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INSIDE VIEW

Three Cheers for Internships

Even without pay, they offer experience far more valuable than most classes.



A recruiter at a job market during the South By Southwest conference in Austin, Texas, March 10. PHOTO: DAVID PAUL MORRIS/BLOOMBERG NEWS



By

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It's that time of year. Students hoping to land summer internships are flooding inboxes with their résumés. Managers should hire as many as possible. It's good for the company but even better for the student—and for society. Pay them? Don't pay them? It doesn't matter. Just let them in the door.

In my junior year of college, I got an internship at Hewlett-Packard . It was way across the country in Cupertino, Calif., where Apple 's spaceship headquarters is today. To save money, since I had little, I got an apartment with no furniture, slept on the floor, used a shopping cart for a dresser, and borrowed a friend's bike to get to work.

HP was a fun place, with a pretty loose work culture and beer bashes most Fridays. I coded math functions in what's known as microcode for a future minicomputer, because they didn't trust the guy designing the chip to do it. I learned a lot about deep technology but nothing about business, marketing or sales. It was a big company, so I also missed a peek into the startup culture then bubbling up in the Bay Area. A shame.

Still, I can't think of anything better for college students than plopping them in the middle of some exciting enterprise. It almost doesn't matter what the company does; good interns absorb it all. I call it learning by osmosis. Lessons about your industry, trends, pricing and profits can't help but work their way into the pores and brains of hungry students bored from endless reading assignments and seminars.

Put them at the center of whatever a company does—not in the copy room. I can almost guarantee that they'll be a net positive. The payback usually comes in the form of a single good

idea, one productive change that fresh eyes will see while others, especially those sucking up for a promotion, won't.

A few years ago a nasty controversy erupted over intern pay. The Atlantic ran a story, "Why Free Internships Are Immoral." Unpaid interns for the movie "Black Swan" won a suit against Fox for back pay, later reversed and eventually settled. Sheryl Sandberg's Lean In organization even caught flak when an editor put out a request for an editorial intern, "part-time, unpaid."

Surely Ms. Sandberg could afford to pay, but an intern's compensation comes not only from the minimum wage thrown his way. Instead it's the sum of what he absorbs, which can be priceless. It's immoral to *refuse* to hire interns and thus cut them off from this exposure.

And hiring interns is getting easier. In January the Labor Department issued guidelines allowing businesses to hire unpaid interns based on seven criteria. According to Labor, "this test allows courts to examine the 'economic reality' of the intern-employer relationship to determine which party is the 'primary beneficiary' of the relationship." Simple! Virtually every internship has more value to the intern than the company.

I'm not blind—many poor or disadvantaged students can't afford to work for nothing. Companies should be sensitive to their economic issues and perhaps provide scholarships for their internship. What the heck—colleges pass out scholarships for French and comparative lit like water, but on-the-ground experience is so much more valuable.

There is a way around all this. One of the projects I have funded over the past decade is a fellows program with the goal of putting a business wrapper—that is, the exposure I didn't get at Hewlett-Packard—around smart and typically business-challenged engineering students. Select students each year contact startups they would like to work for. The program then pays the intern's salary for the summer, since most startups are too small to have their own internship programs. The startups think they are getting a free worker, but the joke is on them. To a person, the students come back knowing more about startups, funding rounds, board decks and venture capital than could be taught in any classroom. Many get hired back after graduation. This is who is inventing the future.

The University of Richmond offers every student up to \$4,000 "for one approved summer research or internship experience." Sure, it may just be a tuition rebate. But it would be great if more universities and charitable organizations provided intern-scholarships—rather than funding home building in South America or studies showing the immorality of unpaid interns. The more students who find productive jobs, the better off we'll all be.

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