

# Systemic Discrimination Among Large US Employers

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*This new research finds that race and gender discrimination varies dramatically across large employers in the United States and, importantly, such discrimination among employers is detectable.*

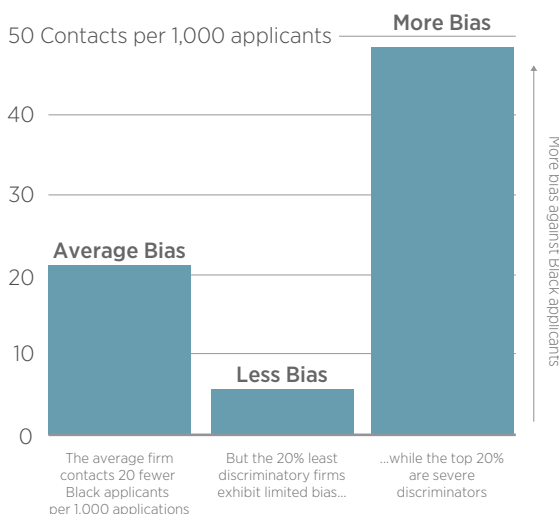
Employment discrimination is a stubbornly persistent social ill, but to what extent is discrimination a systemic problem afflicting distinct companies? This new research answers this question by studying more than 83,000 fictional applications to over 11,000 entry-level jobs across 108 Fortune 500 employers—the largest resume correspondence study ever conducted. The researchers randomized applicant characteristics to isolate the effects of race, gender, and other legally protected characteristics on employers' decisions to contact job seekers.

By applying to many jobs across the country, the researchers identified systemic, nationwide patterns of discrimination among companies. Their findings include:

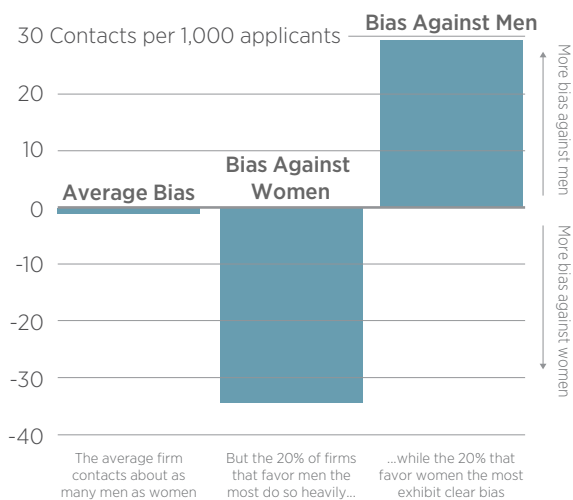
- Black applicants received 21 fewer callbacks per 1,000 applications than white applicants. The least-discriminatory employers exhibited a negligible difference in contact rates between white and Black applicants, and the most-discriminatory employers favored whites by nearly 50 callbacks per 1,000 applications. The researchers find that the top 20% of discriminatory employers are responsible for roughly half of the total difference in callbacks between white and Black applicants in the experiment.
- While there is no average difference in the rates at which employers contacted male and female applicants, this result masks very large differences for

**Figure 1 • Discrimination Across Companies**

## a) Race



## b) Gender



different employers, with some firms favoring men and others favoring women. Firms that are most biased against women contact 35 more male than female applicants per 1,000 applications, while the firms that are most biased against men contact about 30 more female than male applicants per 1,000 applications.

- Discrimination against Black applicants is more pronounced in the auto services and retail sectors, while discrimination against women is more common in the wholesale durables sector, and discrimination against men is more prevalent in the apparel sector. Discrimination is less common among federal contractors, which are subject to heightened scrutiny concerning employment discrimination.
- Finally, the study finds that 23 individual companies can be classified as discriminating against Black applicants with very high statistical confidence. These firms are responsible for 40% of total racial discrimination in the study. These companies are over-represented in auto services and in the retail sector. Remarkably, 8 of the 23 firms are federal contractors. One large apparel firm is found to discriminate both against Black applicants and against male applicants.

The study demonstrates that discriminatory behavior is clustered in certain firms and that the identity of many of these firms can be deduced with high confidence. Like the discovery of a gene signaling a predisposition to disease, the news that any firm exhibits a nationwide pattern of discrimination is disappointing but offers a potential path to mitigation. The results of this study may be used by regulatory agencies such as the Office of Federal Contract Compliance or the Equal Opportunity Employment Commission to better target audits of compliance with employment law, and by the firms themselves to promote more equitable and inclusive hiring processes. Diagnosis is the first step on the road to prevention.

**Figure 2 • Individual Companies Ranked by Discrimination Against Black Applicants**

