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Thank you Chairman Kline, Ranking Member Miller, and Members of the Committee. I am honored to have the opportunity to share my perspective on the important work you are all doing. I would also like to thank Southwest Career and Technical Academy for hosting this hearing and for being an incredible partner in preparing local youth for the workforce.

I'm Kacy Qua, Founder and CEO of Qualifyor, a for-profit Las Vegas-based tech startup that helps prepare young people for the workforce. Qualifyor offers the chance to create a dynamic digital portfolio of project work, compete with teams to complete real client projects, and demonstrate the adaptability, technical talent, and soft skills in demand by employers. We aim to provide our apprentices with much needed exposure and experience, in line with the changing needs of today's workplace, to launch their career. We have been in business a little over a year but I personally have been engaged in professional education advancement initiatives for 5 years.

Perhaps more than anyone, you are aware of the dire statistics associated with K-12 and higher education, student loans, and youth unemployment. Rather than use this testimony to regurgitate a bunch of data, or provide a dismal assessment of the state of education, I would like to tell you in plain English where the real challenges and opportunities exist. My assessment comes from my perspective as a bridge between education and employment for young people. My passion for this area resulted from my personal experience with self directed learning, mentoring, internship, independent study, labor consulting, and leading design of a multi million dollar incentive prize aimed at driving breakthroughs in the Education space.

After reading my testimony, I hope you will agree that investment in career relevant training is vital to the success of our youth. This training provides a much-needed alternative to the seemingly limited options available to most young people, particularly those for whom affordability of continued education is a concern. Additionally, having a skilled labor force in tune with the needs of our businesses and communities benefits not only those entities, but also increases our competitive advantage as a nation.

Unleashing Young Talent into the Workforce

Below is some information to bring color to the work we have done in trying to prepare local youth for the workforce:

- 21 school visits
- Approx. 330 students spoken to during school recruitment sessions
- Partnerships with 8 Clark County School District Career and Technical Academies
- 75 total applicants (21% of students spoken too applied)

- 18 program participants (5.4% of students accepted)
- Internship credit agreements with 3 schools in the areas of Marketing, Graphic Design, and Web Design
- Work relevant curriculum developed in 7 subjects areas (both hard and soft skills)
- 12 startups, small businesses, and corporations supported apprentices and interns
- 5 youths placed in positions with Qualifyor affiliated companies (2 fulltime, 3 part time/freelance, while they pursue higher education)
- 10 active apprentices doing project work for clients to build out their personal portfolios
- 3 alumni assisting in recruitment
- 20 advisors, teachers, mentors (including 8 from host companies) activated
- 25 workshops/community events held

Ours has been a very high touch business and while we have enjoyed the opportunity to work so closely with 18 incredibly talented young people, all young people should have access to resources that strengthen their employment opportunities. In spite of this mission to aid a large number of students in employment readiness, as a for-profit startup our model is driven by market demand. And unfortunately, the skills that employers are asking for simply are not being taught outside of the Career and Technical schools in a meaningful way. Private businesses are not able to bear the weight of technical training for all young people. We owe it to our young people to provide this type of education. More importantly, the modern day workforce demands it.

Outputs of Education

Because we have all had our own experience with the school system, we have a bias about what education means and how it should occur. Let's try and imagine that we were tasked with designing a new system today. In any system there are inputs and outputs and if it is an efficient process, you are hopefully optimizing those toward a goal. In my role leading Education Prize Design for the X PRIZE Foundation, I was tasked with designing a multi-million dollar incentive prize for entrepreneurs to drive breakthroughs in the Education industry. I had the opportunity to ask dozens of people (including those in the trenches as Educators, Foundations and Government entities active in the space, as well as the visionaries and moguls guiding the innovation work of the Foundation) the question "What is the goal of Education?" The response was generally one of three answers:

1. "hmm, I've never thought about that"
2. "to help students graduate"
3. "to prepare students for college"

As we teach to our apprentices through our problem solving curriculum, in order to get at the root of a problem, you must dig deeper, asking why again and again. In this instance, going just one level deeper, when asked why they should strive for the outputs in 2 and 3 above, the response was frequently similar to the below:

"So students can be happy, healthy, and self sufficient contributing members of society"

"Contributing members of society" means different things to different people. For purposes of this discussion I would like to suggest that it means they are employable by businesses and

communities. Consider a successful business that must meet customer demands to stay afloat. It consequentially conducts market research with potential and existing customers to find out about their needs and wants, and uses this feedback to improve upon its product or service offering. Yet, the output of our education system (employable graduates) is not developed with the end user (hiring companies) in mind. An education system driven by user demands would include curriculum developed directly as a result of the types of jobs available in the marketplace. The system would provide the skills, knowledge and abilities necessary to perform those roles.

Societally, most of us have been taught that school (college included) is the logical pathway to employment. This belief encourages students to take on massive debt, which drives up their post graduation salary requirements, then graduate with degrees, which are not relevant to the workforce, and in many cases don't graduate at all. Once in the job market, only 45% of youth are happy with their chosen field of postsecondary schooling.

Our organization aims to supplement higher education by helping young people understand how to create value in the workforce, so they might make better decisions in terms of their college path, or to provide a viable alternative path to exploring their career. It should be noted that although most of the apprentices in Qualifyor are either attending college or will attend college, we are neutral on this decision.

For purposes of this discussion, it is important to note that a school intended to prepare students for collegiate success will utilize different curriculum than a school preparing students for the workforce. With that distinction in mind, below are some concrete ways in which the process of education could be improved:

- Self evaluation, career preparation, and planning should take place before the college investment is made
- College should not be the only place where people learn to be successful in the workplace
- Young people should not take on tens of thousands of dollars of debt without knowing which career paths will be available to them to pay back that money (or college attendance in and of itself is “collateral” on a loan)
- Personality tests/skills self awareness should be encouraged as early as possible (during K-12)
- Schools should communicate transparently to young people that college years can offer many valuable insights, but not all of them result in employability

Education, Employment, and Community

A key element of our in-person training program at Qualifyor has been competitions, in which our apprentices create real work deliverables for clients, to teach time management, teamwork, communication skills, peer-to-peer learning, marketing, web development, and design. We learned a lot in this process, but there are a few key insights we've used to drive innovation:

1. **PORTFOLIOS**; All young people need to build portfolios. The best way to distinguish themselves to a potential employer is to show, not just tell, what they are

capable of. Further, portfolios can be optimized as dynamic tools that include real time metrics, scores, and credentialing capability.

2. **EXPERIENCE:** Companies are hesitant to hire unproven young people without work experience. They don't understand what youth are capable of or how to manage them, and they don't have a desire to learn. To solve the "no experience, no job" and "no job so no experience" problem, we need to find low risk methods for young people to get their foot in the door – namely, things like competitions and project work. These forms of experiential learning enable young people to create real work deliverables, to demonstrate their creativity and skill without companies having to commit to a hire. They develop crucial skills like time management, teamwork, problem solving and project management.
3. **EXPOSURE:** Most young people (particularly low-income youth) lack access to mentors, advisors, and contacts that are crucial to securing employment. The sad fact is that most people get jobs through people they know, which means success is largely impacted by the success of your parents. In order for these youth to have a more even playing field, we need to build bridges to provide them access to professionals in exciting companies.

My experience navigating education and employment systems has led me to these convictions. I stepped off the traditional education path at the age of 13, when I chose to leave school in favor of an accredited correspondence program. I felt that the things I was learning were things I could learn on my own, much more quickly, and that school was teaching me to be a good student – a skill that would only be relevant as long as I was in school. I wanted to learn how to be a good worker – something that would impact the rest of my life.

A chance encounter with the owner of a home I was doing renovation on resulted in me moving to NYC at the age of 17 to intern at a boutique investment banking firm, and opened a whole new world of opportunity which ultimately led to me attending the Cornell University School of Industrial Relations, the top labor and employment program in the country, and re-entering the traditional education system. I was the first person in my family to go to college, and here I was at an Ivy League school. The price tag was hefty, but I felt that this exclusive institution had to be worth the hype. The same struggles I felt as a teenager in public school also existed here, in spite of the fact that I was majoring in something very practically tied to the workforce. And for the second time in my life, I began forging my own path of formal independent study, internship, and hands-on learning outside the system.

I wish I could say that I learned my lesson after my second foray into school, but my late twenties found me frustrated by the lack of innovation in my career as a labor relations rep and consultant. So I wrote another check (a.k.a. signed my life away with some very large student loan notes), and hopped back into school at the UCLA Anderson School of Management, to get my MBA. I had come from a career in which I had quickly risen through the ranks at Lockheed Martin Space Systems, negotiating labor agreements, acting as Management side counsel in arbitrations, and ultimately advising cities on their labor policies and contracts as a public sector consultant with peers decades older than me. But back in business school, I floundered. I found myself on academic probation, because I had not optimized to be a good student, I had optimized to be a good worker.

I quickly realized that the main value of business school for me would not be the curriculum or my ability to score a perfect GPA. Rather, I would leverage the connections I made there to obtain internships, create independent studies in the areas in which I wanted a career, build out a portfolio of experience (largely from unpaid roles) and get access to advice, feedback and information that people will provide when you are a student (that they would less likely to share when you are approaching them as an individual).

In the Spring of 2013, Zappos CEO and Head of the \$350 Million Downtown Project (DTP), Tony Hsieh, and I began a several month dialogue. Through this discussion, we explored the type of education that leads to happiness and success at work, how we could engage employers in this discussion, and how he could use DTP to experiment with some of the more risky ideas for Higher Education disruption. Another aim was to build a talent ecosystem robust enough to staff the \$100M of investments he was putting in to tech companies and small businesses in downtown Las Vegas. Rather than trying to compete head-on with talent pools like San Francisco and New York City (that are home to many top tier universities), we thought Las Vegas had a bigger opportunity to be at the forefront of the national shift away from 4 year degrees as the only viable option for talent development. We created the hypothesis for a cost effective, relevant education system that breaks down the silos between educators, employers, and the communities they serve.

With this shared vision, Tony provided seed funding for Qualifyor. I had my work cut out for me - I was coming to Las Vegas, with its reputation for its struggling education system, high unemployment, and primary focus on the gaming industry. In spite of its business friendly tax structure, many companies outside of Nevada are hesitant to operate in Nevada because there is an assumption that they will be impossible to staff. I began reaching out to educators and employers to see first hand what the situation was. What I found shocked me – not only was there great talent here, but I also witnessed some of the most progressive scalable education programs I had ever seen, in the form of the Career and Technical Academies. There are great young minds in Nevada, but many of them leave the state in favor of better employment opportunities and never look back. On the other hand, businesses were not interested in making hires of unproven young talent who lacked experience. On top of that, they didn't know how to manage them, and were not motivated to learn.

The first school I visited was Southwest Career and Technical Academy, which provided me a tour and an opportunity to meet some of their juniors and seniors. I was completely blown away by the level of talent and professionalism I saw in these students. In particular, I remember meeting 18 year old Jonathan Cervantes, a web design major, who confidently shook my hand, handed me his business card and showed me his portfolio of web design work that he had completed as the lead of a student-run digital consulting agency. At that moment, I knew that we could launch Qualifyor in Las Vegas. We knew Jonathan would be our first Qualifyor (although we made him go through the application process just like everyone else).

A year later, Jonathan is an integral member of the Qualifyor staff (and attending college part-time) – we hired him just a few weeks after he started his internship with us. At 19, he manages our website, creates marketing materials, does social media, heads up our IT, and assists in Business Development. While Jon is remarkable, he is not alone – in our recruitment process we have met dozens of incredible young people who are leaps and

bounds ahead of their peers from an employability perspective, because they have gone through the Career and Technical Academy curriculum and built portfolios of work under conditions that closely mimic real world workforces. In our last round of recruiting, we had 50 applicants and were unable to accept any of the comprehensive school student applicants, not because they are not bright, passionate youths, but because the employers we work with require a portfolio of experience and skills we that we haven't yet seen from our comprehensive school applicants.

5 out of 8 members from our inaugural class are now working either full time or as consultants for Qualifyor affiliated companies, and we have a new class of 10 16-18 year olds building portfolios of real client work, learning about their skills and passions. They will go to college with hands-on experience guiding their choice of major and improving their chances of finding a post college career in line with their interests and abilities. Those who opt to postpone college in favor of going directly to the workforce do so with a portfolio of actual work to demonstrate their capacity, rather than just a transcript of grades.

Technology Diffusion

Today, the speed of technological innovation is exponential – billion dollar companies rise and fall seemingly overnight. Things we learn quickly become irrelevant, and daily life requires adaptability with ever changing devices, platforms, and technologies. The landscape is not only constantly changing, but also changing much more rapidly than ever before. In conflict with this pace, the structure of the current education system requires long lead-time to approve coursework and curricula. Where we used to be able to determine a curriculum based on existing professions, we now have no idea what will exist in a year, let alone several years from now.

Education is decentralizing, with various online platforms offering e-learning curriculum, improved software for learning, and hybrid online/offline models, this is combined with achievement badging capabilities, digital portfolios and other credentialing tools. As more individuals opt into these educational opportunities and platforms for tracking education, and the bachelor's degree ceases to be the only viable credential, companies will then have an even greater volume of applicants through which to search. This means the people who have hard evidence of their competency and capacity will have an edge in the labor market.

Insufficient dialogue exists between employers and educators. Less than half of youth and employers think new grads are adequately prepared for work while 72% of educators think that¹. This is exemplified by the lack of coding proficiency we have found even among students in the career and technical academies, despite the fact that they are majoring in this field. After digging into why the students weren't learning more server based applications like WordPress, or other commonly used server based platforms, we were informed that the career and technical academies had been asked not to teach the more relevant programs by the local college professors who were concerned that the career and technical academy curriculum would surpass the college level curriculum. The belief being that if students learned it in high school, there would be nothing to teach them in college. It wasn't an issue of the students being incapable of learning at a younger age, but rather of institutions being too bureaucratic to keep up with the real needs of the workforce.

¹ http://mckinseysociety.com/downloads/reports/Education/Education-to-Employment_FINAL.pdf

There are currently over 3 million unfilled US jobs, and the chief complaint from companies is that candidates lack the necessary skills to fill them. A report from Georgetown² shows that 65% of all new job openings by 2020 will require some form of post-secondary education or training. According to the Federal Reserve Bank of New York, there are nearly 39 million borrowers carrying more than \$1 trillion of federal student debt with the highest default rate since 1995, at \$8 billion. More than 40 percent of recent U.S. college graduates are underemployed or need more training to get on a career track, with climbing rates for minorities and certain states. When youth are employed, it is often on the principle of “Last in, first out” – assumed to not have families so they are the last to be hired and the first to be fired when cuts come. There is evidence that an increasing number of young people, out of necessity are turning to the informal sector for their livelihood. The intermediary zone between unemployment and traditional employment is characterized by part-time jobs that often lack the benefits and security of regular employment.

What is needed is a fundamental re-thinking of education as it links to employment, in which educators, both traditional and new, develop courses and curriculums that are influenced by the specific demands of the labor market. Bridging this gap involves both sides of the equation. On the company side it involves awareness and transparency about the volume and nature of jobs available. Where is the demand? What are the specific duties and skills associated with these roles, and what sorts of deliverables could an individual complete in order to show mastery?

This model of “hire learning,” begins with an improved dialogue and transparency between educators and employers to understand:

1. talent demand forecasts in the short and long term (both at company and industry level)
2. volume of jobs available
3. gaps in skills available and needed
4. how to build self awareness and assess culture fit
5. prevailing wages for talent types and levels
6. optimization of learning tools and platforms or particular skill sets: e-learning, p2p, project based, classroom model, etc.

Partnerships like this would be a modern day modification of Germany’s Berufsschule and Switzerland’s Vet – examples of international models that have long integrated companies, business networks and educators to improve the employment ecosystem.

School systems must be responsive to this information by providing educational opportunities which involve real world projects, such that people who are motivated to demonstrate their skill set, regardless of education, have an opportunity to learn while doing, and can offer benefits to the communities around them

Conclusion

After reading my testimony, I hope you see how important investment in career and technical training is to the success of our youth. My experience working with young people trained in

² <http://studentaid.ed.gov/about/data-center/student/portfolio>

this way has demonstrated its utility, both in terms of preparing young people for college and/or career decisions, as well as providing an equalizing mechanism by which low income youth have an opportunity to excel and take the reigns of their own economic improvement and success. Thank you for your consideration.