



Building an entrepreneurial culture with John Hope Bryant

Access the podcast at:

<https://doi.org/10.1787/5ac62ff2-en>

Please cite this podcast as:

OECD (2018), "Building an entrepreneurial culture with John Hope Bryant", *OECD Podcasts*, Duration: 14:33, OECD Publishing, Paris, <https://doi.org/10.1787/5ac62ff2-en>.

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Duration: 14:33

Date: 31 December 2018

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Intro: Welcome to OECD Podcasts, where policy meets people.

Kate Lancaster [00:00:20] Entrepreneurs play a vital role in our economies and societies. They launch new ideas, they create jobs, they promote economic development.

And now more than ever, they also contribute to social change, helping to foster sustainable growth and social inclusion. In many ways, entrepreneurship itself is also becoming more inclusive with technology and online marketplaces making it easier to start a business. But is entrepreneurship truly open to everyone and does it really function as a social elevator?

I'm Kate Lancaster. To discuss these issues and more, I'm speaking today with John Hope Bryant. An American entrepreneur, author, and philanthropist, he's the founder of Operation HOPE and a champion for financial inclusion, economic empowerment, and financial dignity. Welcome, John, and thank you for joining us.

John Hope Bryant [00:00:56] Thank you for having me. And for the purpose of this conversation on entrepreneurship, it should be noted that I founded 40 organizations, most of which under my philanthropy, Operation HOPE. But also there's Bryant Group Ventures, which also controls the largest for profit, minority-controlled owner of single family rental real estate in America. It's called The Promise Homes Company, which I think is an example of the social elevator and the wealth creator from nothing that you spoke of, as well as Operation HOPE is the educator for the masses in the free enterprise system.

Kate Lancaster [00:01:32] So 40 enterprises?

John Hope Bryant [00:01:34] Yep.

Kate Lancaster [00:01:34] So as an entrepreneur, how did you get there? Who inspired you? Who set you on this path for what you're talking about?

John Hope Bryant [00:01:40] Well, I think there's three pieces. And everything I'm saying, by the way, can be tracked back to how our country operates, by the way. My mother told me she loved me every day of my life. So I never had a self-esteem problem.

John Hope Bryant [00:01:55] So is your country as a policy and a practice encouraging people, inspiring people, educating people, basically telling them that they can do anything? My dad owned his own business so I modelled what I saw. As a country, does your country have a sense that business is a force for good, that free enterprise and entrepreneurship is a force for good, that you can start something small and build something big, and that the government's going to be sort of your partner as you grow and make it larger? Or does the government see business as the antithesis, as an enemy of the state?

John Hope Bryant [00:02:34] And then, when I was nine years old, I was taught financial literacy in a home economics class--which, by the way, doesn't exist anymore--by a volunteer banker who came in the classroom to teach it because of the Community Reinvestment Act law in the US required bankers and banks to give back. Does your country have a policy for banks that benefit from social good and are quasi-public institutions to give back into under-served neighbourhoods and to do things like teaching financial literacy? Does your school system teach financial literacy K through college, kindergarten through college? The answer is probably not, by the way.

John Hope Bryant [00:03:12] This banker came in my classroom and taught financial literacy. And I raised my hand the second day he was in the classroom. I felt comfortable asking him a blunt question. This guy was white in a black neighbourhood, wearing a really beautiful suit. He was like a Martian in my neighbourhood.

John Hope Bryant [00:03:30] And I said, sir, what do you do for a living and how did you get rich legally? And I was serious. And he said, young man, I'm a banker and I finance entrepreneurs. I said, I

don't know what an entrepreneur is--it's a French word, by the way--I don't know what an entrepreneur is, but if you're financing them and it's legal, that's what I want to be. And that's literally why I'm sitting here today.

John Hope Bryant [00:03:54] Everything's a culture. Culture is not the most important thing in government, or the most important thing in business, or the most important thing in your family. It's the only thing. Everything has a culture. It's like you've got to consider yourself as a sports team and everybody has to have the same playbook.

Kate Lancaster [00:05:12] So that playbook for entrepreneurship is then it's shaped by all these factors you described. It's the culture of your family-- which, every family is different too.

John Hope Bryant [00:05:19] Yeah.

Kate Lancaster [00:05:20] You're different than your neighbours, different than the family two towns over. So the culture of your family, the culture of your school, the culture of your community, the culture of your country, as you say--so that's fascinating that that's all come together. But when it doesn't work-- and you've talked a lot about this in your work, that in many places, there is a real lack of financial literacy, and that this is a big factor in poverty being transmitted--

John Hope Bryant [00:05:41] It's huge.

Kate Lancaster [00:05:42] across generations.

John Hope Bryant [00:05:43] Generational poverty.

Kate Lancaster [00:05:44] Cross-generational poverty in so many different kinds of under-served or underprivileged communities. How are you doing work to change this? Tell us about Operation Hope and what you're doing to improve access to economic opportunities and to build financial know-how.

John Hope Bryant [00:06:00] So let me, first of all, tell you what I'm not doing.

John Hope Bryant [00:06:02] I'm not going to be able to change the world by myself, nor am I naive to think I can do that. But I can inspire change.

John Hope Bryant [00:06:45.22] you can do big things with a small platform if you have the right idea and you know how to leverage it. And then pivoting to Operation HOPE, which has 150 Starbucks-like operations on the ground. We call ourselves the Starbucks of financial literacy.

Kate Lancaster [00:07:56] So what do you mean by Starbucks-like?

John Hope Bryant [00:07:57] Meaning that it's accessible at the ground level, at the retail level. You have to go to an office tower. You need to go to a government building. There's not one every 5,000 miles or something.

John Hope Bryant [00:08:09] It's 150 locations that serve 2000 cities in their proximity that are places where you shop, flock, and stop. So they're inside of bank branches. They're inside of government offices. They're inside of houses of faith. They're increasingly inside of employers.

John Hope Bryant [00:08:27] We just cut a deal with UPS, the United Parcel Service. So we're inside of their global headquarters. We cut a deal that's called HOPE Inside the Workplace. We cut a deal with Delta Airlines. We're inside of their headquarters and their call centres.

Kate Lancaster [00:08:37] So what are you doing inside the workplaces?

John Hope Bryant [00:08:38] Financial well-being services, financial coaching. The new stress is financial.

Kate Lancaster [00:08:42] For the people that work there?

John Hope Bryant [00:08:43] Mm-hmm. Because the workers have too much month at the end of their money. Because these middle class workers, like middle class workers here in France, are one pay check away from poverty.

John Hope Bryant [00:08:55] The riots that were here in France six months ago, those weren't poor people anymore. The riots 10 years ago were poor people. These were working middle-class people who are fed up with feeling invisible. So this problem's global. So is the answer.

John Hope Bryant [00:09:11] If I have one frustration, it's that I'm not moving fast enough. But we will have 1,000 HOPE Inside locations in America committed by the end of next year and operational by 2025. We've got to get them all staged into the workplace and the community.

John Hope Bryant [00:09:29] But with 1,000 locations across America, we can have systemic transformational change. And we have outcomes so it's not just good intentions. We coach with the outcome of becoming an entrepreneur like the guy who made the suit I'm wearing today-- DROBE Clothing, a young entrepreneur with a dream who is now doing a million dollars plus a year in revenue.

Kate Lancaster [00:09:52] Well, tell me his story, for example. Tell me a story of someone who walks into one of your centres and where they can go from there.

John Hope Bryant [00:09:58] So I'll tell you two stories--

Kate Lancaster [00:09:59] Great.

John Hope Bryant [00:09:59] --which are relevant-- actually, two stories and one interesting fact. Let me tell you the fact first. In America, we use credit scores. A 700 credit score, it's sort of the top of the mark, if you will. Most neighbourhoods that you and I are concerned with, though--let's call it the suburbs of France. There's a visual here--these are 500 credit score neighbourhoods, 300 to 500 credit score. And what we found is that's where all of the drugs are, that's where all the crime is, the homicides, the lack of employment, the lack of GDP, the lack of small business and entrepreneurship creation. That's where the depression is.

So if everybody in your neighbourhood is financially illiterate, it shouldn't surprise you that there's a check-casher, and a payday loan lender, and a rent-to-own store, and a title lender, and a liquor store all preying on a 50 square block area that's concentrated with people who are really nice people. But they never got the memo on money and they're prime targets to be preyed upon.

John Hope Bryant [00:11:46] Now, those people are going to feel hopeless, depressed, stressed out. They're going to feel invisible. They probably aren't going to be starting legitimate businesses. And our goal is to move credit scores 100 points. That's our goal in every neighbourhood. And so it's not about where there's a black neighbourhood, or a brown neighbourhood, or a white neighbourhood, or what political party they are in.

John Hope Bryant [00:12:40.91] No, it's a number. And it's a math number. And by the way, you as an individual control it, which means that the power is back inside of you. That's what makes it so powerful.

John Hope Bryant [00:12:50.11] So two examples of that--lady walks in who is trying to become a homeowner to a bank. The bank will turn her down. She has a horrible--we'll call it credit score--really a credit acceptance rate. The banker won't tell her why for fear being sued. They just say no. We're sitting 10 feet from the banker. We don't work for the bank. My employees work for me.

John Hope Bryant [00:13:15] And we're like, can we talk to Mrs. Jones? Sure. Mrs. Jones, can I look at your credit report? Sure. What's that? I don't know what that is. Fantastic. That's called an error, OK? And can we challenge that error for you?

John Hope Bryant [00:13:28] Now in the US, what happens with these credit bureaus is if you can challenge the error within 30 days, the credit bureau must respond. And if they cannot confirm by law

that it's yours, they must remove it, which pops your credit score 40 points. So if you had a 580 credit score and now you have a 620 credit score, what happens to your self-esteem-- see-- your confidence, your trust in the system, your believe in yourself? So we do that basically in different ways to get the credit score up, which gets the confidence up, which gets the self-esteem up, which gets your education up, your belief in yourself up.

John Hope Bryant [00:14:03] All of a sudden, now you're believing you can do things you can't do and you literally can do things you can't do. Because now we can get you approved for that prime loan to become a homeowner that you were denied before. And then all the lights come on.

John Hope Bryant [00:14:17] The business example, that is the guy who made the suit. Ryan Taylor started the company called DROBE Clothing. But he originally thought he was going to become a fashion designer in Manhattan. I told Ryan Taylor who is African-American, you're not getting hired. We were in Los Angeles at the time. So what is that? 3,000 miles from New York. And I said, you're not going to be hired by a fashion designer. It's not a racism. It's not discrimination, per se. They don't know you. There's no relationship capital. They're going to hire as an intern their sister's brother's son who's probably not that smart, but he's part of the family, and he knows everybody, and he's been bugging the boss for a job. Yeah, OK. Come on over here. Sit down over here. Don't screw up.

John Hope Bryant [00:15:17] Two years later, that's the person who gets the job. I was doing a TV interview two weeks ago at CNN and I asked the producer, a young Caucasian girl, raised in a beautiful middle class family, how did you get this job? I was an intern. How'd you get the internship? Well, my father knew the producer.

John Hope Bryant [00:15:33] OK, so you did a good job with the internship and then what happened? Well, then somebody went on to another position. I got the assistant producer job. And then everybody else got promoted.

John Hope Bryant [00:15:44] And then she became producer. So it wasn't some elegant answer. It was just, she was in the right place at the right time.

Kate Lancaster [00:15:49] She had the opportunity.

John Hope Bryant [00:15:50] She had the opportunity. So what we did with this guy, Ryan Taylor, was we created the opportunity for him. All right, you can't get a job. Create one.

John Hope Bryant [00:15:58] So you can't go work for the clothing designer. Let's become the clothing designer. The short answer is we gave him a small business class, got his credit score up, got him approved for a loan \$35,000. He's now doing \$1.6 million a year in revenue. This is his 10th year in business--six full-time employees, raising his children, paying his taxes.

John Hope Bryant [00:16:15] What if the suburbs of France had a guy like Ryan Taylor every block? What if Jordan in the Middle East, or Iraq, or Iran--what if these places had entrepreneurs every block that represented a story like that? I guarantee you crime would go down, and terrorism would go down, and hope would go up, and stability would begin to prevail. This ain't rocket science. Everybody wants the aspiration of success.

Kate Lancaster [00:16:40] I want to come back to what you said about internships. Because you're saying, create the job you want. And some people get their jobs through contacts, through internships, through having the opportunity kind of handed to them, really--let's be honest. How can we address that opportunity gap that other people have?

John Hope Bryant [00:16:56] It's a great question and--

Kate Lancaster [00:16:57] And does business have a role to play in that, is my other question.

John Hope Bryant [00:16:59] It is the perfect question at OECD. Well, business and public policy. So if I was in front of all your ministers at OECD and I was going to address all of the ministers for all of your OECD countries, I'd tell them to do four things. Actually, let me just be bold and say five things.

John Hope Bryant [00:17:21] One, I would have financial literacy for every kid, K through college. Two, I would make sure that every kid in 10th grade got a computer class because 40% of all jobs in 20 years are going to go poof because of digitization, computers, and robotics, and AI. Three, I would have the government create a massive tax benefit for the wealthy and corporations for venture capital in under-served neighbourhoods.

Kate Lancaster [00:17:58] So you want to spike capital availability in under-served neighbourhoods to find the little John Hope Bryants running around to make sure they don't become drug dealers. And they start becoming hope dealers. So I'd give massive capital access.

John Hope Bryant [00:18:31] The fifth thing I do would be to create a massive tax scheme for those who create apprenticeships. So if you have a job with a dead-end skill, let's retrain you and get you in an apprentice situation, where now you're being retrained for those skills for the future of jobs.

Kate Lancaster [00:19:20] So apprenticeships for anyone, not just young people?

John Hope Bryant [00:19:22] Correct. The internships were for young people. The apprenticeships are for people, frankly, in your and my age range who are just too young to retire or can't afford to retire and need to reset their life. I'd add a bonus policy to that, which is on the front end, I'd give everybody an electronic bank account at birth.

Kate Lancaster [00:19:44] That's it. And that would fundamentally change the landscape of most countries within 10 to 15 years.

Kate Lancaster [00:20:20] Well, thank you so much for taking the time to talk with us today and to share this vision not just of what you do with Operation HOPE, but you've just solved the future of work for us. So thank you very much. It's really been a pleasure to talk to you.

John Hope Bryant [00:20:32] My pleasure. Thanks for having me.

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