

Breaking Down Barriers

How A Chicago Nonprofit Gets Kids A Chance At Wall Street Jobs

For decades, financial institutions have been pledging to diversify their employees. Many have committed huge resources to this effort but with limited success. Now, a nonprofit founded by former hedge fund staffers is stepping in to help out.

Elinor Comlay met with the Greenwood Project.

This summer, almost 30 minority students from Chicago completed internships with financial institutions in the city. The students, from Chicago's South and West sides, had little idea of the kind of jobs they would be doing at the start of the program. By the end of the summer, many of them had job offers.

Bevon Joseph and his wife Elois started Greenwood Project three years ago. It has grown exponentially. "We've actually found ourselves in the diversity recruiting business," said Joseph. That was not the original intention of Greenwood, but it is a happy consequence. Greenwood's mission is to give a minority population exposure to financial-sector jobs. Joseph himself worked in IT at a hedge fund in Chicago. He was tired of hearing that financial institutions just couldn't find enough minority applicants for jobs. So he set up Greenwood to help bring more high school and college students in Chicago into contact with Wall Street-type jobs.

"Our secret sauce has been that we go and meet these students where they are," said Joseph. His experience has been that there are a lot of academically-ambitious students living in communities that financial companies do not reach through their current recruitment efforts. Greenwood offers a summer program in Chicago to local high school students that teaches financial literacy, soft skills and an introduction to financial markets. The program selects many of the area's top high-school students. Many of those students go on to historically black colleges and universities, which are often outside of the typical recruitment tour for financial companies. Greenwood also runs a program for college students that includes internships, arranged through Greenwood's connections with companies.

"Once you expose a bright student, they latch onto it," Joseph said. Many have never heard of jobs such as financial engineer or portfolio manager and that prevents them from considering such



Bevon and Elois Joseph

roles for themselves. "They're smart, they just need that exposure — the internships have been key."

Bridging The Gap

Hayes Bynum, a University of Iowa senior, was a Greenwood Project Scholar this summer and is now applying for trading jobs. Bynum started out as an engineering major and said he would not have known about the jobs he is now applying for if it hadn't been for Greenwood. "It opened my eyes to the bevy of careers in financial services," he said. Bynum completed an internship with Rosenthal Collins Group as part of his Greenwood experience. He also went on Greenwood's annual Wall Street tour, which included lunch-and-learns with officials from Goldman Sachs and Bloomberg, and tours of exchanges and trading floors. "I pretty much just got to see the entire system," he said.

Bynum said that without Greenwood, he would not have come into contact with these kinds of job opportunities. “It really does a great job of giving everyone a great network for help,” he said. Companies that are recruiting might not realize how much talent is “out there” outside of schools they typically hire from, Bynum said. “They don’t really go outside their comfort zone as far as looking for the perfect candidate,” he said, adding, “There’s not a perfect candidate that you can stereotype.”

Greenwood has made more connections with financial companies and next year, Nasdaq and UBS will offer internships in New York to Greenwood students. “We exceeded all our expectations,” Bevon said. “We didn’t expect to be this far along after just three summers.”

In a context of ever-increasing awareness of the need to increase diversity at all levels in the financial sector, along with a new push for sustainable investing by many influential investors, it is perhaps not surprising that Greenwood has seen significant expansion. But Greenwood board member Matt Rowe, managing partner of Headwaters Solutions, also attributes this success to the drive of the organization’s founders. “It’s not just the environment of ESG and people thinking this way that has driven this success,” he said. “The primary factor is Bevon’s and Elois’ ability to really dive in and connect the dots.” Being in Chicago and having good connections in the financial industry were useful attributes, but Greenwood would not have happened if Bevon and Elois hadn’t decided to give something back, Rowe said.

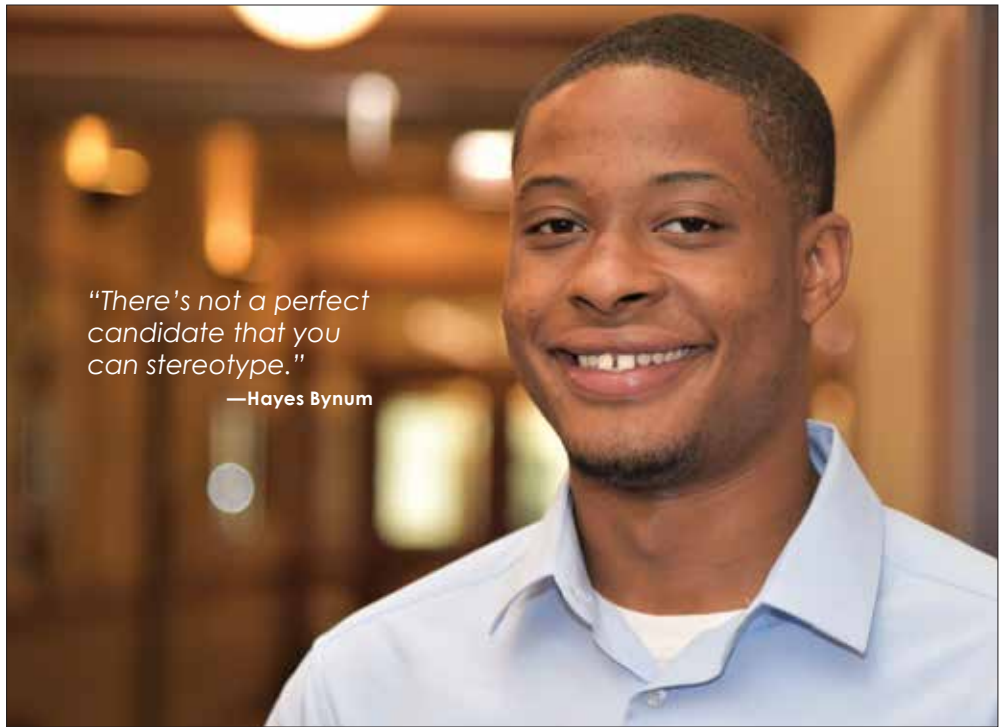
Hedge Fund Management

Some of the companies and individuals involved with the Greenwood project have also expressed interest in establishing a foundation for Greenwood. That got Joseph and Rowe thinking about setting up a fund that students could help run. “Matt and I talked about having a place where students could come and just learn everything about starting a hedge fund,” said Joseph.

With committee approval, Greenwood hopes to launch the fund next year. Rowe said the organization is looking to structure the fund so that people can invest in the Greenwood foundation mandate and have it run in line with the philosophy and vision of

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—Hayes Bynum



Hayes Bynum

the foundation, supported wherever possible by students involved in the program. Rowe would work with the students on managing the fund. “It’s a little bit different, structurally,” he said.

The current rush of mandates for socially-responsible investing, or ESG, could help draw attention to a fund run by Greenwood, Rowe said. “The message is of value to people,” he said. “When we incorporate the philosophy and the values of Greenwood into what is essentially an ESG investment program – that type of investment really resonates with a lot of people right now, and I think it will even more in the future.”

The Greenwood fund would likely have four categories: cash and cash substitutes (including treasuries), corporate bonds, equity and then a final category that would be opportunistic, with volatility or correlation-reducing trades. It would be possible to apply a dynamic filter to those subsets and screen for companies that have a diversity awareness program in place, Rowe said. “We can really define what we want as a group and then express it through the portfolio,” he said. “That would give investors an opportunity to invest along with us and effectively take the dual value-add of our experience in asset management and the values that we’re expressing from Greenwood and Greenwood’s DNA, and put the two together and give people something that is unique and high quality in the ethical and social realm,” Rowe said. “I think it’s a very good value proposition especially if you can do this tax efficiently in a way to support Greenwood.”

As the owner of a startup hedge fund himself, Rowe recognizes the appeal of disrupting the Wall Street hiring process by giving minority students direct access to trading experience. “It’s something that I think is good all the way round,” Rowe said. ■

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