EPISODE 1176

*"**AF:** I think in the next five years, we will see half of colleges and universities not make it through this COVID shock, at least. I mean, I really think outside of a very small set of certainly big public state schools that provide excellent value for money or a very tiny slice of really well-endowed schools where you get a fancy and very valuable credential. I think everybody else is going to struggle."*

[INTRODUCTION]

[00:01:02]

FT: Are we rushing our kids off to college too quickly? Welcome to So Money, everybody. I'm your host, Farnoosh Torabi. We are discussing the benefits of taking a gap year between high school and college, something once a bit of a taboo increasingly becoming a norm. Our guest today is a big advocate of this. Abby Falik is the Founder and CEO of Global Citizen Year. She is an award-winning social entrepreneur and an expert on the changing landscape of education.

Abby is a frequent speaker and writer. Her work has been featured in prominent forums and outlets, including the Aspen Ideas Festival, the Fast Company Innovation Festival, the New York Times, The Washington Post, and NPR. Abby and I discuss the mission behind Global Citizen Year, how the program unlocks curiosity, conviction, and courage in our next generation leaders. Also, Abby's take on the future of college and why she strongly believes there will be fewer institutions standing and why that's a good thing. Here's Abby Falik.

[INTERVIEW]

[00:02:09]

FT: Abby Falik, welcome to So Money.

[00:02:11]

AF: Thank you. I'm really excited to be here.

[00:02:14]

FT: Can I just say I'm so happy that I just learned about Global Citizen Year. Maybe it's because I'm not your target audience, but I think it's such a great mission this initiative, this program that you've put together, especially given the times that we are living in with a lot of us at crossroads. Young people especially feeling like, "Uh. Is this it? This is my adult life? I'm going to be –" They're inheriting such a mess. Sorry. Sorry, 18-year-olds.

But you have through Global Citizen Year really created this alternative experience for young people that I would really love to start off talking about that and what it is and what we should know about it.

[00:02:56]

AF: Terrific. Well, it feels even more relevant now than when I first cooked it up. In many ways, this has been my life's work. So I finished high school just burnt out. I was exhausted from the treadmill. I'd checked the boxes. I'd been a good student. I'd gotten myself into Stanford. It was like that was the gold ring, and yet I had this deep sense that there was more to the world than shuttling myself from school to more school just because it had been expected of me. I desperately wanted to step out of my comfort zone and out of my life and other people's expectations for me to have an experience that was going to be formative and give me a sense of why I was going to college in the first place.

Really ever since then, and I wasn't able to find an opportunity like Global Citizen Year, I have been fixated on the opportunity and the missed opportunity to catch young people on the cusp of adulthood when everything is still in formation, like you haven't fixed your values and identity

yet. Yet we miss the moment to give young people a sense of who they are and who they want to become.

So I've been on this journey now for about two decades, the last decade of which we've actually been running the organization. We're a not-for-profit based in the Bay Area, and the mission is to launch a generation of leaders who have curiosity, conviction, and courage. We do it by reimagining the transition between childhood and adulthood or and specifically the transition between high school and college by way of what we call a Global Citizen Year.

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FT: Who is best to do this? I know so many families feel the pain of sending off their kids to college "too soon." The kids themselves not ready but feeling like the pressure of not following the norm is too great. This idea of a gap year is only now becoming more and more accepted and understood. Thank you, Michelle Obama and the Obamas, for forging, for being [inaudible 00:05:00].

But I remember being in high school and obviously talking to your friends as you approach graduation like, "Where are you going off to school?" The kids that weren't decided or hadn't accepted a college yet, it was deemed a failure. One, how can families reframe this and think about this in a little bit more of a normal way? How can we normalize this? Then tell us about how you actually do help your young adults earn that curiosity, conviction, courage.

[00:05:32]

AF: I experienced that sort of pressure and inertia coming out of high school, and I now know to call it FOMO, the fear of missing out when I felt like everybody else was going off to college. In many ways, we're on a mission to flip the script so that the FOMO is felt if you do go straight to school like, "Why would you ever do that before you know why you're there and how best to take advantage of the opportunity?"

You asked who is this best for. I have become totally convinced that a year of lived real world experience to break up the schooling is good for everyone full stop. Most kids haven't had an opportunity to try things in the real world, to experiment, to fail, to rebound to have experiences that shape your sense of purpose that then inform how you can make the most of the investment that somebody is making in your college experience.

How it works for us is that we recruit and select really exceptional young people. We're looking for kids who are go-getters. They're also in many ways do-gooders. They believe the world can get better, and we offer them an opportunity to find their crew, to find their people, other young people like them from around the world coming out of high school. Then we give them the experience of a school year-long immersive experience living and working alongside the global majority in communities in Asia, Africa, and Latin America.

There's a curriculum and a coach, an ongoing training. They've got a cohort of students. They're not there as development workers or to do service. They're there as learners. We call it an apprenticeship. So they live with a family and then they're working to advance efforts in education, health, the environment. The experience shapes a sense of how huge the world is, how unequally resources are distributed but also builds a sense of agency and resilience that become foundational to everything you do next.

That's the traditional fellowship that we've run for the last 10 years. In the time of COVID, obviously we can't send young people around the world in a global pandemic. So we've launched a whole new model that's called Global Citizen Year Academy, and it is our training and curriculum and approach to leadership development delivered virtually. We've had kids from 50 countries around the world enrolled in our fall semester, and we're gearing up to launch the spring as well.

But similarly, it's the same mission. How do we help young people at this crucial transition really make the most of it? This transition can be a transformation when it's done by design and not by default.

[00:08:21]

FT: Yes. I read that this is something that college admissions boards love. If you're concerned about the gap year and how that's going to look or how we'll present to college decision makers, this is actually a real benefit to many applicants.

[00:08:40]

AF: I think that's been one of the greatest fears that families have is, “Is this going to get me off track. Does this look bad to colleges?” That narrative is changing so fast. I mean, the admissions dean at Harvard has this sort of seminal piece he wrote saying he wishes that every one of their incoming students would take a year like this. We've forged partnerships with a dozen or more colleges and universities from Duke and UNC to Middlebury and Stanford where the admissions offices are excited to promote this to their incoming students because they recognize how hard everyone's been running at this singular goal of getting to college and how much better prepared kids are, how much more refreshed they are. But they had an opportunity to step back and consider how they want to approach the experience on arrival.

We've got relationships where schools give joint admissions, financial aid, course credit, and that's something we're really focused on building out because it's such a key part of changing the narrative among families and students, is normalizing it in a way that shows that the colleges appreciate and encourage it. They even look favorably on it and not the opposite.

[00:09:51]

FT: At what point in your high school years do you apply for Global Citizen Year? Do you do it after you've been accepted to a college and can get permission to defer for a year? Do you do it before you apply? What do you recommend for families?

[00:10:07]

AF: We have a number of different admissions deadlines starting in the spring of someone's junior year of high school on purpose. So there are kids who are ready at that point to say, “You know what? I am not even going to participate in this rat race, along the same timeline as everybody else, and I know I need a year to figure out all of these things for myself.” Kids can apply that's early, early admission. Then we've got admissions deadlines that match the college admissions process. We've got kids who apply to us before they've applied to college.

Some of whom then don't apply to college during their senior year, and they spend a year with us, and they apply to college. Well, they're with us, which we think can be a great outcome because it means that kids are more purposeful about the schools that they're choosing and why they're choosing to attend. Then we've got a bunch of kids each year who apply in the spring of their senior year. They have heard back from college, they've secured a spot, and they then feel like, “Oh, my god. I can let my shoulders down finally and like breathe a sigh of relief and think in more creative ways about what I really want next.”

Across the board schools are delighted to grant a deferral. Almost always they will defer that financial aid. In many cases, we've seen schools that throw additional merit-based aid awards at students after they have an experience with us, just because they're such valuable candidates. We've really made it flexible to recognize that kids are making decisions along a broad timeline.

[00:11:33]

FT: Yeah. Tell me a little bit about if and how money comes up in some of the learnings and conversations in this Global Citizen Year program and the academy even. I don't know. Just wondering, if you are preparing these young adults for the real world, what are the conversations about money that you might be having or richness or wealth or power, all that stuff?

[00:11:53]

AF: So much. I mean, in many ways it's very central to everything. Well, anyone does but certainly very central to what we do across a couple dimensions. One is that we have a need-blind admissions process. I spend most of my money, most of my time. Not my money but most of my time raising money from philanthropists who are underwriting scholarships. We've raised and deployed $30 million in financial aid from support of generous donors. Then that has ensured that in our first decade, 80% of our kids have participated on some level of need-based financial aid. About almost half of our cohort alum received a full scholarship in order to join us.

At the same time, we've got kids who've grown up in financial comfort and privilege, and we're bringing them all together from across a range of socio-economic backgrounds. That is one of our approaches to preparing the leaders the world needs now is by getting kids to connect across lines of difference. We do this across geographic lines and political lines and racial lines but also across economic lines, which is something that doesn't happen very often in this country.

It can't not be a conversation, the very different starting points of different kids' lives. If somebody grew up in Palo Alto, someone who grew up in East Palo Alto just across the freeway and had wildly different access to opportunities and senses of what was available to them and open to them. I think one of the most powerful things we're able to do is broaden young people's perspectives to other lived experiences. This is just within the cohort and particularly for kids who grew up in low-income backgrounds. They often come back feeling like, "Wow. All these doors that I thought were closed to me. I realized if I just knock like my more entitled years, they might open and these – I might be in a position to create opportunities for myself that I didn't even think existed."

Then the other dimension of this obviously is that we are placing our fellows in often materially poor communities around the world. We're deliberate about placing them with what we call global majority families and communities where, again, they can't not see the ways in which money is life. Money is comfort. Money is safety and security and power and independent of where one of our fellows started on the sort of financial security spectrum. They're having

direct exposure to another family that typically is closer to just the survival line. That provokes all kinds of thinking and conversation that we often guide and reflection about what does wealth and money mean, what does it give us, and what's its relationship to well-being and happiness, which I think is really provocative as well.

[00:14:44]

FT: Any anecdotes worth sharing? Any brave souls in the group raising her hand saying, "Here's what I think about what money means." Or any revelations? I think it's so – You're capturing such a beautiful time in a person's life where they are really impressionable but also really thoughtful and intuitive. I just wonder if you have any – Maybe I'm putting you on the spot but I –

[00:15:08]

AF: No, no. It's fine. I mean, I think about this all the time, and we now have a thousand alum. I could identify any of them who've had a provocative or really meaningful reframe on their notion of I would say money, but it's really about poverty. I would say most kind of striking to me is how consistently our students who come from what would be called a low-income background in the US have an experience in another country and context, and they come away seeing that whereas they sort of saw themselves as the bottom rung of an economic ladder here that in the broader context they actually have access to resources and opportunities that they hadn't fully acknowledged before.

To be living in a village in Senegal, and your host sister is your same age, and you watch her having to drop out of high school to support her family or because she's been married to somebody, whether it was with her consent or not. There's a refreshed sense of access to opportunity, and our kids come back. Often the first gen in college goers feel like, "Oh, my god. I live in a place and time where college is available to me. There are resources that can make this accessible, and I'm going to take advantage of that."

I would say on the other side of the spectrum you've got kids who grew up in very wealthy families and communities who have an experience of how their host community in Brazil that may not have much in terms of money might have more time for each other, more connection and community. That it really can shake up your sense of what you aspire to in your own life. Is your goal to make as much money as your parents did or is your goal to find ways to support your family certainly but to be happy and focused on the things you care most about? I don't mean to say that those things aren't, but sort of they are linked. But one does not –

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FT: You don't need money to feel those feels, right?

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AF: I think those are profound learnings for a lot of our fellows.

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FT: I just learned that in the last decade myself as an adult woman. I mean, I just wrote a piece about how this podcast has brought in my – More not broadened but also reaffirmed some of the things that I always thought were true. But now having interviewed so many people like you and hearing the story, it just really does reinforce one of the things, which is that being rich is not just about having money.

I recently wrote about that, and so many guests have attested to this and that, to your point, it's about having time, access to resources, strong relationships health. That when you have the combination of those things and, of course, some money, you can go so far in life. Even if you don't have money but you have all the other stuff, it puts things in perspective, right? You're right. You go outside this country and you realize what equates to wealth here is not what equates to wealth in other countries, and you probably have more than you thought. That's really important to recognize that earlier in your life.

[00:18:21]

AF: Yeah. One of the things – I mean, again, I spent a lot of my time fundraising, and it's very apparent to me, and I think it also is to our fellows and alums. I mean, it's so cliché but that money doesn't buy happiness. That you can have people who've gone that, like being the top earner, but they may not feel satisfied or whole or happy or grounded, and that there were other trade-offs that they've made along the way that might actually lead to regrets later in their life. All the data shows that there's a certain sort of baseline amount of money in different contexts and cultures that people need to make in order to make sure their basic needs are met, and that beyond that incremental earning doesn't necessarily contribute to incremental happiness.

I think that's such an important lesson for young people to learn as they're setting out that there are ways they can make decisions about what to study in college, what first jobs to take, what careers to pursue where money is one dimension of the decision making, but it's not the only one.

[00:19:27]

FT: What is the future of education, if I may pick your brain, since this is something that you speak on often and you have such a wealth of experience and perspective on this? But, I mean, I just interviewed Ron Lieber who is the New York Times – Right. He's the New York Times financial editor, and he wrote a book about college admissions and how to prepare. We talked a little about the future of college.

I wanted to know frankly like are some schools going to drop off the place of the earth because I feel like some schools just don't deserve our money. What are your predictions as far as maybe how we learn and what college is really going to mean in the future? There's a lot of debate over whether it's even worth it. What are your thoughts?

[00:20:11]

AF: Ron is a good friend, and I think there's actually a chapter in the book about the value of what has been called a gap year. I hate the language. I sort of put air quotes around it because the metaphor is terrible, the idea that you're falling into a gap or that it's the absence of learning, as opposed to what it really can be, which is the presence of the most formative learning and experience and the inputs that then help you arrive in college, ready to make that investment pay off. The best way to improve the ROI of the college investment I think is to make sure that you don't send a kid to a freshman year before they know how they want to navigate the experience. We've got the confidence and focus that allows them to make the most of it. Ron and I are aligned on that.

I tend to have a pretty bold view, maybe radical is the word, on what comes next. I for years have sensed that we're on the cusp of a massive disruption in the higher ed landscape. COVID, like with so much else, has revealed where some people say where the emperor has no clothes or it's really forced families to confront whether it's worth it. You've got college enrollment down 20% in the fall of 2020, and predictions that that will – Actually, that number was not specific to 2020, but that trend will likely continue as people look at schools and say, "Is this really worth it? Are the things that you're going to teach my kid or that I could teach and learn in a classroom the most cost-effective and the most impactful set of things that I need to learn next in order to get a job and lead a thriving, fulfilling life?"

I think in the next five years we will see half of colleges and universities not make it through this COVID shock, at least. I mean, I really think outside of a very small set of certainly big public state schools that provide excellent value for money or a very tiny slice of really well-endowed schools where you get a fancy and very valuable credential. I think everybody else is going to struggle actually to demonstrate that it's worth it. It's worth the time and the cost and then in its wake will be the emergence of all kinds of new pathways.

This I find very exciting. I think it's good for social mobility. I think it's good for helping young people learn the things they most need to learn that set them up to be successful and really

unbundling teaching and learning from a four-year campus college experience with the kind of price tag of quarter million dollars. There'll be so many alternative ways to learn what you need to learn in order to become an adult, and I think it's good for the world. I think we just have to be really cautious that we don't reduce education to job training alone.

So you want these companies, Google's got a set of certificates or certificate programs, online learning that you can do that bundled together. Google says, “We will look at these as equivalent to a four-year college degree,” which is super exciting that you could take these free online courses and ready yourself for a great job at Google. But it's also missing a lot of what we all need to embrace and value in a higher education, how are we teaching empathy and creativity and curiosity and innovation.

That’s the role I’m hoping that we can play a Global Citizen Year is introducing a pathway that's part of the solution but that speaks to a set of things that have been called “soft skills” but are actually the power skills.

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FT: I like that. I like that future I think because rules are meant to be broken. I mean, we have been so on autopilot with this idea of college that you just do it. You have to go. You have to pay the price because that is ultimately what gets you the job, which equals success. I think that's a very limiting way to proceed with your life, especially knowing too that it's so expensive for so many families, and it feels forced for some families that like, “I have to do it. I don't have the money but I have to do it. Or maybe I’m not even sure if this is the right move but I guess I don't know what else to do because culturally nothing else is acceptable.”

[00:24:26]

AF: Exactly.

[00:24:28]

FT: I like that we can hope for a world and we're working towards a world where there's more optionality for students, for learners really, for learners, right? They just call them learners.

[00:24:40]

AF: Incredible and viable options too. I realize it can then tone deaf when I say, “Well, a lot of kids are not going to go to college anymore because there's been so much emphasis as there's needed to be on really equalizing access and opportunity.” It’s absolutely the case that today kids who from low-income backgrounds get a four-year degree are wildly advantaged for the rest of their lives. But what's giving me hope is that that narrative and reality will change quickly, and there will be new and more efficient and impactful pathways for kids from across the full economic spectrum.

[00:25:14]

FT: Abby tell me a little bit about yourself and when you realized that becoming a social entrepreneur was your pathway. Was this something that you saw from the get-go and worked towards building? Because I don't think there's really – Maybe now there are a lot of courses and programs and pathways, but I feel like you may have paved a way for a lot of people. How did you recognize that this was something that was your path?

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AF: I had really early instincts as an entrepreneur, so I remember selling my dad's neckties door-to-door and I started a summer camp when I was 12 for kids in the neighborhood. I was focused on money and efficient ways to earn it beyond just babysitting, which felt relatively inefficient. But very early on, and I credit my parents with this in so many ways, there was just a sense of social responsibility.

I grew up in Berkeley, California in a sort of liberal Jewish family where my parents had surpassed their parents' expectations and earning to be able to then raise us in a context where we had everything we needed and plenty of money. With that, we were taught, came responsibility. So we had early experiences as kids. I've got two younger siblings, traveling around the world with them and having experiences that really kind of oriented me toward what we do at Global Citizen Year that by seeing the rest of the world, it puts our own experience in a broader context in a way that you can't unsee and you can't unfeel.

I remember visiting schools in Indonesia and having a sense of like, "Oh, my god. This kid is also 10 years old and has wildly different life opportunities as a result of just the randomness of where and when somebody was born." I have a mentor who describes it as a social justice nerve that we all have and the idea that once it's exposed, you can't ignore it. I would say that it was exposed very early for me, and then this intersection between a very entrepreneurial instinct and a commitment to social justice and equity just guided every decision I made from a young age.

It's felt very natural. I feel like I've made decisions that I couldn't not make. I've just been on a on a path that has unfolded and I feel wildly grateful for that because I realize it's not common. But I do hope that I can inspire other young people who are ambitious, hard-driving go-getters to make social impact and not just personal gain or profit their bottom line.

[00:27:57]

FT: It's amazing. I mean, as you were talking, I'm writing down a list of countries that I've never been to that I would love to send my – Like visit with my kids. Imagine being 10 and being in Indonesia. I have not even been to Indonesia. I'm 41 years old. What a gift your parents gave your family. That's – But for everyone listening, you don't have to travel 6,000 miles to give that experience to your kids. You can go to the town next door. A lot of our neighboring towns, we're just surrounded by various socio-economic factors and families, and I think that there's always an opportunity to broaden your family's perspective and especially when you're a kid to see how others live. What would you say is your money philosophy if you had one?

[00:28:40]

AF: It is abundant, and I really say that from a place of enormous privilege because I grew up in a context where it was, which is also what created enough of a safety net for me to take a bunch of wild leaps toward starting a non-profit without any clue of where the money would come from or how I would get it done and not take another job. After I finished business school, I was able to really sort of takeoff with this.

But it's really helpful because I have to wake up every morning and focus on raising money toward this cause that I and our team care about so fiercely. There's a way of fundraising that's rooted in sort of scarcity, which is being competitive with other non-profit leaders or feeling like, “Oh, who's going to get that donor's money?” My orientation around it is so much that there is more money looking to have an impact than opportunities to have an impact. That in many ways when I’m talking to a Brazilian billionaire as I did yesterday reporting on Zoom, the scarcer resource for him is opportunities to change young people's lives and to have an impact and leave a legacy. It’s not the dollars.

I think that operating from that place of like there is money flowing in many directions, and my job is to sort of take it from where it's abundant and reinvest it into a model that we know is impactful, that's what keeps me motivated.

[00:30:14]

FT: How do you get connected to a billionaire in Brazil?

[00:30:17]

AF: Oh, my goodness. Many steps.

[00:30:20]

FT: The only thing anyone needs to learn from this episode, by the way. This is it at the very end.

[00:30:25]

AF: Oh, my goodness.

[00:30:26]

FT: When do I get on a phone call with a, it's hard to say that 10 times fast, Brazilian billionaire?

[00:30:34]

AF: Brazilian billionaire, yeah. But I've just written a piece actually about this experience I've had that we are all the same size on Zoom, and the transformation in my approach to fundraising because it used to be – I mean, that meeting would have taken me years to set up, and I would have been on a plane to Sao Paulo or Switzerland where he happened to be yesterday and all of the complexity and the lead up and getting dressed up and pretending to be perky, even if I'm exhausted. Or walking through the various layers of a fancy lobby and then meeting somebody on their time and their turf.

There's something so humanizing about everybody getting the same small box on the two-dimensional screen and everybody being sort of in this moment of global transition where people have been way more vulnerable. I feel like I've been able to be more present and less performative in these conversations with donors. It's just a reminder that people are people are people are people, and the power dynamics are often really in our own minds.

[00:31:37]

FT: I love that. Abby Falik, thank you so much for joining. I look forward to raising my kids now. I really do, knowing that you're creating structures and programs and education that they can plug into and that you're paving the way for so many more.

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AF: I can't wait to meet them.

[00:31:57]

FT: Have a great one.

[00:31:58]

AF: Thank you so much.

[END OF INTERVIEW]

[00:32:02]

FT: Thanks to Abby Falik for joining us. To learn more about her and Global Citizen Year, check out globalcitizenyear.org. Abby is also on Facebook, Twitter, Instagram, LinkedIn. I'll be providing those links on the So Money podcast website. If you're enjoying the show, please remember to subscribe if you're not already. Leave a review. Pass it along to a friend. It is the best way to support this show. Be sure that we get all the iTunes and Stitcher and Spotify love topping the charts and making sure that people notice us. Thanks for tuning in, everybody. I hope your day is So Money.

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