

DYO Program Proposal

Cornell Career Services

Negotiating Hourly Wages

We meet many students who have found a wonderful non-profit internship opportunity that fits an academic or career interest, BUT the employer only offers stipend-based or unpaid internships. The benefits of the DYO Program partial wage reimbursement may make it worth your while to consider offering an hourly wage for a dependable, full-time intern over 8-10 weeks. Talk with Career Services about your needs, and the skills, interests, and background required to fill the need.

The majority of students today are not able to afford to volunteer due to the summer savings expectations for their education. Students with a Federal Work Study Financial Aid award, however, are eligible for the DYO Program, which offers 50-75% reimbursement to employers in the U.S. who hire Cornell interns full-time (35 hrs/wk, 8 weeks minimum) and pays an hourly wage...at least the prevailing minimum wage in the area. Non-profits (regardless of size) receive at least 50% and up to 75% (for community service non-profits) reimbursement, and small, for-profits, who may not be able to afford to hire interns, receive 50%.

DYO internships are win-win: you gain a bright, dedicated, full-time, intern, and make it possible for a student to learn rather than simply earn during the summer.

Employers can ask a potential intern what his/her target earnings are, to cover housing, food, transportation (if not living at home), books and required Financial Aid contribution. Then negotiate from there; outline the hourly wage, hours and weeks expected.

Consider your cash-flow; employers must pay the hourly wages up front throughout the summer (through payroll, removing taxes and FICA, not via personal check), and be reimbursed the percentage in mid-November. Employers are responsible for completing the evaluation and reimbursement paperwork by the end of September or lose the reimbursement.

The maximum reimbursement would be \$3,750 (75%) and \$2,500 (50%) for a student earning the full \$5,000 summer award. So a student can earn \$5,000 before you are responsible for 100% of the wages.

EXAMPLE:

Employer Who Pays a Stipend = \$1,400 per summer

Student's required minimum earnings = \$2,800

Cost estimate using the DYO minimums: \$9.70/hour (NYS minimum), 35 hours/week, 8 weeks = \$2,716

Small for-profit employer: 50% reimbursement = \$1,358

Non-profit (community service) employer: 75% reimbursement = \$2,037

Wages minus 75% non-profit (community service) reimbursement = \$679 is the employer's bottom line commitment (\$1,358 for-profits OR non-community service non-profits)

As long as the student's total wages do not exceed \$5,000, he/she can try to negotiate a higher hourly rate with the employer based on the amount the employer can pay.

Unpaid Internships: Unpaid interns may be likely to leave a position, or work fewer hours because they feel less valued in the organization, or may feel the real or perceived financial pressure to find a paid opportunity. An employer would benefit from reviewing the above scenarios, and considering the relatively low cost, in the end, to ensure a dedicated intern who will be more likely to work harder, and remain throughout the summer.

A student can earn the minimum and find a supplemental hourly summer job to cover the amount that they must save.

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