

Creating Opportunity:

Diversity Trend Report 2020

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Introduction

COVID-19 has undoubtedly disrupted the talent market as we knew it. From the rise in unemployment to the feelings of uncertainty, our worlds have been turned upside down.

According to the **Pew Research Center**, the U.S. unemployment rate rose higher in three months of COVID-19 than in the two years of the Great Recession of 2008. Statistically, the U.S unemployment rate shot up from 3.8% in February 2020 to 13% in May 2020.

While the pandemic has stirred our global community, communities of color are disparately impacted. And within the underrepresented communities, early-in-career talent is affected the most.

While organizations in the U.S. have been prioritizing diversity and inclusion efforts for years, little to no progress has been made towards real change. The lack of diversity is especially prevalent in tech companies. In a **racial diversity report by**Open MIC, it cites that "racial and ethnic minorities have made scant progress over the past 15 years, securing only 1 to 2 percentage points more of the available jobs."

At Jumpstart, it's our mission to make recruiting fair for all.

We're here to help organizations, like yours, broaden your talent landscape. This boils down to driving equitable opportunities and outcomes to those who have historically been given fewer opportunities in life.

This 2020 Diversity Trend Report is a state of the state on how recruiters on Jumpstart are successfully driving career opportunities and outcomes to specific subgroups of the population. We synthesize first-party qualitative and quantitative research insights to provide you with a current state of affairs in recruiting.

Jumpstart is seizing this moment and taking an active role to reduce the harm of COVID-19 in the talent market to the underrepresented community. But we're not just building for today. We're building for the future. In 2052, there will be a majority-minority tipping point in which the U.S. demographic will drastically change. And Jumpstart has the responsibility to create a platform that will support underrepresented groups for that future, now.

This report is just the beginning.

Methodology

The 2020 diversity trend report is a culmination of Jumpstart's research and product insights. We looked to the fearless talent acquisition professionals on Jumpstart to get a pulse on what they care about and are paying the most attention to in 2020-2021.

In parallel, we also combed through Jumpstart's proprietary data from hundreds of companies and hundreds of thousands of candidates to reveal patterns and trends in the recruiting lifecycle.

This report summarizes findings across 880,000+ job applications from candidates on Jumpstart.

Our analysis covers trends throughout the recruitment funnel from the application stage to hires. We're excited to share the top prevalent diversity trends for 2020 to help inform your strategy for a more diverse and inclusive workplace.

Definitions

Underrepresented minority groups

At Jumpstart, our working definition of an underrepresented minority is someone who identifies as female or non-binary, or whose race or ethnicity is one or more of the following:

African American / Black
Hispanic / LatinX
American Indian* / Alaskan Native
Native Hawaiian / Other Pacific Islander

This URM definition aligns with much of the industry and how the EEOC defines it. But, we know that people are multidimensional. We're committed to adding new definitions of URGs in the future to provide a more holistic, intersectional view of Jumpstart.

Asians

In this report, we classify a candidate's ethnicity as "Asian" if they self reported one of the following ethnicities on account creation: Asian, East Asian, South Asian, Southeast Asian.

We recognize that grouping these users into a single ethnic group does not allow us to draw conclusions about this population's heterogeneous subgroups. But, we chose to group them for data accuracy since we recently introduced additional ethnicities to Jumpstart at the beginning of this year. This grouping allows us to report out in full fidelity over the trailing 12 months.

Match score

A "match score" is Jumpstart's measure of how well a candidate's skills align with a role's preferred qualifications. The score is determined through our AI algorithm, JANNI, to make sure that we highlight the best-fit talent for the job based on the desired skills and qualifications.

^{*} While the EEOC describes Native American as the word of choice, American Indian is more accurate.

Over 80% of recruiters on Jumpstart say they put a lot of effort into creating a diverse candidate pool. But, only 9% of them rate their company's diversity & inclusion strategy and initiatives as extremely great.

Although recruiters are trying to build inclusive workplaces, there are still barriers in the landscape

Research shows that a diverse workforce more directly benefits employers' bottom lines due to lower turnover and the ability to build diverse sets of customers.

McKinsey & Company has also reported that companies in the top quartile in terms of racial diversity are **35 percent more likely to have financial returns higher than the national median in their industry**. That's why at Jumpstart, we want to help talent acquisition teams save time, hit goals, and hire the best, most diverse talent.

In a recent survey to recruiters on Jumpstart, 100% of respondents agreed that diversity brings value to their organization. And 91% have OKRs around diversity and inclusion. This data is in line with what we're hearing and seeing in the world today. More than ever, organizations are prioritizing and investing resources into cultivating a diverse and inclusive workplace. And, this transformation starts with hiring the right people.

But while recruiters and their companies care about and are putting a lot of effort into building a diverse workplace, few teams actually do it well. Clearly, there are still barriers in the landscape that are limiting the progress society needs in diversity, equity, and inclusion.

So, what's the pulse on diversity recruitment? Here are four key takeaways

From the data that we've collected in Jumpstart the past few years, it shows that there are serious barriers for candidates from underrepresented communities. But, within the Jumpstart community, we help talent acquisition teams correct for over-representation of majority groups in their candidate pipeline. Let's unpack that.

#1 Candidates from majority groups tend to apply to more jobs than candidates from minority groups.

27%

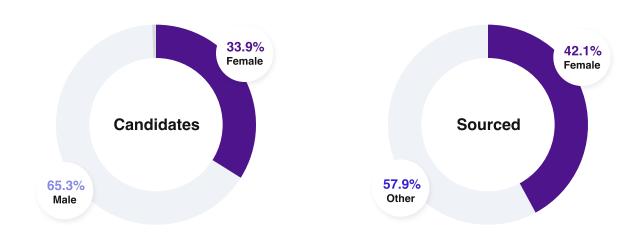
Male candidates **apply to 27% more jobs** than female candidates

2x

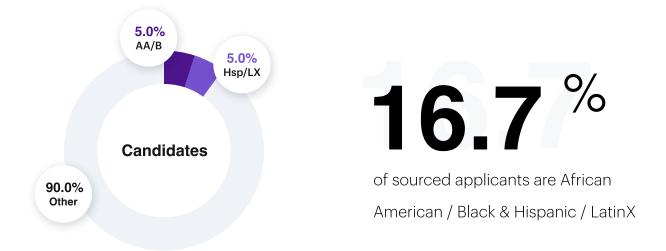
Asian candidates apply to **2x more jobs** than Black and LatinX candidates

#2 Recruiters on Jumpstart are successful in correcting the underrepresentation among minority groups in their inbound pipeline by over-indexing on minority groups as part of their sourcing strategy.

Female candidates account for **33.9% of Jumpstart's candidate population**, but account for **42.1% of all sourced applicants**



African American / Black and Hispanic / LatinX candidates account for 10.0% of Jumpstart's candidate population, but account for 16.7% of all sourced applicants

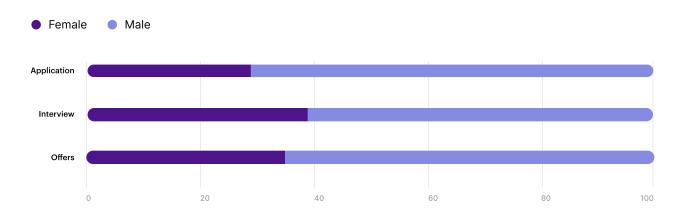


#3 Candidates from underrepresented groups are more likely to make it to an interview stage than candidates from majority groups.

African American / Black candidates account for 4.7% of all applications, but 7.1% of interviews. Similarly, Hispanic / LatinX candidates account for 4.1% of applications and 5.7% of interviews.

#4 Bias comes later in the interview process. Candidates from underrepresented groups who make it to an interview stage are less likely to be offered the job than candidates from majority groups.

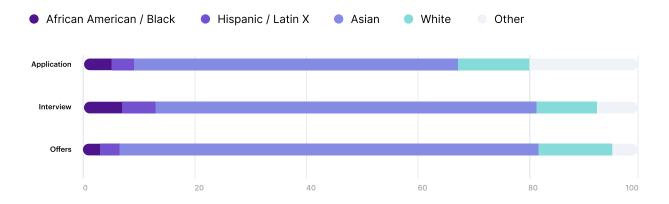
Gender Breakdown



Female candidates account for 31% of all applications and 39% of interviews—but only 35% of offers. While male candidates account for 60% of interviews but 63% of offers.

This implies that a male interviewee is 17% more likely to receive an offer than a female interviewee.

Ethnicity Breakdown



African American / Black candidates account for 7.1% of interviews but only 3.2% offers. Hispanic / LatinX candidates account for 5.7% of interviews but only 3.5% offers. While Asian candidates account for 69.2% of interviews and 75.9% of offers.

This implies that Asian interviewees are 143% more like to receive an offer than African American / Black interviewees and 79% more likely than Hispanic / LatinX interviewees.

Jumpstart's Commitment

87% of all candidates have self-reported their demographic data on Jumpstart

Filtering on candidates who have supplied their information, Jumpstart's shared talent pool hits or exceeds the industry average for underrepresented candidates in almost all areas—by ethnicity and gender. But it is also obvious to us that we still have some work to do.

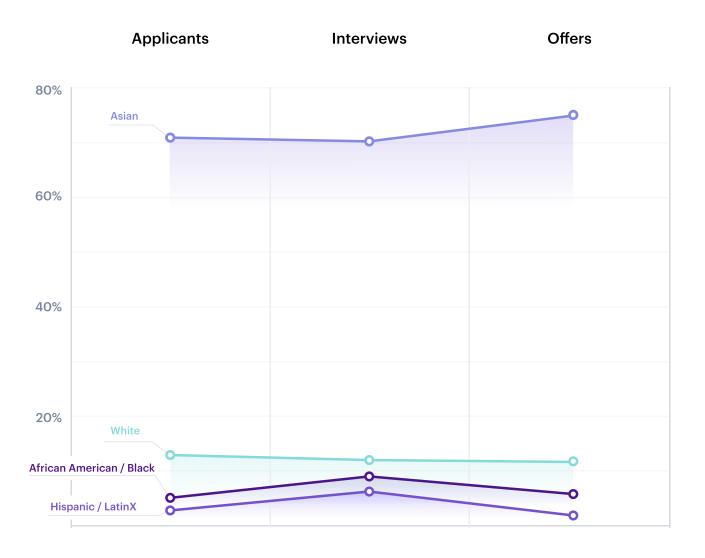
As a company, Jumpstart is committed to ensuring that more candidates from all backgrounds, ethnicities, genders, and more are better represented on our platform. That's why we're laser-focused on partnering with nonprofits and companies such as AfroTech.

We hope to accelerate the growth of our candidate population, help more candidates from underrepresented groups get on the platform, and connect them with new opportunities—to close the gap between companies looking to hire their dream candidate and candidates looking to land their dream job.

Full Funnel Insights in the Hiring Process

At Jumpstart, we know that talent is equally distributed, but opportunity isn't. We know that recruiters are often searching for candidates through Linkedin and saying that talent isn't out there. But we know they are, and we're here to help you find the best, most diverse talent. From our data, it's clear that recruiters on Jumpstart are able to successfully use our product to build diverse candidate pipelines.

Here's a breakdown of the current trends we're seeing in the hiring process:



Candidate pipelines are more diverse at the initial steps of the hiring process. And recruiters make a conscientious effort to source for underrepresented candidates on Jumpstart's platform as a supplement to their not-so-diverse inbound applicants. But, although the pipeline diversity is maintained at the interview stage, that proportion drastically drops in the talent who are hired.

Application Stage

At the top of the funnel, there are two ways to add candidates to your pipeline. They either apply directly to the job as inbound candidates or recruiters source them from external talent pools.

From our data, it's evident that inbound applicant pools are not representative of the overall talent pool. Candidates from majority groups tend to apply to more jobs than candidates from minority groups. To level-set, this phenomenon is not due to the supply of jobs on Jumpstart biasing toward majority groups. Jumpstart's match scores across all jobs are evenly distributed across each ethnicity and gender.

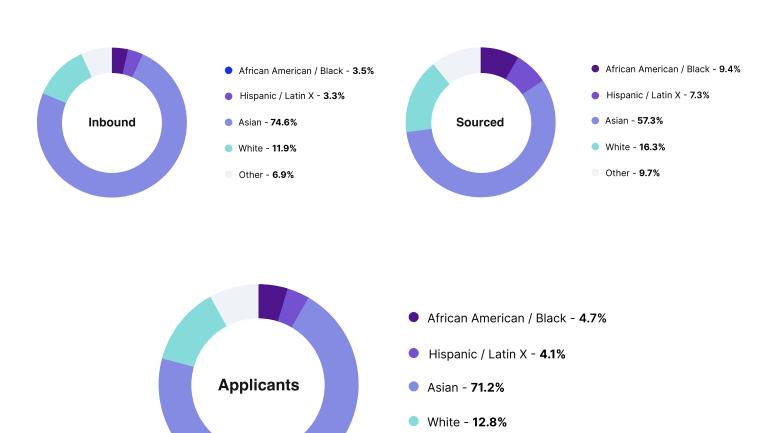
We believe that other factors at play drive majority groups to apply to more jobs than minority groups. For example, women are more likely held back from applying to roles due to a mistaken perception about the hiring process—and not as much by a lack of confidence.

By supplementing their inbound applications with sourced candidates, recruiters on Jumpstart have successfully built more diverse pipelines that represent the overall Jumpstart population. This remains the case even when their inbound applicant pool over-indexes on majority groups.

For a closer look at the stats during the applicant stage on the platform:

On aggregate, men are 27% more likely than women to apply to jobs, and Asian candidates are twice as likely to apply to a job than Black or LatinX candidates. Nevertheless, a female candidate is 59% more likely to be sourced by a recruiter on Jumpstart than a male candidate.

Similarly, a Black candidate is 104% more likely, and a LatinX candidate is 58% more likely to be sourced than an Asian candidate. The resulting pipeline, made up of both inbound and sourced applicants, is as diverse as Jumpstart's overall candidate population.



Other - 7.3%

Candidate Engagement

Talent acquisition teams are using Jumpstart to engage with both their inbound and outbound applicants.

How are recruiters so successful in engaging talent on the Jumpstart platform? It's simple. Talent on our platform is highly engaged and responsive.

Comparatively, candidates from minority groups tend to be even more responsive to recruiter outreach than candidates from majority groups.

Black candidates are 68% more likely, and LatinX candidates are 36% more likely to respond to a recruiter message about a job than White candidates.

Virtual events are another proven tactic that recruiters on Jumpstart use to engage with candidates from minority groups. Recruiters host virtual events regardless of whether there is an existing job opening or not.

Through events, recruiters on Jumpstart engage with 24% more female candidates, 180% more Black candidates, and 76% more LatinX candidates using our demographic filters than they would without them.

In general, candidates from underrepresented groups look for "inclusion" signals in the outreach from recruiters. That's why some recruiters have different templates that they use to reach out to majority and minority groups. From a recent survey to the recruiters on Jumpstart, only 18% said that they use a different template to send messages to candidates from underrepresented groups. There's room for talent acquisition teams to be more strategic and intentional with the outreach language so that it feels more inclusive and welcoming to underrepresented talent.

Interview Stage

As applicants move through the hiring funnel, candidates from minority groups are more successful in landing interviews than candidates from majority groups.

Female candidates are 24% more likely to progress to an interview stage than male candidates.

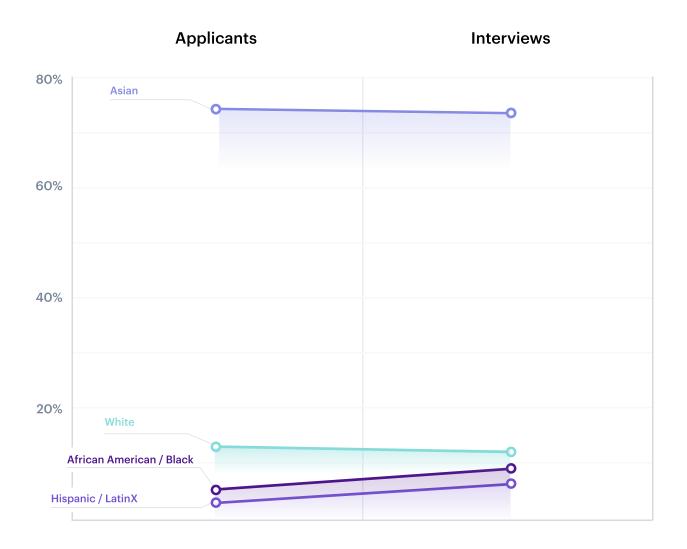
Black candidates are 138% more likely, and LatinX candidates are 91% more likely to progress to an interview stage than White candidates.

Since candidates from minority groups tend to apply to less jobs on Jumpstart than those from majority groups, we infer that underrepresented talent is generally more selective. This makes sense since the industry is moving slowly to close the opportunity gap for these demographics. And, candidates from minority groups likely want to know the communities they join will grow, uplift, and advance their talent. Ultimately, they want to make the right choice—they want to belong.

Interviews

On average, candidates from minority groups are likely more qualified for the roles they apply to or are sourced for than candidates from majority groups. Evidenced by the fact that candidates from minority groups are more likely to advance to the interview stage than those from majority groups.

It's clear that the emphasis that talent acquisition teams are putting on creating a diverse candidate pool and pipeline is paying off. The extra work that recruiters are putting into sourcing for underrepresented candidates is translating into the distribution of talent who move on to the interview process.



Candidates Hired

Although there is a stronger push for diversity in candidates and pipeline, there is slow progress for those hired. Underrepresented groups tend to suffer more in terms of the number of offers.

Recruiters can drive equitable opportunities but not equitable outcomes to minority groups. There are likely multiple factors at play, driving this disparity in results. But, here are just a few hypotheses:

- **1.** There's unconscious bias in the later parts of the interview process, which tends to favor majority groups. Here are some simple ways you can debug any potential biases in your recruitment process.
- **2.** Interviewees from minority groups are less prepared than those from majority groups. This could be due in part to societal and economic factors that have put them in a disadvantageous position to start with.
- **3.** There's too much of an emphasis on creating diverse pipelines and not enough focus on maintaining that diversity through hiring outcomes.

How Jumpstart helps to broaden your opportunity landscape

Today, we're helping to evolve the recruitment ecosystem at the top of the funnel by assisting recruiters in driving more equitable opportunities to candidates from underrepresented groups. And, we aim to be the go-to place for talent CRM and to source for the top talent of all backgrounds.

But, it's clear we have more work to do. Despite recruiters' efforts to increase the diversity of their pipelines, hiring outcomes still tend to favor candidates from majority groups. Jumpstart has a role to play in changing the recruitment landscape, and we're just getting started. The first step to solving a problem is knowing where you are.

93% of customers agree that Jumpstart helps to increase the diversity of their candidates and pipeline.

Over 70% of recruiters say that Jumpstart is very important to help them increase diversity in the workplace.

This Diversity Trend Report is just the beginning

Over the next few months, we'll share how Jumpstart plans to drive results in diversity, equity, and inclusion through our product and partnerships.

We imagine a world where anyone's dream job is within reach. That's why Jumpstart partners with companies committed to broadening the opportunity landscape and viewing talent of all backgrounds—not just for what they have done, but for what they can do.

And while the data is promising, we have a long way to go. Join us.



Ready to hit your diversity and inclusion goals?

Get in touch