



# 2016 ANNUAL REPORT

SHAPING  
A MORE  
INCLUSIVE  
FUTURE  
THROUGH  
TECH

**Five years into pursuing our bold goal, we're just getting started. But we're eager to celebrate how far we've come.**

We're excited to share our successes while tackling the work ahead. With a hardworking team devoted to changing the status quo and support from a community of participants, donors, and companies, Code2040 has grown exponentially over the last year.

Our impact over the past year makes us confident that Code2040's programs, strategies, and messaging are working together to move us closer to our 2040 goal.

**5,000**  
**MEMBERS**

We have more than 5,000 members in our community, and all our programs have expanded.

**880**  
**APPLICANTS**

Our Fellows Program alone had 880 applicants in 2016, and we expect more than 1,000 in 2017.



## LETTER FROM THE FOUNDERS

Reflecting on 2016, we are deeply grateful for our community's dedication to creating access and opportunities for Black and Latinx talent. Over the last year, our community has grown to include more than 5,000 students, donors, entrepreneurs, volunteers, company partners, and change-makers, whose passion and progress serve as powerful reminders as to why we started Code2040 back in 2012.

We started Code2040 as a pilot with just five students. Over the past five years, our learnings have led to the development and growth of three distinct programs, each serving different facets of our community: the Fellows Program, Technical Applicant Prep (TAP), and the Code2040 Residency. Working closely with hundreds of students, entrepreneurs, and companies has given us a front row seat to the increased focus on the hiring, retention, funding, and support of tech talent of color across the industry. We have seen our brilliant alumni leverage their passion for inclusion to pioneer changes at their companies. We've seen companies emerge as exemplars for what it means to embrace a growth mindset and a strong commitment to diversity, equity, and inclusion. And we've seen Black and Latinx entrepreneurs across the U.S. launch and grow their businesses, supporting each other and their communities along the way.

As we look toward the future, technology will drive an increasingly significant portion of our economy as a whole. By creating access and opportunities for Blacks and Latinxs to thrive in technology, we are ensuring Blacks and Latinxs can thrive in our economy. These are the conditions necessary to create racial equity in America. For that reason, we are committed to ensuring Black and Latinx individuals are recognized and valued as powerful innovators and are the leading benefactors to and beneficiaries of the innovation economy.

Thanks to your ongoing support, we are able to bring this vision to a reality!

Code2040 love,



Laura Weidman Powers,  
Co-Founder & CEO



Tristan Walker,  
Co-Founder & Chairman

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## OUR BOLD GOAL

We believe that Blacks and Latinxs are powerful innovators. **Our bold goal** is, by 2040, to be recognized and valued as leading benefactors to and beneficiaries of the innovation economy, with the economic and social capital we need to thrive and build generational wealth.

We believe seeking the contributions of Black and Latinx communities and including us in entrepreneurial and innovative fields strengthens the nation as a whole.

As a result, we envision a nation that is more equitable, innovative, and prosperous by 2040.

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## OUR VISION

In 2040, Blacks and Latinxs will be recognized and valued as powerful architects of technological, economic, and societal progress. We will be visible and prolific in the innovation economy. Our unique contributions will be sought after, and we will have the power to pursue whatever career paths and opportunities we choose. We will see our successes as possible and believable and know that—without a doubt—we are capable. In 2040, Blacks and Latinxs will succeed by being who we are, not by leaving parts of our identities behind.



# THE CHALLENGE

# THE YEAR 2040

will mark the beginning of the decade when people of color are the majority in the United States, with Blacks and Latinxs making up over 40% of the population.

Even so, our communities' economic indicators remain poor, without much sign of improving. If we're going to be a plurality, we must figure out how to empower our communities of color.

Blacks and Latinxs are currently excluded from the innovation economy at alarming rates. Despite computer science degrees being awarded to our communities, hiring practices do not reflect the talent pool. The numbers just don't add up.

## THE TALENT HAS BEEN HERE FOR YEARS.



18%

of computer science Bachelor's degrees are earned by Black and Latinx students.



5%

of technical jobs are held by Blacks and Latinxs.



1%

of venture-backed tech companies have a Black or Latinx founder.

The current lack of support for Black and Latinx talent is contributing to growing economic inequality. Yet the innovation economy is capable of large-scale pivoting and primed for change.

## SALARY DISCREPANCIES:



The median tech worker salary (\$105,690) is more than the median household income of a Black (\$36,898) and a Latinx (\$45,148) family combined.



The median white family's net worth (\$111,146) is 15x higher than that of a Black family (\$7,113) and a Latinx family (\$8,348).

The tech sector's high salaries and low unemployment provide an opportunity for Black and Latinx communities to build generational wealth. As our numbers grow, we will make stronger contributions to the innovation economy, allowing for a degree of self-determination previously unknown in communities of color.

**Black and Latinx communities are some of the most powerful cultural influencers in America. But without access to the digital and technological tools for growing influence, our communities' contributions are often appropriated or erased—further diminishing our economic, social, and political power.**



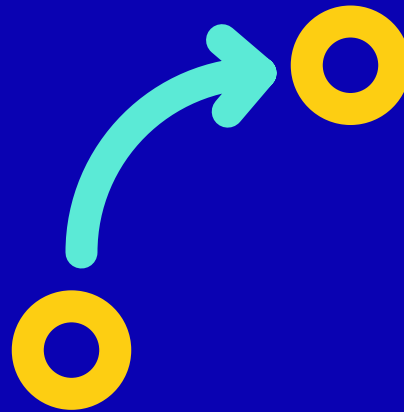
# OUR SOLUTION

Our programs connect top Black and Latinx tech talent with companies, funders, and fellow technologists committed to diversity and inclusion. By creating a supportive and inclusive community, Black and Latinx professionals can help each other launch and advance careers in the innovation economy.

Through the Fellows Program, Technical Applicant Prep (TAP) program, and Residency program, we support Black and Latinx professionals in various stages of their careers to mobilize change in the tech industry.



FELLOWS PROGRAM



TAP PROGRAM



RESIDENCY



# FELLOWS PROGRAM

Our Fellows Program connects high-performing Black and Latinx software engineering students with internships at top tech companies. Through its 10-week curriculum, students receive 1:1 pairing with a technical mentor, leadership training, career coaching, and network development.

In addition to preparing our Fellows for careers in tech, we work with companies to ensure their hiring processes and cultures are equitable and inclusive.

All company partners receive training on a range of topics such as The Business Case for Diversity and How to Have Tough Conversations about Race. The feedback and impact of these trainings was so positive that we are launching a standalone training program in 2017.

Through its work with students and companies, the Fellows program serves as a learning lab, enabling us to identify practices that will change structures and impact the sector at large.

## KEY SUCCESSES

**160+**

Fellows interned at top tech companies such as GitHub and Pandora.

**45%**

average increase in all Fellows' LinkedIn networks.

**92%**

of Fellows would recommend Code2040 to other students.

**82%**

of companies would recommend Code2040 to other companies.

**22%**

drop of imposter syndrome across the cohort.

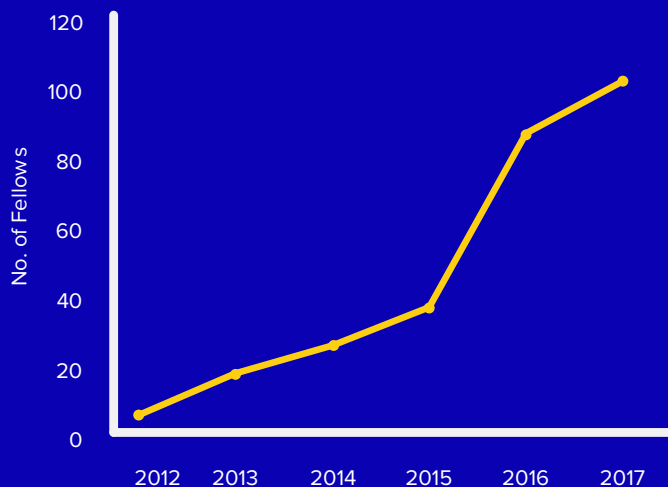
**2x**

Fellows receive a return offer from their host companies at a rate twice as high as the industry average.

**1+3**

Fellows learn one more technical language and three more technical processes, on average, upon finishing the program.

**The Fellows Program more than doubled in 2016 and is expected to grow by more than 60% in 2017.**



## CONNECTING TALENT ACROSS THE COUNTRY

### Universities attended by 2016 Fellows

- American University
- Arizona State University
- Barnard College of Columbia University
- Baruch College, The City University of New York
- Brown University
- California State University Long Beach
- Columbia University
- Dartmouth College
- DePaul University
- Emory University
- Howard University
- Louisiana State University
- Massachusetts Institute of Technology
- Monroe College
- Morehouse College
- New York Institute of Technology
- New York University
- North Carolina A&T State University
- Nova Southeastern University
- Oberlin College
- Pomona College
- Princeton University
- Rutgers University New Brunswick
- San Jose State University
- Spelman College
- Stanford University
- State University of New York Oswego
- Texas A&M University

### Public Universities: 19 Private Universities: 26

- Tufts University
- University of California Berkeley
- University of California Los Angeles
- University of California San Diego
- University of Illinois Urbana-Champaign
- University of Maryland Baltimore County
- University of Miami
- University of Michigan Dearborn
- University of Minnesota Twin Cities
- University of North Carolina Charlotte
- University of Notre Dame
- University of Pittsburgh
- University of Rochester
- University of Southern California
- University of Texas Austin
- University of Texas Dallas
- Vanderbilt University

### Internship placements for 2016 Fellows

- Apple
- BNY Mellon
- Box
- Brigade
- Carbon Five
- CircleCI
- Clover Health
- Code for America
- Earnest
- Foursquare
- GitHub
- Intel
- Intuit
- Juntos Finanzas
- LinkedIn
- Lyft
- Macys.com
- Medium
- MustWin
- NerdWallet
- Panafold
- Pandora
- Presence
- PwC
- Rainforest QA
- Schoolzilla
- Slack
- Stitch Fix
- Watsi

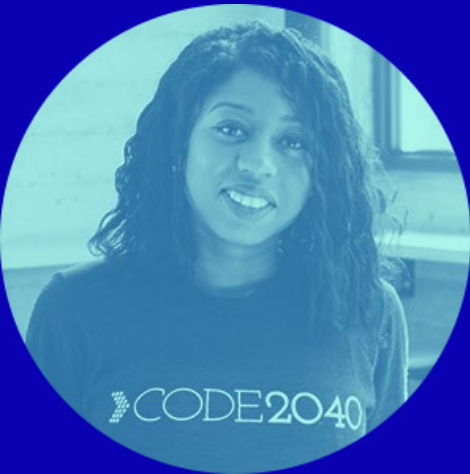
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## PERSONAL STORIES



“Throughout the summer, I would listen to these Fellows, who came from all across the country and from all different racial and socioeconomic backgrounds. I would listen to them tell me about the groundbreaking ideas and incredibly successful apps they have already built and wanted to build—ideas and apps that solve extraordinary problems that they and their communities face, problems that current entrepreneurs in Silicon Valley have not built solutions for because they aren’t even aware these problems exist in the first place. Meeting these Fellows completely changed my outlook on tech.”

**Alona King**  
**2016 Code2040 Fellow**



“As a Code2040 Fellow, I have not only been empowered to thrive in the innovation economy, I am contributing to its very fabric. Through Code2040’s support and mentorship initiatives, I have gained valuable insight, built an incredible network, and found a sense of belonging in Silicon Valley.”

**Angelica Willis**  
**2016 Code2040 Fellow**



“The environment Code2040 provided helped me [to] equip myself with the tools I would need to not only navigate tech, but the entire world as a black man. Though the time was short, the knowledge and connections I gained over that summer will surely last a lifetime.”

**Ocean Evers-Pete**  
**2016 Code2040 Fellow**

# TECHNICAL APPLICANT PREP (TAP) PROGRAM

TAP connects students and young professionals with the resources and knowledge they need to land internships and jobs in tech companies across the country. Focusing on Northern California, Washington, D.C., New York City, and Chicago, we bridge computer science education with software engineering careers by addressing the top four reasons students drop out of the computer science major:



Lack of industry exposure



Lack of tech experience



Social isolation



Lack of mentorship

**By tackling these barriers and increasing persistence rates, we could double the number of Black and Latinx CS graduates to nearly 18,000 per year.**

## PROGRAM HIGHLIGHTS

### Tech Trek

A week-long alternative to spring break, where 50 Black and Latinx computer science majors from around the country head to the Bay Area for eight days of tech company visits, workshops, panels, and networking.

### Project Athena

Launched in 2016 as a prototype community engagement platform, Project Athena was designed to host Code2040's first online community. It's a place where our community can network, learn, teach each other, and experience a sense of belonging. Our hope is to transition workshops into web-accessible formats to expand the program's reach.

## KEY SUCCESSES

In 2016, the TAP Program had:

**4,000+**

Black and Latinx students and early career professionals in the network.

After participating in Tech Trek, there was a:

**62%**

increase in students' belief that they have opportunities to learn about a future career in tech.

**67%**

increase in students' belief that they have a group of peers in CS with whom they can share their struggles.

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## PERSONAL STORIES



“Fast forward one year since Tech Trek, I consider myself a completely different person. I have reached new heights that I never could have imagined myself achieving. [...] Tech Trek marked the turning point of my career and gave me all the necessary motivation to continue. It also inspired me to help others that are in the same position as I was.”

**Andy Rosales**  
**2016 Tech Trek Participant**



“Before Tech Trek, I wasn’t sure if I was taking the right classes or if the path I was taking would work out. After Tech Trek, I gained so much information and I met so many cool people that I could reach out and ask for advice.”

**Jorge Cabrera**  
**2016 Tech Trek Participant**

# CODE2040 RESIDENCY

Powered by Google for Entrepreneurs, the Code2040 Residency program connects Black and Latinx entrepreneurs with the resources to take their companies to the next level. Our Entrepreneurs-in-Residence (EIR) spend a year launching their companies, focusing on sustainability, and remaining connected to their local communities. We're not looking to create unicorns—one will only be seen as an anomaly—we're looking to permanently change

the narrative surrounding Black and Latinx founders.

In addition to working with individual entrepreneurs, we're reshaping the entrepreneurial ecosystem by partnering with local co-working spaces, which we see as hubs of the innovation economy. Through training, mentoring, and diversity and inclusion consultation, we're having a broad impact for all Black and Latinx tech founders in those communities.

## KEY SUCCESSES

In total, our 2016 EIR cohort has:

**\$500K+**

Revenue generated

**\$600K+**

Funding raised

**8+8**

Developed numerous pivotal relationships as a result of the program

**28**

Contracts signed

**33**

Jobs created

**Code2040 partners with co-working spaces across the country, spanning eight cities:**



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## PERSONAL STORIES



“Personally, this Residency has been an awakening for me. I have learned so much about what it means to be a founder of color in Silicon Valley, what the landscape looks like for black women in tech, and what things I feel I can do to change that landscape.”

**Anyia Williams**

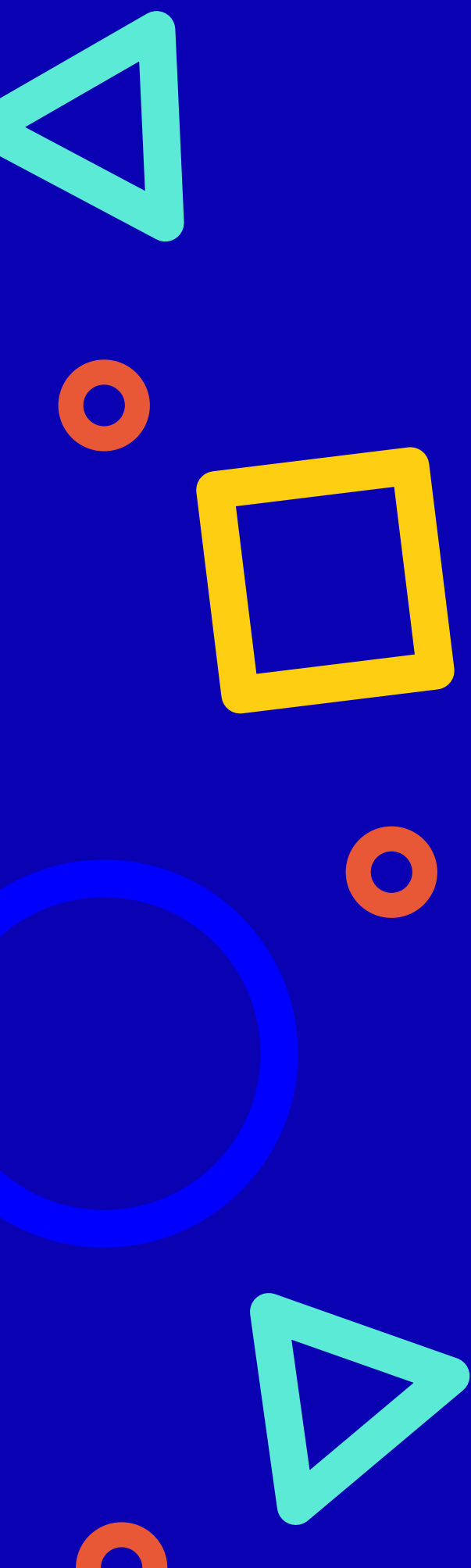
**Founder & CEO of Tinsel, Code2040 Entrepreneur-in-Residence 2016**



“Code2040’s EIR program enabled the EC to gain momentum around our inclusion initiative and garner local support and awareness for the underrepresentation occurring in tech. Through the program, we were able to form stronger relationships with minority entrepreneurs in Nashville and provide opportunities for connection with the resources we offer.”

**Kelli Nowers**

**Community Director,  
Nashville Entrepreneur Center (EC),  
Tech Hub Partner,  
Entrepreneur-in-Residence Program**



## OUR TEAM

We're dedicated to advocating for diversity in the innovation economy through our own internal team, as well.

**68%**

of our staff identify as female.



We represent and accept all sexual orientations.



**31%**

Primarily Latinx, Hispanic

**27.5%**

Primarily Black, African-American

**21%**

Mixed Ethnicity

**14%**

Primarily Asian, Asian-American, Pacific Islander

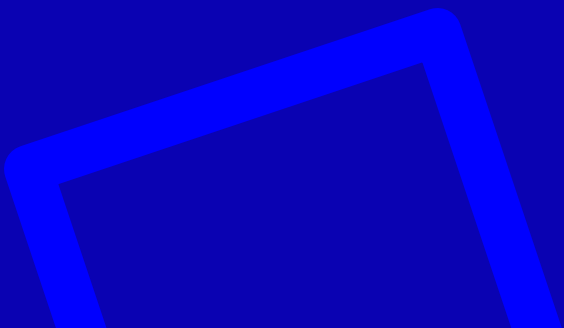
**7%**

Primarily White, Caucasian





# FINANCIALS



# STATEMENT OF FINANCIAL POSITION

**DECEMBER 31, 2016**

## ASSETS

### Assets as of 12/13/16

Cash and cash equivalents	\$3,375,501
Grants receivable	\$893,650
Sponsorships receivable	\$152,000
Other receivables	\$1,606
Prepaid expenses	\$11,659
<b>Total current assets</b>	<b>\$4,434,416</b>

Grants receivable beyond 1 year	\$1,882,646
Security deposits	\$81,622
Properties & equipments	\$65,380
Software	\$157,533

**Total assets** **\$6,621,597**

## LIABILITIES

### Current liabilities

Accounts payable and accrued expenses	\$143,053
Accrued vacation liability	\$88,615
<b>Total current liabilities and total liabilities</b>	<b>\$142,053</b>

### Net assets

Unrestricted	\$2,046,589
Temporarily restricted	\$4,431,956
<b>Total net assets</b>	<b>\$6,478,545</b>

**Total liabilities and net assets** **\$6,621,597**

# STATEMENT OF FINANCIAL POSITION

**DECEMBER 31, 2016**

## SUPPORT AND REVENUE

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
Sponsorships	\$1,234,250	\$132,500	\$1,366,750
Grants	\$901,989	\$557,000	\$1,458,969
Contributions	\$262,730	-	\$262,730
In-kind contributions	\$200	-	\$200
Fundraising events income	\$94,239	-	\$94,239
Fundraising events expenses	-\$3,240	-	-\$3,240
Fundraising events net	\$90,997	-	\$90,997
Other income (losses)	\$22,077	-	\$22,077

### Net assets released from restrictions:

Purpose accomplished or time restriction met	\$2,326,808	-\$2,326,808	-
<b>Total support and revenue</b>	<b>\$4,868,873</b>	<b>-\$1,637,308</b>	<b>\$3,231,565</b>

## EXPENSES

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
Personnel expenses	\$2,224,859	-	\$2,224,859
Contract services	\$361,787	-	\$361,787
Program supplies, stipends	\$406,462	-	\$406,462
Rent, utilities, equipments	\$258,647	-	\$258,647
Travel & conference	\$455,099	-	\$455,099
<b>Total expenses</b>	<b>\$3,708,100</b>	<b>-</b>	<b>\$3,708,100</b>

Change in net assets	\$1,160,773	-\$1,637,308	-\$476,535
Net assets at the beginning of the year	\$895,815	\$6,069,264	\$6,965,079

<b>Net assets at the end of the year</b>	<b>\$2,046,589</b>	<b>\$4,431,956</b>	<b>\$6,478,545</b>
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# DONORS

Our donors drove our success in 2016, enabling us to expand our programs and reach more people than ever before. We are fortunate enough to be surrounded by people who believe in our work.

**To all of our donors:  
Thank you.**

## Foundations

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Knight Foundation  
 Google for Entrepreneurs  
 Anonymous  
 New Profit, Inc.  
 Wellspring Advisors LLC  
 CME Group Foundation  
 Elfenworks Foundation  
 Lookout Foundation  
 Ford Motor Company Fund  
 Benevity Community Impact Fund  
 Craigslist, Inc.  
 Yelp Foundation  
 Linux Foundation

## Corporations

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Intel  
 ESPN  
 Atlassian  
 Andreessen Horowitz  
 Royal Bank of Canada  
 Box  
 Walmart  
 Target

Visa  
 BNY Mellon  
 Always Be Learning, Inc.  
 Sequoia Capital  
 Twitter  
 Wieden+Kennedy  
 Paradigm  
 Yahoo!  
 Airbnb  
 Intuit  
 Google  
 Appirio  
 First Republic Bank  
 John Deere  
 Mapbox  
 New Relic  
 Oracle  
 Slack Technologies  
 The Scenary  
 Zendesk  
 Pluralsight  
 Planet Labs  
 ActBlue  
 Lyft  
 Braintree  
 if(we)  
 Jane Street  
 Lever  
 Pinterest  
 Tilt  
 Electronic Arts, Inc.  
 Salesforce  
 Fenwick & West LLP  
 GitHub  
 Next Play Capital  
 One Kings Lane  
 Tuft & Needle  
 Brigade Media

## Individuals (\$500+)

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Sara and Evan Williams  
 Ben and Felicia Horowitz  
 Andrew Bosworth  
 Sarah Peter  
 Justin Bedecarre  
 Jeff Clavier  
 Tristan Walker  
 Susan Colby  
 Jeremy Wood  
 Kathryn Burns  
 Charlie Stigler  
 Aston Motes  
 Christina Halpern  
 John Quint  
 Heather Arthur  
 Erin Perzov  
 Nathan Parkhill  
 Fiona Tay  
 Scott Clasen  
 Donn Burdick  
 Rebecca Stone  
 Chuck Horton  
 Christopher K. Davis  
 William Finlayson  
 Hunter Walk  
 Tyler Phelps  
 Gerard Sheridan  
 Beth Andersen  
 Kathryn Schox  
 Sean Waugh  
 Thomas Guthrie  
 Corey Hobbs  
 Shane Russell  
 Jacinta Stark  
 Matt and Vanessa Ginzton



# OUR VISION FOR THE FUTURE



The pathways to success that we created in 2016 are only the beginning.

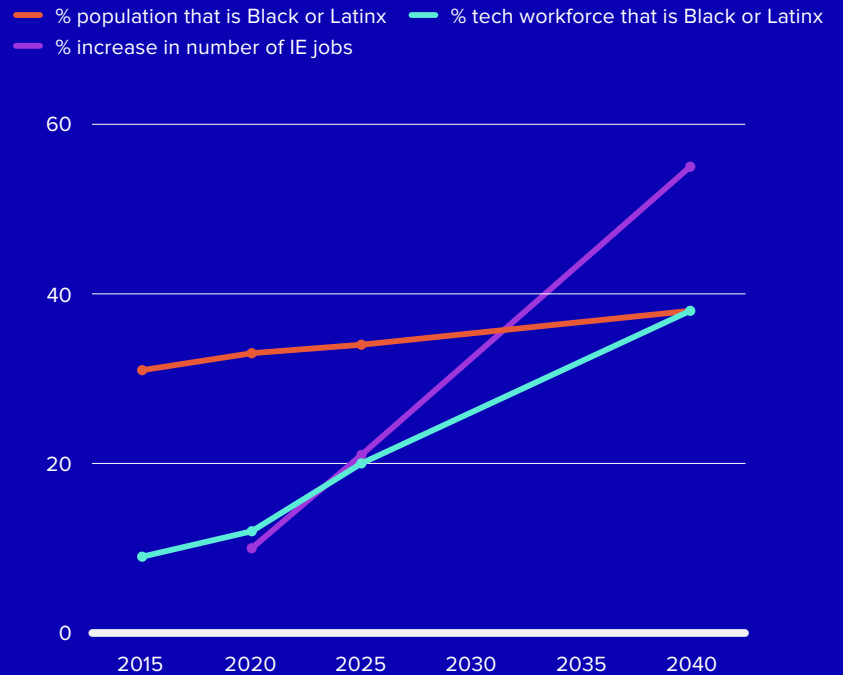
### What's Next?

We will ensure that Blacks and Latinxs achieve full representation in the innovation economy as it continues to expand over the next three decades.

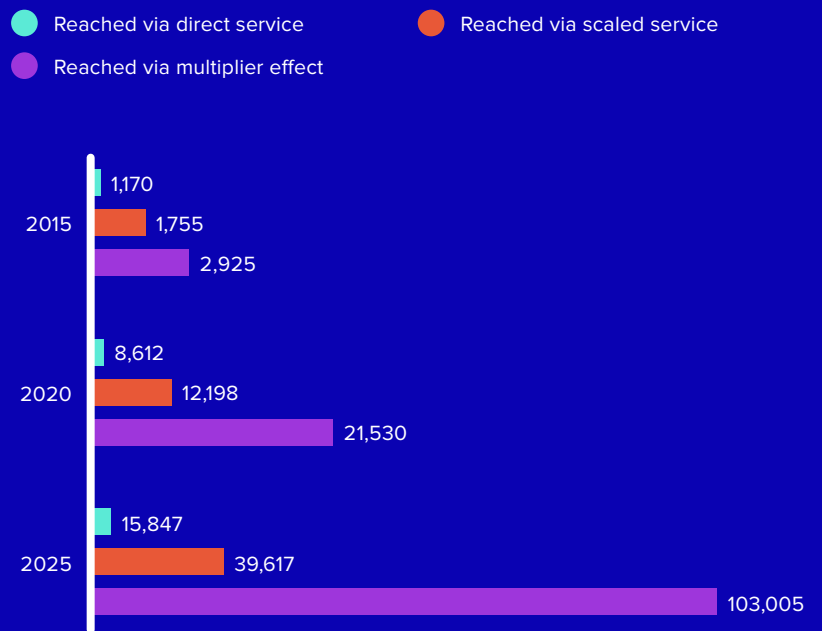
### How Will We Achieve This?

Our approach is threefold, enabling us to exponentially expand our growth and drive our mission home. Whether Black and Latinx talent benefits directly from our programs or indirectly through mentorship with our alumni, or our company partners change their cultures directly through our trainings or indirectly through intrapreneurs, we strive to make great change throughout our community.

### CURRENT AND CODE2040'S PROJECTED DEMOGRAPHICS OF THE INNOVATION ECONOMY



### CURRENT AND PROJECTED IMPACT OF CODE2040 BY APPROACH



Our communities have always been made up of powerful innovators and cultural influencers. We believe the nation as a whole will be stronger when our contributions are sought out and included. Creating pathways to success for Black and Latinx talent in the innovation economy will be the greatest economic opportunity of our time.

The logo for CODE2040, featuring a stylized icon of a cluster of dots to the left of the text "CODE2040". The entire logo is enclosed in a white rectangular border with rounded corners.

**CODE2040**