



The Honorable Martin J. Walsh
Secretary of Labor
U.S. Department of Labor
200 Constitution Ave NW
Washington, DC 20210

July 29, 2021

Dear Mr. Secretary ,

Congratulations on your confirmation as U.S. Secretary of Labor. We represent a coalition of diverse organizations that look forward to working with you and President Biden to improve the economic mobility and rights of young people. [Four million students](#) are completing their degrees in 2021, and we are moving into peak intern season. Thus, it is imperative that we focus on young people entering the workforce through internships.

Since the 2008 Recession, over 80 percent of first-time freshmen chose to attend college to get a better job, [according to a yearly UCLA survey](#). Data collected from employers indicate that internship experience is crucial in a college student's career to secure a job post-graduation. In 1992, [17 percent](#) of graduating students had an internship. By 2019, that number had risen to almost [60 percent](#).

Employers across the country and in all industries have prioritized internships as a valuable vehicle for talent acquisition. One study revealed [over 6 in 10 employers](#) preferred hiring candidates with relevant work experience, and over half of employers wanted work experience to come from internships. It has become commonly accepted that if students want to get a job after graduation they have to complete at least one internship.

These new factors have caused exponential growth in the popularity of internships in all sectors of the US economy. The [last estimate](#), from 2012, reported approximately 1.5 million internships in the US, half of which were unpaid. A large percentage of unpaid internships are concentrated in a few sectors — namely public service and the arts. In [2019](#), 52 percent of business majors and 39 percent of STEM majors were paid interns, while only 14 percent of public service and 20 percent of liberal arts majors were paid interns.

When accounting for housing, food, and transportation, an internship can cost around [\\$6,000](#). Factor in tuition to earn academic credit as compensation, instead of pay, and an unpaid internship can cost a student up to [\\$13,000](#). This creates socioeconomic barriers for those who cannot afford to work for free. In particular, there are [6 million low-income students working](#) while pursuing a postsecondary education, where 1.1 million are Black and 1.5 million are Latinx.

But for many students, the financial challenges continue after graduation. Given the chasm of wealth between white families and those of color — [tenfold by some estimates](#) — an unpaid internship stifles the potential economic upward trajectory of thousands of students. [Black college graduates](#) have an average of \$7,400 more in student debt and are three times as likely to default on their debt, than their white



counterparts; meanwhile, Latinx graduates are about twice as likely to default on their debt than their white peers.

Unfortunately, the Department of Labor (DOL) and Bureau of Labor Statistics (BLS) do not track interns or internships. Therefore there is not an accurate dataset that illustrates the exponential growth in this area. As a result, internships are largely unaccounted for and unregulated. As the DOL and BLS track full-time employment data, efforts to track and release data on paid and unpaid internships across all industries and sectors would be beneficial.

While the lack of data on paid and unpaid internships is problematic, it is more concerning that those who participate in internships have minimal legal protections. Currently, established laws only extend to those categorized as “employees” under DOL definitions. Even though interns have the right to file anonymous complaints against their employers and ask for back wages, [a year-long](#) investigation found the DOL only investigated [11 intern complaints](#) between 2011 and 2014. As a former Deputy Administrator for the Wage and Hour Division [noted](#), interns are reluctant to file complaints with the agency as “many individuals view unpaid internships as a way to get their foot in the door.”

A well-educated, skilled, and prepared workforce is critical for the economic development and success of this country. To secure the wellbeing and future of those who participate in internships, we recommend creating an Internship Task Force, responsible for:

- Ensuring all interns within the Department of Labor are paid;
- Creating a Nonprofit Enforcement Initiative whereby Wage and Hour Division (WHD) investigates nonprofits for Fair Labor Standards Act (FLSA) violations, including, but not limited to, conducting the primary beneficiary test for unpaid interns;
- Revisiting the FLSA exemption for “volunteers.” The role and nature of internships have evolved since the exemption was created, and should not fall under the trainee framework; it merits an individualized test developed specifically for interns;
- Investigating opportunities for the WHD to better monitor violations of unpaid internships under the primary beneficiary test;
- Exploring a potential partnership with the Department of Education around investigating colleges and universities that offer academic credit for unpaid internships;
- Creating reporting requirements for unpaid internships, so BLS can track industries that utilize the labor of unpaid interns.

Internships have become essential learning experiences that prepare young people for the workforce, contribute to our economy, and support our government. Unpaid internships create a barrier for students with a low socioeconomic status, who are often people of color, from gaining that experience. By not providing interns the same or similar protections as other individuals in the workplace, including monetary compensation — which allows them to support themselves and their families through those learning experiences — we risk creating generations of Americans who lack the experience, skills, and resources to be successful.



We urge you to create an Internship Task Force to investigate and make recommendations for policy change. We look forward to working with you and your team on this, as the young people of this country are going to be the ones that build it back better.

Sincerely,

Carlos Mark Vera
Co-founder and Executive Director, Pay Our Interns Action

Supporting Coalition

Blue Future

Intern Bridge

Joint Center

Next100

Second Day

Symba

The Greenlining Institute

Workplace Fairness

Young Invincibles

Youth Jobs Connect

Dr. Anthony Carnevale, Director of the Georgetown University Center on Education and the Workforce