

## Career Pathways

An Interview with Joseph Baratta, Global Head of Private Equity and Marcus Felder, Vice President, Portfolio Operations, Blackstone

**EDITORS' NOTE** *Joseph Baratta is the Global Head of Private Equity and a member of Blackstone's Board of Directors. He is also a member of the firm's Management Committee and serves on many of the firm's investment committees. Baratta joined Blackstone in 1998 and in 2001 he moved to London to help establish Blackstone's corporate private equity business in Europe. Since 2012, he has served as the firm's Global Head of Private Equity and is located in New York. Baratta has served on the boards of many past Blackstone portfolio companies and currently serves as a member or observer on the boards of First Eagle Investment Management, Refinitiv, SESAC and Merlin Entertainments Group. He is also a member of the Board of Trustees of Georgetown University; is a trustee of the Tate Foundation; serves on the board of Year Up, an organization focused on youth employment; and serves on the Board of Trustees of the Trinity School in New York City. Before joining Blackstone, he was with Tinicum Incorporated and McCown De Leeuw & Company. He also worked at Morgan Stanley in its mergers and acquisitions department. Baratta graduated magna cum laude from Georgetown University.*

*Marcus Felder is a Vice President in Portfolio Operations. He leads several strategic hiring initiatives with Blackstone's portfolio companies. These initiatives include the Career Pathways program which identifies, attracts, and recruits young adults from underserved communities for opportunities across the Blackstone portfolio companies. Prior to joining Blackstone in 2020, Felder worked at the Posse Foundation, initially with the Posse New York office and then with the Posse Veterans Program. Before joining Posse, Felder focused on peer mentoring programs as a founding staff member of the City University of New York Stella and Charles Guttman Community College and he also worked in the University Office of K-16 Initiatives, where he was involved with the development and oversight of college access, success, and transition programs for New York City public high school and CUNY community college students. Felder received an SB from the Massachusetts Institute of Technology, an MPA from Syracuse University, and an MSED from Baruch College.*



Joseph Baratta



Marcus Felder

**FIRM BRIEF** *Blackstone (blackstone.com) is one of the world's leading investment firms. We seek to create positive economic impact and long-term value for our investors, the companies we invest in, and the communities in which we work. We do this by using extraordinary people and flexible capital to help companies solve problems. Our \$619 billion in assets under management include investment vehicles focused on private equity, real estate, public debt and equity, life sciences, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis.*

### Will you provide an overview of your roles and areas of focus at Blackstone?

*Joseph:* I'm the Global Head of Private Equity at Blackstone. Our firm manages capital on behalf of a wide range of institutions and individuals, including 31 million pensioners in the United States alone. We invest that capital in businesses across a wide range of industries and geographies, identifying great companies and serving as a strategic partner to help them meet their full growth potential. I am also proud to serve on the board of Year Up, an organization focused on youth employment and one of the firm's partners in our new Career Pathways Initiative, which we're excited to share more about.

*Marcus:* I'm a Vice President in our Portfolio Operations group, managing the Career Pathways Initiative Joe mentioned. That program is designed to create employment opportunities and career mobility for people from underserved communities at Blackstone's portfolio companies. I have over 15 years of experience developing peer mentoring and college access, success and transition programs for New York City public

high school and community college students as well as U.S. military veterans. Our portfolio includes over 200 companies employing nearly half a million people. Given that scale, we believe we can have an outsized positive impact on the communities where we operate.

### Will you highlight Blackstone's approach to Environmental, Social and Governance (ESG) issues?

*Joseph:* ESG is part of Blackstone's DNA – it is incorporated into everything we do. At Blackstone, where our mission is to drive value for our investors, ESG is directly aligned with our core business objectives. Integrating ESG principles makes us better investors and drives value at the companies and investments we own. Prior to investing, and to the extent appropriate, we evaluate ESG factors in assessing a potential portfolio company. Following investment, we engage with portfolio companies throughout the life of the investment and seek to promote ESG programs.

*Marcus:* As one of the world's largest alternative asset managers, we are uniquely positioned to have a meaningful impact across our portfolio given our scale. When we set clear ESG priorities and support our portfolio companies and the environment can be substantial. Last year, we launched a series of ESG initiatives designed to make an impact at scale: a new target of at least one-third diverse representation on portfolio company boards for new control investments, starting in the U.S. and Europe; Career Pathways, the program that we previously discussed; as well as a goal to reduce carbon emissions by 15 percent across all new investments where the firm controls energy usage.

The Blackstone Charitable Foundation (BXCf) is also an active part of how we approach ESG. Recently BXCf announced a \$40 million commitment to increase LaunchPad programming from 30 to 75 campuses over the next five years. LaunchPad helps students innovate and succeed in entrepreneurship and their careers through skill building and other resources. As part of the announcement, LaunchPad will partner with United Negro College Fund (UNCF) and bring its programming exclusively to colleges and universities that have a majority diverse population or serve underserved communities.

### **How critical is corporate responsibility and community engagement to Blackstone's culture?**

*Marcus:* Community engagement is a cornerstone of Blackstone's culture and critical to our long-term success. Everywhere we operate, we invest in companies and properties to make them stronger, while fueling innovation and supporting local communities. We also support our long-term partners like Sponsors for Educational Opportunity (SEO), Toigo Foundation, Year Up, Girls Who Invest, and Ladders for Leaders. These partnerships are so valuable for staying engaged during the recruiting process and identifying diverse talent.

*Joseph:* Our employees are also highly engaged in supporting their communities, both through work and in their personal capacities. In aggregate, our employees volunteer and donate to charitable giving campaigns nearly twice as much as the national corporate average. In 2020 alone, 75 percent of our employees participated in employee engagement activities, logging over 8,500 hours in support of a wide range of organizations in support of our communities. A sampling of organizations BXCFC partners with includes SEO Scholars, a program aimed at closing the academic and opportunity gap for motivated young people; Project Sunshine, an organization dedicated to bringing joy to pediatric patients; City Harvest, an organization devoted to providing food security to New Yorkers, and more.

### **How valuable is it to have such strong support and engagement from Blackstone's management team for its ESG work?**

*Joseph:* ESG is a critical priority for our senior leadership. It's something we are deeply and personally committed to as an organization. My personal involvement in Year Up, for example, has made me especially passionate about our Career Pathways initiative. Over time, I've found that certain industries have developed patterns of recruiting that zero in on a subset of the talent pool. At Year Up, they work to help companies create a path to change this recruiting cycle. When you meet recent graduates and current program participants, you realize that these are the very kinds of people we try to hire at Blackstone and at our portfolio companies. What we are seeing is not a lack of talent, but of networking and opportunity, which is why we launched Career Pathways.

*Marcus:* It is also incredibly inspiring to see such high levels of engagement from our employees – it is a testament to our culture. In addition to the programs we run at our portfolio companies, and the thousands of hours of community service and donations to COVID-19 relief efforts and racial equality, we also have four affinity networks – the Women's Initiative, Diverse Professionals Network, OUT Blackstone and Veterans Network – which support our employees in their day-to-day work. These groups are designed to improve recruitment and retention and advance dialogue of the importance of diversity for our business. In 2019, our affinity network hosted approximately 100 D&I networking and speaking events globally.

### **What does closing the opportunity gap mean to you?**

*Joseph:* To me, breaking down these old hiring patterns is a central issue of our time. We have to find a way to give more people the platform they deserve. I'm excited for the future of our Career Pathways program.

*Marcus:* I agree. Initiatives like Career Pathways can help employers expand their thinking. Also, for me, there's a personal connection. I come from a family that values education and made sure I had access to opportunities and networks to put me on a good trajectory. I've seen many others who don't have that kind of support, so I've committed a lot of my life's work to do whatever I can to provide access to opportunity so people can make the choices that are right for them.

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everything we do.”**

**- Joseph Baratta**

### **Do you feel that there are strong opportunities for women to grow and lead in the industry?**

*Joseph:* Without a doubt, yes. This is a huge priority for us. For more than 10 years, we have had a firmwide affinity network for women which develops women and fosters greater connectivity across the firm. In 2013, the Women's Initiative launched the BX WIN Program, a mentorship program that pairs junior employees with senior mentors in the firm. In 2020, participation tripled with 185 participants. Blackstone also has competitive benefits including generous leave policies, a phase back to work program and support for working parents, which help to ease new parents back to work, resulting in near zero attrition from new parents in 2020. Recently, Blackstone also increased primary caregiver leave to 20 weeks, up from 16 weeks. We also have women in leadership roles across our Private Equity business including Jen Morgan, the former Co-CEO of global software firm SAP, who leads our global portfolio operations group, and senior investment professionals in the U.S. and Europe.

*Marcus:* Across our portfolio, Blackstone assists portfolio companies in identifying diverse candidates for C-suite and board roles and, in 2019, half of independent director seats we filled in private equity were with women. At Blackstone,

over 30 percent of directors and over 40 percent of independent directors on our board are diverse.

### **What impact do you see initiatives like Career Pathways having over time?**

*Joseph:* This program will give opportunity to those who haven't had it. The added benefit is it will make our companies better because they'll have more diverse opinions informing their business decisions. Additionally, it should help define what it means to be a Blackstone portfolio company. Over the last 20 years, we've developed a playbook for how we engage with our portfolio companies that today includes everything from capital allocation and procurement to carbon emissions reduction. Now, recruiting from different pools of talent is going to become a part of the standard for how we engage with our companies and what we expect of them.

*Marcus:* Based on what I've seen in my career, providing these types of opportunities can change people's lives. There's a shared impact. If people can build meaningful careers, they are empowered to support and reinvest in their own communities. The outcome can be really powerful. Also, within our portfolio, it will be a reset in expectations for companies. For some firms, that might mean strategizing together on things they were already working on. For others, it might mean learning from this program and eventually becoming experts themselves. Over the long term, we'd like portfolio companies to own a lot of these practices and actively think about new ways to attract, retain and further develop diverse talent. That leads to more inclusive and thoughtful decision-making and more opportunities for those who deserve them.

### **What advice do you offer to young people beginning their careers during this challenging and uncertain time?**

*Joseph:* Run toward things that make you uncomfortable and work on the things you know aren't your strengths. Commit to whatever job you have today, even if it's not your life's calling. The goodwill and experiences you gain by committing to the work in the moment will set you up to find the role you really want in the future. Be an entrepreneur wherever you are – don't just execute tasks, think about ways things can be done better or more efficiently, and take the initiative. Be reliable – someone on whom all of your colleagues can depend. Stay positive and upbeat – everybody likes to be around positive and optimistic people, not those always finding fault and problems.

*Marcus:* Be open to not landing exactly where you envisioned you'd be in your first job. Set and keep track of your career goals and know that there are many paths to reach them. Work hard and have fun. Show up, do good work, be a productive member of the team and also remember to find and celebrate moments of joy in your work. Keep learning. Regardless of education level – high school diploma, GED, associate degree, bachelor's degree – there's always something to be learned. Ask thoughtful questions, share relevant experiences, and consider different perspectives. Extend grace. These are especially challenging times and it is important to extend grace to those with whom we work, but it is equally important to extend ourselves grace. ●