How Social Networks Drive Black Unemployment

By Nancy DiTomaso  May 5, 2013 9:12 pm

The Great Divide is a series about inequality.

It’s easy to believe the worst is over in the economic downturn. But for African-Americans, the pain continues — over 13 percent of black workers are unemployed, nearly twice the national average. And that’s not a new development: regardless of the economy, job prospects for African-Americans have long been significantly worse than for the country as a whole.

The most obvious explanation for this entrenched disparity is racial discrimination. But in my research I have found a somewhat different culprit: favoritism. Getting an inside edge by using help from family and friends is a powerful, hidden force driving inequality in the United States.

Such favoritism has a strong racial component. Through such seemingly innocuous networking, white Americans tend to help other whites, because social resources are concentrated among whites. If African-Americans are not part of the same networks, they will have a harder time finding decent jobs.

The mechanism that reproduces inequality, in other words, may be inclusion more
than exclusion. And while exclusion or discrimination is illegal, inclusion or favoritism is not — meaning it can be more insidious and largely immune to legal challenges.

Favoritism is almost universal in today’s job market. In interviews with hundreds of people on this topic, I found that all but a handful used the help of family and friends to find 70 percent of the jobs they held over their lifetimes; they all used personal networks and insider information if it was available to them.

In this context of widespread networking, the idea that there is a job “market” based solely on skills, qualifications and merit is false. Whenever possible, Americans seeking jobs try to avoid market competition: they look for unequal rather than equal opportunity. In fact, the last thing job seekers want to face is equal opportunity; they want an advantage. They want to find ways to cut in line and get ahead.

You don’t usually need a strong social network to land a low-wage job at a fast-food restaurant or retail store. But trying to land a coveted position that offers a good salary and benefits is a different story. To gain an edge, job seekers actively work connections with friends and family members in pursuit of these opportunities.

Help is not given to just anyone, nor is it available from everyone. Inequality reproduces itself because help is typically reserved for people who are “like me”: the people who live in my neighborhood, those who attend my church or school or those with whom I have worked in the past. It is only natural that when there are jobs to be had, people who know about them will tell the people who are close to them, those with whom they identify, and those who at some point can reciprocate the favor.

Because we still live largely segregated lives, such networking fosters categorical inequality: whites help other whites, especially when unemployment is high. Although people from every background may try to help their own, whites are more likely to hold the sorts of jobs that are protected from market competition, that pay a living wage and that have the potential to teach skills and allow for job training and advancement. So, just as opportunities are unequally distributed, they are also unequally redistributed.
All of this may make sense intuitively, but most people are unaware of the way racial ties affect their job prospects.

When I asked my interviewees what most contributed to their level of career success, they usually discussed how hard they had worked and how uncertain were the outcomes — not the help they had received throughout their lives to gain most of their jobs. In fact, only 14 percent mentioned that they had received help of any kind from others. Seeing contemporary labor-market politics through the lens of favoritism, rather than discrimination alone, is revealing. It explains, for example, why even though the majority of all Americans, including whites, support civil rights in principle, there is widespread opposition on the part of many whites to affirmative action policies — despite complaints about “reverse discrimination,” my research demonstrated that the real complaint is that affirmative action undermines long-established patterns of favoritism.

The interviewees in my study who were most angry about affirmative action were those who had relatively fewer marketable skills — and were therefore most dependent on getting an inside edge for the best jobs. Whites who felt entitled to these positions believed that affirmative action was unfair because it blocked their own privileged access.

But interviewees’ feelings about such policies betrayed the reality of their experience of them. I found these attitudes evident among my interviewees — even though, among the 1,463 jobs they discussed with me, there were only two cases in which someone might have been passed over for a job because of affirmative action policies benefiting African-Americans. These data are consistent with other research on affirmative action.

There’s no question that discrimination is still a problem in the American economy. But whites helping other whites is not the same as discrimination, and it is not illegal. Yet it may have a powerful effect on the access that African-Americans and other minorities have to good jobs, or even to the job market itself.

Nancy DiTomaso, the vice dean for faculty and research and a professor of management and global business at Rutgers Business School, is the author of “The
American Non-Dilemma: Racial Inequality Without Racism.”