

## **Lever Fund Investment Analysis**

**Organization: Genesys Works National Capital Region**

**Program: Fairfax County**

**Lever Fund Investment: \$30,000**

**Benefit-cost ratio: 17:1**

*Analysis prepared by Mark Swartz, April 2016*

Genesys Works provides intensive training to high school students and connects them primarily to paid information technology internships. The experience of rigorous summer training and hands-on paid internships pushes students to envision themselves in college and to apply and enroll. Last year (2015), their programs in Houston, Chicago (where A Better Chicago was a funder), Minneapolis/St. Paul, and the San Francisco Bay Area (where Tipping Point funds them) involved 170 corporations serving 547 young men and women.

In 2015, 100% of Genesys interns got into college, and 94% enrolled. In a recent alumni survey, 99% of respondents felt the Genesys Works program was valuable to them, and 89% of respondents felt that Genesys Works helped advance their education and career goals.

In their inaugural year in the DMV, Genesys Works National Capital Region Executive Director Mahan Tavakoli currently is making two types of valuable connections:

- Developing a pipeline of internships with employers in Northern Virginia, many of whom operate in and around Tysons Corner. Managers of these corporations tell Genesys that (a) there are currently more help desk and IT support jobs than people to fill them and (b) immigrant and minority workers are more likely to stay in the region and in a job than those from non-immigrant, non-minority backgrounds.
- Partnering with Fairfax County Public Schools, where 28% of students qualify for free or reduced lunch—and where it costs far above the poverty line (\$82K annually)—to secure what the [Economic Policy Institute deems](#) a “decent yet modest” standard of living for a family of four.

Fairfax County Public Schools Superintendent Karen Garza, PhD, is an enthusiastic partner in the project as well as a board member, and Genesys Works is currently fielding program applicants. They plan to hold interviews in May, to run their trainings in July through August, and to train 40 high school seniors for internships in September. They expect 80% to be placed in internships.

According to Tavakoli, the student best served by Genesys Works is on track to graduate high school but not currently on a college trajectory. Not all of the students who go through the program will graduate college, but we think that the program will boost enrollment and graduation rates—and, ultimately, lifetime earnings. Furthermore, IT is one of the few fields where it is possible to make a decent living without a four-year college degree.

## Leadership

Genesys Works Founder and CEO Rafael Alvarez oversees the national organization and is personally involved in replicating the model throughout the country. For his work as a leading social entrepreneur, Rafael was inducted into the prestigious Ashoka Fellowship in 2006. Prior to starting Genesys Works in 2002, Rafael worked 11 years for Compaq Computer Corporation (now HP).

Genesys Works National Capital Region Executive Director Mahan Tavakoli previously served as Global Chief Strategist and Chief Diversity Officer of Dale Carnegie Training. Mahan has been in the Genesys position for just six months, but Greg Cork and I both have met with him (and with Rafael) extensively and feel confident in Mahan's leadership and ability.

## Metrics

The benefit-cost of our investment based on the following variables, which will be confirmed and reevaluated by the Lever Fund over the next twelve months:

Lever Fund investment amount	\$30,000
Cost per student (estimated)	\$6,000 (14-month intervention + alumni support)
Students served by our investment	5 trained; 4 placed
Internship earnings	\$43,000 (\$10,000 per placed student + \$3,000 each for the one not placed in an internship)
Counterfactual internship earnings (earnings over the same period, if the students had not participated in the program)	\$15,000
Career earnings	\$2,375,000 (\$50,000 salary <sup>1</sup> per placed student for 10 years <sup>2</sup> + \$37,500 for the one not placed in an internship)
Counterfactual career earnings (10-year earnings made by these 5 students if they had not participated in the program)	\$1,875,000 (assuming \$37,500 <sup>3</sup> salary)
Total Lever Fund benefits	\$528,000
<b>Benefit-cost ratio (projected)</b>	<b>17:1</b>

<sup>1</sup> Genesys Works recently conducted an alumni survey and found the median income of students working full-time and no longer in college to be \$50,000.

<sup>2</sup> Ten years is the time horizon used by the Robin Hood Foundation.

<sup>3</sup> Based on Glassdoor and other website research.