

Ramona Schindelheim:

You're listening to Work In Progress. I'm Ramona Schindelheim, Editor-in-Chief of WorkingNation. Work in Progress explores the rapidly changing workplace through conversations with innovators, educators and decision makers, people with solutions to today's workforce challenges. There are many organizations working to break down barriers to economic mobility. One of the most successful has been Year Up, a non-profit working with 18 to 29 year olds from low-income communities to help them get started in livable wage careers. Working with some of the biggest companies in the country, the non-profit has served more than 40,000 young people over the past 23 years. I recently sat down with founder and CEO, Gerald Chertavian to chat about Year Up. He starts by telling me how the organization works.

Gerald Chertavian, Year Up founder & CEO:

We work with low-income, 18 to 29 year olds, and in one year or less, empower those young adults to go from either low-income or no income to livable wage careers, often with the largest, best companies in this country. We work with about 60% of the Fortune 100. And what we've proven of the years is we can become a relevant, valuable source of talent. And what do you need to do? You need to teach someone hard skills and soft skills. You need to provide wraparound support, and then you need to coach them into a job that you're working with the manager as well as the individual to make sure that that's a successful transition into work.

Ramona Schindelheim:

So you say you work with the many Fortune 100 companies. Are you working through them? Or if I'm a young person and I'm saying, "I want to do this," do I come to you directly?

Gerald Chertavian, Year Up founder & CEO:

So we have students who come to us directly, could be through guidance counselor, referral, lots of ways with companies. I mean, when I started Year Up, I would walk over broken glass on my knees for a mile to get one internship. Now we've validated this, so we'll place 500 people a year into Bank of America, hundreds a year into JP Morgan, and they've now operationalized it. So they've really built the infrastructure to do this at scale, but to keep learning as well.

So Bank of America came to us and said, "We want to work with you to build a program for 400 software engineers per year. How do we do that?" So three years down the road, these young adults, despite not having finished a four year degree, are indistinguishable from folks who may have come from a different path. So this works well when the partner's engaged, when they see our young adults as talent and they're willing to change some of their practices to be more inclusive and equitable, for those who haven't had all the opportunities that some others may have had through privilege of birth and circumstance.

Ramona Schindelheim:

Do you get to track these individuals that go in there? I always love a good success story. Tell me a good success story.

Gerald Chertavian, Year Up founder & CEO:

I can tell you both the macro, the micro. The macro success story at Year Up, we placed a 1,000 folks full-time into State Street Corporation in fund accounting. They stayed three to four times longer on

average than someone who went to BC, Babson, Bentley or BU, who really didn't want that job. And our young adults wanted the job, they wanted the career, they stayed longer at a macro level that is real economic mobility for a lot of young people. At a micro level, this is about, I can think of a student I just talked to the other day, a graduate where he was going through the program at Year Up and at that point he was unhoused. So he did not have a place to live and he was struggling to get through the program. He was now telling us that he's doing his first time course in home ownership, buying his own home.

Ramona Schindelheim:

That's awesome.

Gerald Chertavian, Year Up founder & CEO:

And he said, "My main goal is for me, my family, my children never, ever to experience homelessness again." And what you realize is by combining the interested private sector who needs talent with well-run programs, you can actually provide people the opportunities to truly take care of themselves and to be economically mobile to provide for their families and children. And that this, at the core, at the root of this, is about preserving a democracy because people need to see that the American dream is within their reach. And that's what we do. We see it every day. It's pretty joyful for thousands and thousands of young people every day across this country.

Ramona Schindelheim:

For creating that generational financial security to begin with. And then generational wealth must come out of that as well.

Gerald Chertavian, Year Up founder & CEO:

Very much. We have graduates not only once they successful in careers, they start their own businesses. In fact, one of our graduates, Mike Lombardo, started a business eight years ago called GlideFast. He just sold that business, wait for it, for \$350 million in cash.

Ramona Schindelheim:

That's insane.

Gerald Chertavian, Year Up founder & CEO:

Mike grew up in Everett, Massachusetts. He dropped out of high school four times, got his GED was working construction, building scaffolding, and his friend said, "Mike, you are way too smart. You need to go get a different career." He found Year Up. He graduated, seven years after he graduated, he started a company, grew that company very significantly and literally sold it for \$350 million in cash.

Ramona Schindelheim:

Wow. Congratulations.

Gerald Chertavian, Year Up founder & CEO:

And now he's donating to us, right? I mean, hey, now Mike's a donor.

Ramona Schindelheim:

You're building your donor base.

Gerald Chertavian, Year Up founder & CEO:

Absolutely. And we have more alumni now than say, the National Black MBA Association. We have alumni rising up all over this country, 94% of color becoming the vice presidents, the AVPs, the SVPs in companies. Now, when they think about talent, guess what? They think differently. Ultimately, the systems change is not only are graduates rising up and acting differently, but is helping big companies through our consulting arm Grads of Life to actually help companies change their practices to be more equitable and more inclusive. For instance, if you want to hire for skills and not degrees, how do you do that? Where does the rubber hit the road? So we help companies to change their hiring practices, their retention and advancement practices that correlate to what we know are best practices because we've done several years of research on this, and we can help a company understand where are they? Are they leading, lagging, developing their skills when it comes down to equitable employment for individuals who have not had that access in the past?

Ramona Schindelheim:

You've been doing something that people are now talking about, I think, which is not looking at the degree, right? You're looking at the skill set. Just as you had said, skills-based hiring is very important now, but also the internship idea, putting people into that social network that they would never have been in before, is now something that's kind of coming to life a little bit, I think.

Gerald Chertavian, Year Up founder & CEO:

Sure. And that social network is Raj Chetty's just proven in his most recent studies is if you coming from a community that is a low-income community, if you are connected just to one person who actually is from a higher socioeconomic group, your chances of getting out of low-income are greater significantly than the person who does not have that connection. So the value of social capital, the value of building networks is absolutely critical. It's one of the things Year Up does by exposing our young people to professional environments, to great companies. They instantly build that network and people see how talented they are, and guess what? They want to help them. They want to hire them.

And the challenges we see around us are solvable challenges. They're not unsolvable at all. They need to be systemic. But there is a day when you can see that companies become opportunity friendly, just like they learn to become environmentally friendly over 20, 30 years. The way that companies adopt practices that are friendly for opportunity, that is a rising tide issue. It's kind of the development of the SNESG that has real return on investment. It's not CSR and it's, I think frankly the future as companies becoming more opportunity friendly so they can draw on the plurality of this country and all of the talent within this country.

Ramona Schindelheim:

Do you have plans to change any of your model as you see changes in our society and changes in our workforce?

Gerald Chertavian, Year Up founder & CEO:

We're always changing Year Up. It probably drives our team a little bit nuts sometimes that we're always changing, but what we're working on now is many of our companies, our partners are saying it's really hard to rationalize the community's training programs. This subscale fragmented. They are variable

quality. So can you help rationalize and coordinate the vast area of folks who are doing some of the training? Maybe it could be a reentry program, it could be a early college program, it could be a Year Up type program, but companies can't metabolize and work with 30 different training providers.

So what we're doing is creating a managed service between the company and the number of people in the community who want to place folks into those organizations, that if you don't solve that, there's too much friction for the employer to ever operationalize this at scale. So the newest business, I guess you could call it that Year Up is launching, is about creating this managed service that's much more scalable and recognizes we don't have to do all the training ourselves. We can work with folks who do some of the training in the community and still do what we are good at, soft skills, wraparound sports in connection to a job.

Ramona Schindelheim:

It sounds like too that you're, in an essence, vetting some of those programs because-

Gerald Chertavian, Year Up founder & CEO:

Absolutely.

Ramona Schindelheim:

There are so many programs out there that it is sometimes hard to navigate them and determine if they're actually going to end in a job for someone.

Gerald Chertavian, Year Up founder & CEO:

Yeah. Ramona, you hit the nail on the head as part of the value creation here is I've heard employers say, "Hey, some of these programs, they recommend people to us. They don't show up, they don't have a great attitude, they don't have the attitudinal behavioral communication skills," the things Year Up is particularly good at. So there is a vetting or an assessment, but at the same time there's a what can we provide back to those organizations so they can continually up their game. Like if you think of this ultimately as a system that works well, it's a system of employers connecting effectively with training organizations such that they can stand it alongside campus recruiting as a relevant, valuable source of talent that is just as measurable and manageable as any other source of talent they have. That's the system we're trying to create at Year Up.

Ramona Schindelheim:

Hey, and I always love to give my guest a last word. Tell me, what is it that you want to see changed in the labor market now, in the way people are hired, the way employers go about finding talent?

Gerald Chertavian, Year Up founder & CEO:

We've always thought that behavior doesn't change until belief changes. And belief is often the, it's not just the head, it's the heart as well. So if employers truly saw our young people who may have come from the ZIP Codes and the bank balances and the school systems that we may already correlate with where the talent is, if we truly believe that, we would change the way we do business. So if one thing could change is people who have power to make decisions see our young people as talent, those who may not have had access to a four year degree, those who may have come from a background that may have been underrepresented or underserved, but to still recognize that God did not distribute

intelligence by ZIP Code and bank balance and that talent does reside everywhere, even though opportunity doesn't.

But if you believe that as a person who has power, you can change the way your company operates. You can adopt skills-first hiring, you can see the community as relevant and valuable talent. So I'll stick with, in this case, give me belief change, and a lot of good things are going to flow from that in terms of how companies behave and ultimately the impact they have on creating a much more economic mobility for the communities within which they live and serve.

Ramona Schindelheim:

Thank you, Gerald.

Gerald Chertavian, Year Up founder & CEO:

Thank you, Ramona.

Ramona Schindelheim:

That was my conversation with Gerald Chertavian, CEO and founder of Year Up. I'm Ramona Schindelheim, Editor-in-Chief of WorkingNation. Thanks for listening.