

**EPISODE 1433**

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**FT:** So Money is brought to you by CNET, the site that shows how to navigate change all around us. So Money episode 1433, probability versus possibility, a conversation with Rendel Solomon about the hard truths of racial inequality in America today.

***RS:** I get pulled over by the police. And like every other black man in the United States, there is a deep sense of fear and dread when those sirens come on behind you. Because in that moment, I'm not Rendel Solomon, the Columbia Business School graduate working in private equity with an engineering degree, who went to one of the most prestigious, prestigious high schools in Chicago, the Latin School. I'm a black man behind the wheel of a car."*

[INTRO]

[00:01:13]

**FT:** Welcome to So Money, everybody. I'm Farnoosh Torabi. As you know, we like to spend time on the show talking about systemic issues that contribute to financial gaps and financial inequities. Rendel Solomon is our guest. He is a recovering engineer, reformed private equity investor, and aspiring anti-capitalist. Rendel is friends with Xavier Ramey, who was a guest on the show. If you recall that episode, Xavier is an award-winning social strategist, speaker, conflict mediator, and CEO of Justice Informed.

Xavier and Rendel are friends. They grew up both on the west side of Chicago, a neighborhood that has been challenged for decades with crime, drug activity, limited educational options, and poor housing. But as Rendel explains, he defied the probabilities and showed what is possible. But as he describes in his TED talk entitled Sharecropper to Shareholder, the world that has a way of reminding you every day of some of the limitations of being a black American, how this is all inspiring him to make a pivot in his career, and what he wants to teach younger generations,

things he wishes he would have known. He's here to talk about all of that. Here's Rendel Solomon.

[INTERVIEW]

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**FT:** Rendel Solomon, welcome to So Money. It is an honor to have you on the show. Any friend of Xavier Ramey is a friend of mine.

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**RS:** He's a good guy, and I'm really excited that he made this connection and that you got one more Chicago person on the show.

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**FT:** Yes, yes. I mean, where do you even begin? You have such a storied life. You did a TEDx talk in Chicago not too long ago, talking about – The title was Sharecropper to Shareholder, as a descendant of slaves and then to become managing director at a private equity company. As you say in your TED talk, the data would never have forecasted where you would land, and yet there you were. Perhaps we could start with what your personal history means to you, what it symbolizes, how it has inspired you to not even stay in private equity.

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**RS:** Thank you so much for that question, Farnoosh. Happy to share a little bit about that journey. After I gave that TEDx in 2018, I was doing a little bit of public speaking. It's funny. It was a phrase that I came up with that I was seeking to turn into another conversation, not necessarily a TEDx, and the name of that conversation was going to be probability versus possibilities.

To answer your question about how I think about that journey and the success that I've been able to attain in my 43 years, I think that I'm an example of what's possible. I am not an example of what's probable. That has troubled me in the more recent years. A lot of my time and energy has been spent doing exactly what my late mother and my late father wanted me and my two sisters to do. Go to school. Work hard. Get good grades. I lived by that.

Coming up even here on the west side, the troubled west side of Chicago, which you would have talked about a bit, Xavier and I grew up – We didn't know each other back then. But we actually lived within a few block radius of each other. We just didn't know each other at the time a few years apart. But my journey, which would not have been predicted by any metric, particularly given that, unfortunately, you can kind of determine someone's future by what zip code they're born in here in our city. We hope that changes over the next many years. But right now, you pick the zip code, you can get sort of what the trajectory is for that person.

My late mom was focused on us getting a good education, which in her 47 years with us, she got that accomplished. I'm the first in the family to graduate college from Tulane in engineering. Both my younger sisters attended University of Illinois in Urbana-Champaign. I also went on to get my MBA at Columbia Business School. Again, fairly unprecedented for our family, given the resources or lack thereof in our family to have that level of accomplishment academically. Then we've each have gone on in our own ways to have professional success.

But what I found as I began to move and grow professionally, I realized that effort to put towards education and hard work, I no longer believed that formulaically that was going to be the solution. It may be part of it, but I decided I wanted to focus on other areas, namely, the systemic pressures that even when you have the education and the resource and the network, there are certain people who are still not allowed to attain certain levels of success.

So let me pause there, and we can dive deeper into that. But that's the big picture, as I think about what does my success mean as it relates to my family and those who come from communities like mine.

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**FT:** What were the hard truths that you experienced? You talk about this gap between what's possible and what's probable, and you are an example of what is possible. Not everything is probable. So there's a friction there. You lived it. You made it on the other side. You succeeded. You are like the definition of capital S Success. You made your mom proud. You did all the hard things. You went to school. You went to graduate school. You climbed your career. So you made things possible.

But in a world where the odds were stacked against you, what was the tension that you experienced? Maybe it was one example that illustrates a bigger issue or even smaller examples. I want to kind of drive home this like sort of day-to-day, what it was like for you.

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**RS:** Yeah. Off the top of my head, let's think about – I'm going to give you a couple of personal examples that a lot of folks don't know about because I haven't talked about it publicly, and this is particularly relevant coming on two years plus of George Floyd being murdered and sadly amongst others, who have had interactions with law enforcement or others who have wanted to take the law in their own hand arguably primarily because they saw a black person who was a threat to them.

One story is from – This is the basic one, right, the idea of DWB, driving while black. So when I'm behind the wheel of my vehicle, which was not a particularly impressive vehicle at the time, by the way, I believe I was driving a 1999 Grand Am at the time. I just really liked that car, by the way, Farnoosh. I've owned three cars in my life, and two of them have been the exact same make and model. My first car was a 2000 Infiniti when I graduated from Tulane. I should not have bought that car, a car that was way too high, and I was not making as much money at Procter and Gamble as I thought I was.

The second and third car were both 1999 Grand Ams, red. One was four-door. One was two-door. I just really liked that car. But I'm driving around in that car. I get pulled over by the police. And like every other black man in the United States, there is a deep sense of fear and dread when those sirens come on behind you. Because in that moment, I'm not Rendel Solomon, the Columbia Business School graduate working in private equity with an engineering degree, who

went to one of the most prestigious, prestigious high schools in Chicago, the Latin School. I'm a black man behind the wheel of a car.

Sadly, I have to now put myself in that context and think about behaviors and actions and my words and how do I move and how do I turn my head and where do I put my hand. That was the middle of the day, and they pulled me over, claiming that my tail light wasn't working, which that was not true. They just pull you over, hoping to find something. I got out of that one unscathed. No incident.

Another time, something similar, the police officer claiming that I didn't have my seatbelt on. I refuse to get in the car without my seatbelt passenger or driver. I won't even take off in my car if my passenger doesn't have their seatbelt on. So I know he was making that up. Then it was an experience back at Tulane, where me and a few buddies were leaving a Wendy's or a Rally's. I can't recall. We're leaving the restaurant, and this unmarked police car pulls up behind us, and men jump out and point guns directly into our vehicle, putting them at the head of my classmates.

Now I was sitting – I won't use the word, but I was sitting in the backseat middle of the car. So the gun was not directly on my head. But the four gentlemen, the passenger, driver, and the two by the window had guns pointed at their head. We were told to get out of the car, and they checked us. Apparently, we learned that – Also, no one was shot, got away unscathed, again. Apparently, they were tailing some other young men, maybe around our age, and they're suspected to be drug dealers. Because we happen to be in the Wendy's or a restaurant at the same time, they assumed that we had done a drug deal with them. We had our backpacks. They have had backpacks, right?

What makes that story – Just to add a humorous anecdote to it, my buddy had stolen all of the ketchup packets at the restaurant.

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**FT:** Oh, my gosh.

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**RS:** We're poor college students.

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**FT:** Poor guy.

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**RS:** No one wanted to go to the grocery store to buy a bottle of ketchup. That was expensive, and so he took a handful of all the ketchup. So we figured this is a little excessive for some ketchup packet. So that's on the personal side. Back to your question around what are some of the hard truth is that I am a black man first in most of society's eyes, and I have to come out and prove "that I am worthy of the conversation or worthy of them not being afraid." So that's a hard truth right there.

Fast forward all the way to my time in private equity, where I spent the vast majority of my career, I realized along the way not only the lack of capital that has been invested in black-led businesses and other diverse-led businesses and other black and diverse-lead investment shops. I realized that through no fault of our own, because there's education there, there's talent there, there is access to deals, there's all the requisite things that you need in order to be an effective investment manager are there.

What's not there is the investment from the institutions that control the capital; pension funds, foundations, endowments, and corporations. So I know we're going to talk about my transition out of private equity, but that was my hard truth. I began to realize that the individual's hard work effort, back to my education and going to school and getting the good grades, I believe that those efforts can only affect the possibility of success.

Just in my own working theory right now, Farnoosh. I'm not saying that's the law. It's my working theory. I believe that to change probabilities, the institutions that are in power right now are the ones who need the lessons and who need to be taught. I decided that I wanted to spend more

time speaking on that in a way that I couldn't do, if I were going to stay in the industry in the same way that I was at my prior firm.

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**FT:** When your friend, Xavier, was on the show, his strategy to help solve for racial inequities is he has a consulting firm, and he works with companies. He says to me – I'll never forget. He said, “There are no best practices. It's all about new practices. We have to really just think way, way, way outside of the box.”

So as you have been exploring the ways that we can make it so probability improves, what is the message that you want to share with these stakeholders, with these corporations, these investors, these institutions?

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**RS:** I absolutely agree with X's premise about new ways of doing things and not just modifications of old things. I'll give you an analogy, maybe a terrible one. My friends and others have told me I'm terrible at analogies, but I'm going to give it a shot right now with you. So imagine someone is drowning in the middle of an ocean. They're treading water. They're trying to stay afloat. On top of that, there are seven-foot waves pounding down on them. There's a hurricane right around them. Their leg is cut, so they're bleeding into the water. It's cold, and there are sharks swimming around them that can smell that blood.

Now, that may be an overly aggressive analogy for what some people face in our society, marginalized groups, African Americans, and others. But let's roll with that analogy for a second. So that's the state of those folks. What we often do to try to help those individuals and those groups is to yell at them from a boat where we're safe, warm, and secure, that they should learn how to swim harder.

That's essentially how I think about a lot of the programmatic efforts that are in place, trying to improve outcomes for people. It's telling the people who are in the worst situations what they need to be doing more of in order to improve their status. That may be heavy for some listeners

to take in. They may not agree, but that's how strongly I feel about it. I believe that yelling at the person that's drowning while they're bleeding and they're cold in the middle of a storm is like – They're literally trying to survive, and the lesson to them is they need to go network more.

That's what we tell our people. We tell women, “You need to be more aggressive in pursuing your career.”

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**FT:** But don't be too aggressive.

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**RS:** But don't be too aggressive, right? So the message to the stakeholders and those who are in power is, again, very similar to X's, not just to think differently but really thinking about new ways. The challenge there – By the way, because it's been so long that these systems have been put in place, I don't begrudge the individual CEO or the individual leader of an organization, who may even in their heart of hearts want to create some fundamental shift in how they do what they do.

I think this issue is so gargantuan that for an individual institution to try to make that shift within the broader population could create some unexpected challenges that I haven't even thought of. As much as I want to see more justice and equity in the world, I do acknowledge, given my education and my – I'd like to believe I have some understanding of our capitalist system. That to make a shift over here with this one entity could have some drastically damaging effects for the very same people that I like to see supported.

So there needs to be some thought given to what that looks like because there are no easy solutions to 100-year-old problem here in the US but, obviously, millenniums from a global perspective.

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**FT:** At the same time, it's hard to – What else do you tell a young black student who wants to be successful in terms of money and career? What advice do you wish you had gotten? Could there have been anything to better prepare you? Let's turn this conversation now to the young adults who are listening and are wanting to be hopeful, and they're like, “You know what? I'm going to work hard, and I'm going to study, and I'm going to go to school.” It sounds like that's not going to be enough. Or can it? So what's your message to the younger generation?

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**RS:** I think these two battles are – They're not mutually exclusive. So when I'm talking to a group of young people, you're absolutely right, Farnoosh. I don't burden them with these sort of hierarchical overarching global systemic issues. I don't want to paint a picture of gloom and doom for the 13-year-old, the 14-year-old. I have a niece who just entered high school. I have a daughter who's turning eight months this Saturday. My wife and I, as we think about the messaging that we're going to give to our child around these very same topics about hard work and education.

She and I, she being my wife, who's a PhD, works in Moderna. We're both educated, first generation in our family. She actually may be second generation the more I think about it. But either way, she's accomplished a lot, educationally and professionally. I've done the same. So our daughter is going to have access to knowledge and information and resources that my late parents and my grandparents, as you heard me talk about in my TEDx, they did not have access to. So the message that I think, and now that I'm a parent, I'm thinking even more deeply about this, the message that I'm going to deliver is, yes, get an education, become smarter, read.

By the way, education doesn't mean go to college, go to grad school. So let me answer the other question you asked. What do I wish I was told I had learned differently? I wish I had learned that there are other options other than college, which may sound like a conflict, given that I am a college graduate and I do believe in education. But the only thing I don't like is that I was never presented to me anything else other than going to college. My whole path was just get good grades, go to college, go to college, go to college.

I see people out here doing amazing things every day who don't have college degrees or who have other forms of education, and I think that – I actually hope that society shifts to the point where college is not considered the be-all end-all path to success. Whether that's training schools or technical learning online, I really hope our society shifts to where this whole idea of sitting in a classroom at a university, spending hundreds of thousands of dollars.

I think it's a ridiculous notion, honestly. I honestly think we won't dive off into that topic right now but specifically on what I would share with a young person. Become educated. Become knowledgeable. Read and travel.

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**FT:** And may I layer on to that mind your money, which I know you would agree with. Money is power too. It's a way in.

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**RS:** It absolutely is. The earlier we can instill those lessons around how to manage it, not just the how to make it part, but also how to manage it, the better off those young people will be, as they become young adults and look at building a home, starting families, starting businesses, traveling the world, whatever it is that they'd like to do.

The tricky part for me is I think about the messaging, and this is what your question gets to, and this is actually why I had to sit down with X and ask a similar question. How do you try to move toward completely disrupting or, to using a stronger word, dismantling a system that you also have to be a part of in the meantime? That's essentially what your question gets at. If I'm talking to a young person, I'm not talking to them about dismantling systems. They're nine years old. I want them to focus on I do want them to get a good grade and learn grammar and learn mathematics and learn about global issues, understand politics, and all these other areas about our society.

But at the same time, the things that they're learning are rooted in structures that are systemically oppressive. So we're asking them to learn about a flawed system, in hopes that –

This is the part where I think Gen X has had a particularly strong role, and I think Gen Z and millennials are going to do even better at it. So let's shift this back to the racial element, which is important to me as a black American, whose family migrated from the south because I think about our experience, in particular, not only with money, but just in America in general. I think it's each generations role and responsibility definitely to try to do better and improve things for their people, their culture, and for society as a whole.

I think that it's up to us to take the information that we've learned, whether it's about money or anything else, and say, "What can we really do differently going forward?" Because if we just do the same things that have been done, the structure will never change. As we look out into communities, those communities will look the same. I drive through my old neighborhood. While there's starting to be some progress there, for the most part, it looks the same way it did in 1992 when I graduated from eighth grade, and that saddens me and disappoints me.

I think about the development, and I'm actually standing in what used to be known as Sears Tower. I guess, technically now, it's Willis Tower. But as a child of Chicago, it'll always be Sears Tower to me. I'm looking down, and I'm seeing all these new buildings being constructed within a two-mile radius of where I am, within two miles of downtown. I look across the city, and there are still these concaves of poverty and crime that is not the fault of the people that are there. It's the fault of systems that created those things.

I mean, it's phenomenal from a sociological perspective, when you think about this great experiment that is the United States and what has come of certain communities that have been devastated by these issues. But at the same time, you're right. That person – Back to my analogy of someone in the water, they're still trying to survive, but they still have to tread water. They still have to keep swimming, and that's a testament to people who have been systemically oppressed, that they keep swimming and keep trying to get to shore.

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**FT:** Well now that you're out, independent and out of the financial industry, what are you hopeful about, and how are you hoping to spend your near future, helping, contributing to this cause, Rendel?

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**RS:** You got it. Well, I did not make enough independent to retire just yet, so I'm not –

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**FT:** You're not part of the FIRE movement.

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**RS:** Oh, man. I'm not quite there yet. I wish I was, but I'm not quite there yet. But the family piece is really significant for me, as I think about legacy, having lost my mom now, 2006, so 16 years ago, my dad a couple of years ago in 2020, my granddad in 2007 on my mom's side. So my last remaining parent is my granny, the woman you saw me talking about in my TEDx, Sharecropper to Shareholder. She's 82 years old now, still active, still driving. We actually just bought her lease for her. We bought out the lease on her car, so she can still get to a Walmart and church. We look after her.

I have a wife. I have a daughter. So I'm thinking about what do I want to leave for my child. That weighs on my mind all the time at this point. So that's like the biggest thing for me. As it relates to impact and changing the world to the extent that I can or even just changing the community, I'm not fully out of the financial services sphere just yet. I've recently signed on to be a fellows advisor with a fellowship program called a VC Include, VC being venture capital. That program aims to provide first time and emerging fund managers with tools, resources, and information to assist them on their journey, trying to raise capital.

So this is an example of someone who's in that water, treading, trying to get through. Instead of yelling, you need to swim harder. We're at least throwing some lifeboats out there. We're throwing some things that, hopefully, will keep them warm, while at the same time trying to calm the water. The calming the waters part is talking directly to the stakeholders. So that's a part that we play as well is having conversations with what's called limited partners, who invest the

capital in these investment firms, the general partners, about what are some of the things that they can be doing to support these fund managers in their journey.

We know that they can't invest in everyone. We can't expect every investor to invest in every firm that's out there. But I think it's important that they take a look at their portfolios and say, "How many black investment firms have we invested in? How many Hispanic firms have we invested in? How many women-led firms have we invested in?" Then having that conversation is the role. At least the time that I have and the information that I have and the experience that I have, that's the one that I like to be in that position.

I recognize that this effort to create systemic change really is not going to happen overnight, probably not going to happen in one generation. But I'm thinking about my remaining good years, where I have the energy and vigor to go out and speak so candidly about these topics. That if I can help move the needle across a few of these organizations and push them along on that journey to recognize where they may have bias, where they may have had exclusionary practices, and get that to change so that that young kid, who I'm not trying to burden with the systemic issues.

Because I do want them becoming more educated and having knowledge and information, that by the time they are prepared to raise a fund, those waters have been calmed for them. The sharks have been moved away. The hurricane is not there. Hopefully, they'll have a higher probability of success and not just a possibility of success.

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**FT:** So grateful to have you on the show, Rendel. I so appreciate your perspectives and your commitment to this effort. Be sure to put your links in our show notes. Everybody can catch your TEDx talk. We really appreciate you. Thank you.

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**RS:** I really enjoyed the time. Thank you for doing what you do and bringing this information to those who need it. I look forward to try and listen to all 1,400 of your podcast.

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**FT:** I dare you. Okay. Thank you so much.

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**RS:** You got it. Bye-bye.

[END OF INTERVIEW]

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**FT:** Thanks to Rendel for joining us. I'll have all the links in our show notes, where you can watch his TED Talk, visit his website. I'll see you here on Friday for Ask Farnoosh. Thanks for tuning in, and I hope your day is So Money.

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