

CRAIN'S NEW YORK BUSINESS

You may not reproduce, display on a website, distribute, sell or republish this article or data, or the information contained therein, without prior written consent. This printout and/or PDF is for personal usage only and not for any promotional usage. © Crain Communications Inc.

March 19, 2019 12:00 AM

The head of this nonprofit improves people's earnings to \$40K from \$12K a year

Judith Messina

Buck Ennis

PLINIO AYALA

WHO HE IS: President and CEO, Per Scholas

2019 BUDGET: \$21 million

LOCATIONS: New York; Newark, N.J.; Atlanta; Boston; Cincinnati; Columbus, Ohio; Dallas; D.C. region

GREW UP: South Bronx

RESIDES: Highland Mills, NY

EDUCATION: Bachelor's in American studies, Wesleyan University; certificate in nonprofit management, Columbia University

A BRONX TALE: During the turbulent "Bronx is burning" era, an English teacher saw Ayala's potential. Through the Better Chance Program, Ayala attended the Collegiate School in Manhattan on a scholarship.

LEFT BEHIND: "I had a lot of friends just as smart as me—if not smarter than I was—who didn't get the chance that I got and unfortunately landed in jail or died. I wanted to do something to change that narrative."

Per Scholas provides free technology training to unemployed and underemployed adults, places them in jobs and helps them start IT careers. From 16 students in 1998, when Plinio Ayala joined as vice president and chief operating officer, it presently trains 2,400 people in eight cities. Now president and CEO, Ayala has launched a capital campaign to expand capacity and grow the nonprofit's employer-financed, customized training.

Tell us about your participants.

Their average age is 32. About 35% are between 18 and 25, 30% are women, and 85% to 90% are people of color. Their income is below the federal poverty level for the most part. They can find work, but they have a tough time establishing careers. We serve as the last mile, training people in something that is relevant and that allows them to move into career pathways.

You said you are seeing more people with some college taking advantage of your programs. Why?

It used to be that, 10 or 20 years ago, if you graduated from college, you had an implied promise that you would get a good job. That's not true anymore. We either have to transform higher education to make it much more nimble and responsive to industry or find successful intermediaries, like Per Scholas, that can provide training to move a person into a successful career.

You are funded through donors and the government, but you also have earned revenue. How?

We work with employers who contribute to the cost of training. Our success is driven by our ability to develop partnerships with the corporate sector. Our expansion reflects our ability to create new training tracks that are driven by local demand. They can be different in different cities. The idea is to build talent needed in a locality.

What can you tell us about your success rates?

On average, people are earning less than \$12,000 a year when they come to Per Scholas and end up earning \$40,000 a year and have pretty significant salary increases over time. There are also significant savings for the system. People are less dependent on food stamps and unemployment insurance. They are no longer dependent on the safety net. At the end of the day, investment in Per Scholas has a significant return for individuals, the community and the country.

You've just announced the launch of a \$31 million capital campaign. How will you spend the money?

We've been very thoughtful about growth, making sure we didn't compromise quality and the future of the organization. We are really ready to scale, and expanding [employer] partnerships is a key part of the plan. We need seed capital to drive our customized training model. By 2023, we will get to 4,000 students a year, at the very least, across all our markets, and in the first year, they probably will earn about half a billion dollars in wages.

What else is on your agenda?

Through our work, we have been demystifying the notion that you need a four-year degree. Being able to work more meaningfully with postsecondary institutions, recognizing that it can be collaborative and that we're not competing with them, can create some meaningful advantages for folks from community colleges. Everybody benefits.

Inline Play

Source URL: <https://www.crainsnewyork.com/asked-answered/head-nonprofit-improves-peoples-earnings-40k-12k-year>

