

DYO Program Proposal

Cornell Career Services

Employer Negotiating with Student to Pay an Hourly Wage

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 75% 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 % 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 = \$1,000 per summer

Student's required minimum earnings = \$2,000

Cost estimate using the DYO minimums: \$7.25/hour, 35 hours/week, 8 weeks = \$2,030

Small for-profit employer: 50% reimbursement = \$1,015

Non-profit employer: 75% reimbursement = \$1,522.50

Wages minus 75% non-profit reimbursement = \$507.50* is your bottom line commitment (\$1,015 for-profits)

Bottom line: almost half the \$1,000 stipend that you intended to pay. We encourage you to negotiate a higher wage to come close to the \$1,000; you both win.

You could pay \$14.00/hour, and, after the reimbursement, still pay less than the \$1,000 stipend. This allows room to negotiate between \$7.25-\$14.00 to meet the student's financial need, with your organization still benefitting in the end.

*With this scenario, even a non-profit employer who offers a \$500 stipend would "hit" the mark, if they could afford the \$2,030 up front.

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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