Toronto Area and is in the media or advertising fields within the private sector. This internship lasts between 4 and 5 months and requires of the intern to work full-time hours (31 or more hours a week).²⁷

²⁷ This profile is based on a combination of the results from the intern survey and the inventory of underpaid internship job postings (see Annex D). The inventory found that 86% of job postings were in the GTA and that 50% of internship postings were in media and advertising. The survey supported this with 56% of respondents doing an internship in the same field. The survey also found that 49% of internships were in the private sector. The inventory found that the average length of an internship was 5 months, while the survey found that it was 4 months. The inventory did not obtain adequate results to determine typical time commitments, but the survey did and found that 58% of interns worked 31 or more hours a week.

Because of their concentration in the GTA, underpaid internships appear to be an urban phenomenon. This could be due to the higher population of young people in major urban areas (possibly because of the presence of universities and the overall trend of young people gravitating towards larger metropolitan centres) and the effect this has on increasing competition for entry-level work. This intense competition creates greater opportunity for employers to exploit young people desperate for work experience.

The average length of underpaid internships could indicate that they occur over the summer months when students are out of school from May until September.

6.6 The Financing of Underpaid Internships

When investigating the ways that underpaid interns supported themselves during their internships, we found that 91% of respondents required some form of supplemental financing. 48% of underpaid interns required financial assistance from their parents, guardians, relatives and/or spouse and 25% moved back home.²⁸ An additional 38% had to find secondary paid employment. In comparison, paid interns were four times less likely to require outside financial support while undertaking their internship. These results are hardly surprising, but confirm what was already suspected and further emphasize that the financial impact of underpaid internships extends beyond the interns themselves.

²⁸ Respondents had the option of selecting more than one answer.

7.0 Recommendations

As a result of an analysis of the interview and survey results eight recommendations are suggested for the Canadian Intern Association.

1. Educate Employers about Internships and Raise Awareness with Youth

- A potential issue in provinces where underpaid internships are regulated, such as Ontario, is the possibility that employers are not aware of their obligations towards underpaid interns. It seems that some employers are under the impression that simply calling someone an “intern” relieves the employer of all obligations to that person. The Canadian Intern Association could help educate employers about how internships function under existing workplace laws and policies by distributing educational materials to and conducting seminars with employers and university and college co-op offices.
- An additional issue that was often mentioned by interns was their own lack of awareness regarding rules on underpaid internships. The Association could consider raising awareness among the target population of interns by partnering with universities, employment agencies and other advocacy groups to share information and best practices.
- The Association could develop educational material to inform interns of their rights and employers of their responsibilities in regard to underpaid internships. This information could be provided digitally and in traditional formats and distributed to youth employment centres as well as university and college co-op offices.

2. Commission further Research on Underpaid Internships

- There is little recent empirical research on underpaid internships in Canada. The Association could partner with researchers, educational institutions and governments to develop additional research on underpaid internships. This would help provide a more solid footing for ongoing policy analysis and overall comprehension of the issue. For example, an internship survey could be carried out annually to create a viable basis for future research and to effectively monitor the state of internships. The Association could also partner with a major Canadian university to carry out an internship survey of the student population in order to obtain a more representative sample.

3. Organize an Annual Internship Conference

- The Association could partner with employers, academic institutions, policy makers, government representatives, politicians, hiring agencies and other stakeholders to organize an annual internship conference. The objective of the conference could be to discuss the ongoing issues facing interns in Canada, establishing an open dialogue with key figures and creating an outlet for the sharing of research and promotion of collaboration on internship issues.

Lobby Governments on Internship Issues

We recommend that the Canadian Intern Association continues to lobby the federal and provincial governments on the following issues:

4. Longitudinal Tracking of Underpaid Labour

- There are no government ministries or agencies that track the number of underpaid workers in Canada. The federal government could assign a suitable agency with the responsibility and necessary funding to carry out bi-annual counts of underpaid workers in major census areas. This will help determine whether underpaid work is a problem, the extent of its scope, its potential causes, and whether government policies are effectively addressing it.

5. Create Federal and Provincial Statutes to Protect Underpaid Interns

- Underpaid interns constitute a vulnerable group who can easily fall victim to exploitation and abuse. To ensure the protection of interns from exploitation, abuse and job hazards, the federal and provincial governments could create straightforward and stringent rules. In jurisdictions where there is existing regulations and jurisprudence regarding internships, governments could conduct a comprehensive review of their employment and workplace laws related to interns in order to identify opportunities for improvement.

6. Proactive Enforcement

- Enforcement of workplace standards in Ontario is complaint driven as the Ministry of Labour must receive a complaint before they initiate an investigation. Furthermore, this complaint must come from an intern. This policy could be changed so that enforcement is less dependent on individual interns, and more about active policing of employers. Spot audits of employers could be implemented and businesses could be required to report to the Ministry of Labour whether or not they have staff who do not receive the same benefits and entitlements as employees as a way of monitoring the status of interns.

- Labour ministries could also consider contacting employers that post job advertisements that potentially represent a case of non-compliance with labour codes. This could help prevent many instances of illegal underpaid work from ever occurring in the first place.

7. Protection for Interns Who Complain

- In Ontario interns cannot complain anonymously about employers who do not follow workplace standards. The inability to complain anonymously about a non-compliant employer is a major disincentive for interns to file a complaint with the Ministry of Labour. Interns may fear that if they complain their identities will become known and this will damage their reputations and hurt their careers. Additionally, even if an intern does complain, their complaint may not succeed. So not only could the intern harm their reputation, but they may also not receive redress. We believe this puts interns in a challenging situation, since the cost and burden of obtaining redress can be high and disproportionately borne by the intern. At the very least, anonymous reporting could be implemented in order to protect interns from some of the potentially heavy costs of lodging a complaint.

8. Harsher Penalties for Employers Who Break the Law

- Existing penalties for employers who provide illegal underpaid internships are not aggressive enough to discourage the practice. For example, when an employer in Ontario is not in compliance, they are only required to pay wages owed to the intern and a first time fine of \$250 (the maximum fine is \$1000 for a third time offender). Underpaid internships are potentially on the rise in Ontario, possibly demonstrating that employers are not significantly motivated to respect the law, therefore we believe that the maximum fines for illegal underpaid internships could be increased. This could be done in order to properly reflect the harm caused by illegal underpaid labour and effectively discourage non-compliance. Labour ministries could have some discretion to vary the penalty so that it is appropriate to the size of the organization and the nature and degree of malfeasance.

8.0 Conclusion

The conceptual framework that was derived from the literature review hypothesized that individuals are motivated to take underpaid internships as a way to access three categories of benefits. Recall that these three benefits were job related, career related, and job market/network related benefits.

The survey and interviews found reasonable evidence to conclude that interns were indeed motivated to undertake internships for these benefits. The most common benefits cited by interns were those related to their jobs (e.g., job specific training and learning) and those related to the job market and networking (e.g., gaining experience, making connections with potential employers). However, we found that despite the motivations of interns, their internships failed to deliver the benefits proposed in the conceptual framework in a majority of cases. Even though there was little evidence that interns gained much in tangible benefits from their internships, interns often still believed that the experience was worthwhile and valuable. The primary reason interns felt this way was because they thought that the internship helped build their resume and would “pay off” at some date in the future.

Considering the additional costs absorbed by underpaid interns—both to their finances and opportunities—further attention should be paid to maximizing the benefits of underpaid internships and reducing illegal and exploitative internships. Some of the recommendations provided by this report, such as longitudinal tracking of internships, could help to achieve these outcomes.

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Annex A - Legal Status of Interns in Other Jurisdictions

United States

The relevant laws governing unpaid internships are found in the Fair Labour Standards Act (FLSA). The Wage and Hour Division of the Department of Labour also provides a set of six conditions, based on the 1947 Supreme Court decision of *Walling v. Portland Terminal Co.*, that must be met in order to determine whether an individual *is excluded* from the FLSA's definition of employment and therefore not entitled to its protections, such as a minimum wage. The six conditions set out by the Department of Labour are reproduced below:

1. The internship, even though it includes actual operation of the facilities of the employer, is similar to training which would be given in an educational environment;
2. The internship experience is for the benefit of the intern;
3. The intern does not displace regular employees, but works under close supervision of existing staff;
4. The employer that provides the training derives no immediate advantage from the activities of the intern; and on occasion its operations may actually be impeded;
5. The intern is not necessarily entitled to a job at the conclusion of the internship; and
6. The employer and the intern understand that the intern is not entitled to wages for the time spent in the internship.

Despite these conditions, underpaid internships have flourished in the United States. And if media activity is any indicator, these underpaid internships seem to have become even more common following the financial crisis of 2007. Some commenters put the number of interns working at any time in the United States at over a million, with roughly 20 percent of those individuals working without pay.

Underpaid internships were first brought to the popular attention of the American public by Ross Perlin's 2011 critical exposé of internships, *Intern Nation: how to earn nothing and learn little in the brave new economy*, which documented the plight of interns across the United States. Perlin's book not only provided insight into the trials and tribulations of individual interns, but also, for the first time, attempted to assess the root causes and larger implications of underpaid internships.

After the release of Perlin's book, awareness of the laws surrounding underpaid internships increased and a number of court cases concerning illegal underpaid internships were filed. For example, in a June 2013 class action suit, a New York federal judge found that interns employed by Fox Searchlight Studios qualified as employees under the FLSA and ordered Fox to pay the interns for their previous work (Greenhouse, 2013). Defendants in other class action suits concerning underpaid internships include NBCUniversal, Conde Nast, the Hearst Corporation

(publisher of *Harper's Bazaar* magazine), Atlantic Records, Gawker Media and PBS' Charlie Rose Show. Many of these cases, including those against NBC, Conde Nast and the Hearst Corporation, are still awaiting final outcomes, while PBS settled its case for an undisclosed amount. The case involved 190 plaintiffs, all former interns who worked for PBS' Charlie Rose Show between March 2006 and October 2012.

As of yet there have been no class action suits on underpaid internships in Canada, but as awareness increases in Canada, as it did in the United States, it may just be a matter of time before a class action is filed.

United Kingdom

The rights of interns and the status of internships in the United Kingdom constitute a grey area. According to policy guidance issued by the UK government, an individual's employment rights are dependent on their *employment status*. Employment status refers to whether an individual is classified as a *worker* or *employee*. However, the government's guidance is somewhat circular on this matter, since most of the criteria that must be fulfilled in order to be classified as an employee or worker depend on whether or not one is paid a wage or receives other employment benefits (e.g., sick leave or the choice to participate in the company's pension). In other words, to be recognized as an employee or worker, an individual must already be in receipt of a number of traditional employment benefits. The guidance largely leaves absent clarification of *the particular conditions where a wage or employment rights are due* to an individual. At the same time, the government says that employers cannot deny individual's a wage just by claiming it does not apply or creating a written agreement that classifies an individual as a volunteer. Students who are required to do an internship less than a year in length as part of their post-secondary education are not entitled to the national minimum wage.

Awareness around internships has been slow to gather momentum, with news stories and court cases generally being less frequent than in either Canada or the United States. In early January, 2014 Elite Model Management agreed to settle with a group of 100 interns who sued the company for unpaid wages. The initial suit was for \$50 million USD, but the final settlement amounted to only \$450,000. And somewhat less recently, but much more tragically, 21 year old German intern Moritz Erhardt who was working for Bank of America Merrill Lynch's London office was found dead on the floor of his apartment after working three days straight without sleep. Erhardt was paid for his work.

Annex B – Internship Survey Questions

1. What gender do you identify as?
 - a. Female
 - b. Male
 - c. Prefer not to say
2. Do you identify as a visible minority?
 - a. Yes
 - b. No
 - c. Prefer not to say
3. What is your CURRENT highest level of COMPLETED education?
 - a. Less than High School
 - b. High School/GED
 - c. Some College/University
 - d. College Diploma/Certificate | static
 - e. 3 or 4 Year University Degree (BA, BS)
 - f. Master's Degree
 - g. Doctoral Degree
 - h. Professional Degree (MD, JD, LL.B)
4. Are you currently employed?
 - a. Yes
 - b. No
5. When did your internship take place?

Please note that "internship" refers to your most recently completed internship.

 - a. 2013
 - b. 2012
 - c. 2011
 - d. 2010
 - e. 2009
 - f. 2008
 - g. 2007
 - h. 2006
 - i. 2005
 - j. 2004
 - k. 2003
 - l. 2002
 - m. 2001

- n. 2000
 - o. Before 2000
6. In what province did your internship take place?
- a. AB
 - b. BC
 - c. MB
 - d. NB
 - e. NFLD
 - f. NS
 - g. ON
 - h. PEI
 - i. QC
 - j. SK
 - k. Territories
7. In what sector was the internship?
- a. Public
 - b. Private
 - c. Non-profit or voluntary sector
8. What was the duration of the internship, in weeks?
9. On average, how many hours per week did you spend at your internship?
- a. Less than 20 hours
 - b. 21 to 30 hours
 - c. 31 to 40 hours
 - d. 41 hours or more
10. In what field was the internship?
- a. Finance, Accounting and Banking
 - b. Marketing, Media Relations, PR and Advertising
 - c. Computer Science, Technology and Engineering
 - d. Arts, Entertainment, Media and Journalism
 - e. Administrative or Clerical
 - f. Human Relations
 - g. Food Services, Hospitality, Tourism and Travel
 - h. Consulting, Research and Analysis
 - i. Healthcare
 - j. Legal Services
 - k. Customer Service and Client Care

- l. Education
 - m. Political Staff/Organizers
 - n. Other
11. What was your age at the time of the internship?
12. What was your highest level of completed education at the time of the internship?
- a. Less than High School
 - b. High School/GED
 - c. Some College/University
 - d. College Diploma/Certificate | static
 - e. 3 or 4 Year University Degree (BA, BS)
 - f. Master's Degree
 - g. Doctoral Degree
 - h. Professional Degree (MD, JD, LL.B)
13. Were you paid AT LEAST the provincial minimum wage during your internship?
- a. Yes
 - b. No (please indicate if you received any other compensation, e.g., stipend, discount, perk)
14. Did you require outside financial support during your internship. If so, please indicate those that apply.
- If applicable, you may choose more than one response.
- a. Outside financial support not required
 - b. Moved back home
 - c. Loan from a financial institution
 - d. Other employment
 - e. Financial aid from parents/guardians/relatives
 - f. Other?
15. At the time of the internship, what was the combined gross annual income of your parents or guardians?
16. Do not include your own income (e.g., earnings from a part-time job or bursary).
- a. \$0 - \$49,999
 - b. \$50,000 - \$99,999
 - c. \$100,000 - \$149,999
 - d. \$150,000 - \$199,999
 - e. \$200,000 or more
17. Did the internship lead to full time employment with the organization you interned for?
- a. Yes

- b. No

18. Why did you take your internship?

If applicable, you may choose more than one response.

- a. Work experience
- b. Academic requirement
- c. Learning/training opportunity
- d. Networking
- e. Other?

19. Please indicate how many internships you have completed.

The following two questions are optional.

20. Did the internship meet your expectations? (e.g., was it valuable, did you enjoy it, what were the benefits or challenges, would you do it again/recommend it to others).

21. Please feel free to add any other comments you would like to share with us.

Comments may be positive or critical in nature, but should add depth to the answers you have previously given and/or provide new information.

22. The researchers are interested in doing follow-up interviews to learn more about the participants' experiences. If you are interested in participating please contact [...] or provide your contact information below.

Please note that your response to this request is entirely optional.

- a. Contact name (first name or pseudonym)
- b. Email or telephone number

Annex C – Intern Interview Questions

A. Internship

No. of Internships:

Paid/unpaid/underpaid:

Province:

Other job:

Sector:

Field:

Employed Currently:

1. Can you please describe your duties during your internship?
2. Did you receive training that was similar to that which is given in a vocational school?
 - a) Was the training to your benefit (i.e., new knowledge or skills)?
3. Did the company directly benefit from your work?
 - a) If yes, how so?
4. Are any of your duties also performed (or ordinarily performed) by regular employees?
5. Were you specifically told that the internship would not be paid?
6. During your internships, were you aware of the regulations regarding unpaid internships in Ontario?
7. Did you considering filing a complaint against your former employers for lost wages? If not, why not? What would have to change to make you reconsider filing (or not filing) a complaint?

B. Motivation

1. What motivated you to undertake an internship? (Paid or unpaid)?
 - a) Would you do it again?
 - b) Do you feel it is fair to exchange labour for experience, contacts and/or training?
 - c) If not, do you think that it is acceptable in some circumstances or not at all? Can you describe why you think it is or is not acceptable?

C. Experiences

1. Can you describe to me examples of when you felt that the internship provided you with valuable and rewarding experiences?
 - a) What was it specifically that made this experience rewarding? (e.g., made a new contact, learned a new skill, found the duty to be rewarding in-itself, etc.)
2. Without identifying specific colleagues, have you experienced or observed a time when you or other interns felt they were not gaining valuable experiences?
 - a) To what do you attribute these behaviours and feelings?
3. (Optional) Based on this, what ideas would you suggest for encouraging or supporting better experiences from unpaid internships?
4. Did the internship provide you with the necessary skills and competencies to gain employment in your field (prompt for reasons why or why not the selected answer was chosen)?

E. References, Training and Networking

1. Did you receive any training and if so did it meet your expectations/was it adequate to provide added-value to your experience?
 - a) Can you provide reasons why or why not you feel this way?
2. Did you establish any professional networks or receive references as the result of your internship(s) and if so did they prove useful to your professional and career aspirations?
 - a) Can you provide reasons why or why not you feel this way?

Annex D – Sample Analysis of Underpaid Internships Postings

The one month online search of underpaid internship ads yielded a total of 160 results, including two postings that were recruiting for two positions each, bringing the total to 162 advertisements for potentially underpaid internship positions.

Main Findings

- A great proportion of internship postings lacked basic information on compensation, duration and weekly time commitment; some did not provide information on the duties and responsibilities of the interns
- 44% of the positions were underpaid, 35% of which were completely unpaid
- Marketing, media/public relations and advertising were the most common fields to advertise for underpaid internships
- Of the ads that did provide an indication of duration, 31% lasted 4 months
- 18% of positions were part-time, while 22% were full-time
- 86% of internships were located within the Greater Toronto Area (GTA)

Type of Compensation

Of the 162 positions advertised, 44% (or 72 positions) paid less than the minimum wage, 35% of which provided no compensation.

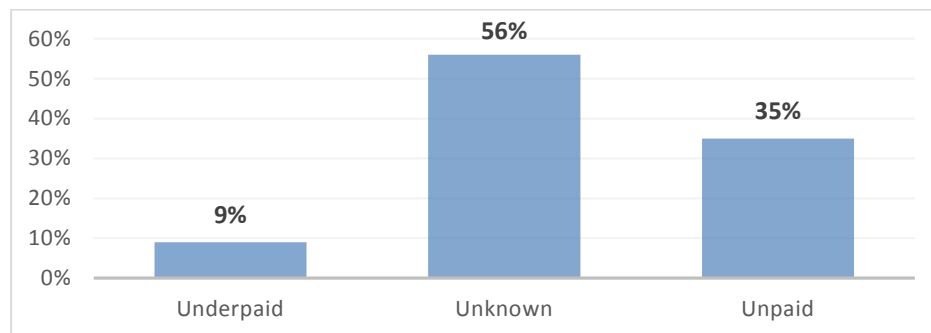


Figure 10. Percentage of internship postings by compensation type

The majority of the internship ads (56%) offered no indication of whether the intern would receive minimum wage or any other type of compensation. Internship postings where compensation was unknown were included in the following analysis of the sample.

Most Common Career Fields

There was much variation in the internship positions advertised. Their categorization was often complicated by the overlapping of two distinct career fields in one position. To simplify the analysis, similar fields were grouped together in a total of 15 fields plus 1 unknown category.

Marketing, media/public relations, and advertising were the most common fields in which potential underpaid internship ads could be found (38%). Positions in computer science, technology and engineering came second (17%), while positions in arts, entertainment, media and journalism came third (12%). Most of the remaining internship ads were scattered across the remaining categories. 2% of the ads provided no information on the position’s duties and responsibilities or were too vague to categorize.

Field	Percentage of positions
Marketing, Media Relations, PR and Advertising	38%
Computer Science, Technology and Engineering	17%
Arts, Entertainment, Media and Journalism	12%
Administration or Clerical	9%
Consulting, Research and Analysis	6%
Human Relations	6%
Film/video	2%
Finance, Accounting and Banking	2%
Unknown	2%
Customer service and client care	1%
Farming	1%
Fashion	1%
Architecture	1%
Health care	1%
Interior design	1%
Photography	1%

Table 3. Percentage of actual and potential underpaid internship positions by fields

Duration of the Internships

The length of the advertised positions varied greatly. On average, positions advertised were approximately 5 months in length, with the shortest lasting 2 days and the longest 24 months. However, the great majority of the postings (54%) offered no indication of the internship's duration. Of the internship ads that did mention duration, 31% were 4 months in length, 20% were 3 months in length and 15% were 2 months in length. 31% of positions advertised were looking for interns to fill a position for 5 months or more.

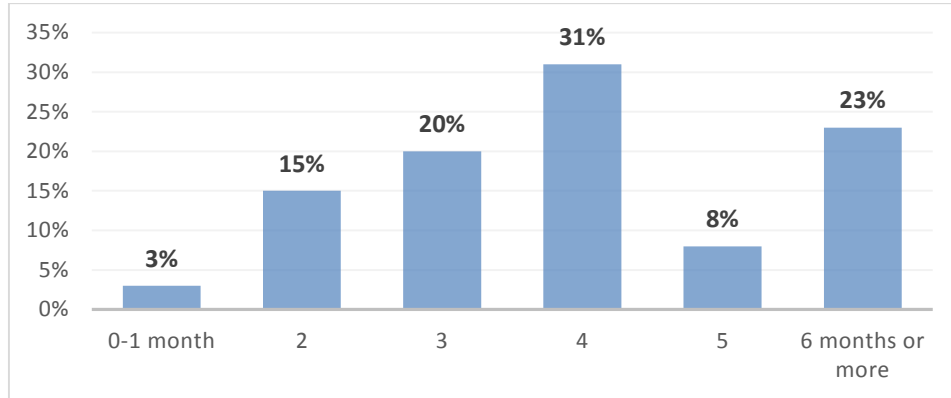


Figure 11. Percentage of actual or potential underpaid internship positions by duration (in months)

Time Commitment

The vast majority of the internship ads also lacked information on the extent of the time commitment required for the positions. In fact, only 46% of ads mentioned an approximate number of hours or the type of position available. Of these, 22% were full-time positions, 18% were part-time and 6% were part-time or full-time.

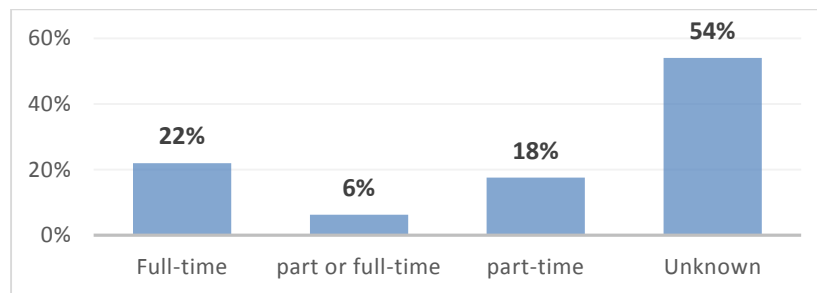


Figure 12. Percentage of actual or potential underpaid internships by time commitment

Location of the Internships

86% of the advertised internships were located in the GTA, 4% in Ottawa and 9% were scattered across the province. The remaining 1% of postings (only 2 ads) did not specify the location.

City	Percentage of internships
Cobourg	1%
Goderich	1%
GTA	86%
Guelph	1%
Hamilton	1%
Kingston	1%
Kitchener	1%
Mount Forest	1%
North Bay	1%
Orillia	1%
Ottawa	4%
St. Catharines	1%
Streetsville	1%
Unknown	1%
Waterloo	1%
Woodbridge	1%

Table 4. Percentage of actual or potential underpaid internships by location

These results appear to demonstrate the prevalence of underpaid internships in large, metropolitan areas.

Number of Underpaid Internships in Ontario

It has been estimated that hidden jobs can make up 20% to 85% of the labour market (University of Western Ontario, n.d.; Ryerson Career Development and Employment Centre; US Bureau of Labor Statistics, 2013).²⁹ As is the case with other kinds of employment, not all underpaid internships are advertised or even posted online and are instead found through word of mouth or networking. This means that the inventory may not include all of the available positions. To address this, we conducted additional calculations to find out the proportion of hidden jobs in underpaid positions.

This sample analysis found that 72 positions were underpaid. Cross-multiplication using the aforementioned statistics on the hidden job market found that the total annual number of underpaid positions in Ontario could be as low as 1,000 positions and as high as 5,800 positions.

²⁹ These numbers come from several sources. The least conservative estimate (85%) comes from the career centre websites of University of Western Ontario and Ryerson University. The most conservative estimate (20%) was calculated using job opening and job hiring data from the US Bureau of Labor Statistics. The difference between job openings and job hires represents the hidden job market. The estimate that 20% of jobs are hidden was determined based on the average difference between job openings and job hires from 2010 to 2012 annual data.