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# Generation Microfinance: Charlie Javice Believes in the Power of Students to Alleviate Poverty

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*Charlie Javice, a rising sophomore at The Wharton School, University of Pennsylvania, is founder of PoverUp, an online network that lets socially minded students learn, connect and invest in social businesses and microfinance – the concept that a little money can help poor people start businesses that will lift them out of poverty. In addition to getting high school and college students involved in microfinance through consulting work and internships with microfinance institutions and social businesses, PoverUp also gives individuals the chance to invest in small businesses globally and helps microfinance operators get the money they need to assist individuals and businesses.*

*PoverUp, which launched in April 2011, was named one of Inc. Magazine’s “11 Coolest College Startups,” and Javice, who is 19, was one of Fast Company’s “100 Most Creative People in Business 2011.” She spoke with Knowledge@Wharton High School editor Diana Drake about the concept of “financial inclusion,” the true value of a small amount of money, and the technological challenges of building an online platform.*

*An edited version of the transcript appears below.*

**Knowledge@Wharton High School:** We’re here today with Charlie Javice, a Wharton student and founder of PoverUp. Welcome.

**Charlie Javice:** Thank you, Diana.

**KWHS:** Please tell us about PoverUp.

**Javice:** PoverUp is a student microfinance and social business action platform for students to learn, connect and invest in microfinance and social business. In brief, what we do is offer students research fellowships all over the world and internships with different microfinance institutions and social businesses. [We also provide] a whole investment platform for you to invest your money through us and help alleviate poverty.

So you could pick projects from around the world that included water, sanitation, microcredit and women’s empowerment as well as [projects] that concentrated on rural areas. You could tailor it for students and what you’re passionate about. All of this is built around a socially minded network for students to be able to share their passions, be able to get that support network. From there, you could plan events — organize a huge grassroots movement — which is what we’re aiming to do.

**Knowledge@Wharton:** When did your interest in global awareness and activism truly start, and how did that lead into PoverUp?

**Javice:** Throughout my life, I’ve been involved in community service. At my [high] school, I had already started a Thanksgiving soup kitchen with my brother, Elie Javice, who is going to be coming here next year as well. I had volunteered there for about seven years — loved the experience, and really loved helping people and seeing the benefit it had on Thanksgiving, Christmas and New Year’s. However, I kept on seeing the same people come back.

And I started thinking, ‘How can we make something sustainable so that I don’t see these same faces, so that they can start moving up in the echelon of economic development?’ From that point, I started reading. I had heard about

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microfinance and started thinking, ‘Oh, this could be really cool. Two hundred dollars can have an impact.’

At the end of my 10<sup>th</sup> grade [year in high school], I was able to volunteer at the border of Thailand and Myanmar (or Burma). I taught English and got to see all these different entrepreneurial activities. What really struck me there was that a lot of people were asking me, “Why are you teaching English? These people need food. These people need other things than English — water or other basic substances.” And we were sitting there and saying, “Well, if you look at the economy of Thailand, [the English language] is the main driver as far as tourism. If you could speak English, you could get a job.” And it’s really teaching a man to fish from that point on [referring to the Chinese proverb, “Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime.”]

I came back and wanted to continue my involvement globally. I found that microfinance did resonate with me, considering that \$200 in Thailand, China and Laos where I had been, makes a difference. You see that impact. We came back and said, “Wow, students can really play the most powerful role.” You don’t need a lot of money to do it. It’s an investment, so you’re not throwing your money away or getting it back. And you can choose whatever you want [to focus on in the microfinance arena], even if you’re not passionate about financial services, because I know most people don’t grow up as a 4-year-old saying, “I want to do finance.” There are many other ways as far as combining financial services with health care or education, which are so much fun and really appeal to everyone. There’s no excuse not to get involved.

As a high school student, what was there to do in this [microfinance] space? I found an outlet at the Penn Microfinance Conference that’s organized annually. I got to meet other past students — notably Sam Adelsberg, who founded LendforPeace, who is really inspiring. I found myself at 17 starting to introduce microfinance clubs [in high schools] and realized it’s such a fragmented movement that we should really get this going and spur it. That’s how PoverUp came to be. I’m so lucky to have an amazing team to work with. And that’s the core of it — having an amazing team, a big idea, and just going for it.

**KWHS:** At what stage of development is PoverUp right now? How has it grown this year?

**Javice:** This year has been really busy, I have to say. I was a freshman this year. So I came into college like everyone else with a business, sort of assessing where it was, where it should go and the potential it had. Before I came, I had started writing the business plan in the spring of my junior year, right after the conference. And then it developed from there.

We started getting a network of schools, an amazing board of directors, a board of advisors, to really solidify that. Now we’re at the point where we’ve just signed a few partnerships with microfinance institutions. We launched our website beta version. We’re starting to get media exposure, which has been great. And we’re hoping to organize a conference in November and have the first “PoverUp Your World Day,” where you’ll have mobile giving to be able to choose your different projects in microfinance and, hopefully, raise awareness [about microfinance] around the world.

**KWHS:** Busy year!

**Javice:** It’s been growing at a really big rate, about 50 schools [joining the PoverUp network] every month or month-and-a-half.

**KWHS:** Microfinance has come under a microscope recently, particularly after aggressive pressure [on individuals] to repay microloans resulted in 35 suicides in India. What are your thoughts about the strengths and weaknesses of microfinance?

**Javice:** Microfinance, in my mind, is giving the opportunity to someone who wouldn’t [otherwise have one]. It’s giving

loans — financial services — to a previously unbanked population. So obviously, you look at me as an entrepreneur. I have the opportunity to fail at the same time as I have the opportunity to succeed. And that's the same for people living at the bottom of the pyramid on \$2 a day as it is for me, except it's harder for people, usually, on \$2 a day or under. You look at it from that standpoint, and [microfinance] is financial inclusion — making sure the unbanked get banked and have access the same way I have access to financial services.

I think that's the beauty of microfinance and this movement. It's based on the essence of fairness and equality. That's what we're trying to do here, is build an inclusive system for everybody to benefit from, I would say, capitalism or other things as such. That's what microfinance is to me.

However, right now, as you said, it has been at a tipping point. Where microfinance has built up, there's been all this fairy dust, and we've made all these promises to alleviate poverty. We've seen book statements say, "Fifty percent of people who receive loans get out of poverty." And we're sitting here like — microfinance alone isn't the solution. It comes with the infrastructure. It's not only going to be based on a microcredit loan, per se. You need savings. You need health insurance. You need clinics. You need doctors. You need schools. Microfinance can spur [all of this] because it's putting money into the system. However, it can't be done alone. I think managing expectations was where we faulted.

**KWHS:** Describe your typical week. Are you able to successfully juggle school with all the demands of PoverUp?

**Javice:** That's a tough question. I started in high school, and I went to a French school. So with the Baccalaureate — the French Baccalaureate — I was in school from 8:00 until probably 5:00 or 6:00 some days. So my school was great and flexible and allowed me to go for meetings. But it was very difficult. However, my grades managed not to drop.

It's the two things: you need the education to be able to succeed with your business, but at the same time, you need to work on your business. At Penn, I think I found a healthy balance where I've been able to take five classes — from classes in the law school to an MBA class last semester — and finish all the Wharton core [classes], hopefully soon — and then being able to do social impact consulting as well. I'm very involved in Hillel [a Jewish campus organization]. So it's [learning to manage] a lot of different outlets.

**KWHS:** Describe a couple of the meetings you might have for PoverUp. What is some of the activity side of actually building this organization?

**Javice:** So the activity side of building this organization — I would say, one, it came through fieldwork. I had the opportunity to intern with PlaNet Finance [a non-governmental organization that aims to alleviate poverty around the world through the development of microfinance] in Buenos Aires and do a lot of fieldwork and see what it was like living on \$2 a day and what was needed. I think that's really important.

As far as the typical meetings I would [attend] to build this — wow. This goes from meetings with CEOs of advertising agencies, to PR, to going to meet all these different microfinance institution partners, to flying and speaking at differences conferences — like the University of Chicago Booth's Microfinance Conference and Microfinance USA. It's being able to interact with the industry and see all the new research that's coming out and being able to run around and meet all these students who are interested. That's my favorite part — the student aspect and the industry professionals who are on the ground are what I love to do and interact with.

**KWHS:** What is the biggest mistake you've made in developing PoverUp, and what have you learned from it?

**Javice:** The biggest mistake was technology outsourcing. I think that is a very intricate detail. Yes, we did have some help from people at Oracle, and they found a team in India. However, technology — just assume it always takes longer than what you initially thought it would. So always budget in a few more months, and then I think you'll be fine. From

that standpoint, being able to manage that and having more manpower than you think you need in case something happens is where you really need to be careful.

As far as other things I would say I've learned from PoverUp that weren't necessarily mistakes — it's very particular working with students, as you know, because [of our] schedules. We have finals. We have midterms. We have our other activities and extracurriculars. And either in high school or in college, it's the same thing. It's the opportunity cost of time — how much we're willing to put in it and how much we aren't. And it's being able to juggle that, as you mentioned previously, when I discussed my weekly schedule. Not a lot of sleep.

**KWHS:** Why are today's young people such a powerful tool in global change? You talked about loving your work with the students. Can you make a difference? Can young people make a difference, truly?

**Javice:** Of course. I mean, we're doing it right now. So why can't you? [is really the question to ask]. People these days value students; we're starting to become assets and value-added. You go to all these companies [we work with through PoverUp] and they're like, "Of course we'll take consultants. We'll take interns." It's really just a question of pushing for it. Especially when you are dealing with not only domestic issues, but abroad, a small amount of money goes a really long way. It's about giving the opportunity to other people, and it ends up benefiting you as well. So it never hurts. And really, starting with \$5, you could have [a meaningful] impact. I think that's the most powerful part.

#### Related Links

- [PoverUp](#)
- [Inc. Magazine: America's Coolest College Startups of 2011](#)
- [Fast Company: The 100 Most Creative People in Business 2011](#)
- [Opportunity International: Understanding Microfinance](#)
- [Penn Microfinance Conference](#)
- [Sam Adelsberg and Lend for Peace](#)
- [Microfinance USA](#)
- [PlaNet Finance Group](#)
- [Knowledge@Wharton: Under the Microscope: Microfinance's Latest Growing Pains](#)