

MSU EDA University Center for Regional Economic Innovation (REI)  
2012 Co-Learning Plan Series

# **Internship Programs for Distressed Communities: Pay It Forward Initiative**

*A Case Study*

**Charlie Cavell**  
Pay It Forward Initiative

# The Pay It Forward Initiative

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*[The Pay it Forward Initiative strives to transform young adults, ages 18-24, living in Detroit who have been a part of the Foster Care program and/or live below the poverty line.]*

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## **Problem**

Michigan's unemployment rate slowly decreased during a nine-month period, dropping to 8.5% this year. "Even with the recent increase (8.6%), Michigan's jobless rate is 2 percentage points below the June 2011 rate of 10.6%. The state rate remains above the national rate of 8.2%". But what do all these numbers mean - not only to the newly unemployed construction, government, and retail workers but also to the chronically unemployed, undereducated, and poverty stricken families in Detroit; the people without high school diplomas let alone college degrees? How are they affected?

The problem has not been due to a lack of concern for those in need. In fact southeast Michigan has the highest concentration of giving organizations in the Midwest.<sup>1</sup> There are a number of models being applied in many different ways and within different distressed communities. The trouble is that it is usually not enough to meet the need. To solve this crisis, Pay it Forward focuses on a particular sub-population of the distressed community.

Our sub-group is young adults (ages 18-24) living in Detroit who have been a part of the Foster Care program and/or live below the poverty line. Our initiative's main objective is to provide employment to 18-24 year olds living in a Detroit foster care home and/or living below the poverty line. We achieve this goal through establishing internships at local businesses and non-profit organizations that we have targeted as being in-need of new employees or attempting to build capacity. To support our interns and increase their success, we have incorporated into our program entrepreneurship and financial management classes. These classes are held on ten Saturdays over the course of a sixteen week program. In addition to the employment and educational components, we also offer one-on-one career counseling.

Because our sub-group is young people in high-risk environments surrounded by a wide variety of issues, it is important to help solve some of the specific problems they face, which may include but are not limited to lack of clothes, food, and numerous health/social issues. Many of these young people have had trouble in foster care and in school with poor reading scores, behavioral problems, poor socialization and poor economic conditions. These conditions make it less likely that they will be able to find and maintain steady employment and live a stable life. Without the possibility of a future many of Detroit's young people, particularly boys, are going down a hopeless path.

## **Solution**

One way we address this problem is to take into account each young person as a whole person. This method means striking a balance between work and life. Like many

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<sup>1</sup> "Profiles of Individual Charitable Contributions by State, 2009."  
[Http://nccs.urban.org](http://nccs.urban.org). N.p., 1 Aug. 2011. Web. 12 Aug. 2012.  
<<http://nccs.urban.org>>.

organizations The Pay it Forward Initiative has recognized that someone's work can be effected by their home life and vice versa. It is with that in mind that we began to take into account not just how capable a person is in completing a given task, but how capable they are of being successful in their personal lives.

To make it easier on our interns we work to match them with jobs in their realm of interest. Amongst the eleven businesses with whom Pay it Forward is currently connected there are coffee shops, a boutique dress store, a market, restaurants, and a landscaping firm. Our interns also work at Central Detroit Christian CDC, Matrix Human Services, and have worked at other non-profits in the past throughout the city as full partners as well. In total we have worked with 36 interns at 11 sites. All of these businesses are providing low-skill work experience and stability to our interns, but also they are enabling them to fit into the mold they choose to create for themselves.

To further take into account a person's work-life balance, we ensure there are weekly conversations between intern coordinators and the interns. These meetings provide a sense of stability and continuity and result in connections and resources for the intern. Needs vary with each individual, and are initially addressed by the Intern Coordinator. This person acts as the point of contact between the intern and The Pay It Forward Initiative. They provide moral and resource support to help transform our interns.

One of the Intern Coordinators was assigned to several interns. He met with each intern every week on a one-to-one basis and connected them with the support and resources they needed. All of the meetings are documented thoroughly. One intern had two children under the age of 5, was living in a shelter, and had no formal employment experience at the age of 23. This intern and her Coordinator met weekly. The Coordinator helped the intern's children enroll in daycare and also helped them register for pre-school the following year. The intern had stellar attendance and was a hard worker and one month later she was hired as an employee. The Intern Coordinator also worked with her to transition out of the shelter and into an apartment closer to her job and within her price range. This is a prime example of how the program is intended to function.

The Pay It Forward Initiative (PIF) strives for transformations.

PIF partners with interns and businesses to insure that an intern's home and work life balance become stable.

PIF has recognized that all interns have very different needs, and thus a program like this requires flexibility in its staffing, funding, and overall structure.

## **IDEA**

Appendix A contains a flow chart to depict how our system is implemented.

**Employment:**

The Pay it Forward Initiative seeks employers in a distressed community who are willing to accept interns for a period of four (4) months and intend to hire the interns in the future. We have a success rate of 46.6% for employment after the internship. We work with agencies, foster homes and other social service groups to recruit interns. The interns are screened. They must interview with a job coach and fill out an assessment intake form. They are trained by the Jewish Vocational Service to learn “soft skills” and take refresher classes every 2-3 weeks. The job coaches and supervisors meet each week to discuss the progress of the interns. Once the interns are ready, PIF partners with non-profits and businesses in the community to provide:

Employment support to fill the gap in staff costs, meaning employers are unable/unwilling to pay the additional cost for a new employee but would find value in it by enabling their firm to be positioned for growth.

Viable and experienced candidates for each participating organization following the internship.

A ‘qualifications packet’ for each intern after a three round interview process to insure a good fit for everyone involved.

**Educate:**

The Pay it Forward Initiative provides classes in financial management and essential work skills, with a focus on entrepreneurship. These classes are held ten out of sixteen Saturday’s over the course of the program. All the interns start and end at the same time and we have two or three cohorts in a typical year. The goal of this bi-weekly training program is to complement and expand the student internship work experience by answering the following questions:

1. How does what I’m doing as an intern fit into the larger picture of how this business operates?
2. What are the fundamental building blocks of running this successful business?
3. How does my experience as an intern compare to that of the other interns, i.e. how do other firms run their business? What do successful firms have in common?
4. What suggestions can I make to my company to improve their business?
5. What skills would I need to develop if I wanted to start my own business? Is entrepreneurship for me?

The outlined curriculum below explains some of the different sessions for the course:

<b>Class Overview</b>
<b>Class 1: Why are these classes important?</b>
<b>Class 2: Why businesses succeed/fail</b>
<b>Class 3: Foundations for long-term success: Intra-preneurship and entrepreneurship</b>
<b>Class 4. Changing and Adapting to the Business Environment</b>
<b>Class 5. Putting the Pieces Together – Which Path Is Best For Me?</b>

The classes were established as an integral part of the Pay it Forward model after we realized that there was a large skill gap between our interns and the businesses they serve. To address that issue we worked with Wayne State University professors in the School of Business to vet, teach and provide the materials so that our interns would be able to understand the world of business, which they were transitioning into.

In the future, essential work skill classes will be executed from the very beginning of each internship period. Additionally, classes in entrepreneurship will be optional for our interns.

**Empower:**

To ensure that our interns are able to begin charting a path to reach their highest potential, The Pay it Forward Initiative provides wrap around services to help each intern address each one of their unique needs. This service includes but is not limited to the following:

- Sixteen-week job-matching internship
- Entrepreneurship & financial management classes
- Weekly guidance counseling
- Bi-weekly pay
- Transportation stipend
- Micro-Fund to support interns during internship if unforeseen problems arise
- Micro-Fund Open Scholarship at conclusion of program to maintain support

These benefits are provided in addition to any emergency support that may become necessary during the course of the interns transition into working life. These incentives are in place to insure that our interns have a cushion to create a more environment so that their transformation into empowerment to occur. We have found from this and previous cohorts that the fore mentioned services are invaluable to setting someone up in a complete way for success.



## GETTING STARTED

Now that the outline of the idea of the Pay it Forward model has been laid out, we will explain obstacles faced by The Pay it Forward Initiative and discuss how they were overcome.

### **Vetting the idea:**

Vetting the program model for The Pay it Forward Initiative was the most difficult part of the process. It was our first hurdle and overcoming it was not easy. Through the experience of overcoming this hurdle we learned several lessons. Included in these lessons was the importance of communication, both positive and negative, with the people we met. In order to finally act on the idea, it took many conversations: some were dead-ends; some were useful in that they helped us to crystallize the idea that we were developing into a format that is now clearer and more easily understood; others helped to further develop the idea and turn into a funded project.

We also learned that you should always be thinking of ways to plug people into your idea. It can simply be an open discussion that shows a person what opportunities you have for them, if they so choose to be a part of your advisory board, or volunteer, etc. It will build your team, making it stronger which in turn makes it more possible for the initiative to succeed.

Another lesson involved the challenge in gaining credibility with supporters. We found from discussions with initial supporters that the biggest draw to backing our cause was not the purpose or the mission in the organization. Rather it was the dedication and passion showed by our initial team in our willingness to truly advocate for the people we hoped to serve through the work of The Pay it Forward Initiative.

It is important to note that learning each of these valuable lessons did not have an immediate impact. Sometimes it would take several more discussions with prospective partners to understand what their initial suggestion meant and how it would help the organization. We found, and hopefully you find this as well, most people are helpful and excited to support you and what you believe.

### **Fundraising:**

From what we have learned with The Pay it Forward Initiative, it seems that if you are able to make it to the point where you are asking for money, then you will be able to find a way to gain the necessary support. Once small support and funding are gained a snowball effect results and the program gets larger. You do more and donors are more comfortable with giving more.

But what defines a legitimate Program? One must create a professional organizational structure such as ours:

- Have a mission that others can understand and believe in. This is essential in being able to communicate your goals to potential supporters as well as helping keep you and your team focused on why you have chosen to grapple this issue.
- Incorporate, e.g. obtain a 501(c)3 designation: You must accomplish this to show you are serious about your venture and in order to collect funding.
- Have a pool of talent, staff, partners. If you have a ready pool of the above prior to beginning or repeating an internship then you will have more flexibility and spend less time and energy in implementation of the program.
  - Talent pool- workforce development, resources list
  - Staff pool- school of social work, Strategy
  - Partner pool- partners, businesses in the community

### **GAINING TRACTION**

Once the problems described above were addressed, we were able to receive substantial funding and investment from several supporters including individual donors, Detroit Soup, and City Connect Detroit. They welcomed our new approach to helping provide transformational opportunities to people. Once an organization, like ours, grows out of the initial start-up phase and gains some measurable results, such as graduating sixteen interns from the program, it becomes time to return to fundraising, and ensure a solid organizational structure for the future of the program. This stage includes:

**Defined Roles within the organization for each individual as listed below:**

**Executive Director**

In charge of fundraising

Building out new models (Testing partnerships, vetting possible collaborations, uncover/create ideas that may be able to improve the mission of the organization)

Establishing, building, managing relationships with funders, potential partners

**Chief Operating Officer**

Managing staff

Addressing emergencies with clients

Insuring all filings are current

Public Relations

In-depth program development

#### Intern Coordinators/Job coaches

In charge of training, coaching, supporting interns as needed

Meeting with interns and supervisors weekly on a one-to one basis

#### Book Keeper/Accountant

Manages bank account each month

Files 990 return and completes annual financial review

Works with auditors as needed

#### Volunteers

Support Intern Coordinator/Job Coaches in connecting resources

Special skills like fundraising, communications, web development, etc.

This process helps solidify the culture of the team, which lives by the motto “Do something good, pay it forward”. This altruistic culture helps keep the team oriented on the goals of the program.

There are emergencies which place immediate pressures on the Intern Coordinator especially considering the magnitude of some of our interns’ needs. One time in particular, an intern with a six-month old child had moved, with Pay It Forward’s help, into a stable living situation. One week after the Intern Coordinator met with the intern, she saw there was no running water or electricity at the house. The Pay it Forward team was able to turn on the water and electricity by the end of the week, but not without the added stress this emergency brought. If one can have any hope of creating and maintaining a stable, supportive team under pressures like these, then an atmosphere of support and accountability must be created. This suggestion may not sound unique, but what we have done is establish a completely open line of communication between the entire team that has allowed us to reflect on both our personal lives and professional experiences at weekly meetings. .

In short, this means making sure everyone is on the same page. Having a leader for the group is one thing, but communication must flow both down as well as up in the organizational structure; this is fundamental for a program to move forward. This makes it easier to help motivate the team as it is essential in our line of work due to the nature of our responsibilities.

Like many organizations that are tackling social change, Pay it Forward came about when a wound in the city needed healing. Pay it Forward sees things in a different view, not only do they want to help the people in need but also help small business in the community. Other groups out there tackle the same issue with a similar – but not identical – approach.

For example, Grand Rapids Youth Build is recruiting youth at risk to help them attain their GED and a green construction certification. They have partnered with Habitat for Humanity of Kent County, Bethany Christian Services and the U.S. Department of Labor, and recently they graduated their first class of twenty students in June.

Similar to Pay It Forward, Youth Build targets youth at risk and offers them educational courses to prepare them for the “real world”. Pay It Forward is different because in addition to helping the youth at risk, we offer them a wide range of employment opportunities and training with over 10 placement locations in different sectors. Pay It Forward also offers interns courses in business and most importantly PIF does all this at a fraction of the price. Last year Youth Build received a \$1.1 million grant from the U.S. Department of Labor to offer the program and graduated only 20 students. Pay It Forward graduated 36 interns using less than \$100,000.

The model for Pay It Forward could be replicated to help small businesses and youth at risk in different cities, and it could also be replicated in the same city by serving a different sub-group. Rather than youth at risk, it could target underprivileged families or adults in the same community using the same system.

PIF worked with several partners, they include Tim Horton’s Bake Shop and Café, Quicken Loans, The Black Dress Boutique, Matrix Human Services, Thistle Coffee House and Central Detroit Christian CDC. The overall feedback from our partners was favorable. Through in-person and phone interviews with supervisors, owners, and Executive Directors PIF found that partners were understanding of our interns needs but had some desire for improvements. They are listed in the next section, “Lessons Learned”, but centered on communication between interns and partners. PIF clearly met the need of Matrix Human Services, and Tim Horton’s, as well as Quicken Loans. PIF is planning to continue partnering with Tim Horton’s. Central Detroit Christian (CDC) found that there was more value for the interns than for themselves. However, they are happy to partner with PIF in the future to help their current staff receive the support and coaching they may need to become impacted by employees and improve their quality of life. The resources PIF provided to partners were valuable overall, our partners said. From looking at the employment rate at our partners as well as from talking with partners, issues with interns were usually due to the intern’s personal challenges. PIF bears the responsibility of the timeliness and effectiveness of addressing those challenges which precluded some intern’s from being successful at their placement. Even though some interns may not have been successful at their assigned partner, each partner said they would be willing to work with us again if they had a need for PIF’s services.

**In the future, Partners expect PIF to:**

- Supply trained interns when they begin working,
- Fully understand intern’s support needs
- Be able to begin addressing these needs while the interns start work at placement

## Lessons Learned

### Clients & PIF:

- **Already have a series of resources assembled---We assembled our resources, like childcare, and stable housing as we went along during this Pilot**
- **Make PIF policies more clearly defined for clients**
  - To address this-PIF has included in Soft Skill training at beginning of program a part explaining PIF policies
- **Have better intake assessments of clients---PIF has created a more formalized intake process for clients and has**
  - Hired an Intake Coordinator to lead recruiting and establishing eligibility, readiness and appropriate for the program?
  - Placed proposals for **funding** to help PIF identify best practices for recruitment (Constantly seeking improvement in our processes. One of the most difficult has been to identify how to best recruit and train interns so that workplace/life problems are prevented)
  - Within PIF's more formalized process are outlines of how to conduct more rigorous interviews of potential clients

### Partners & PIF:

- **PIF will recruit partners then clients**
  - For this pilot, PIF recruited clients, then partners. This reduces employment rates because partners may overpromise
- **PIF has seen the need to build stronger relationships between business partners and Job Coaches**
  - PIF has added to Job Coaches roles-weekly meetings with clients 'supervisor(s) at partners place of business to insure open lines of communication
  - Included in this relationship will be a more extensive orientation for business partners; topics covered will include PIF's attendance policy as well as any special policies held by partner
  - During a cohort, Partners will be asked to document tardiness and absences by clients to insure written record of incidents
- **During the next cohort, PIF will provide basic working/soft skill trainings with clients prior to as well as during the program**

- **PIF plans to provide more tangible services to partners in addition to employees & their supports.**

- PIF is considering hiring a Partner Director to connect and serve partners in a more business friendly way.

## **Some stories from Intern Progress from 3/12/2012-6/30/2012**

### **Cassandra:**

Cassandra began the program as a resident at Alternatives For Girls, a transition shelter to Independent Living Program that provides services to homeless and high-risk young women and empowers them to seek and make positive choices in their lives. Through the Pay it Forward Initiative, Cassandra was placed at Tim Horton's (22230 Woodward Avenue Ferndale, MI) based on her interests in working in a customer driven atmosphere. Cassandra's first employment exposed her to working closely with customers, anticipating their needs and providing answers and attentive service. She enjoyed working and learning at Tim Horton's where she gained important traits that will help her in future employment opportunities. April 10th, Cassandra was let go from her position at Tim Horton's due to several tardiness issues. On April 12th, Cassandra was accepted to participate in the Twodollartacos Internship program, Tuesday thru Friday, beginning April 27th. Their Mission Statement is to reflect the positive in the Detroit community through creation of food while becoming knowledgeable of best food preparation practices with ongoing persistence in food management and catering. To support this achievement, Cassandra has registered for four Culinary Classes at Henry Ford Community College beginning May 5th over the course of four days a week. Cassandra has expressed that in her free time, she would like to share her time giving back to her community.

### **As of 6/30/2012:**

#### *Professional:*

- Cassandra was still working at twodollartacos about 32 hours a week.

#### *Personal:*

- No longer resides in the shelter, thanks to PIF Intern Coordinators helping her gain stable housing
- Successfully completing classes, still enrolled at Henry Ford Community College

### **Ayanna:**

Ayanna resides with her two children at Alternatives For Girls, a transition shelter to Independent Living Program that provides services to homeless and high-risk young women and empowers them to seek and make positive choices in their lives. Through the Pay it Forward Initiative, Ayanna was placed at Tim Horton's (4830 Cass Ave Detroit, MI) based on her entrepreneurial interests. Ayanna has enjoyed her first employment

opportunity with Tim Horton's, and has received glorious reviews since her start on March 9th. Ayanna has voiced her interest in continuing to attend the entrepreneurial classes provided by the Pay it Forward Initiative. She feels as though the classes have given her new insight into business development and organization that she will take with her into the future. Ayanna's long term goals include securing a full time job, finding permanent housing and, to free up enough time to volunteer her time giving back to her community. After further discussion, Ayanna felt she could make the most impact by volunteering at Foster Homes similar to the Alternative For Girls Program.

**As of 6/30/2012:**

*Professional:*

- Ayanna is working as a full-time employee at Tim Horton's, her former PIF placement

*Personal:*

- PIF connected Ayanna with stable housing so she can move out of the shelter
- PIF connected Ayanna with a childcare center for her two children
- PIF helped Ayanna enroll her children in Headstart/Greatstart

**Lavender:**

Lavender was placed at Tim Horton's (4830 Cass Ave Detroit, MI) based on her interests in working in a customer driven atmosphere. Lavender plans to attend school, seeking a degree in science from Henry Ford Community College. Upon graduation, she will begin looking to find some training in the OBGYN field so that she can find permanent employment to better provide for her four children. The Pay if Forward Initiative has allowed Lavender to have a steady source of income, in addition to providing personal mentoring and assistance in transportation. Lavender is still awaiting a response from Henry Ford Hospital as to whether or not she will be accepted into their OBGYN intern program.

**As of 6/30/2012:**

*Professional:*

- Lavendar is working as a full-time employee at Tim Horton's, her former PIF placement.

*Personal:*

- Lavendar will be attending Henry Ford Community College in the fall, thanks to PIF Intern Coordinator's help in enrolling her
- Lanvendar's children are now connected with a reliable childcare provider, thanks to PIF Intern Coordinator's

**Do something good, pay it forward.**

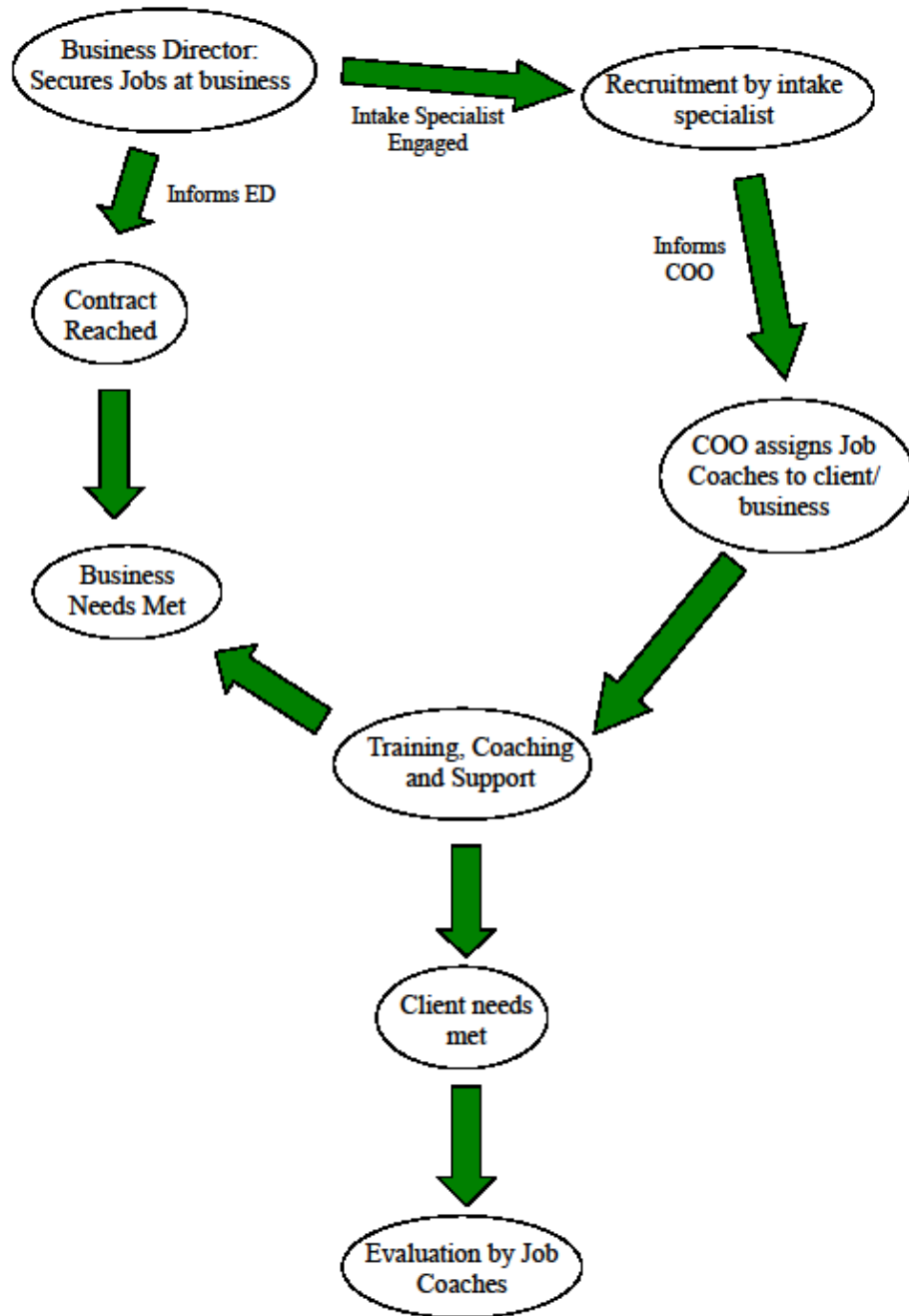
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**Appendix A:** Flow chart of implementation



# About REI

The MSU EDA University Center for Regional Economic Innovation (REI) has established a unique new-economic development ecosystem that engages innovative mindsets resulting in new economic development practices that are congruent with the new global and regional economic realities. Through a process of responsive community engagement, strategic partnerships, and collaborative learning REI may result in the best and brightest economic development professionals in the world.

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Lansing, MI 48912 USA  
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