Q&A with Jim McKelvey: LaunchCode ‘just flat-out life-changing’

HIGHLIGHTS

Jim McKelvey, co-founder of Square, founded a nonprofit that creates pathways to apprenticeships and job placements in tech

LaunchCode expanded to Miami a year ago, with support from the Knight Foundation

He says one measure of success is in how many people who go through the program get hired

BY NANCY DAHLBERG
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Serial entrepreneur Jim McKelvey likes solving problems. And as the founder of LaunchCode, he has tackled a massive one: the nationwide shortage of computer programmers.

The U.S. Department of Labor projects that 1 million jobs in programming alone will go unfilled by 2020. McKelvey, who co-founded the mobile payment firm Square and now lives in South Florida, believes there are plenty of talented, driven people to fill those jobs, but they don’t have the traditional computer science degree, they don’t know a particular computer language or they lack relevant job experience that gets them in the door. LaunchCode’s model provides the key for them, he said, and they don’t have to take out big loans or do years of retraining. “It’s really possible,” said McKelvey in an interview this month. “Not to minimize the work, it’s a lot of work, but the way we have set it up it is extremely affordable.”

LaunchCode, founded in St. Louis, Missouri, in 2013, is a nonprofit organization that creates pathways to economic opportunity and upward mobility through apprenticeships and job placement in technology. A year ago, LaunchCode expanded to Miami, through funding provided by the John S. and James L. Knight Foundation. Said McKelvey: “We were being recruited to go somewhere else and [Knight’s Miami Program Director Matt Haggman and CEO Alberto Ibargüen] stepped up big and said, ‘No, we need you in Miami.’ They opened so many doors for us.”

Pointing out that every company is a technology company these days, including banks, hospitals and cruise lines, McKelvey said LaunchCode’s offices partner with hundreds of top companies — 110 in South Florida’s tri-county region so far. Zumba, the global fitness and lifestyle brand based in Hallandale, has hired several web developers, for instance, and other local partners include Forte Interactive, AOD, Bass Underwriters and Global Knowledge Link. Then the LaunchCode staff spends time learning exactly what tech skills the partnering companies need in order to make great matches and help job prospects get training when necessary.

“We’ve never had a company look at our offering and say we don’t want to participate. We’ve designed the system so there is no reason they would ever say no — they need the talent, these people are great, and we don’t twist their arms to make them hire,” McKelvey said. “It’s clearly to the companies’ benefit.”
In its first year of operation in Miami, LaunchCode has made 56 placements. Together with the St. Louis office, the nonprofit has placed more than 300 people in full-time technology jobs. This year it plans to expand to Providence, Rhode Island, and Kansas City, Missouri. President Barack Obama highlighted LaunchCode’s success at the announcement of a national TechHire initiative in March.

In its annual report, LaunchCode said 90 percent of its apprenticeships were converted to full-time permanent jobs, 96 percent of hires remained in their jobs after six months, and 30 percent were promoted within 18 months.

“A statistic we are very proud of is the annual [median] salary increase pre- to post-LaunchCode is more than 3X — $17,000 to $54,000,” McKelvey said. “And once you have three or four years’ experience, it can be six figures. It’s just flat-out life-changing.”

In Miami, about 30 percent of LaunchCode’s apprentices do not have a college degree, and 45 percent have a non-tech degree. LaunchCode matches its prospects with training programs. One of its most successful efforts has been its partnership with the Idea Center, Miami Dade College’s entrepreneurship hub. The Idea Center’s CS50X is a live, in-person version of Harvard’s acclaimed coding course, which has provided more than 350 people so far free or low-cost education. Once they have finished the training,LaunchCode has helped students get jobs.

Aylynng Olivas was working part time in a technical job but dreamed of programming full time. With the help of LaunchCode, he signed up for CS50x and then took some advance training in iOS programming: “I fell in love with mobile development. I began learning as much as I could, and it was great being surrounded by people with similar interests.”

Boca Raton tech company Modernizing Medicine offered a group from LaunchCode a tour and then held one-on-one interviews. Olivas was invited to a second technical interview, in which he created an application in two hours in one of the newer computing languages. Olivas, who studied biology at Florida International University, was hired as a full-time iOS software engineer at Modernizing Medicine. “You are tested on what you know, not what your background is,” he said.

Luz Tamayo, trained as a civil engineer, left the workforce for a couple of years to care for her terminally ill husband. After his death and when she was ready to re-enter the workforce, she had trouble finding a position. So she joined LaunchCode and took the CS50x course as well as some additional training.
“I never thought of a career in technology before. I never really knew how exciting and interesting it could be. . . . After a long journey with my husband passing and feeling lonely and vulnerable, LaunchCode appeared in my life as an open door for a new beginning,” Tamayo said. She began with a short apprenticeship, and she’s now working as a CIS associate at MasterCard.

The Miami LaunchCode office is powered by Emma Mufraggi, South Florida company relations manager, and Matt Mawhinney, South Florida community manager. Individuals and companies that want to participate in LaunchCode can email southflorida@launchcode.org or visit www.launchcode.org/southflorida.

In an interview at LaunchCode’s offices at Miami Dade College’s Idea Center, McKelvey shared some of his insights about LaunchCode and its first year in South Florida.

Q. What inspired you to start LaunchCode?

A. There’s a tech-talent gap nationwide that is holding back all companies; basically, the U.S. economy is not growing as well as it could because we don’t have the talented people we need to grow the companies. This is ironic because it turns out there is a reasonably quick path to employable skills in this area. What LaunchCode did as an experiment first and now as a proven model is we try to invert the hiring process. First we work with the companies to find out exactly what they want and then rapidly train people into those positions and also we developed some innovations in placements to ‘de-risk’ it for the companies. That’s turned out to be the key. People that LaunchCode places are folks who typically would be rejected by normal hiring processes of a company, but they are great and we give them a chance, and 90 percent of our apprentices get full-time jobs, sometimes straight away.

Q. What are some ways that you ensure a good match?

A. We give the candidate the choice of the company first, and that has huge benefits for the company and I’ll tell you why. A normal company who is interviewing a candidate doesn’t really know if that candidate wants to work there. . . . When a LaunchCode candidate shows up at a company, at the very minimum that person wants to work there. . . . It tends to be a good fit. The reason this is important is because the greatest cost to a company is taking on an employee and then having them leave and having to refill and
retrain for a position — it can take six months to get back to where you were. So by placing a candidate who is statistically more likely to be loyal, you have improved things statistically, and that only happens with the LaunchCode model.

**Q. I’ve heard about some of your success stories. How about success stories on the business side?**

A. MasterCard is a classic example. They were skeptical but signed up. It took us six months to make our first placement there. After that, they started tapping LaunchCode regularly, and we are now up to like 17 placements, in both St. Louis and South Florida. One of their candidates, LaShana Lewis, was singled out by President Obama — she was driving a city bus and now she is managing people. . . . She is essentially keeping data centers going for MasterCard.

**Q. How did you come to use the Harvard CS50x coursework in your programs?**

A. In St. Louis, we ran the course without any local educational support and as a result we had a 10 to 15 percent completion rate. Leandro Finol, who runs the Idea Center at Miami Dade College, gave us a too-good-to-be true deal: He put together a team of teachers and, using the Harvard curriculum, taught classes here. . . . There were people to answer questions, there were study groups, there was more structure, and the pass rate was north of 50 percent. The education is world-class. I would argue there is no better course, and I have seen many of them. Harvard’s course is so good, they are using it at Yale — that tells you something.

We’ve had people who are in their 50s and 60s take the classes and do well enough to get a job. I met a guy last month who had been unemployed for years, went through the CS50x class, got a job at MasterCard, and for the first time in five years, is now employed. He’s 56 and he’s now a manager for MasterCard making $70,000. This isn’t charity. This isn’t MasterCard being nice. It’s MasterCard getting a really talented guy in the door as a programmer and then realizing they got a manager with 20 years’ experience. He would have never gotten that opportunity.

**Q. How do you measure success?**

A. The first metric is the company placement rate [currently 90 percent]. What we consider a success is a company voluntarily choosing to hire an apprentice full time. We explicitly tell them, don’t lower your standards, but at least be open to the idea that someone who
you may not have taken a look at can meet those standards.

Then you look at an ecosystem. St. Louis is a little farther ahead than Miami is right now, so I can speak more to that, but it is literally transforming to a region to go from a talent deficit to neutrality and then a surplus. We haven’t created surplus, but we have significantly reduced the talent deficit in St. Louis and we will do so here.

That ripples. Done at scale, there is a citywide regional advantage to LaunchCode, and that is the goal I keep in mind most. In a study done in San Francisco, every job in programming creates five other jobs with it, service jobs; more cars and homes are sold. It’s a huge lift to the economy.

We still have thousands of people to go to address the needs in St. Louis and thousands more in Miami, but that’s the metric of success.

**Q. What’s next?**

A. We’re still trying to get the word out to individuals. If you are interested in working in technology, LaunchCode is the best path in. We have the data. We know where the jobs are, we can tell you what skills you need for those jobs, and if you don’t have those skills, we can tell you where to get them at no cost or low cost. Having that neutral party is very important because job seekers are very frequently misled — don’t get me started on my soapbox of predatory educators, but it is well-known that there are some dead-ends. We will tell them honestly what their options are, and there are several good options.

Companies should call us when they need talent because it works and we prove that it works.

**Q. What’s the catch?**

A. There isn’t one. We’re a nonprofit. I’ve never taken a penny from the organization, and we are run as lean as any organization you can imagine. We are seeking to solve a huge societal problem. . . . And it’s a path everyone can walk.

Every one of your readers knows someone who could use this program. They all know someone who has the aptitude, would love to have a job doing coding and hasn’t been on the right path. Help us get the word to those people.

*Nancy Dahlberg; 305-376-3595; @ndahlberg*
JIM MCKELVEY

Age: 50

Entrepreneurial highlights: Co-founder of Square, the San Francisco-based mobile payments company that recently went public. Co-founder of LaunchCode, a nonprofit organization that connects tech companies with talented and trained apprentices. LaunchCode (launchcode.org), started in St. Louis, Missouri, in 2013 and expanded to Miami (launchcode.org/southflorida) in early 2015. LaunchCode plans to expand to other cities beginning this year. Founded several other companies in earlier years.

Education: Bachelor’s in computer science and economics from Washington University in St. Louis.

Personal: Born in Missouri. Married to Anna; they have a young son. Owned a second home here for a few years but moved his family to South Florida full time in 2014.

Other interests: He’s a glass artist and owner of a glass art factory and education center in St. Louis. He’s also an inventor, a pilot and an author.
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