FORBES > INNOVATION



PREMIUM DAILY COVER

Meet The Startup Helping Schools Ban Cell Phones

"The best way to teach young people how to navigate the digital world is to give them six, eight hou... [+] YONDR

Aug 29, 2024, 01:11pm EDT

Updated Aug 29, 2024, 06:31pm EDT

Back-to-school looks different this year as districts across America institute new programs banning smartphones, enabled by lockable pouches from 10-year-old company Yondr.

By Alexandra S. Levine, Forbes Staff

Yondr EX2028
Be Smarter, et al. v. Yondr - PGR2025-00070

Martin Russell, a history teacher at Richardson High School in Texas, has taught lessons on the Gilded Age many times before. But this year, exploring the economics of monopolies and the tales of “robber barons” like Rockefeller and Vanderbilt feels completely different after eight schools in the district implemented a sweeping new policy requiring students to lock their phones in pouches from the first bell of the day to the last.

Before class begins at 9 a.m., 2,800 students file into the building with pouches open and phones in hand. Staff stationed at its five entrances check to see that phones are off and watch students slide their devices into the pouches, which were paid for by the district and issued to students on the second day of school. They then snap the bags closed, where they’re sealed and inaccessible for the rest of the day. Students keep the pouches in their backpacks until dismissal, when special Yondr magnets placed around the exits allow them to unlock the bags and access their phones again.

"The difference is like night and day,” Russell told *Forbes* in late August, during the second week of school. “The students have re-engaged with me. They're asking questions. I'm not having to repeat myself over and over again, which I had to with the cell phones. They're working together, and they're not trying to escape from the classroom like they used to.”

Yondr EX2028
Be Smarter, et al. v. Yondr - PGR2025-00070

The Richardson Independent School District—where 12,000 middle and high schoolers are using the pouches today—is just one in a fast-growing movement to get smartphones not only out of classrooms, but also out of school hallways, cafeterias, locker rooms and other common areas that educators and advocates say are equally central to teens and pre-teens' learning and social and emotional development. The most popular technology powering this push is a patented, $30 lockable magnetic pouch from Yondr, a startup launched in San Francisco a decade ago when the concept of phone-free spaces sounded "impossible" and "crazy," according to founder and CEO Graham Dugoni.

"A lot of people perceive the issue of phones in schools or phones in society and all the things attached to it as a genie that's impossible to put back in the bottle," Dugoni told *Forbes*. "But our approach is to say that it can be done."

The volume of schools, districts and states restricting or banning students' phones is surging as social media's unanticipated consequences and potential harms, particularly to children's mental health, are now at the forefront of national conversation. Some teens report using social media "almost constantly," according to 2023 data from Pew Research, which also released stats this summer showing that a majority of high school teachers in the U.S. say students distracted by their phones in class is a "major" problem.

Yondr EX2028
Be Smarter, et al. v. Yondr - PGR2025-00070

There are also concerns about cyberbullying, including teens creating AI-generated deepfake nudes of their peers, and privacy, as students fear being filmed and going viral at any time.

“The best way to teach young people how to navigate the digital world is to at least give them six, eight hours a day without it, so they can understand the difference,” Dugoni said. “That's always been our approach.”



Yondr says it's on track to have 2 million students using its pouches by the end of this year. YONDR

District rules or state laws cracking down on the use of smartphones (and sometimes personal devices like laptops and earbuds) in schools are ballooning rapidly. Statewide laws have taken effect in Florida, Louisiana and Indiana, while South Carolina, Minnesota, Ohio and Virginia have passed related statewide measures expected to take effect next year. California Governor Gavin Newsom and New York Governor Kathy Hochul are pushing for statewide restrictions or bans (Yondr has reportedly spent $50,000 lobbying officials in New York). Connecticut Governor Ned

Yondr EX2028
Be Smarter, et al. v. Yondr - PGR2025-00070

Lamont, who's weighing similar plans, has specifically recommended Yondr pouches as a solution. Some states have passed laws setting aside cash to help schools pay for these efforts, like Pennsylvania, which has allotted at least $100,000 to each district to be spent on smartphone pouches, and Delaware, where lawmakers approved $250,000 to pilot them in public middle and high schools.

Before Dugoni started the company in 2014, he worked at investment advisory firms in Atlanta and his hometown of Portland, Oregon, as well as at a failed startup in San Francisco. He bootstrapped Yondr starting with just $7,000, going school to school in the Bay Area to sell the pouches. Today, with 70 full-time employees, Yondr has secured lucrative contracts across entire districts and states.

That includes an almost $400,000 contract with the DeKalb County School District in Georgia; roughly $300,000 contracts with the Fort Wayne Community School District in Indiana and Richardson in Texas; a nearly $250,000 contract with the Peoria Public Schools District in Illinois; a $50,000 contract with the San Mateo-Foster City School District in California; and $36,000 to date for Bethlehem Central High School in upstate New York, according to the districts and proposals viewed by *Forbes*. The contracts vary based on headcount (from about $15 to $30 per person) but generally include student pouches, separate

Yondr EX2028
Be Smarter, et al. v. Yondr - PGR2025-00070

magnets to unlock them, equipment for storage and in-person support to implement the system. Districts have reportedly spent millions with the company.

Dugoni told *Forbes* that Yondr is profitable, with customers in more than two-dozen countries and all 50 states. Yondr has private investors but Dugoni declined to share their names, current revenue and valuation. In its early years, 70 percent of Yondr's revenue came from entertainment customers (including Dave Chappelle and Alicia Keys) who used Yondr pouches at their shows, with the rest coming from schools. "Now, it's more than flipped—so the main focus for us as a business is in the education world," Dugoni said. Next, you can expect to see Yondr pouches in courtrooms and daycare facilities, the fastest-growing segments of its business after schools and live performances.

Currently, Yondr's largest schools customer is New York, where its pouches are used in over a third of all New York City public secondary schools, according to Dugoni. He noted that in addition to being in middle and high schools nationwide, they're "unfortunately" beginning to work with a growing number of elementary schools. Over 1 million students used Yondr last year, a figure on track to reach 2 million by the end of 2024, the company said.

Yondr EX2028
Be Smarter, et al. v. Yondr - PGR2025-00070

Yondr began exploding in schools after the 2020 pandemic. “As students came back into the classroom and realized what eight to 10 hours a day on the screen [can do], and parents saw firsthand what their kid was experiencing, I think there was a radical shift, and people started to realize that maybe, especially in an educational setting, the smartphone was not necessarily a tool that was beneficial to learning; it was more of a distraction and a crutch,” Dugoni told *Forbes*. “People became much, much more receptive to the idea, and we stopped having to explain why Yondr was important.”

Yondr EX2028
Be Smarter, et al. v. Yondr - PGR2025-00070

But scaling in schools hasn't been without challenges. As the first generation to grow up with smartphones and social media, students have had meltdowns, organized petitions and even staged walkouts over the new policies; sometimes, parents have been the ones protesting. Schools that have adopted half-way approaches, like allowing phones to be used outside the classroom, have also found them to be less effective and hard to enforce. And videos showing hacks that appear to easily open the Yondr pouches without their designated magnets have been viewed on TikTok and YouTube hundreds of thousands of times (Yondr did not respond to a question about how it addresses those workarounds).

What has helped Yondr navigate those obstacles and thrive in schools is that the company offers not just the pouches themselves, but a wider instructional program—staffed largely by former educators—that helps schools create policies and procedures, and provides them with training and other ongoing support, to make their transition to Yondr successful. The company also collects data from schools measuring its impact, including on end-of-year grades, attendance and changes in student behavior; the data has shown drops in disciplinary issues and improvements in test scores and engagement, according to Dugoni.

"If you're going to try to change the culture in a school, it's not so simple as just shipping product; you're unwinding a lot of learned behavior for

Yondr EX2028
Be Smarter, et al. v. Yondr - PGR2025-00070

young people, so you have to get the buy-in of the entire community," he said.

> **"The best way to teach young people how to navigate the digital world is to give them six, eight hours a day without it, so they can understand the difference."**

Similar educational efforts are also underway from the Phone-Free Schools Movement, a nonprofit started last year by mothers of teens born when the iPhone came out, and the national children's safety advocacy group Fairplay. With input from social psychologist Jonathan Haidt, author of "The Anxious Generation," the organizations published a free guide for administrators this summer with resources on how best to roll out and manage an all-day, phone-free school environment without pushback from parents, for whom there is also a learning curve.

Parents opposing plans to eliminate smartphones in schools are mainly worried about safety and not being able to reach their children during emergencies like an active shooter. But safety and security experts and administrators have repeatedly warned that phones can, in fact, jeopardize student safety in such situations.

Yondr EX2028
Be Smarter, et al. v. Yondr - PGR2025-00070

"Our safety protocols, which are informed by our law enforcement partners, are that our classrooms are to be behind a locked door, silent, dark and barricaded," said Tim Clark, a spokesperson for the Richardson Independent School District in Texas. "The silent piece is a huge piece. If you've got a bad guy in a school, they're listening for sounds. And if every kid is on their cell phone, their cell phone is beeping, someone's calling them, they're trying to call someone and they're all interacting with their parents, that runs counter to what our law enforcement partners are hoping to see."

Phone-Free Schools Movement cofounder Mileva Repasky pointed out that even outside of an emergency situation, parents are intruding on their kids' school lives when they contact them during the day. "The reality is, every single time we reach out to our kids, we're causing a disruption," said Repasky, whose teenage son has struggled with mental health issues made worse by social media. "We have to put a little bit of faith back into the school that our children are safe, they're taken care of and they need to be able to focus on their education."

As students at Richardson High wrap their third week phone-free with Yondr, the cafeterias and hallways sound lively. "I have been very, very pleasantly surprised at how smooth the rollout of the Yondr pouches is going," the school's principal Chris Choate told *Forbes*. "That management

Yondr EX2028
Be Smarter, et al. v. Yondr - PGR2025-00070

piece of it is what was a little bit scary at first. We have gotten past that very quick."

"You would think, [with] a teenager, taking that phone away is going to be a huge deal to them," he added, "and the majority of feedback that we're getting from our students is that it's okay, it's not as bad as I thought, I'm actually having to talk to my friends."

MORE FROM FORBES

'I Want That Sweet Baby': AI-Generated Kids Draw Predators On TikTok And Instagram

By **Alexandra S. Levine**

Did You Use ChatGPT On Your School Applications? These Words May Tip Off Admissions

By **Rashi Shrivastava**

Forbes' Top 50 Small Colleges

By **Emma Whitford**

The 25 Colleges With The Highest Payoff

By **Francesca Walton**

Profits At Mar-a-Lago Have Quadrupled Since Trump Left The White House

By **Zach Everson**

Follow me on Twitter or LinkedIn. Check out my website. Send me a secure tip.

Yondr EX2028
Be Smarter, et al. v. Yondr - PGR2025-00070



Alexandra S. Levine

Follow

Alexandra S. Levine is a journalist covering technology's impact on society, mainly writing investigations and features about... **Read More**

Editorial Standards Reprints & Permissions

Yondr EX2028
Be Smarter, et al. v. Yondr - PGR2025-00070