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# Hiring Is Rising in One Area: Low-Paid Interns

By HILLARY CHURA NOV. 27, 2009

On-the-job training has its roots in the Middle Ages. Apprenticeship, it was called then, and it generally was for the young.

The new variation, now called an internship, is not the painstaking, multiyear experience it once was, but it still offers the same advantages: a chance for a worker to gain knowledge at little or no cost to the employer.

In boom times, companies with too much work for existing employees — yet not enough work to justify another hire — may have turned to temporary workers. But with the economy still in the doldrums, companies again are opting for unpaid or low-paid internships to get the extra work done.

It is a brilliant, recession-proof way to double your work force, said Drew McLellan, whose McLellan Marketing Group in Des Moines has long hired unpaid interns. “It’s more money to the bottom line for you.”

While there are no definitive numbers on how many internships exist or how many companies offer them, most are probably at smaller companies and nonprofit groups rather than large public companies, according to Internships.com, a placement service with some 13,000 listings. C. Mason Gates, the president and founder of Internships.com, said that with economic uncertainty, smaller businesses would continue to view interns as a source of growth, talent development and project-based work.

Internships have never been out of vogue, but the competition for positions is heating up, which is good news if you run a company needing economical, entry-level workers.

“The importance of an internship has changed from what parents experienced,” said Steve Rodems, senior partner at Fast Track Internships, which charges \$799 to help an intern find an unpaid job. “It’s no longer a nice-to-have addition to your résumé. Upon graduation, more and more companies are looking for graduates who also have some real-world internship experience.”

One employer who recently hired an intern was Suzan French, who, after four years as an independent public relations consultant in Allentown, Pa., needed help but was not prepared to bring on a full-time employee. In May, she hired Kate Mackes, 21, a finance major at nearby Lehigh University. Ms. Mackes runs clients’ social media projects while Ms. French offers old-school instruction in the public relations business.

“Kate was raised on it and is active in it, and that is something I’m still learning,” Ms. French said. “She is able to come in and use social media for the betterment of a client, and I’ve been able to teach her some of the more traditional P.R. and marketing practices that you don’t learn in the classroom.”

Internships run the gamut from marketing and finance to geology, fashion, architecture and entertainment. While some are part of university programs and carry academic credit, others are less formal with nothing changing hands except an occasional lunch.

And internships are no longer just the province of college students. More unemployed professionals are seeking them — whether to test-drive a new career or simply to keep themselves occupied, according to internship placement services. Mr. Rodems, of Fast Track Internships, said 10 percent of his clients were college graduates changing professions, compared with just 1 percent in 2008. And, he said, internships are increasingly running throughout the year, not just in the summer.

Michael Sabatino, 38, an equity analyst at Smith Barney in New York until he was laid off in 2008, is one of those professionals who sought an internship.

He said that, after caring for his newborn daughter for a year, he approached a small fee-only wealth management firm in New Jersey for a full-time position. None were open, so Mr. Sabatino offered his services free to learn the business.

He ended up earning \$10 an hour — far less than his family's living expenses — and had no job offer at the end of his five-month stint. But he described the position as a turning point, in part, because it exposed him to the daily challenges of running a small business and demonstrated to potential employers his passion for serving clients and developing his technical expertise.

“The internship was a key transitional experience in my career that positioned me for a long-term opportunity in a wealth management organization,” Mr. Sabatino said. He is interviewing with boutique wealth managers.

Connie Rivera, 57, also used an internship to change careers after she left her job as chief executive of the American Dietetic Association in Chicago in 2000 to pursue her passion for gardening.

She got a job at a local garden center to learn the business. For 18 months she did grunt work — answering customer telephone calls, watering plants, helping with payroll, she said. In 2003, she opened her own garden and landscape business. She now has 42 employees — and one intern — and says she expects to have \$4 million in revenue by Dec. 31.

“I took a \$250,000 pay cut, but it was the kind of research I needed to do to write my business plan,” Ms. Rivera said.

While menial tasks often go with the territory, the best internships interpose photocopying with client meetings, true-life assignments and mentoring.

“A company gets as much from an intern as the intern gets from the company — if it's a good internship,” said Lalia Rach, dean of the Tisch Center for Hospitality, Tourism and Sports Management at New York University.

For employers, setting up an internship program is relatively easy and inexpensive. Veterans of the hiring process say business owners interested in offering internships should develop relationships with local college professors who

can choose good intern candidates and seek legal advice to ensure that federal and state labor laws are followed. Business owners should have a clear idea of what they want from an intern and then interview candidates in the same way they do potential regular employees.

Mr. McLellan, from the Des Moines marketing company, said several of his interns had been hired at or opened marketing shops.

“The reward as a business owner is knowing you gave them a little boost,” he said. “And it’s fun to watch them take it wherever they are going to take it.”

While most interns receive no money — and others slightly more than the \$7.25 hourly minimum wage — interns are not exactly free. At least initially, it is more efficient for managers to do something themselves than to train someone. Also, while most interns are go-getters, exams and socializing can interfere.

Consuelo C. Bova, chief executive of [ForTheFit.com](http://ForTheFit.com), an online clothing retailer, brought on her first unpaid intern last February to do marketing and public relations. Ms. Bova said she was so impressed with the intern, a University of Central Florida junior, that she hired her as a part-time assistant after the internship ended in April. In August, Ms. Bova interviewed candidates to fill another intern opening — this time a paid position.

“Those I have interviewed to date have been, at worst, merely qualified and capable of doing the job, and at best, exciting, enthusiastic, experienced and capable of delivering high-quality work for our company,” Ms. Bova said.

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