

# 1

## *Entering the Elite*

Most Americans believe that hard work—not blue blood—is the key to success. Textbooks, newspapers, and novels are filled with Horatio Alger stories in which an individual rises to the top through personal drive and perseverance. Whether these narratives focus on Warren Buffett or *Homeless to Harvard*, the underlying message is the same: economic and social positions are achieved, not inherited from one's parents. The people at the top are there because of their own intellect, unflagging effort, and strong character. Those at the bottom have their own weaknesses to blame.<sup>1</sup>

Despite this widespread faith in a monetary payoff for hard work and belief in myths of a classless society, economic inequality is now greater in the United States than in many other Western industrialized nations, and American rates of social mobility are lower.<sup>2</sup> Contrary to our national lore, the chances of ascending from meager beginnings to affluence or falling from fortune to poverty are slim.<sup>3</sup> The top and bottom rungs of America's economic ladder are particularly sticky; children born to families in the top or bottom fifths of the income distribution tend to stay on those same rungs as adults.<sup>4</sup> Children from families at the top of the economic hierarchy monopolize access to good schools, prestigious universities, and high-paying jobs.<sup>5</sup>

This raises an obvious but pressing question: In an era of merit-based admissions in education and equal opportunity regulations in employment, how is it that this process of elite reproduction occurs? Social scientists in a variety of disciplines have examined how historical and economic changes at home and abroad, social policies, and technological factors have contributed to the concentration of wealth and income at the top of the economic ladder.<sup>6</sup> These studies inform us about crucial drivers of economic inequality, but they do not tell us enough about how and why economic privilege is passed on so consistently from one generation to the next.

Sociologists interested in social stratification—the processes that sort individuals into positions that provide unequal levels of material and social rewards—historically have focused on studying poverty rather than affluence. Recently, though, cultural sociologists have turned their attention to the persistence of privilege.<sup>7</sup> Focusing on schooling, these scholars have illuminated ways in which affluent and well-educated parents pass along advantages that give their children a competitive edge in the realm of formal education.<sup>8</sup> Missing from this rich literature, however, is an in-depth investigation of how elite reproduction takes place after students graduate, when they enter the workforce. We know that even among graduates from the same universities, students from the most elite backgrounds tend to get the highest-paying jobs.<sup>9</sup> But how and why does this happen?

To answer this question, I turn to the gatekeepers who govern access to elite jobs and high incomes: employers. Ultimately, getting a job and entering a specific income bracket are contingent on judgments made by employers. The hiring decisions employers make play important roles in shaping individuals' economic trajectories and influencing broader social inequalities.<sup>10</sup> In this book, I investigate hiring processes in some of the nation's highest-paying entry-level jobs: positions in top-tier investment banks, management consulting firms, and law firms. My analysis draws on interviews with employees of all three firm types, observation of their recruitment events, and in-depth participant observation of a representative firm's recruiting department. I examine the behind-closed-doors decisions that these employers make as they recruit, evaluate, and select new entry-level employees from the ranks of undergraduate and professional school students; and I show how these decisions help explain why socioeconomically privileged students tend to get the most elite jobs.

I argue that at each stage of the hiring process—from the decision about where to post job advertisements and hold recruitment events to the final selections made by hiring committees—employers use an array of sorting criteria (“screens”) and ways of measuring candidates' potential (“evaluative metrics”) that are highly correlated with parental income and education. Taken together, these seemingly economically neutral decisions result in a hiring process that filters students based on their parents' socioeconomic status.

The book's title, *Pedigree*, refers to the term that employers in elite firms used as shorthand for a job candidate's record of accomplishments. "Pedigree" was widely seen as a highly desirable, if not mandatory, applicant trait. Significant personal achievements (such as admission to an elite university, being a varsity athlete at an Ivy League college, or having an early internship at Goldman Sachs) were interpreted as evidence of the applicant's intelligence, orientation to success, and work ethic. Employers considered pedigree a quality based purely on individual effort and ability. Yet the original meaning of the term, still widely in use today, is synonymous not with effort but rather with inheritance-based privilege, literally meaning "ancestral line." In that sense, the title evokes the book's main argument that hiring decisions that appear on the surface to be based only on individual merit are subtly yet powerfully shaped by applicants' socioeconomic backgrounds. In the twenty-first century, parents' levels of income and education help determine who works on Wall Street, who works on Main Street, and who reaches the top of the nation's economic ladder.<sup>11</sup>

In the remainder of this chapter, I discuss foundational scholarship relevant to elite reproduction in hiring, describe the study I conducted, outline my argument, and provide an overview of the subsequent chapters. I begin by reviewing the literature on socioeconomic inequalities in education. This research is relevant not only because schools shape the pipeline of applicants to jobs but also because this scholarship reveals general mechanisms of social stratification.

## **ELITE REPRODUCTION VIA EDUCATION**

Economic inequalities that occur long before job offers are made help explain how elite kids come to have elite jobs. In prior eras, elite reproduction in the United States commonly took the form of parents handing the reins of companies or family fortunes to their adult children. Today, the transmission of economic privilege from one generation to the next tends to be indirect. It operates largely through the educational system.<sup>12</sup>

Higher education has become one of the most important vehicles of social stratification and economic inequality in the United States.<sup>13</sup> The earnings gulf between those who graduate from high school and those

who graduate from college has nearly doubled over the past thirty years. Graduates of four-year colleges and universities typically now make 80 percent more than graduates of high school alone.<sup>14</sup>

Despite the rapid expansion of higher education over the past fifty years and the popularity of national narratives of “college for all,” children from the nation’s most affluent families still monopolize universities. Roughly 80 percent of individuals born into families in the top quartile of household incomes will obtain bachelor’s degrees, while only about 10 percent of those from the bottom quartile will do so.<sup>15</sup> The relationship between family income and attendance is even stronger at selective colleges and universities. In fact, holding constant precollege characteristics associated with achievement, parental income is a powerful predictor of admission to the nation’s most elite universities.<sup>16</sup> These trends persist into graduate education, where over half of the students at top-tier business and law schools come from families from the top 10 percent of incomes nationally.<sup>17</sup>

Many Americans are content to explain these disparities in terms of individual aspirations or abilities alone. But research shows that affluent and educated parents pass on critical economic, social, and cultural advantages to their children that give their kids a leg up in school success as well as the race for college admissions.<sup>18</sup> Scholars often refer to these three types of advantages as forms of “capital,” because each can be cashed in for access to valued symbolic and material rewards, such as prestigious jobs and high salaries.<sup>19</sup>

### Economic Advantages

Income, wealth, and other types of economic capital are the most obvious resources that well-off parents can mobilize to procure educational advantages for their children. Simply put, affluent parents have more money to invest in their children’s educational growth and indeed do spend more on it.<sup>20</sup> A crucial manner in which economic capital can provide children with educational advantages is through enabling school choice. The United States is one of the few Western industrialized countries where public primary and secondary school funding is based largely on property values within a given region. Consequently, high-quality public schools are disproportionately concentrated in geographic areas

where property values are the highest and residents tend to be the most affluent. Families with more money are better able to afford residences in areas that offer high-quality schools and school districts. In fact, for many affluent families with children, school quality is one of the most important factors used to decide where to live.<sup>21</sup> Heightened economic resources can also enable parents to send their children to private schools, regardless of the neighborhood in which they reside. In major metropolitan areas, private school tuition can run close to forty thousand dollars per year per child, beginning in kindergarten.<sup>22</sup>

Together, these patterns make it more likely that children from well-off families will attend primary and secondary schools that have higher per-student spending, better-quality teachers, and more modern and ample learning materials and resources than students from less affluent families. At the secondary school level, children from economically privileged homes are more likely to attend schools with plentiful honors and advanced placement (AP) courses, athletics, art, music, and drama programs; these schools also are likely to have well-staffed college counseling offices.<sup>23</sup> Attending schools with such offerings not only enhances students' cognitive and social development but also helps them build academic and extracurricular profiles that are competitive for college admissions.<sup>24</sup> Compounding these advantages, selective college admissions committees give preference to students from schools with strong reputations for academic excellence.<sup>25</sup> In short, the primary and secondary schools that children attend play significant roles in whether they will go to college, and if so, to which ones. Students in resource-rich, academically strong schools—which are dominated by affluent families—are more likely to attend four-year universities and selective colleges than are children who attend less well-endowed schools and live in lower-income neighborhoods.

Given the high cost of university tuition, parents' economic resources influence what colleges (or graduate schools) students apply to and which they ultimately attend. As sociologist Alexandra Walton Radford shows in a recent study of high school valedictorians, many top-achieving students from lower-income families do not apply to prestigious, private, four-year universities because of the high price tags associated with these schools. Illustrating how money and cultural know-how work together, some who would have qualified for generous financial aid packages from

these institutions did not apply because they were unaware of such opportunities. Others had difficulty obtaining the extensive documentation required for financial aid applications.<sup>26</sup> By contrast, students from affluent families in Radford's study made their college choices based on noneconomic factors, such as academic or extracurricular offerings, or feelings of personal "fit" with a university or its student body.<sup>27</sup>

Once on campus, parental financial support can help offset the cost of children's college tuition and living expenses. Freed from the need for paid employment, students from well-off families can concentrate on academic and social activities and accept unpaid internships, all of which can facilitate college success, valuable social connections, and future employment opportunities.<sup>28</sup> Those who have to work part- or full-time to pay tuition bills or to send money to family members do not have this luxury. To summarize, parents with more economic capital can more easily help their children receive better-quality schooling, cultivate the types of academic and extracurricular profiles desired by selective college admissions offices, and participate fully in the life of the college they attend.

### Social Connections

Money is only part of the story, however. Social capital—the size, status, and reach of people's social networks—is important, too. Parents' social connections can provide their children with access to vital opportunities, information, and resources. For example, parents in the same social network can share information about the best teachers in a school or pass along tips for getting on a principal's or coach's good side. Likewise, a well-placed contact can nudge a private school, college, or internship application toward acceptance. Students' social networks also matter. Having college-oriented friends and peers can shape aspirations, motivate performance, and supply insider tips on how to navigate the college admissions process.<sup>29</sup>

### Cultural Resources

Finally, cultural resources—the frames of knowledge, perception, interpretation, and behavior we use to navigate the social world—are important drivers of elite reproduction.<sup>30</sup> These types of resources frequently

go unrecognized as mechanisms of inequality because they often are invisible, and people may conflate them with measures of individual ability. Yet cultural resources are powerful drivers of stratification, especially when it comes to gaining access to society's upper echelons.<sup>31</sup> Culture contributes to the persistence of privilege (and underprivilege) through shaping people's aspirations and worldviews, how people judge and are judged by others in everyday social interactions, and their success in navigating society's gatekeeping institutions.

### *Aspirations and Worldviews*

Our economic rank in society shapes how we see the world and our place in it. French sociologist Pierre Bourdieu—whose ideas have had a profound impact on scholarly understandings of how privilege is passed from one generation to the next—argued that beginning in childhood, individuals learn class-specific tastes, values, interaction styles (e.g., etiquette and conversational styles), modes of self-presentation (e.g., dress, speech, and body language), and behaviors.<sup>32</sup> The amount of material resources in children's immediate environments can shape the types of activities, opportunities, and behaviors they encounter as well as those that they find desirable. Due to real material constraints in their immediate environment and concerns about meeting everyday survival needs, individuals from lower classes often come to prefer objects, opportunities, and experiences that have practical, immediate value. By contrast, members of privileged classes, who are free of subsistence concerns, gravitate toward goods and practices that are less directly useful; more ephemeral, abstract, complex, and difficult to acquire; and require significant investments of time, money, and energy.<sup>33</sup> Such class-based differences manifest in a variety of domains, ranging from the types of music that people enjoy to the sports they play.<sup>34</sup> When it comes to sports, for example, individuals from less affluent backgrounds may gravitate toward games that have low economic barriers to entry and straightforward rules, such as pickup basketball or soccer, whereas more affluent individuals are more likely to play sports that require extensive training and expensive equipment or uniforms, can only be played in specific, elite spaces, or have elaborate rules, such as court tennis, squash, or polo.

Most directly relevant for economic inequality, these patterns shape individuals' ideas about what types of educational and career opportunities are desirable, or even possible. For instance, individuals from less affluent backgrounds tend to emphasize pay and stability in job choice; those from more affluent backgrounds tend to place greater stress on the abstract values of on-the-job fulfillment, enjoyment, and self-expression in career choice.<sup>35</sup> These economically grounded distinctions in ways of seeing and being in the world contribute to social reproduction by steering individuals toward social, educational, and occupational paths consistent with the economic class in which they grew up.<sup>36</sup>

### *Interpersonal Evaluations*

Class also influences how people judge and are judged by others in everyday social encounters. This is because class has important visual dimensions. Whether it involves the weathered hands of the manual laborer or the straightened and whitened teeth of those who can afford them, social class manifests in people's bodies. Styles of dress, speech patterns, and visible consumer goods (such as what type of home or car one has) further signal someone's relative economic rank.<sup>37</sup> But far from neutral observations, these class-based signals influence how worthy or unworthy we judge others to be. Americans tend to rate people from higher socioeconomic backgrounds as more competent, trustworthy, and likable than those from lower ones. Even preschool-age children display these tendencies.<sup>38</sup> As sociologist Michèle Lamont argues, such beliefs about the relative worth of different social groups, which she calls *symbolic boundaries*, influence the real social boundaries and inequalities that come to separate members of different socioeconomic classes.<sup>39</sup> They influence to whom we devote time and attention and include or exclude from our social networks. Consequently, class influences whom we choose as friends, neighbors, spouses, and—as I show in this book—new hires.<sup>40</sup>

### *Definitions of Merit*

Finally, culture shapes how gatekeepers—who control access to valued opportunities and rewards—define and evaluate merit. Contrary to how people in the United States often discuss it, merit is not a fixed,



internal property that individuals carry around with them and can readily import into any situation. Rather, it is a social construction embedded in societal-level cultural beliefs about what constitutes worth in a given time and place. Influenced by prevailing beliefs about evolution and biological racial differences, for example, many people in the nineteenth century considered head size a valid measure of intellectual merit.<sup>41</sup> Now, most people would laugh or even shiver at the prospect of taking tape measures to skulls to allocate college placements or jobs. But in every era, *ideas* about what merit is—and critically, about which groups have more or less of it—inform who is steered toward or away from positions of prestige, pay, and influence.

Constructions of merit are not value neutral. They are couched within broader power struggles in a society. For instance, the previously mentioned head size movement was rooted in attempts to scientifically justify colonialism and legitimize racial oppression by white Europeans.<sup>42</sup> Similarly, as sociologist Jerome Karabel shows, prior to the 1920s, admission to Harvard, Princeton, and Yale was based largely on subject tests and demonstrated intellectualism. Yet as Jewish enrollments grew and anti-Semitism increased, definitions of merit shifted. To exclude Jewish students and secure advantages for white Anglo-Saxon Protestants, the emphasis on intellectual prowess gave way to a focus on personal “character,” as demonstrated by applicants’ involvement in sports, extracurricular activities, and perceived “manliness.”<sup>43</sup> This focus on character and well-roundedness persists in college admissions today.<sup>44</sup> Thus, merit is an ever-evolving, moving target that simultaneously shapes and is shaped by power relations in a given society.

One constant, however, is that definitions of merit at any given time and place tend to reflect the values and qualities of elites. Elites generally control society’s gatekeeping institutions and thus have the power to shape what merit is and how it is to be measured in a given domain.<sup>45</sup> Elites may rig these criteria in their favor to preserve privileges for themselves and their children; they also may do so to keep out members of groups they consider threatening, such as the Jewish students in the example above.<sup>46</sup> But there are also critical unconscious psychological processes at play. In nearly every domain of social life, we tend to define merit in our own image. Ask anyone—regardless of social class—what constitutes a good student, parent, or even driver, and typically the

response will be a description of the type of student, parent, or driver *they are*.<sup>47</sup> Since elites usually set the rules of the game, it is not surprising that in whatever manner merit is defined and measured in society's gatekeeping institutions, elites seem to have more of it. Culture therefore affects elite reproduction not only by shaping individuals' aspirations, values, and behavior along with how they are judged in everyday social interactions but also by dictating how the gatekeepers that control access to positions of power, prestige, and pay define merit and allocate valued resources.

## Culture and Educational Inequalities: Recent Research

### *Class-Based Parenting Strategies*

Although there are ongoing theoretical debates about culture and inequality, cultural sociologists have made great headway in demonstrating empirically how cultural factors reproduce educational advantages for privileged children in the United States.<sup>48</sup> Sociologist Annette Lareau, for example, analyzed how class-based differences in parenting styles help children from more privileged backgrounds succeed in schools.<sup>49</sup> Lareau found that more privileged parents adopted an approach to parenting that she terms *concerted cultivation*. These parents viewed their children as projects that need to be carefully nourished and attended to in order to succeed. In line with such beliefs, they tended to play more active roles in their children's schooling, directly intervening with school administrators to advocate for better grades, better teachers, and access to accelerated academic tracks for their kids. Additionally, they tended to provide educational enrichment outside of school and enroll their children in structured extracurricular activities. Such actions helped facilitate their children's academic performance, foster positive impressions among classroom teachers, and secure scarce spots in high-quality or advanced academic tracks. Additionally, participation in structured extracurricular activities helps children become more skillful in interacting with adults outside of the family. It also helps them attend selective colleges, given that these institutions use extracurricular participation as an admissions criterion.<sup>50</sup> By contrast, Lareau found that working-class parents adopted a child-rearing strategy she terms *natural*

*growth*: a belief that children thrive when they have freedom to develop on their own and with the guidance of trusted school authorities. These parents tended not to intervene in their children's school lives and instead left the choice of which activities to pursue up to their kids. This approach resulted in disadvantages for working-class children compared to their more affluent peers with respect to both securing resources that are helpful for academic performance and building winning academic and extracurricular résumés for the college admissions race.

Yet parents' cultural resources are only part of the story of educational stratification. Parents often explicitly and implicitly teach their children scripts for navigating gatekeeping interactions and institutions. They can do so through formal instruction, such as teaching children how to behave in particular situations (e.g., "Ask for something when you need help" or "When you are angry, use your words").<sup>51</sup> But children also learn through osmosis, imitating the interaction styles of adult caregivers. From a young age, economically privileged children are socialized into interactional styles emphasizing independence, self-expression, agency, and entitlement.<sup>52</sup> Just as affluent parents are more likely to advocate for placing their kids into classes with good teachers or to dispute poor treatment of a child, affluent children similarly learn to act on the social world to get the resources they need.<sup>53</sup>

Demonstrating interactional styles associated with higher socioeconomic status can be advantageous for school performance. In her ethnography of elementary school classrooms, sociologist Jessica McCrory Calarco found that students from more privileged backgrounds were more likely to ask for help when they faced difficulty in solving problems. They also asked for hints even when they were not having trouble. These children were highly skilled at getting their teachers' attention as well as the information and resources they needed to succeed at various classroom exercises. Working-class children, on the other hand, were often reluctant to ask for help out of fears of appearing weak or disrupting the classroom. As a result, working-class children received less attention from their teachers and were perceived as being less driven and intellectually engaged than their affluent classmates. On a practical level, without tips and hints from their teachers, the working-class students often were unable to finish assigned projects, reinforcing teachers' perceptions that working-class children were not as smart as their more affluent

classmates.<sup>54</sup> Patterns like these are evident throughout children's school careers, starting in preschool and persisting through college. Teachers tend to perceive affluent students as more motivated, driven, intelligent, and socially skilled, and give them more attention and favorable treatment than students from less affluent backgrounds.<sup>55</sup>

### *The Admissions Advantage*

Affluent children also have a leg up in college admissions. Sociologist Mitchell Stevens shows that the criteria that admissions officers at selective universities use to select new admits—attendance at high-quality schools, enrollment in AP tracks, extensive extracurricular involvement, and inspiring personal essays—are highly correlated with parental socioeconomic status. Whereas admissions officers frequently conceptualized these as individual achievements, Stevens demonstrates that they require an elaborate and expensive machinery of involved, affluent, and knowledgeable parents and are out of reach for many high-performing students from less privileged families.<sup>56</sup> In addition, admissions committees explicitly give preference to student “legacies” (those who have a parent who attended the institution) as well as children whose families have donated significant amounts of money to the school.

Furthermore, privileged children (and their parents) tend to be more knowledgeable about the rules of the college admissions game and be in a better position to play by them successfully. As college admissions committees have gone from seeking basic evidence of well-roundedness, as indicated by applicants' involvement in extracurricular activities, to seeking world-class accomplishments outside of the classroom, affluent parents have followed suit. These parents are enrolling their children in an arms race of ever more—and more intense—extracurricular activities, at ever-younger ages.<sup>57</sup> Tellingly, among the affluent, time spent chauffeuring children between extracurricular activities has increased in line with admissions committees' growing emphasis on this criterion of admission.<sup>58</sup> Similarly, with the increasing importance of standardized tests scores for college admissions, the use of test prep courses is on the rise. Close to 80 percent of affluent students use some sort of SAT test prep service (with about a third using more than one type), compared to less than 10 percent of less affluent students.<sup>59</sup> Test preparation services

have become such an entrenched part of affluent life that companies have opened branches in areas where wealthy families have vacation homes, so that children do not have to sacrifice verbal or math points while summering in bucolic settings.<sup>60</sup> Prep courses and other test-taking strategies can help boost the SAT scores of affluent children and facilitate admission to colleges, particularly the most selective ones.<sup>61</sup> Likewise, college application preparation has become a multimillion-dollar industry, offering individualized consulting and even essay writing for those who can afford it.<sup>62</sup> In-depth knowledge of the rules of the game, combined with the economic resources necessary to master these guidelines, give children from privileged families a significant advantage in college admissions.<sup>63</sup>

### *Unequal College Experiences and Outcomes*

Socioeconomic inequalities do not disappear once children enter college. Sociologist Jenny Stuber shows that working-class students are more likely to enter college with the notion that the purpose of higher education is learning in the classroom and invest their time and energies accordingly.<sup>64</sup> Sociologists Elizabeth Armstrong and Laura Hamilton demonstrate that this type of academically focused script clashes with the “party” and social culture of many US colleges. It isolates working- and lower-middle-class students from peer networks that can provide them with valuable information about how to navigate the social landscape of college as well as future job opportunities. The resultant feelings of isolation and alienation adversely affect these students’ grades, levels of happiness, and likelihoods of graduation.<sup>65</sup> As I will show later in this book, these students’ focus on academic rather than extracurricular pursuits also adversely affects their job prospects.<sup>66</sup>

To summarize, economic, social, and cultural resources enable children from more privileged families to better access, navigate, and perform within the formal education system, which has become a primary vehicle of economic stratification in the twenty-first century. Despite narratives of college as a great equalizer that levels the playing field for all who graduate, the story of elite reproduction does not end when students don their caps and gowns to receive their degrees. Parental socioeconomic status continues to exert meaningful effects on the types

of jobs and salaries students earn after they complete college or professional school.<sup>67</sup>

Yet how elite reproduction occurs in labor markets, when similarly credentialed students compete for jobs, is not well understood. Research on the topic is scant. Scholars who study elite reproduction in schools often assume that the types of resources that provide children with advantages in the educational system, especially cultural factors, also enable them to get better jobs and higher salaries.<sup>68</sup> These, however, are simply assumptions. They have not yet been studied. In this book, I examine the next switch on the track of elite reproduction after the completion of higher education: employer hiring. Employers are gatekeepers to jobs of varying incomes and prestige. The hiring decisions they make play important roles in explaining economic inequalities.

## **HOW EMPLOYERS HIRE**

How do employers contribute to elite reproduction? As noted above, we do not yet know. The bulk of research on stratification in hiring has focused on gender and race inequalities; socioeconomic inequalities have received minimal attention.<sup>69</sup> Moreover, researchers who study labor markets tend to look at entry to low-wage rather than high-paying jobs.

Sociologists typically depict employer hiring as a straightforward matching process between firms' needs and applicants' skills.<sup>70</sup> For a particular job and applicant pool, employers are thought to base decisions on cognitively driven estimates of candidates' productive capacities, or put differently, their ability to execute the work required.<sup>71</sup> Still, because employers generally cannot directly observe job performance before making a hiring decision, they make best guesses. They identify one or more characteristics that they can observe and that they believe are related to real differences in job performance; they then use these "signals" to evaluate applicants and to select new hires.<sup>72</sup> The choice of which signals to use is commonly based on stereotypes, perceptions of average group ability, or personal experiences.<sup>73</sup> The most commonly studied signals in sociology pertain to candidates' cognitive skills, particularly their years of schooling.<sup>74</sup> However, employers may also use the presence or absence of referrals to an organization and candidates' gender and race to infer productivity.<sup>75</sup> But crucially, as best guesses, these

signals are imperfect and may result in suboptimal hiring decisions, or even discriminatory ones.

Consequently, the dominant theory of hiring in sociology depicts employers' decisions as driven by estimates of candidates' human capital, social capital, gender, and race; any unexplained variance is typically attributed to measurement error and discrimination.<sup>76</sup> However, these traditional models of hiring decisions exhibit significant unexplained variance, suggesting that our knowledge of hiring decisions and inequalities is incomplete.<sup>77</sup> Scholars have shown that both cultural factors and social class influence how we evaluate others, including in the workplace, leading some academics to call for more research on the cultural and socioeconomic underpinnings of hiring decisions.<sup>78</sup> Yet these crucial bases of interpersonal evaluation usually remain excluded from analysis in hiring studies.<sup>79</sup>

In short, there is a robust literature on culture and inequality in education that unpacks how economic, social, and cultural capital all reproduce privilege in schools. This literature often assumes that culture and socioeconomic status matter in employer hiring decisions and access to elite jobs, but researchers have not yet tackled this question empirically. Likewise, there is a rich body of research on employer hiring, but these studies fail to analyze the processes through which human and social capital interact with cultural and economic capital to contribute to hiring outcomes and inequalities in elite labor markets.

This book links and advances these two streams of scholarship by investigating how elite reproduction occurs in hiring. Using a qualitative case study of hiring in top-tier investment banks, management consulting firms, and law firms, I examine the real-life ways in which these employers attract, assess, and hire new entry-level employees. I explain how the firms' approach to hiring tilts competition for elite jobs toward socioeconomically privileged candidates. I show that applicants' levels of intellectual, social, and cultural resources intersect with organizational and personal standards of evaluation to produce socioeconomic advantages in elite labor markets. Moving beyond purely ability- or inheritance-based arguments about elite reproduction and strictly human-capital-based accounts of hiring decisions, I demonstrate how taken-for-granted understandings of what merit is and how best to evaluate it—cultural beliefs that are entrenched in applicants' and

employers' own upbringings and biographies—play central roles in explaining why elite students get elite jobs.

## **STUDYING HIRING IN ELITE PROFESSIONAL SERVICE FIRMS**

### The Holy Trinity of Jobs

I chose entry-level jobs because I wanted to look at the first moment of economic stratification that occurs after students graduate from institutions of higher education. Moreover, jobs held early in a career play profound roles in shaping an individual's ultimate occupational and economic success.<sup>80</sup>

Since I wanted to investigate access to elite jobs, I chose some of the highest-paying entry-level jobs available to recent undergraduate and professional school hires: positions in top-tier investment banks, management consulting firms, and law firms. Getting a job in one of these firms catapults recent graduates into the top 10 percent of household incomes in the United States. Salaries for new hires are frequently double to quadruple the amounts earned by graduates from the same universities entering other types of jobs. Furthermore, previous employment within these types of firms is, increasingly, a prerequisite for senior positions in governmental and nonprofit organizations as well as in corporations.<sup>81</sup> Thus, these jobs, which historically have been dominated by the American upper class, can be thought of as contemporary gateways to the US economic elite.<sup>82</sup>

The choice of investment banks, consulting firms, and law firms may strike some readers as a comparison among apples, oranges, and pears. But for insiders, these three types of companies are peer organizations collectively referred to as elite professional service (EPS) firms, which work together and depend on one another for survival. In addition, employees in these firms and job applicants consider EPS organizations a cohesive category of high-status employment. Some of my participants described these three types of firms collectively as “the Holy Trinity” or Ivy League “finishing schools.”

All three types of firms draw from similar applicant pools for entry-level jobs. At top-tier undergraduate and professional schools, the majority of students—regardless of their academic performance or area of



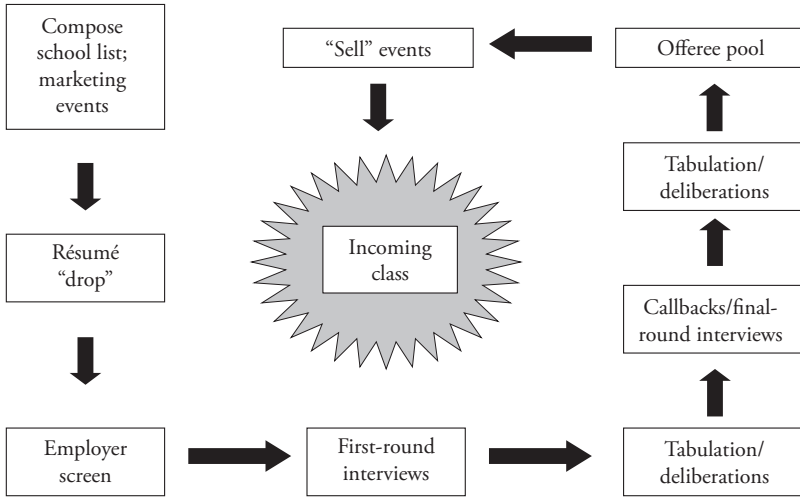
specialization—apply for these jobs. Undergraduates nearing graduation frequently debate whether to go into banking, consulting, or law school; students in business school often apply simultaneously to banks and consulting firms; and newly minted JDs increasingly seek employment in banks and consulting firms as well as in large law firms.<sup>83</sup>

Although they are not identical, jobs in these firms share many characteristics. The nature of the work performed—a combination of research, teamwork, and client interaction—is similar, requiring both analytical and interpersonal skills. Across firm types, professionals work with similar clients, usually large corporations. The work is time intensive, “all or nothing.”<sup>84</sup> Employees face numerous deadlines and typically work in excess of sixty-five hours per week. Finally, these firms have similar hiring procedures. They all garner the vast majority of their entry-level hires through a process known as *on-campus recruiting*.

### On-Campus Recruiting

Firms hire the bulk of new professional employees through annual, on-campus recruitment programs that they operate in conjunction with career services offices at elite universities. The process is called on-campus recruiting because employers go to students and hold recruitment activities and interviews on campus rather than undertaking these steps in their own offices. The goal is to hire a new group—anywhere from several dozen to several hundred students—each year. These new employees then enter the firm as a “class,” undergoing intensive training and socialization together.<sup>85</sup>

Recruitment in all three types of firms follows a similar series of steps, which I illustrate in figure 1.1.<sup>86</sup> First, employers set the bounds of competition by identifying a list of universities, typically based on school prestige, where they post job advertisements, accept résumés, and interview candidates (chapter 2). At a smaller number of these universities, firms will host recruitment social events to solicit applications and create buzz about the firm (chapter 3). Next, firm employees screen résumés (chapter 4) to select applicants for interviews. The interviews (which are the focus of chapters 6–8) consist of two rounds. In each round, applicants are interviewed independently by multiple revenue-generating professional employees (instead of human resources [HR]



**Figure 1.1**  
**Illustration of On-Campus Recruitment Process**

One deviation from this pattern is that for students at several law schools, career services offices prevent employers from screening résumés. Employers may post suggested grade thresholds or other attributes in job advertisements, but they must interview all candidates who sign up to interview.

managers) who could potentially—but not necessarily—work with the applicant, if hired.<sup>87</sup> Only those applicants who receive favorable evaluations in the first round of interviews are invited to participate in a second, final round. After the interviews are finished, interviewers and hiring committee members come together to make final hiring decisions in a group deliberation (chapter 9). A flurry of “sell” events (luxurious parties, dinners, or weekend retreats geared toward getting admitted students to accept job offers) follows.

This process occurs twice per year; once in the fall for final-year students seeking full-time employment (“full-time recruiting”) and once in the spring for students who are in their second-to-last year for summer internships (“summer intern recruiting”). Summer interns who receive full-time job offers after completing their internships (which the majority of summer interns do) do not go through full-time recruiting in their final year.<sup>88</sup>

Despite these similarities, there are small but meaningful variations in how firms typically structure interviews. The content of the interview, and specifically the degree to which interviews test interpersonal versus

technical skills, varies by firm type. Law firm interviews focus almost exclusively on testing candidates' interpersonal skills through informal conversations about law school and candidates' extracurricular activities. Banking interviews follow a similar format but also test candidates' basic familiarity with financial principles. Although such probes are usually rudimentary (e.g., "What is NASDAQ?" or "How do you value a company?"), they intentionally incorporate baseline tests of relevant technical knowledge. Consulting firms employ the most technically demanding evaluations. These assessments consist of a brief conversational interview, similar to those conducted by banks and law firms, followed by a twenty- to thirty-minute "case" discussion during which applicants must, in the course of conversation, solve a business problem similar to one they might encounter on the job. This kind of variation in the content of job interviews helps reveal important links between the structure of these interviews and elite reproduction. Drawing attention to these links is important because some research suggests that more structured interviews reduce biases and inequalities in hiring.<sup>89</sup>

## Methods

I researched hiring in EPS firms through a combination of interviews and participant observation.<sup>90</sup> My goal was to study hiring from the ground up. I wanted to immerse myself in the world of elite hiring and examine it from the perspective of the employers who were making real choices about real candidates.

### *Interviews*

From 2006 to 2008, I conducted 120 semistructured interviews (40 interviews per firm type) with professionals involved in undergraduate and graduate hiring in top-tier consulting, banking, and law firms. The participants included hiring partners, managing directors, mid-level employees who conduct interviews and screen résumés, and HR managers (for a description of my interview sample and sampling strategy, see appendix B). The interviews lasted approximately forty to ninety minutes, took place at the time and location of participants' choosing, and were tape-recorded (when the participants consented) and later transcribed

verbatim.<sup>91</sup> Given that the bulk of the firms are headquartered in Manhattan, I relocated to New York to facilitate data collection. Many of the interviews took place in the cafés and coffee shops around Wall Street and Park Avenue.

By design, the research interviews focused on the evaluators' personal experiences with and opinions about the hiring process and on their individual approach to evaluating candidates.<sup>92</sup> I asked them about the qualities that they use to evaluate applicants at each stage of the hiring process. Moreover, I asked them to describe the last three job applicants they had recently interviewed, concentrating on both applicant characteristics and details of the interaction.<sup>93</sup> I also asked them for their personal opinions about the hiring process as a whole, including their thoughts on whether it was effective, efficient, and equitable as well as what role (if any) diversity played in the process.

Not all evaluators in these firms screened résumés. I asked those in my interview sample who did participate in this aspect of the hiring process to verbally evaluate the résumés of a set of fictitious candidates: Annulkah, Blake, Jonathan, Julia, and Sarah.<sup>94</sup> I asked these evaluators to assess the résumés in real time (during the interview), spending as much or as little time on them as they normally did on real résumés. Most completed this phase of the interview in less than ten minutes. I intentionally designed these résumés (reproduced in appendix B) to be typical of those considered by EPS firms. All the candidates had attended at least one well-known university, met firms' basic grade floor, had work experience, and were involved in extracurricular activities. Yet the candidates varied by gender, ethnicity, educational prestige of their alma maters, grade point average (GPA), prior employer, and extracurricular activities. Because more than one characteristic varied between the résumés, the profiles were not intended to be an experimental manipulation. Instead, I intended them as a launching point for discussion that would illuminate what evaluative criteria the participants deployed and how they interpreted what they read on résumés, in real time. For all the evaluators, I concluded the interviews with biographical questions.

In order to gain insight into job seekers' perspectives on the recruitment process, I also conducted thirty-two semistructured interviews with job candidates who applied to jobs (some successfully, and others unsuccessfully) in EPS firms. These conversations focused on job seekers'

perceptions of the recruitment process as a whole as well as the particular interactions they had with evaluators from various firms. I refer to all interviewees by pseudonyms to protect their identities.

### *Participant Observation*

To couple these rich narratives about evaluative criteria and metrics with concrete data about behavior, I supplemented the interviews with participant observation of recruitment activities.<sup>95</sup> There were two components to the observational portion of the research. First, to understand how firms solicit new hires and publicly articulate the qualities they seek in candidates, I observed nearly every recruitment presentation hosted by these firms at local universities in a major, northeastern city over a period of six months. I located these events through advertisements in student newspapers and through on-campus recruitment schedules provided by career services offices. I also attended several diversity job fairs. During this time, I presented myself as a graduate student who was interested in learning about summer opportunities. I took detailed field notes about how firms presented themselves and their hiring procedures to students; I also kept detailed notes from informal conversations that I had with firm representatives and prospective applicants.

Second, to understand how hiring works behind the scenes, I conducted fieldwork over approximately nine months, in 2006 and 2007, within the recruiting department of one EPS firm. In this book, I refer to the firm using the pseudonym Holt Halliday, or simply Holt. My role was that of a participant-observer. I gained access to Holt through a personal connection; because I had professional experience in event planning and prior employment with an EPS firm, I was brought on as a “recruiting intern” to help plan and execute recruitment events. In exchange, Holt made me a full member of the HR recruitment team for a single, elite professional school and granted me permission to observe and assist with its recruitment process for that school. I refer to the school using the pseudonym Eastmore. To prevent any conflicts of interest, I refused the paid position that I was offered and instead accepted an unpaid position at Holt.

During the months of participant observation, I shadowed the Eastmore team through full-time and summer intern recruitment at the

school. In addition to helping me refine and strengthen my interview protocol, this experience allowed me to observe candidate selection directly and to watch for patterns outside of the evaluators' awareness. I recorded field notes as frequently as possible. I was aided in this by my role as an Eastmore recruitment team member. Since many of my duties involved toting around a notepad or clipboard, I often was able to take notes nearly in real time. During informal interactions where taking notes would have been obtrusive, I did my best to write field notes as soon as possible after an encounter, frequently running to the ladies' room to scribble notes in a pocket notebook. Institutional review board restrictions and a request from Holt precluded my sitting in on interviews. I nonetheless helped plan, attend, and execute recruitment events, interacted with job candidates, debriefed evaluators about candidates after interviews, and sat in on group deliberations in which candidates were discussed and ultimately selected. Although I did not observe interviews directly, witnessing how employers talked about candidates and collectively made decisions provided crucial insights into the hiring process. This is because how we interpret events plays a critical role in orienting action.<sup>96</sup> The evaluators use interview reports to record their *subjective impressions*—not objective details—of interactions with candidates; these narratives then become the basis for arguments for or against candidates in hiring committee deliberations, which I did observe.<sup>97</sup> Although I observed only one firm, these data represent a launching point for understanding basic features of assessment.<sup>98</sup>

As I discuss in detail in the empirical chapters to come, hiring at Holt, as at other EPS firms, involves both recruitment HR staff and revenue-generating professionals. In general, the former handle the planning, execution, and administration of the hiring process; the latter interview candidates and make hiring decisions. The HR side of Eastmore's recruitment team consisted of Zach, a white male in his early thirties who was charged with running Eastmore recruitment and who was my direct boss; HR recruitment staff person Amanda, a white woman in her late twenties who worked full time on Eastmore hiring during recruitment season; and Sam, a white man in his mid-twenties who worked on recruitment full time in HR, mostly with Eastmore but occasionally helping out with other schools. In addition to me, there were two other interns (both paid), Irene and Lila, who both were students in

Eastmore's undergraduate programs. Irene is an African American from the suburbs of New York City; Lila is a Latina from the suburbs of Miami. Especially on interview days and during deliberation meetings, we were joined by two revenue-generating employees: Holt partner Dash, an Indian American male in his early forties who helped oversee Eastmore recruiting, and Nitesh, an Indian male in his early thirties who was stationed full time on campus at Eastmore during the fall to meet informally with students and help prepare them for interviews (in lieu of being allocated to client work). The team knew me as a sociology graduate student who was studying hiring practices at EPS firms, including Holt. I have changed minor details about the firm and the people I observed to obscure and protect their identities. I also have replaced all proper names with pseudonyms.

### *Data Analysis*

I took a grounded theory approach to data analysis, allowing the themes to emerge from the data rather than imposing my theories on the data a priori. I developed coding categories inductively and refined them in tandem with data analysis.<sup>99</sup> In the primary coding rounds, I hand-coded the interview transcripts and field notes sentence by sentence, paying particular but not exclusive attention to mentions of any criteria or process that the participants used to evaluate job candidates. I then returned to the most frequently used codes to develop secondary and tertiary codes. In true inductive fashion, I did not set out to analyze socioeconomic status or culture when I began the project. In fact, I originally intended to study gender in hiring. After the initial coding rounds, however, it became clear that culture and socioeconomic status were highly salient bases of evaluation and stratification in these firms. I then developed more nuanced codes to capture these concepts, creating over five hundred codes in total.

### Researching Elites: Being Inside *and* Outside

Qualitative research is a social endeavor, one that is intimately intertwined with the researcher's identity. Thus, it is important to acknowledge some of the ways in which my own identity and biography were

assets in conducting this research. I grew up straddling working- and upper-class worlds. I was raised by an immigrant single mother who worked in a variety of low-wage jobs while my father was in prison, but I have been immersed in elite educational institutions since I was eleven years old. Through exposure to these worlds, I am familiar with the interactional styles and codes that are typical in each. Since similarity is a crucial basis of liking and trust, my background was advantageous: I was able to highlight aspects of my life that were similar to those of research subjects from a wide array of backgrounds.

As sociologist Susan Ostrander notes, a distinctive feature of interviewing elites is a process that she terms “checking out,” whereby the research subject first interviews the interviewer to assess her status and trustworthiness.<sup>100</sup> Likewise, many of my interviewees began our conversation by checking me out. I was surprised by how many asked me where I grew up. They wanted to know not only what city I was from but also the particular neighborhood within the city (I am fortunate that the area of Los Angeles where I grew up has both extremely affluent sections and lower-middle-class pockets; I could emphasize one or the other, depending on the specific interviewee). My attendance at a prestigious college-preparatory school along with my undergraduate and graduate degrees from Ivy League schools provided me with an invaluable mantle of “insiderness.” As I describe in chapter 4, in EPS firms, educational prestige is considered a strongly reliable barometer of social, intellectual, and moral worth. Moreover, because I was a former employee of one of these firms, many of my study participants treated me as an industry insider who was familiar with the realities and challenges of on-campus recruitment. Referring to the schools I attended or my prior employer, evaluators often said things like, “You get it,” “You understand,” or “You’re one of us.”

Yet I also come from a mixed ethnic background—I am half Puerto Rican and half Eastern European—and I have a common Spanish last name. Many of the ethnic minorities who I interviewed referenced my last name or heritage in emphasizing a sense of commonality between us. Although my ethnic identity may have created a sense of unease or prompted social desirability biases in white evaluators, I believe it did not do so significantly. If it had, I would have expected to hear greater stress on the importance of diversity and less frank conversations about



overtly negative opinions of racial minorities, including Hispanics.<sup>101</sup> Some of this may be because I am light skinned.<sup>102</sup> I have been told that I look ethnically ambiguous; guesses about my ethnicity have ranged from French to Filipino. Perhaps tellingly, many white evaluators pronounced my name “Riviera,” like the posh coastal areas of Europe, rather than Rivera.<sup>103</sup>

There are advantages to being an insider. Without a sense of commonality, I doubt my interviewees would have been comfortable disclosing much of the sensitive data they did. There are significant caveats, though. In particular, because evaluators often said things like, “You know what it’s like,” I had to take great care to get them to explain what they meant by particular terms or references to avoid imposing my own ideas on them.

## **BOOK OVERVIEW**

The central argument of this book is that the way in which elite employers define and evaluate merit in hiring strongly tilts the playing field for the nation’s highest-paying jobs toward children from socioeconomically privileged backgrounds. These processes create a class ceiling for students, even among those at selective universities, in terms of the salaries and types of jobs they attain after graduation.

The book is organized to take the reader chronologically through the steps of the hiring process, from the initial decision of where to post job advertisements to the final step, when the hiring committee meets to make final offer and rejection decisions. Although as an intern at Holt I was a participant in this process, I intentionally minimize my voice throughout the book in order to mimic the lack of voice and silencing of HR professionals in these firms’ hiring process. Drawing attention to the stigma associated with HR in these firms is important because academic models of hiring frequently assume that HR professionals bear the responsibility for making hiring decisions. This assumption did not hold in the firms that I studied. Instead, revenue-generating professionals—who are often difficult to identify using the organizational websites, industry directories, or national databases that sociologists rely on to gather information about hiring agents—evaluated candidates and made selection decisions.

In chapter 2, I examine how elite firms set eligibility criteria for jobs. I find that institutionalized and individual social capital set the bounds of competition. Students needed either to attend a university with pre-existing ties to a firm or have an insider contact within a firm or industry (both of which are strongly associated with parental socioeconomic status) in order to have their applications considered. All other applications, even those solicited at diversity fairs, typically were not reviewed seriously, if they were reviewed at all.

In chapter 3, I use ethnographic observation of firm recruitment activities to provide an in-depth look at how firms market themselves to students and advertise jobs during on-campus recruiting. I highlight how firms appeal to students' uncertainty about life after graduation and their competitiveness by presenting jobs in EPS firms as the most logical, secure, and prestigious career path available to elite grads. These messages and activities contribute to large applicant pools; typically, over half the students at so-called core universities apply to these types of jobs. Just as important, on-campus recruiting activities help shape the career aspirations of elite graduates and their attitudes toward EPS firms in general.

Chapter 4 focuses on how employers screen résumés and select first-round interview pools. I show how résumé screeners use the status of applicants' educational and leisure credentials, particularly super-elite university affiliations and participation in prestigious extracurricular activities, to judge applicants' social, intellectual, and moral worth. I highlight how the types of credentials favored in résumé screening provided significant advantages to students from privileged socioeconomic backgrounds in getting a first-round interview.

Chapter 5 begins to address how firms and evaluators go about assessing the person behind the résumé in job interviews. I offer an inside look into interviewer training, revealing how firms gave evaluators little guidance regarding how merit should be systematically judged. I then set the physical stage for the two rounds of face-to-face interviews that are the primary basis of job offers and rejections.

Chapters 6, 7, and 8 investigate how employers evaluate candidates during job interviews. I analyze how evaluators judge interviewees' hard and soft skills and assess merit more generally. I show that the types of activities, stories, experiences, and answers valued in the interview

setting are deeply entrenched in class-based definitions of self, success, and personal style.

Chapter 9 concentrates on the group deliberations and hiring committee meetings that take place between evaluators after interviews have been conducted. I investigate how the multiple interviewers who evaluate each candidate reach consensus and make hiring decisions. In this chapter, I demonstrate how gender and race interact with socioeconomic status in social reproduction.

Chapter 10 explores social reconstruction. Although the competition for elite jobs is strongly tilted toward students from affluent, well-educated families, it is not a completely rigged game. The relationship between social origin and destination is not one-to-one. I present the stories of a small number of candidates from less affluent backgrounds who have managed to obtain jobs in EPS firms as well as descriptions of candidates from elite backgrounds who have not. This chapter illuminates the processes through which individuals can break the type of class ceilings prevalent in this labor market.

Chapter 11 ties together the book's empirical chapters to summarize how elite reproduction in hiring occurs. I highlight the intellectual, social, and organizational implications of socioeconomic sorting in elite labor markets, suggest directions for future research, and propose interventions that may help reduce socioeconomic biases in hiring.