

TRANSCRIPT

Learning Unboxed



Episode #308

Chaz Van De Motter:

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The earlier you are into the game understanding taxes and what a paycheck looks like and what assets look like, it creates this opportunity to change your life

Annalies Corbin:

Welcome to Learning Unboxed, a conversation about teaching, learning, and the future of work. I'm your host and chief goddess of the PAST Foundation, Annalies Corbin. We know the current model for education is obsolete. It was designed to create fleets of assembly line workers, not the thinkers and problem solvers needed today. We've seen the innovations that are possible within education, and it's our goal to leave the box behind and reimagine what education can look like in your own backyard

Annalies Corbin:

Welcome to today's episode of Learning Unboxed. As always, I'm excited to talk with another great innovator in the transformative education space. And joining us today is Chaz Van De Motter, VP of Operations of New Reach. So, Chaz, welcome to Learning Unboxed.

Chaz Van De Motter:

Thank you for having me. Excited to be here.

Annalies Corbin:

I am excited as well. And we are going to be talking about workforce readiness today, which is a topic that we touch on frequently on Learning Unboxed. But let's set some context for our listeners as we get started, because New Reach is pretty interesting. It's all about ecosystems work, and was founded in 2018 to create an alternative pathway to income, especially in areas where traditional education didn't offer a clear or practical track to building business or career. And it really focuses on that gap between learning and earning, and that space of reducing the friction of getting started and accelerating time to income through a whole variety of pieces and parts of this ecosystem.

So, Chaz, help us put all of this need as it relates to workforce readiness and income gaps and the ability to launch into context for our primarily K-12 practitioners at Learning Unboxed. What's this all about?

Chaz Van De Motter:

What I wanna first say is that my mother was in public education, was a AP English teacher in high school. And so, she took a lot of pride in the workforce readiness for her students. And so, I think that we like to consider ourselves at New Reach to be unboxing learning a little bit.

I think that when you say the word "ecosystem" or even the word "community," it's a bit esoteric, right? And it truly is what we do. And we think about, really, community being at the center of what we do. But there's three pillars really that create an operational system around that community, and that is education, events, and technology.

And so, each of those pillars combine an attribute that helps to create, really, an operational system that sits around community. We see community as an execution layer. And so, you're providing education, you're providing some in-person events that enable participation, you're providing some technology that helps foster an outcome. But ultimately, community is what we consider to be what sets us apart. We look at it as kind of the execution layer.

And so, when folks, maybe they're coming out of high school looking for an alternative path, really, what we optimize for is how can we help somebody to produce an outcome? That's what we're underwriting when somebody comes into one of our programs, and it's the unique positioning that we have.

Annalies Corbin:

Yeah. And it is a really unique and interesting sort of enterprise. And we will make sure that we put links in the show notes. Definitely want people to go and take a look at this because you have to, I think, dig into it and see it to really fully understand. But I guess, at the heart of the thing that's most interesting to me is this entire sort of ecosystem, this New Reach, the platform, the community, the technology, those folks coming together, yes, it serves a need, but this was largely built because there was some real gaps that people were having access to coming out of their K-12 experience or even because your user base is gonna be 18 to whatever, right? So, even folks transitioning from career outside of post-secondary still struggling to find the right fit. So, I'm really curious about the sort of trends that you were seeing that sort of led down this path to creating New Reach.

Chaz Van De Motter:

There's some very... And I've got a little bit of data that maybe will be helpful to listeners. And some of it, I'm gonna be honest with you, is quite surprising and maybe even what I would consider to be alarming.

Annalies Corbin:

Let's dig into that. Yeah.

Chaz Van De Motter:

Some of this data I'll cite, this is from a Forbes article that came out recently, 75% of Gen Z believe that there are alternative ways to obtain a quality education beyond college. I think that's not necessarily a crazy shock. 85% wish their college had better prepared them for the workplace. 77% say that they learned more in the first six months on their job than they did in the entire four-year college education.

Annalies Corbin:

We hear that a lot, too. Yep, can echo that.

Chaz Van De Motter:

Yep. 24% feel they have all the skills needed for their current role. So, most people, once they get into a role, largely feel like they didn't pick up enough in college to be able to execute effectively. 55% say their college education did not prepare them at all for their job. And probably what I would say is the most alarming statistic, at least in this piece is 94% of people surveyed for this article regret their degree choice.

Annalies Corbin:

That one doesn't surprise me. I'll add to that scary stat, that one. So, thank you for pulling that one forward. One in 10, four years post-graduation will not be in the field that they studied, right? Nine out of 10 people are not doing it. Only one in 10 are in the field that they studied to be in. And I think that speaks to that same problem. Yeah.

Chaz Van De Motter:

Yeah. You think about the financing as well that goes into education traditionally. And I have no beef with traditional tracks or even trade schools. I think that there's many different tracks that require, obviously, being in higher ed whether it'd be to become a doctor or psychologist. The list goes on. It's not suggesting that this type of model that we've created is applicable to every career.

But what I will say is that colleges are not taking into account the earnings potential associated with the degree that you choose, nor are they taking accountability for placing you or preparing you for a job after college to maybe pay back the investment

that you've made into getting that education. And you see this now with the bubbles that have been created with student loans. And so, while this track isn't for everybody, we just look at this and we think, "How can we optimize around the outcome for someone? How can we improve their ability to earn?"

And there's a couple of different areas that I've identified where it maybe makes more sense or there's a bigger gap, whether it'd be in real estate or in small business acquisition and skilled trades, professional services, wealth management. The list goes on, but some of these different areas that are a little bit more practical or more blue collar or require really specialized skills in the field, we see as opportunities where we can give people an alternative path.

Annalies Corbin:

I'm super curious. So, when folks come to you, especially younger folks, let's take a look at that little band of your participants in particular. So, when they show up and want to be part of what's happening at New Reach, what do you see from a sort of skills gap. We're talking about workforce readiness. And so, you're seeing, I assume, some fairly substantial sort of... gaps maybe is not the right word but folks are coming because there's this need, but there's also probably this preparation issue as well that otherwise someone could just launch independent. So, what are you seeing? What are those sorts of trends?

Chaz Van De Motter:

I think a lot of times, and about I'd say between 18 and 22% of our customer base sits in this category of post high school age, college age, we see parents that want to prepare their children for earning in a way that maybe they weren't able to. And we even see children or folks that are in high school, we have some teenagers in the program that'll go through with their parents, and there's this identification of, "I want to help you to create generational wealth," or, "I want you to be able to be exposed to this before you get out into the workforce when you're 30 years old to understand how to buy a house or to understand how to start a business." These are things that are skills that a lot of parents are wanting their children to be exposed to.

I think that the benefit to these younger aged members or contributors as we call them is they have some acumen when it comes to technology, and they're able to synthesize information quickly and act in a way that's more innovative than maybe folks that are later in their career. And so, I think that that edge paired with tracks like we offer create this opportunity for folks coming out of high school to be able to change the trajectory of their life, frankly, whether it'd be having an alternative source of income while they're in college, whether it be creating an income stream that allows them to not have to work a job while they're in college, or even just have real

estate while they're in college. These are the kind of things that are transformational in somebody's trajectory in life and their earnings potential.

And the earlier that you get started in these and the earlier you are into the game understanding taxes and what a paycheck looks like and what assets look like it creates this opportunity to change your life.

Annalies Corbin:

Yeah, absolutely. And I think that one of the other value propositions that I see as I was perusing through all of the materials was the mentorship piece. Because you've set this up to be community-based, I think that's one of the other things I find really interesting about this is recognizing that humans need other humans. We need that connection to actually help accelerate the potential that we have as an individual, and that opportunity that we have to accelerate in that sense.

So, talk to us a little bit about that element, because we don't see that in lots of programs. It's almost taken for granted that you have your own personal network somewhere back there in the weeds or in the mist standing behind you, when the reality, I think, especially in a post-pandemic world, we're talking about our Gen Z-ers who are fully entered into the workforce at this point now and they, oftentimes, don't have a network at all.

Chaz Van De Motter:

It's a great point. And as I said, community is at the center of what we do. It is what most people, when you look at our NPS scores or net promoter score, will say is the value that they've derived from New Reach. It is the community aspect.

I mean, when you break it down and you look behind the curtain at maybe how we support our contributors and folks that come into our communities, think about it like a pyramid. Maybe at the top rung you have what we call brand visionaries. These are subject matter experts that are focused in very specific areas. But what I'll say about that is that anybody can go and sign a brand visionary, seek plenty of these guru programs out there where there's this one to many take my video course that's got a bunch of dust on it, that hasn't been innovated in years and it's just this passive learning kind of model.

And we don't believe in passive learning. We don't believe people need more content. There's a world of content out there. Go watch YouTube if you need content. We believe that people need accountability and they need a path towards creating a network and creating income.

And so, when you think about the other levels that maybe fall under the brand visionary for us, we have regional leaders. There's over a hundred regional leaders across our programs that are doing in-person meetups every month. They're required to, whether it's socializing new members of a community into the community and getting them connected, or whether it's prospective members that are considering joining a community. Any GO around the United States, there's this in real life component.

You then have one-on-one coaches. Some people, maybe, stumble out the gate and they need handheld support. And so, a lot of folks derive value in their learning style working one-on-one with somebody. We, then, have what we call member success advisors as maybe a little bit deeper rung. They work with folks that join these communities for the first 60 days, and their job is to connect them, whether it's to education tracks, whether it's to people like their regional leader or maybe a subject matter expert within the community that can help kinda solve a problem. They're there really to understand, what is the new member looking for? What do they need? Why did they join?

And then, it's not this one size fits all. It's how can I connect you and help you navigate through the community so that you're... Community isn't just something we put on a billboard. We actually wanna help people to navigate through and find the right people that have the right overlap.

And then, finally, the bottom rung is what we call peer cohorts. And for instance, inside of any one of our communities, there's very niche subjects. It's not this broad kind of category. And a lot of the education we deliver is via live Zoom. We do over 60 Zoom calls live every week. And in those Zoom calls, we're talking about what is happening in the market right now. What is the thing that just came out that we need to speak about? It's not, "Hey, 90 days from now, we're gonna put it into our curriculum and make a video for everyone."

And I think that when you have that levels of mezzanine leadership within what we describe as a community you really see compounding network effects. You see what we call a compression of time to value, where someone comes in. And then, it doesn't take them six months to get value out of joining.

And so, again, I know, Annalies, your network here is K to 12. Generally speaking, I think there's some tenets of the structure that we've created, whether it'd be education pillars paired with in real-life experiences and technology, creating this kind of operational framework or those different mezzanine layers of leadership past just the brand visionary, which in many cases may be the teacher standing at the front of

the classroom. I believe those attributes compel people to outcomes, whether it's learning outcomes and they're doing better on a test or understanding a concept, or in our case, going and creating income for themselves, changing the trajectory of their life.

We see those as attributes that evolve what was traditionally a standardized pathway within education. We believe that it can be decentralized through these types of attributes.

Annalies Corbin:

Yeah. And I appreciate that very much. And further, I guess just to reconnect us back into sort of that K-12 experience piece, one of the things that you mentioned early in the conversation is this idea of folks, for example, who wanna figure out how to start a business. They have an idea and they really wanna launch. And we see a lot of this work taking place in K-12, just really bringing in and accelerating entrepreneurship and those, the qualities of entrepreneurship and the ideas around startup and startup culture and startup understanding and launch, right?

So, help our listeners, what's the lens or the take? If you've got folks that are coming in and that's what they wanna do, they wanna start a thing, they wanna start a new business, they have some great idea, and yet there's some obvious deficit there and it could simply be just lack of experience, "I haven't had the opportunity to try that thing," but we see entrepreneurship really being pushed in that K-12 space a lot for a lot of amazing and valid reasons.

And I'm really curious about, as you see these adults coming into the space with those same sort of aspirations, what are you teaching? What are the things that they need to learn? Because those same concepts can be absolutely pushed down, which would change the paradigm for you, which would be a fabulous problem for you to have is, "I don't need to teach this. We need to teach this instead to accelerate that process." So, help us think through that a little bit.

Chaz Van De Motter:

Sure. No, I think it's a great observation, and I love to hear that entrepreneurship is thriving at that level. Entrepreneurship is something I'm extremely passionate about. And I got into it out of college or during college, but I wish that this was something I was more exposed to earlier on.

I have some statistics here about US business applications, having a compound annual growth rate over the last six years is 7.2%. That means that on average, 7.2% more businesses are being started each year over the last six years.

Now, I think that trend transcends everything that we're discussing. When we think about, how does somebody get success from an entrepreneurship perspective though, there's two real things that stand out to me. The first is understanding your criteria for what is it that you're going to do or what is your "buy box?" What is the industry that you're interested in? And what is the unique value you are going to provide?

Now, it sounds broad stroke, but being able to be specific. Entrepreneurship, it requires specificity. It requires knowing exactly what type of audience I'm going to go after and the exact type of solution I'm gonna provide. And I think, oftentimes, people start with such a wide aperture that getting out of the gate is difficult because they can't navigate the breadth of opportunities and shiny objects that pass them by, right?

So, I think a lot of what we do with folks that come in is, really, help them to nail down and specify who is the type of person that I'm going to be serving, what is the value I'm providing to them, what is the audience that I'm going after?

From there, financing is another huge component. Talking about financing, when you're dealing with middle schoolers, maybe isn't the most compelling thing.

Annalies Corbin:

Hey, financial literacy at any stage, we need more of it. I'm gonna all in on that one.

Chaz Van De Motter:

Amen. So, understanding what it is that you want to do, whether it's doing a franchise or licensing a business concept or starting something from scratch yourself or taking over a business. There's millions of baby boomers that have businesses for the last 20, 30 years, 40 years that are retiring, and there's so many opportunities to take on a business that's already doing something or a family business that's changing hands.

So, there's so many different opportunities in terms of types of business, but the financing behind it, what do the unit economics look like? Am I starting this business? Are there startup costs associated with it? Do I need to work with a bank? Do I need to work with a private money lender? These are the kind of things that stop people in their tracks once they've said, "I know what I'm gonna do," and then they look at it and they go, "I gotta have \$150,000 to start this? I'm never gonna be able to get that."

So, understanding how the SBA process works, how to apply for a loan, and not just how to go and get the money, but what is an economical use of that money? How much do things cost? I think that those two components, generally speaking, will stop somebody in their tracks. Going and getting the LLC is easy, and that's why you see

this growth rate. But as we know, almost every business fails within the first five years. A lot of it comes down to not being specific enough about the opportunity and not having the acumen to understand the financing behind it. And to your point, I don't think you have to be a PhD in finance as a middle schooler to be able to execute, but you do have to value and understand the frameworks.

Annalies Corbin:

Yeah, absolutely. And I appreciate that because you see it every single day. You're absolutely not wrong. And you know what's really interesting, we work with a fair number of high school kids in a variety of workforce development programs, and when you offer the sort of plate of things that a kid could choose to spend their time learning about, it is really interesting. One of the things that the students will choose almost more than anything else is, "I wanna start a business," right? And sometimes, it's because, "Hey, I wanna be an influencer," not realizing what does that really mean. But also, it could just be, "Hey, I wanna start a T-shirt company," or, "I wanna X, Y, or Z."

And I think the students are really intrigued by and curious about this idea of I can do a thing, and then I can have some type of ownership in it, and I can be in control of my own future course, my path. But there's some pretty dramatic skill gaps, even in the thinking or the understanding. So, just having the opportunity to explore that and having the support to do it, incredibly meaningful.

I am really curious, Chaz, as we start wrapping the conversation, can you give us some tangible examples? We know, recognizing there are a lot of privacy issues, but can you give us a couple of examples of folks that have entered into the New Reach program and found their way? What does that look like for them? How do you measure success?

Chaz Van De Motter:

There's hundreds, thousands of stories that I could provide. We just had our large Squad Up summit event in Aurora, Colorado a couple months ago, about 3,000 folks in attendance. And getting the chance to interact with folks and hear about their experience, a couple of stories pop up to me.

There's a woman named Katie French that is in one of our programs, and she left the workforce, had a couple of children, was trying to find a way back into active income and kinda bringing her family along with her. And after joining one of our programs over the last couple of years, she's grown a portfolio of midterm rentals in Las Vegas to over \$5 million in assets.

And so, you think about a situation like that or another gentleman, Michael, he was deployed to Afghanistan and right outta college, came back, bought his first duplex with a VA loan, and now has over 50 rental properties under management.

And so, you see this like transformation. And we have people within many of our programs that they'll accompany their parents. A lot of children were in attendance, and seeing them interact and actually be a part of programs and the culture that we've created within our ecosystem, where folks that are successful or that have found the success and gone from an aspirant to an operator are so willing to pay it forward and to be a mentor. And like the value of what we do as a community and the ability to create these outcomes largely comes from people that are inside the community, that are contributors, that have the stories that I just called out that because of that are willing to go to the next person and pay it forward. But it's cool to see.

Our mission statement is literally, Annalies, "Unlocking success for millions." And so, those stories are our why, they're our battle cry, they're why we get up in the morning. And obviously, continuing to find ways to prepare students for the workforce is in our heart. And I think that we're excited to continue to do the work that we're doing.

Annalies Corbin:

Yeah, absolutely. So, if you are having a conversation with an educator who's asking you, "What do I need to make sure that the kids leaving my classroom, my school, my district, moving on, graduating into whatever comes next for them, are in fact workforce ready?" What do you see as the sort of key components for workforce readiness?

Chaz Van De Motter:

First and foremost, I just wanna say God bless our teachers.

Annalies Corbin:

Absolutely.

Chaz Van De Motter:

And the fact that they are doing the work that they're doing. Anybody out there listening, thank you, because you're already doing 99% of it by being there, being present, being willing. Some of my best mentors were teachers I had growing up. First and foremost, I wanna call that out.

I think that younger folks have a unique opportunity with this moment in time that we're in. I'd be remiss to not call out AI. I think that there's an unfair advantage, and

there's an opportunity to harness the power of some technology in order to further growth and preparation. I just challenge anyone out there to lean into the technology, understand how it can function within the future of our workforce.

There's a study out there that McKinsey put out – it's a large consulting company – called "The Rule of 30," where they say in the next five years... this is a year ago that they published a study about, that in the next five years, so next four years that's one cycle of kids in high school, that 30-plus percent of jobs as it exists, every task, 30% of tasks in our current workforce will be automated. Now, some people will think that means that things are being eliminated and people aren't as valuable to the workforce anymore. I look at that and think things are changing. There's opportunity to understand this technology, understand how to harness this technology, and become an even more productive member of our workforce.

And so, I just challenge anyone out there to, really, lean into the understanding of how to safely utilize these pieces of technology and how to implement it into workflows so that folks are exposed to this, students are exposed to this at an earlier level and have this unfair advantage that they can tap into that, people like me didn't have coming up in high school. And so, I think that it's a really important narrative.

Annalies Corbin:

Yeah, absolutely. AI was a scientific dream when we were in school. So, we imagined it. We thought, "Oh, the world would be so incredible." And the reality is that we're gonna need the humans more than ever, right? And it's just a different level of skill. And so, I thank you for calling that out, because it's a conversation we have on this program a lot. It's a conversation I certainly have in and with schools an awful lot about wrestling with AI and what does it all mean. And bottomline is it is a tool, and we have got to teach our young people how to be incredibly proficient with that tool, because you're right, it's a different world that they're going to work in, but they are going to work.

Chaz Van De Motter:

100%. And I think that I'm sure that there's ways to exploit with these tools education, where I'm just ChatGPT-ing my homework or whatever it is, and I think that we have to meet students where they are and understand how they might create a shortcut using it. And until we can use that as almost as leverage to say, how can we recreate curriculum or recreate projects around the utilization of this as opposed to having students exploit these tools in a way to create a shortcut where they're not learning, how can we have them harness these tools in order to learn?

And I think that just takes a bit of a mindset shift. So, I think that is uniquely a problem that our educators are gonna have to be creative about. But I inherently have so much trust in our education system and our educators and God bless all of you and I'm just grateful that there's folks listening to this that may be able to take something from this and apply it to how they create community within their classroom or within their schools and how they can responsibly harness this technology to help propel folks to whether it be more ready in the workforce or just to be able to be educated just a little bit better.

Annalies Corbin:

Absolutely. And again, it's a big topic. Workforce readiness is all over the place, and then we combine that with all these new technologies and career opportunities that are out there, many of which we haven't even fully contemplated, right? And that's really what we're preparing for a lot to these kiddos for is a world that is just right over there for us.

So, thank you so much, Chaz, for taking time out of your day. Really appreciate you coming on and chatting with us, sharing with us about New Reach. We will make sure the show notes has all of the information so folks can go and dig around and take a look at what that is. And it sounds like an amazing opportunity if folks wanna try something new. So thank you again.

Chaz Van De Motter:

Absolutely. Thank you for having me, and have an amazing, blessed day. Thank you so much.

Annalies Corbin:

Absolutely.

Annalies Corbin:

Change begins with conversations like these. Help us keep them going by following, leaving a review, and sharing Learning Unboxed with your community. Want to keep exploring? Visit passfoundation.org/learning-unboxed.