

Inspiring Women

Episode 57: Julie Castro Abrams

Laurie McGraw:

Welcome to Inspiring Women with Laurie McGraw. I am your host, Laurie McGraw.

I have spent the past 30 years in leadership, and over the years, I've come to learn one thing. Women need women and not just any women, but inspiring women. Tune in every week to hear from women at the pinnacle of their careers and from others who are just starting out.

Episodes can be found at inspiringwomen.show or subscribe on your favorite podcast app. Thanks for listening and I hope you will be inspired.

Welcome to this episode of Inspiring Women. And I am so pleased that today we're speaking with Julie Castro Abrams.

Now Julie describes herself as a social justice warrior. She is the creator and founder of How Women Invest. She created and is the CEO and chair of How Women Lead. She's also created organizations like How Women Give. She has, over many years, contributed to advancing justice and the advancement of women through organizations like The Women's Funding Network. She's an advisor to many organizations, including [Lynn Donata 00:01:22], who, which is a crowdfunding platform in the social sector. Her commitment to justice and community are very well known through many of her endeavors over years. She serves as a leader on boards of organizations that focus on women and children, Latinos, economic development, and the arts. Julie herself is a philanthropist. She has won numerous awards. She comes from education at the university of Chicago in Northwestern and Julie, I am so pleased to be speaking with you today.

Julie Castro Abrams:

Oh, what a treat to be here, it sounds like you're talking about somebody else. What a gift to be here. Thank you.

Laurie McGraw:

No, it is great to be speaking with you and I actually was introduced to you because I spoke with a CEO of a company, How Women Invest, you actured the fund that you raised, actually helped to support her company. But Julie, as I get start, I've described you as a social justice warrior, you've talked about that for yourself. Just why don't we get started with, what do you today? Like what does your day to day look like in terms of all the different organizations that you're involved with?

Julie Castro Abrams:

Well, they're all interconnected, let's start with that. My whole goal right now is to use the leverage of the power influence and frankly, wealth that women have. We sort of met this moment in time where we are positioned in higher levels of influence, corporations, government,

et cetera. So leverage that to actually get to some level of equity, because the bias that has held us back previously is not fixed. There are cultural problems. And when you look at things like in only 4%... I can't remember the number today, but let's say 4% of all-

Laurie McGraw:

They're terrible. The numbers are terrible.

Julie Castro Abrams:

Yeah, they're pretty bad. Yeah [inaudible 00:03:07] 500 companies are CEOs. And up until we started really work... And I'm not taking all the credit, a lot of leaders started working in the board space. It was less than 15% of corporate directors were women. So, really working on these numbers that are so... They're just outrageous and they're bad for everybody. Nobody wins when you don't have good governance, when you don't have diversity of leadership.

Laurie McGraw:

Julie, when you talk about yourself as a social justice warrior, let's just unpack that a little bit. So, first of all, where did that come from and how have you been able to maintain that level of energy because the obstacles that you're talking about are fairly significant and they do require energy and commitment to drive change. And particularly in the area of women's advancement and empowerment. I mean the emotion to the commitment, I feel it but yet I know the progress is slow. So where did this come from for you? And you've been doing it for over 20 years.

Julie Castro Abrams:

Yeah, maybe more than 30 actually, I'm afraid. You know what? I actually grew up in a Catholic family and honestly... And I went to Catholic schools, I actually believed it. If you really look at so and it... Most religions, there's a foundation of values formation for me. Which is you be a good Samaritan, all the things that we learned right in Sunday school, that really formed who I am. And I was so frustrated of course, as I got older and realized other people didn't behave that way, they were hypocrites if you will. People talked about being good Catholics, but all that meant is that they showed up to Sunday mass with fancy clothes on. And to me that was awful.

And so that was my foundation. I went to my undergrad at Northwestern, was in human development social policy and I really got my justice lens on there. Took all kinds of courses around racial justice. But also as [inaudible 00:05:08] was looking at, how do you solve the problems related to poverty? You can't ignore issues around just race justice. And if you look at why is there housing inequity? Why are all these things... It goes right back to redlining. And so for me, one of the things I want to be able to do is use my power and influence, and I'm white, my name sounds Latino, people think I am, but I just married a Mexican. But I feel like I have so much power and privilege and I know it.

And my intent in life is to use my power and privilege to change inequity. And it affects white women, but it also affects people of color much more so as well. So my goal is to really be transparent and authentic and address all these different areas that affect everybody's opportunity for advancement. Because if all of us advance, you get rid of these different barriers for economic opportunity, the whole economy grows and we're all financially better off. I'm a true believer that we've created an unsustainable economy by having such huge bifurcation between the uberwealthy and the people who have nothing. And it's completely unnecessary.

Laurie McGraw:

Well, Julie, let's just go... First of all, I'm glad that you mentioned the awareness that you have of power and privilege as a white woman. So knowing that just in the lens of women empowerment and there's a lot of room to grow and advance for women, you still have a level of power and privilege yourself. But you move your organization, your social justice work to the top by both investment funds, as well as leadership as the place to start in some of the organizations like How Women Lead, that you created. So how did you make that pivot? Why did you go to where you've brought your organizations? Why did you start there? What was the important aha moment that said I have to start at the top if you will?

Julie Castro Abrams:

Yeah. That's a great question. Well, part of it was, I had worked at the, I don't want to say bottom, but I had worked at the grassroots level for many years. So for 11 years I ran a micro enterprise, microfinance organization. We had a CDFI, we were basically helping low income women start their own companies and then doing microfinance for them in the U.S. and that was super hard. And one of the things I really felt like... In my 40s is I was like, I want to do work differently. And there I saw this opportunity with all these women I knew who were really moving into a lot of power and privilege and wealth. And they all were doing very diffuse things. But I thought, you know what, if we all get together and work on addressing issues about getting women on boards or addressing issues of getting women founders, that we could change the market, and we are.

We've literally got a science around, working at a multilevel strategy is the most effective. So we work on regulatory and legislation, and then we work on movement building, which is making sure... 10 years ago, people literally thought there were not qualified women to serve on corporate boards. It was very common for people to have this mantra that, well, you can't just have the secretary serve on the board, like as if that was the only person who would be [inaudible 00:08:22] anywhere qualified. We've changed that mantra, that is now old information. So movement building, and then we train women on how to, so that there's plenty of women that are well qualified, ready to go. And then we do placements. We actually put women on corporate boards. So by working across the whole spectrum, you have more influence because you have market intelligence of every level.

And so any roadblocks you could break down in your other activities. So we take that scientific approach to working across issues in all the different work that we do. So, in How Women Invest for example, again, sort of working on, we want 10,000 women to start investing in venture. We want women to know there's a place for them, that they can play in this arena that I think a lot of us think somehow it's very mysterious and it's over there.

We're working legislative regulatory, we want to movement build, make sure everybody knows that they can, they're invited, the face of venture is women and women of color. And then train women and give them exposure to different opportunities in that space of angel and venture investing. We've got classes, we have experiential opportunities and then we have a venture fund ourselves, where you can and invest directly in one of our funds that allows you to then really influence the market. So-

Laurie McGraw:

Well let me go into some of those different pockets and we'll stay with women in the board room and... Just to talk about some of the numbers. Healthcare is my particular area, but in the area of healthcare alone, we have 80% of healthcare decisions being made by women, 70% of the workforce generally, in aggregate is women in healthcare. But in terms of venture funding that's going to healthcare led companies, only 2.3% is going to women led or women founded companies. So completely upside down.

Now, if we go into the different areas that you talked about, movement building, regulation changing, and then qualifications, women in particular, feeling qualified to have those seats at the table and having the opportunities to have those seats at the table. Maybe let's start with the movements.

So in how women lead, I understand you create these communities specific to, not all women are the same. How do you create movements and micro communities for women to feel capable and have others, who like them are trying to move in a certain direction?

Julie Castro Abrams:

Yeah, that's a fantastic question. So people will generally start with us and go through our board readiness training and that's a generalist frame. But they will have 15 different corporate directors speak and they learn everything you need to know to get ready to just... How to network, value proposition, the legal risks, et cetera. How to protect yourself. And then we actually connect people in what... The goal is to demystify the process and make it really relatable.

So like you said, creating micro communities and we call them affinities. And so we'll have affinity groups based on your career track. So a lot of women who are in the HR, chief human resource officers, think that no CHROs ever get on boards. Well, that's not true. So what we do is we connect women who want to go on boards that have that background, with women who are already on boards that have their background. And they can say, this is how I leveraged that expertise.

Here's how I made sure I augmented it. Here are the different trends and why people need CHROs on boards these days. So we literally do it by your career track, for general councils and CFOs and CTOs. But then we also do based on some industries. So healthcare is one of them. We know that the leadership in healthcare is primarily male. I think my friend, Toni Brayer became the CEO of Sutter Health a couple years ago. And she said that only 4% of all healthcare systems were run by women at that time. Like it was a big deal that she had that role.

How do you actually then get on healthcare boards if there's not a lot of women moving into the C-suite. And so we demystified and then we also do it around race and other identities. So black, Latino, Asian, middle Eastern, LGBTQ+ folks. So really trying to just give people a safe place, just to address any of those stories that we were hanging onto about why it's hard for me, particularly.

Laurie McGraw:

Having the communities and that gives others confidence. So I think those are terrific, but as you also said, that alone is not enough. So maybe let's talk about some of the regulatory and structural things that are changing and how you have a hand in that. So we certainly know that California has made some absolute rules in terms of companies that are there, that if they're

public companies they need to have directors who are women or people of color. We know that NASDAQ is making big moves in terms of their CEO Adena Friedman, who is the first stock exchange to start to require directors to be, not just all men to be listed on the stock exchange. So, first of all, how did those things come about? Who's following suit? What else needs to happen there?

Julie Castro Abrams:

So Senator Hannah-Beth Jackson in California, she actually has termed off, but was responsible for a lot of really important legislation for women, including equal pay, et cetera. She partnered with NAWBO in LA, actually the National Association of Women Business Owners, to initially draft the led Senate bill 26 that passed in California. And then a lot of us kind of got on board and got letters, et cetera, to really push that legislation through. So it was really her vision and leadership that made that happen. It is now being replicated in six other states. And this is the one requiring you have... Depending on the size of your board, two to three board members that are women. But following suits, think just like a year later is AB 979, which requires public companies to have people of color and LGBTQ representation on their board.

So California... And I don't know that other states have replicated that legislation yet, but California clearly has been leading. And this is the thing, recalls happen three times faster when you have diversity on your board. It's life and death. This is not just... It is dangerous, not just for shareholders, but for anybody interfacing with a company to have groupthink, to have one type of person on a board. It's so unacceptable in this day and age. You mentioned a couple different actors, including NASDAQ, which has been a fantastic move this year, but the first ones to the party were really the asset management firms. And they're not known as being progressive at all. What they did is they looked at the data to see that it was dangerous for their investments to have groupthink on boards. And so you saw BlackRock and State Street and CalPERS and CalSTRS, they were the first ones requiring diversity.

And if you track the annual letters that come out from the chairman or the CEO of those firms, you actually can tell the trends. So in the last couple years, you will see that we've had statement come out about requiring cybersecurity expertise on a board. So all of a sudden these chief technology officers, these cybersecurity experts were super hot commodity for board roles. Because if you don't have that person on the board, they required you have a very extensive plan.

So moves like that, or State Street came out you year and a half ago, say with a letter saying culture trump's physical assets in corporate value. And as much as sometimes it's as much as 94% of corporate value. So if it's that important, it is therefore imperative that a board has experts in how you build and evaluate and maintain positive cultures on board.

So you don't have other... I think a lot of people talk about Travis Kalanick and Uber as a good example of a board not being on top of their CEO and culture behavior. We also see things like, there was a shareholder lawsuit against Tesla because Elon Musk was making outrageous pay and they felt like it was not good for the shareholder value. So more and more... There's more transparency, there's more activism. A lot of it is driven by the asset management firms and some legislation, but also just community activism and leadership is more and more moving the needle on what corporate boards are supposed to... How they have to function and focus.

Laurie McGraw:

Okay. So you're talking about, at the board level, diversity of the board really reducing risk, which is something that boards really do want to do for organizations. There's also data about higher performance, financial performance for companies with greater diversity in the board. And so even with these regulations though, we also know just through some recent research that we still have about 40 years to go, a long time before we start to see board parity.

So maybe let's move this to the third part of what you're talking about in terms of things that you work on in *How Women Invest* and *How Women Lead*, which is getting the skills for the women to go after those board positions to put their hat in the ring. And we also know that women need a high degree of fit before they're willing to apply for something. So how do women build their skills? How do more women get into those positions where they can be either pursuing or getting onto boards? What do you do there?

Julie Castro Abrams:

We help people with their confidence, self-efficacy, we get them going fast, we connect them to board opportunities. You have to be qualified as a potential board director before you even get to us. And so to me, it's about women moving up the career ladder inside of companies getting P & L responsibility. And just earlier on in your career, mapping it out so you know you're getting the right kind of experiences. So when it's your turn, you're ready to go. Our work just helps women... And a lot of people will say, well, men don't go to classes like the board readiness session that you guys offer. And it's like, that's true. Women always frankly, really care about doing a great job, so they're always seeking education and training ahead of time. And that's generally why women frankly do a better job and are known as being much more disciplined and careful board directors.

So it takes all kinds, nothing wrong with being man obviously, but women at this stage, we all... Because the bar is so high for us, we prepare much more. The other thing I would say though is, the vast majority of the board seats are private company board seats, you can't legislate those. We've been talking about public company legislation, et cetera. That's hundreds of boards or rather a couple thousand. But in terms of private companies, you've got hundreds of thousands of private companies and who gets those first board seats, the venture capitalists, take those first board seats in any of those companies that are high growth companies. So women have got to start playing in venture. And when I say that, I mean as investors as well as professional people working in that space. 2% of all venture dollars go to women founders.

Let's just let that sit in, 2%, there's something very broken and very wrong when that is the case. And so we created a venture firm to focus specifically on addressing that issue. And we take a board seat in every company that we invest in. So our intention is to create a pathway and... The first board seat I ever got, I invested \$25,000 in the company and I asked them for a board seat. It was very early days, they said, yes, they said, you may get kicked off when the real venture capitalists come in, I was like, that's fine. And so far they haven't kicked me off. So that's a space for all of us to start playing.

Laurie McGraw:

So in terms of doing that, Julie, as you think about that, for the hundreds of thousands of private companies where the board seats are not necessarily known, largely held by men, not nearly enough women founders and CEOs. For the women who should be exploring it, when should people start thinking about that again, women on a career trajectory, what advice do you give of

people? Because you're clearly an advocate and you've got the tools and programs to help people build the skills, but when should they start thinking about it?

Julie Castro Abrams:

You can start thinking about it very early on. There is no reason not to start thinking about it. I have a 28 year old daughter and I'm already talking to her about it. She needs to start going on nonprofit boards by the time she's 28, that's how you start to learn how to govern. It's not a qualifier, but it is great training ground. It's also how you build your networks and 85% of all board seats are word of mouth network engagements, very few use professionals [inaudible 00:21:47]. So building your networks early, building your experience as a governor, it's very hard to shift from being an operator to a governor.

Let me tell you, I was the terrible board member, very intrusive, in the early days before I really learned what it meant to govern because I was an operator, I am. And I would be like, oh, well let's just give it to me and I'll take care of it. But now that's not your job, you're on the board. So all those kinds of things just scaffold throughout your life. The other thing is certainly the leadership roles that you have. I know a number of women who are moving up, let's say in diversity and inclusion and corporations. You got to make sure at some point you compliment that with profit and loss responsibility. Those are the kinds of things you want to be thinking about as you scaffold your career.

Laurie McGraw:

That is terrific. Julie, I could just go on and on. I really appreciated the depth perspective on boards and women who might be wanting to pursue. And I also love that your advice is, start early because there's a lot of room to grow in that capacity. As we close out on this inspiring women conversation, any last advice you might give younger listeners, perhaps who are in the earlier stages of their career journeys?

Julie Castro Abrams:

I think a lot of us have this sense that somebody else knows more than we do. Literally I know somebody who's going to start her own company and she's like, oh I better go get an MBA. It's like, you don't need that. And furthermore, it's not this big mystery. You want to start investing in venture, I promise you, it is not that big of a leap to get there depending on what your experience is. So if you feel the sense of, what do we call that imposter syndrome, I really want you to challenge that. My guess, is in most cases you are going to be just as good or better than anybody else who's already in that room. So raise your hand, ask for an opportunity. Let go of that thing, thinking that somebody else knows, or you have to be invited in, raise your hand and ask for a seat at the table.

The other thing is in our... I created a credo in our organization. Our culture isn't great for women or how women are with each other. So I invite women to be fierce advocates for each other. And if you get that inkling to talk about people behind their back or to do that mean girl thing, shut it off. Shut it off when other people do it around you, just really pivot and say, let's be advocates for each other. The other thing is, men are better at making introductions than women are and it hurts us. Women are too protectionist with our contacts. We've got to be opening up our old... As we used to call them Rolodexes and make sure that we give other women access and opportunity. And then finally I just invite you to be unabashedly visible, stand up, be visible.

My daughter watches to see, get cues from you and how you lead. And we need you to be powerful dynamic leaders.

Laurie McGraw:

Well, Julie, I think that is a whole lot of advice that you yourself lead by example. And I appreciate it. I can see why you describe yourself as a social justice warrior. You've got the passion for all of it. So thank you for this inspiring women conversation. We have been speaking with Julie Castro Abrams and Julie, thank you so much.

Julie Castro Abrams:

It's an honor to be with you today.

Laurie McGraw:

This has been an episode of inspiring women with Laurie McGraw, please subscribe, rate, and review. We are produced by Kate Cruz at executive podcast solutions. More episodes can be found on inspiringwomen.show. I am Laurie McGraw and thank you for listening.