

Lessons Earned Podcast Strada Education Network

S. 1, E. 5: Byron Auguste, CEO, Opportunity@Work

TRANSCRIPT

Ben Wildavsky, Strada Education Network host

[00:00:01] From Strada Education Network, this is *Lessons Earned*. I'm Ben Wildavsky.

[00:00:08] In this podcast, we're speaking with system challenges, education leaders, entrepreneurs, authors, policy thinkers, people who are challenging the status quo and trying to improve education and career outcomes for students of all ages. Today, the co-founder and CEO of Opportunity@Work, Byron Auguste.

Audio clip

Byron Auguste

The most common thing I've heard in working with people on this around the country is, "I know what I can do, but no one will give me a chance."

Ben

Welcome to *Lessons Earned: Putting education to work*.

[00:00:51] Today, we're sitting down with Byron Auguste, the co-founder and CEO of Opportunity@Work. Through this organization, Byron's trying to serve the large percentage of American workers who don't have degrees but do have important skills. They might be stuck in jobs where their talents are underutilized. And because of credential requirements, they're often unable to use their skills to get new and better jobs. Byron wants us to look at skills differently. He would look at someone like a restaurant server and see all the things they have to do at work. They've got to juggle the needs of a dozen tables at once. Keep a running to do list in their head that they're constantly tweaking and recalibrating. That's a hard job. That person might not have a degree, but they do have skills and those skills could be applicable across dozens of different jobs and industries. But our current system might not see the value in this person because they don't have a credential and Byron is trying to change that.

[00:01:42] My co-host today is my colleague Anna Gatlin Schilling and is a fellow policy wonk who's deeply involved in Strada's education and workforce initiatives at the state level. Anna, welcome to *Lessons Learned*.

Anna Gatlin Schilling

Thanks for having me, Ben.

Ben Wildavsky

[00:01:54] Let's get to it.

[00:02:03] Byron Auguste, welcome to *Lessons Earned*.

Byron Auguste

Thank you.

Ben Wildavsky

Before we really jump in, I wonder if you could start just by giving us a few sentences about what exactly is the mission of Opportunity@Work? And what do you do?

Byron Auguste

[00:02:15] We want to see a country where everyone can work, learn, and earn to their full potential. And today, a lot of people can, but a lot of people can't. In particular, we're focused on tens of millions of Americans who don't have bachelor's degrees, but who do have skills.

[00:02:29] They've developed them on the job. They've developed them in the armed forces. They may very well have developed them through community colleges or through a whole range of alternative pathways. They're STARS, Skilled Through Alternative Routes. There are many, many ways to learn job skills. And right now, we tend to validate very few of those ways. And so we're opening up pathways, and our mission is really to enable a million of these STARS in the United States to earn to their full potential. And we are looking over the next 10 years to see a million people earning \$20 million more of our wages as a result.

Ben Wildavsky [00:03:08] You write about -- you wrote a blog post earlier this year, and the headline was "Low-wage, Not Low Skills: Why Devaluing Our Workers Matters." And you talked about meeting a very experienced hotel room service worker/attendant. Can you just tell us that story?

Byron Auguste [00:03:24] Yeah, sure. Well, this particular gentleman we got to talking about how he optimizes and how he advises less-experienced hotel workers to optimize across what turns out to be multiple hotels, because you have to end up both from a risk management standpoint and from getting enough hours, you have to work at more than one hotel. And he laid out what I think was really kind of a system of linear equations. Right? I mean, you could have modeled it that way.

[00:03:52] And he had it all in his head. And it was very sophisticated. And I have to say, I've seen this in many, many settings. There are many jobs that are low wage. Relatively few of those jobs are actually low skill. For example, being a migrant farm worker is low wage, but understanding what you need to do to effectively harvest different tree crops without damaging them, that actually involves quite a bit of skill, quite a bit of knowledge.

[00:04:20] But we have, I think, to a very problematic extent, adopted a bit of a mindset in this country, particularly among elites, that skills determine pay.

[00:04:31] And therefore, if someone is in a low-wage job, they probably have low skills. And the implications of this are very serious because we have all these new jobs being created and we're assuming that there's this huge problem because there's all these people without bachelor's degrees, but there's all these new jobs being created.

[00:04:47] The logical leap we're making is that all these new jobs have to be done by people with bachelor's degrees. But why? Why does a Salesforce administrator need to have a bachelor's degree? A company trains a person from beginning to end to be a Salesforce administrator.

Anna Gatlin Schilling [00:05:02] Thinking about the future of work and this gap, it's often referred to a skills gap. But in the same blog post you wrote about, we're actually dealing with an opportunity gap, not a skills gap. What exactly did you mean by that?

Byron Auguste [00:05:14] Companies are actually screening out most people who apply for these jobs *before* considering their skills. The most common thing I've heard in working with people on this around the country is, "I know what I can do, but no one will give me a chance.

[00:05:29] I know what I can do, but no one will give me a chance." It's not that their skills will be assessed and they'll be found wanting. It's that those skills are not assessed. So you can't call it a skills gap, if your mechanism is not skills-based, right, you're actually screening people out based on their pedigree, which is their history, not their skills.

Anna Gatlin Schilling [00:05:49] So it really sounds like you're describing a system that was built to be efficient, but it's actually very inefficient. And can you, kind of putting on that economist hat again, is there really a dollar amount you can attach to the amount of people who are being underutilized in a system in the way it's really affecting our economy writ large?

Byron Auguste [00:06:06] Well, that's a really great question, and if I were to give you a definitive answer, I would be expelled from the economics profession. Because I've thought about this a lot, and long story short, the best range I could come across would place it between \$150 (trillion) and \$200 trillion. So basically, that's about four, maybe five times the total value of all the capital stock of U.S. companies.

[00:06:31] OK. So a really basic question. Don't many economists, probably most economists, you know, argue the degrees do, in fact, reflect some real skills? Is your view that we're over relying on degrees and that we should just be moving away from

degrees entirely, or that there is just this overlooked population where degrees aren't capturing the full range of what they know?

[00:06:52] Well, I'm definitely saying the latter, that there's an overlooked population where degrees don't capture the full range of what they know. That's for sure. I mean, degrees don't capture the full range of what you know or what I know or what any of us know.

[00:07:02] And when I speak to audiences and I typically ask, "For the value you add on your job today in your work, how many of you feel that most of the value comes from what you learned in school versus mostly from what you learned on the job?" And it's simple. It's always somewhere between 90 to 100 percent of people say, "from what I've learned on the job."

Ben Wildavsky [00:07:20] Byron, I just want to rewind a little bit to talk about some personal history. Thinking back to Detroit, where you spent part of your childhood, in 1970, your father was working as a shipping clerk. I think it was in a small family-owned factory. And then he sees an ad in the local paper. Can you tell us that story?

Byron Auguste [00:07:39] Yeah. You know, my dad saw an ad in a paper saying, "Learn COBOL and punch your own ticket." He didn't know what COBOL was, but it seemed like something he wanted to do.

Ben Wildavsky

Brings back memories.

Byron Auguste

Yeah, right. COBOL, for those of you who are, you know, younger than I am, was the software, the programming language for IBM mainframes, which at the time was growing like crazy. It hadn't been taught in colleges because it was a brand new thing. And there was an endless demand for it. So he actually quit his job and got a certificate in COBOL programming. And my mom, who worked at Detroit Edison, got him a job shadow and seems like he learned enough that they thought, you know, he had something to offer and they gave him an entry-level job.

[00:08:24] And that really was the trajectory shift for my family into the middle class. There was no reason outside-in to look at him and say, oh, here's a COBOL programmer. But the point is, you can't tell. By the way, he loved the job. I mean, he found it much more satisfying. And I think that's something that we need to remember, too, that it isn't just about earnings, it's about satisfaction. I mean, these are half your waking hours. And so finding something, I mean, work is solving problems. Right. Work is kind of creating things, fixing things, healing things, making them better. And to exclude people from the ability to do that is more than just economic damage. It's moral damage.

Anna Gatlin Schilling [00:09:13] Byron, one of the central focuses of opportunity at work at something called STARS, people who are skilled through alternative routes. What are some of those alternative routes?

Byron Auguste [00:09:22] So if you have programs that are looking at the skills of veterans who were enlisted, almost all of them are STARS. Right? Very, very few of enlisted veterans had bachelor's degrees before.

[00:09:34] If you look at people who have not been able to complete college, but still absolutely have so much to offer and yet that there's almost no pathways for them. But you have many other routes that are not organized today, but from a data standpoint, could be right. Again, retail at the Gap, you are gaining a lot of skills in that context. You're not gaining all of the skills, but you're gaining many. So why should we have you go back to a starting point and pretend you have zero rather than build on top of those skills you are gaining there?

Anna Gatlin Schilling [00:10:09] One of my favorite STAR stories was a woman named LaShawna Lewis. Can you tell us a little bit more about her story?

Byron Auguste [00:10:15] Lashauna's story starts, she was born in East St. Louis, which in most years is the poorest community in the United States. And she just kind of in high school, just got the bug on computers. There was a teacher in her school who did computer club and who just, you know, she was like the only girl in a computer club. You sort of, she was made to feel welcome. It's just love. I mean, she just loved it. And she had a talent for it. He encouraged her to go to a technical college in Illinois, which she did. But after a year, there were family problems back home, illness in the family. And she had to come back to help take care of people.

So she didn't finish college, but she thought, you know, well, at least I know something and I can get a decent job somewhere in St. Louis, that's actually a pretty decent sort of tech sector. There's demand for it. And for 10 years, LaShauna tried to find a job and technology couldn't get one. Couldn't get one. The low point for LaShauna was she was working as a bus driver for school. And the school had a computer class and she ended being the substitute teacher for the computer class and did great. And then the teacher left. And so LaShauna applied for the job as the computer teacher. And they said, oh, sorry, you don't have a bachelor's degree. She said, but you've seen me teach it. And like, everyone's happy, right? And they're like, yeah, you're great. But you know, I'm so sorry. Ask if you left that, she worked in call centers, etc.. Anyway, the moment that changed for LaShauna, there's a nonprofit like one of these one of these pathways, one of these alternative routes, called Launch Code.

[00:11:50] And they had a program called Coder Girl, which basically got women who were interested in technology to sort of come in and just sort of hack around. It wasn't like a highly formal training.

LaShauna voice clip

[00:12:02] I really wanted to go back into coding and once I got the Launch Code and started going to the Coder Girl meetups and changed my life.

Byron Auguste

[00:12:15] Basically they essentially talent-scouted LaShauna. I mean, she learned something there, but it wasn't mainly that she was trained. It's that they saw what she could do.

[00:12:21] And they had built their own network of employers who wanted to hire like through Launch Code. So they built an alternative route. And so she got a job with MasterCard. She was promoted twice. She eventually left MasterCard. She became the chief technology officer of this co-working space.

[00:12:39] And now she has started her own business. She's a tremendously talented person and her talent was unrecognized for 10 years.

Ben Wildavsky [00:12:46] It does seem a little a little crazy, though, that you should have to build these new ecosystems to bypass, you know, I've heard people talk about the tyranny of the degree. Shouldn't there be some sort of, you know, some way for people to develop, and maybe it's nationally recognized alternative credentials, alternative route, something where you can go to an employer, whether or not they're part of this ecosystem, and just show them what you know.

Byron Auguste [00:13:10] You're absolutely right, Ben, that it is crazy. So let me be clear. Like I am in awe of the work that Launch Code and all those do. It's amazing. And it's really actually more amazing than people realize because they have to build this whole thing that that shouldn't be what has to be done. There's many initiatives that are trying to make that somewhat simpler through signaling of some sort, credentialing of some sort. What Opportunity@Work is doing, our marketplace is creating a hub in which all of those approaches can live.

[00:13:39] The biggest thing employers want to know is once they get it, that they shouldn't be screening out for the bachelor's degree, they want to know, well, what should we be screening in for? And if you ask them that, some of them will have ideas, but many of them will say, well, what are other companies doing? And so the idea of a marketplace is something like eBay, for example, right there on eBay, you might be looking at making a purchase from a vendor that you don't know. And so you're not sure, right. It feels risky. Except you can see that several hundred others have made the same purchase, and if they were satisfied and if they were treated fairly and honestly and then right, then you feel comfortable doing it. So that's what we're doing, whether it's a skills demonstration or whether it's a credential or a certificate, a Google I.T. certificate, like a company can see, like, hey, Google I.T. certificate, people are trying it. It's working for these roles, not for these other roles. Hey, maybe we should adopt it.

And training providers can say, oh, how much more? How many more companies would be willing to hire my people if we could certify them with a Google I.T. certificate? And you can know that.

Anna Gatlin Schilling [00:14:45] I think you're touching on this a little bit, but you're really starting to paint a picture, if we're looking down the road 10, 15 years, what a new employment picture a new system would look like. I mean, is that kind of part of the vision? I mean, what else would you add to that to really think about if you could go big picture and change things in the working day?

Byron Auguste [00:15:04] Right, there's many other things you could change. But I just want to emphasize this is that very few things can work unless employers hire based on skills, unless the screening goes away. When you put a bachelor's degree screen on a job in this country right now, you're excluding 75 percent of African-Americans from the get-go. You're excluding 83 percent of Latinos from the get-go. You're excluding 81 percent of rural Americans from the get-go. Right. So already you've narrowed, like who actually can make progress dramatically to start. And more importantly, you've done it in a particularly damaging way because it's not that you've assessed him and then said, well, I don't care what your skills are. You haven't even assessed them. So they don't even know what their skills are. They don't get any feedback. If you apply for a hundred jobs and you don't get any of them, what have you learned? You've learned absolutely nothing. You don't know what new skills you need. You don't know. You don't know anything, frankly.

Ben Wildavsky [00:16:06] Byron, you've got this incredible blue-chip resumé, you know, starting with Yale undergrad, Marshall scholar, Oxford Ph.D., Obama White House. And now you're focusing on people who don't have degrees at all. So of all the things that you could be doing, what's the urgency of working on this and what's at stake if we don't make progress?

Byron Auguste [00:16:25] People mean a lot of things when they say the system is rigged. But I think the most legitimate thing is, is actually this: I know what I can do, but no one will give me a chance. If you can't translate your effort into progress, if you can't translate your learning into earning, well, the American dream is dead. And in fact, if you look at the numbers, that's what it looks like. Right. You know, 40 years ago, a 30-year-old had a 90, more than a 90 percent, chance of earning more than their parents did when they were 30. And as of 2010, a 30-year-old had a 50/50 chance of earning more. And it's not going in the right direction. It's absolutely going to be the case that the first generation of Americans that is earning less than their parents is today's millennials.

And if we can't make the American dynamic economic model work, I would say that's a disaster for America. I would also say it's a disaster for the world if we have this, you know, powerful democracy in which more than half of the people are structurally unable to make progress, I really don't think that's going to bode well for our participation in

world affairs either. And so I actually think it's the most fundamental problem in the world today. And I think it's a surprisingly solvable problem.

Ben Wildavsky [00:17:44] So just before we wrap up, I want to raise a question I had about technology. You know, it's made it very easy for people to apply for jobs, but it's also made it really easy for employers to screen people out in large numbers. So do you think technology is a blessing or a curse for job applicants?

Byron Auguste [00:18:01] You have to screen in some way; you can't interview 900 people. So I'm not trying to say like companies are short of, you know, these evil geniuses trying to sort of mess everyone around. Like, it is a convenience, but it is a very damaging convenience the way it all plays out. And the thing is, we can do it in a way that's considerably better and smarter for companies, and it's so much better for people. And frankly, ultimately, that's gonna be better for companies. Right? Because people who earn more buy more, they contribute more.

By the way, work is solving problems. Right? So if someone is earning more, it's because they're contributing more. They're adding more value to your company and to the economy. You know, people are worried about wage stagnation and they absolutely should be. I am. But they should also be worried about innovation stagnation. So much of innovation now isn't people in white lab coats creating inventions. It's people at the frontlines. It's teams at the frontlines of interacting with customers and systems and supply chains noticing, oh, that could be better. Fixing it. Sharing it. And that's spreading throughout the system.

I can't tell you how much damage companies do by trying to assume top-down that they know better than what frontline workers know. This belief that people who don't make a lot of money, this infantilization of them, and this belief that you've got to sort of manage them, that they're a problem to solve, is incredibly damaging to company health, to the economy, and to our social fabric. People are not problems. People are problem solvers. And if you actually allow it, if you create a system where people can solve problems and where they can make some progress themselves by their efforts to do so, we can be very successful across the board. And in many ways, we are spending tens of billions of dollars right now in this country creating redundant systems to keep people from trying. And that's really a disaster for everyone.

Ben Wildavsky [00:20:05] That was our conversation with Byron Auguste. Thanks, Anna, for being my co-host. And thanks for joining us on *Lessons Earned*.

Voiceover

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