

The new currency of social capital

How Gen Z builds relationships and finds jobs

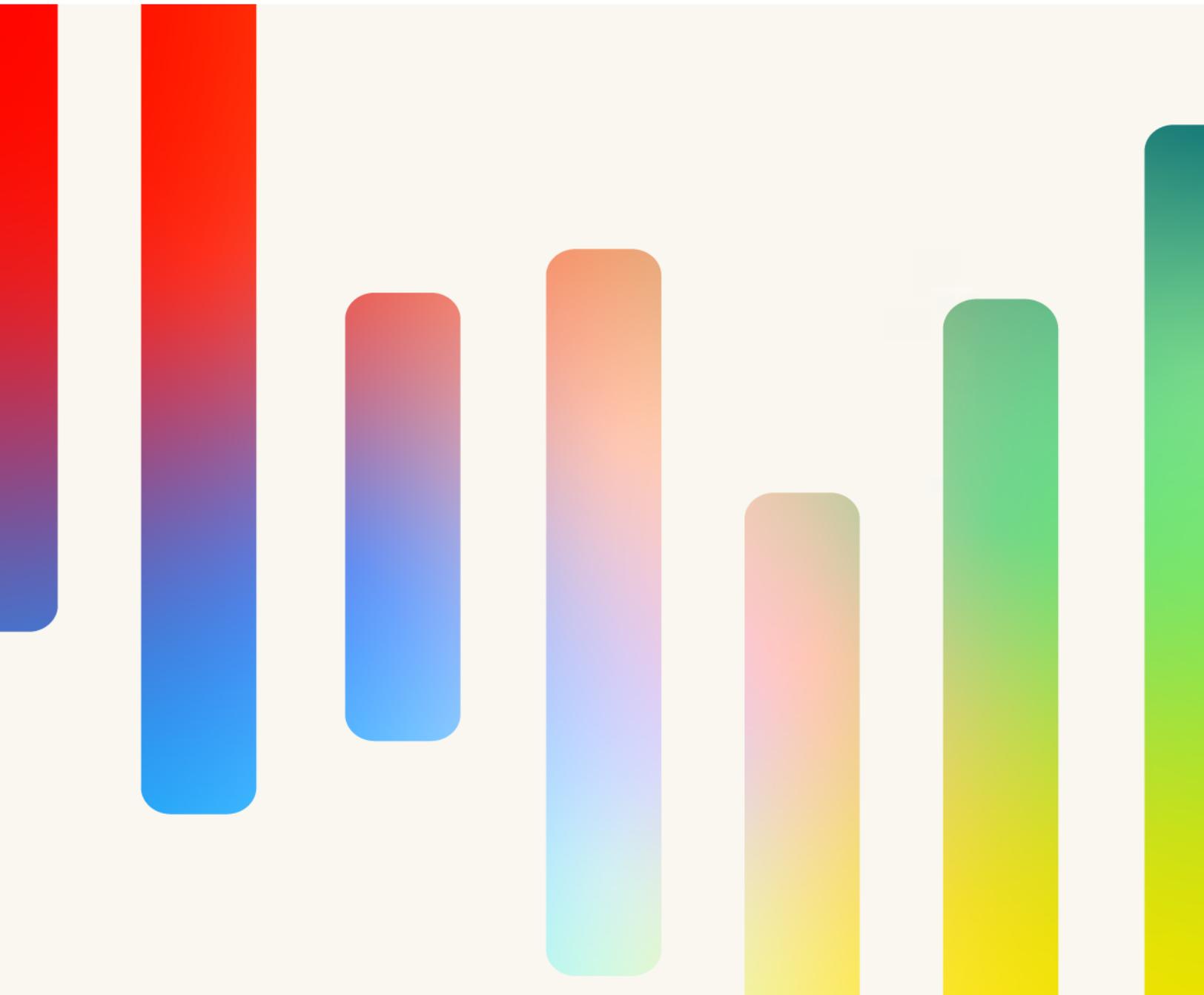


Table of contents

3	Executive summary
4	Key takeaways
5	Gen Z navigates a tight—and tech-heavy—job market
9	Digital acceleration leads to an agile generation
13	Recommendations
14	Methodology
15	About

Executive summary

The old adage, “it’s who you know, not what you know,” takes on a new meaning for digitally-native Gen Z, who are confidently navigating a labor market transformed by the pandemic and forging professional networks almost entirely online. Signals point to the emergence of new networking standards, pioneered by early career professionals who are establishing business relationships from scratch and from the comforts of their couch.

In this report, we explore how Gen Z builds social capital and connections beyond family, friends, and preexisting relationships with coworkers, classmates, and others.¹

While previous models of social capital suggest that students lean on established networks to access new careers, we find the inverse to be true today: college students and recent alumni don’t need to have preexisting connections to get a foot in the door. **For Gen Z, the internet is the path to social capital—a wealth of information, resources, and network potential, facilitating access to a richer job pool and catalyzing broader professional networks than their parents.**

These low-friction, low-risk ways to create connections and act on opportunities aren’t limited to one type of student, either.² Across gender, race, ethnicity, and first-generation student status, **8 in 10 agree that it’s easier for them to learn about a career they’re interested in and make a wider range of professional connections than was possible in their parents’ generation.**

Since Gen Z has more information at its fingertips than ever before, employers and career service experts have an important role to play in helping them navigate online recruitment and networking. While forward-thinking universities are facilitating connections across a spectrum of modalities—from mentorship opportunities to peer networking to virtual career events—employers will need to continue to adopt new virtual practices that meet candidates where they are. With over 2,100,000 virtual connections happening on Handshake this year alone, Gen Z is demonstrating comfort building a virtual network—a shift that our research suggests has been accelerated by the pandemic.

¹ We use as a starting point the Search Institute’s Social Capital Assessment and Learning for Equity (SCALE) framework Search Institute (2021). *Social capital assessment and learning for equity measures: User manual*. Minneapolis, MN: Search Institute.

² [Who Wins with Virtual Recruiting? Leveling the playing field for underrepresented students](#). Handshake Network Trends. (2021).

Key takeaways

01 **Graduates of color are 1.7 times more likely than white graduates to believe that careers are easier to enter now compared to their parents' generation.**

As a result of more digital connectivity, careers are more accessible for all groups, not just those with preexisting connections. The confidence we see here in people of color suggests some increased optimism about racial equity and a stark contrast from previous generations where preexisting relationships through a job seeker's parents, college circle, or social affiliation were the norm.

02 **Nearly 7 in 10 job seekers believe that they do not need to meet in person to forge a meaningful professional connection.**

The pandemic transformed the way Gen Z develops professional relationships. Interacting on virtual platforms is seemingly second nature to them: 66% of respondents learned about jobs through online career platforms.

03 **Women are 26% more likely than men to believe you do not need to meet in person to make a professional connection.**

The normalization of virtual job seeking has opened up more opportunities to build relationships, sidestepping "old-boy networks" that historically rewarded men and disadvantaged women.

04 **87% of job seekers believe that messaging with an employer may lead to a job.**

The trending currency of social capital is digital networking. Gen Z job seekers do not assume in-person meetings or interviews are essential, which opens up their network to more professionals across time zones and geographic locations.

05 **92% of alumni would pay it forward by helping a fellow alumnus find a job.**

There is desire from graduates to support younger students, even though only 15% reported establishing connections with alumni. While alums overwhelmingly want to support other alums, many haven't received support themselves. Bolstering efforts to nurture professional relationships that cater to Gen Z's preferences will have lasting impact on attracting talent.

Gen Z navigates a tight—and tech-heavy—job market

Gen Z's parents were more likely to have tapped friends and family for job prospects, but tech-savvy Gen Z is leveraging a new kind of Rolodex. Job seekers of all backgrounds are discovering new avenues to opportunities that were previously unavailable to others like them. Gen Z is taking an opportunistic approach, seizing the moment to assemble a bench of mentors, recruiters, working alumni, and employer contacts.

Gen Z's comfort navigating digital networks stems from the fact that, unlike previous generations, they have grown up on technology. Accounting for 67 million young adults who make up 20% of the US population, Gen Z has little memory of a world before smartphones—a radical departure from their parents' generation where only 15% of households reported having a computer.³

More access means more talent (and competition)

Rather than dwelling on the lack of preexisting professional connections, Gen Z sees the internet and social media as the path to social capital—a wealth of information, resources, and network potential, facilitating fast access to a richer job pool and catalyzing broader professional networks than previous generations.

Gen Z agrees they have much better prospects for growing their networks and exploring career options than their parents: **86% believe it's easier to learn about a career that interests them and 80% believe it's easier to make a wider range of professional connections.**

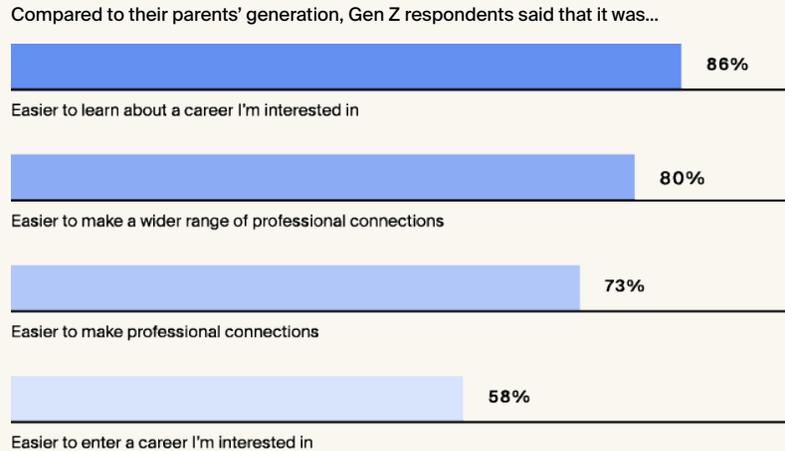
There is definitely a huge difference between my parents' generation and mine. For them, it was more about who you know and just making connections through your friends or family members. But for us, it's a little bit different... we have all these other additional tools to reach out to different types of employers and different opportunities.

Denisha

University of Georgia, Class of 2020

³ Gen Z is comprised of individuals born between 1996 and 2012. Statistics based on [U.S. Census Bureau \(2019\)](#), American Community Survey 5-year estimates. Data on household access to technology from U.S. Census Bureau (2018), [Computer and Internet Use in the United States](#), American Community Survey Reports.

73% say it's easier to make professional connections compared to their parents' generation



n=1,218

The barriers to build your own network online and from scratch have lowered, putting today's job seekers on a more level playing field than previous generations.

Many respondents note that while it may be easier to build relationships, the increased opportunity to do so also means they face increased competition—**more access means more qualified applicants**. Some think that their parents had it easier because more options have brought about new challenges centered around distinguishing oneself among a throng of fellow job seekers.

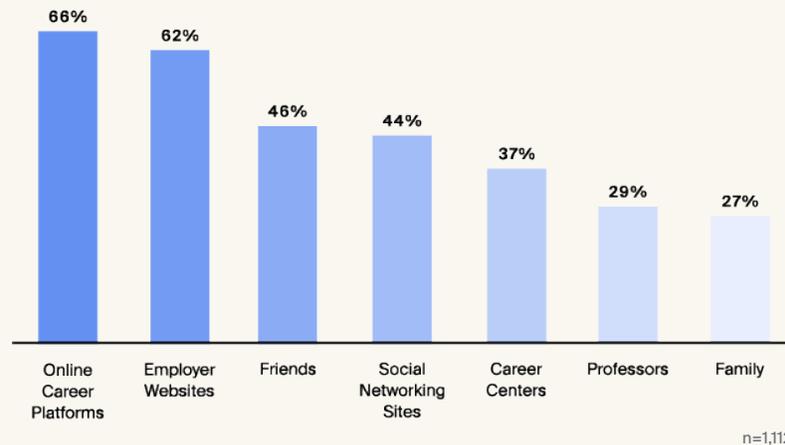
Widening one's network, from business cards to digital profiles

Today, online career platforms have evolved from job boards into thriving networks; they are now the leading way Gen Z builds professional circles and launches careers. More than friends, family, or other close relationships, Gen Z learns about potential jobs from digital sources: mainly online career platforms and employer websites.

Many of those surveyed noted their preference for connecting virtually because it is psychologically safer, offering more privacy, accessibility, and convenience. Gen Z's predilection for remote connections, especially in the first stages of establishing a new relationship, manifests as a preference for connecting via email (92%), shorter calls (82%) and in-person meetings (77%).

The 3,500,000 messages exchanged between students and employers on Handshake over the past 12 months validate these perceptions. When initiating messages with employers, students on Handshake are taking the opportunity to ask questions and pitch themselves. **Based on commonly-used words, students are discussing relevant and/or needed experience, skills, qualifications, accomplishments, and remote work preferences.**

3 in 5 use digital sources—like online career platforms and employer websites—to learn about opportunities.



Virtual networking builds social capital

The benefits of forging new opportunities through digital connections are polarizing. The optimism toward building connections we see in people of color suggests a stark contrast—and potential democratization—from previous generations where preexisting relationships through a job seeker’s parents, college circle, or social affiliation were the norm.

When controlling for gender, **respondents of color are 1.7 times more likely than white respondents to believe that it’s easier to enter a career they are interested in now compared to their parents’ generation.** These findings validate an earlier study from the Pew Research Center that found that parents of color—particularly Latinx/Hispanic and Black parents—see college as key to their child’s economic success.⁴

When it comes to opportunities, the landscape today is more promising for all demographic groups because of a globalized, digitally-connected world. This is true especially for first-generation students and graduates, who make up a third of our survey respondents. Despite the well-documented gap in resources between first-gen and non-first gen students, we found no statistically significant difference between first-generation and non-first-generation respondents around the belief that reaching out to an employer could lead to a job opportunity (both responded 80%) or that it is easier now to make professional connections than their parents’ generation (73% and 74%, respectively).⁵ Gen Z’s largely positive view of online networking underscores the way many think about achieving equity through increased access.

⁴ Stepler, R. (2016). [Hispanic, black parents see college degree as key for children’s success](#). *Pew Research Center*.

⁵ For details on how first-generation students differ from non-first-generation peers due to study skills, competing job responsibilities, family responsibilities, etc., see Stebleton, Michael; Soria, Krista. (2013). [Breaking down barriers: Academic obstacles of first-generation students at research universities](#). *The Learning Assistance Review*. Retrieved from the University of Minnesota Digital Conservancy.

Respondents of color are 1.7 times more likely to believe it's easier to enter a career now compared to their parents' generation.

When controlling for gender and compared to white respondents, respondents of color were...

1.7x

more likely to believe it's easier to enter a career compared to parents' generation.

1.5x

more likely to consistently be searching for new job opportunities

2.1x

more likely to plan to reach out to an alumni they did not previously know for career advice or support

n=1,218

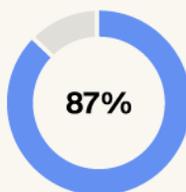
Gen Z is also overwhelmingly confident in the job-landing power that stems from forging both reactive and proactive online connections to employers. **Eighty-seven percent of alumni surveyed believe that responding to an employer's message can lead to job opportunities, while 80% believe that reaching out to an employer first may lead to a potential job.**

This in turn opens the door for more engagement, across a wider audience, from employers. Caitlyn Gentile, talent acquisition director at Mastercard, notes “when I was in college, there were a lot more in-person events and connections that you already had before the recruiting process. Employers are now able to reach out to so many students from schools that they hadn't considered in the past, and that opens doors for other students.”

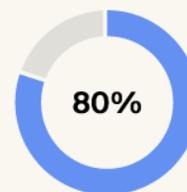
While access and equity are running themes for Gen Z, there are splits across gender in deciding what counts as a professional connection. A majority (67%) of respondents believe that you do not need to meet in person to forge a meaningful professional connection. However, when controlling for race and ethnicity, **women are 26% more likely than men to believe that you do not have to meet in person to make a professional connection.**

Women's overwhelming belief in the ability to build professional relationships online may stem from long-held ideas of networking as an “old-boy network,” which has historically rewarded men and disadvantaged women.⁶ Before the age of virtual connections, studies about networking have shown that men are more comfortable than women in asking for what they want. Women may find building professional relationships—and the self-promotion it demands—easier in a virtual format.

More than 8 in 10 believe that messaging an employer may lead to a job opportunity.



agree responding to an employer's message online can lead to job opportunities.



agree that reaching out to an employer first may lead to a new position.

n=1,218

⁶ McDonald, S. (2011). What's in the “old boys” network? Accessing social capital in gendered and racialized networks. *Social Networks*, 33(4), 317-330.

Digital acceleration leads to an agile generation

At the turn of the century, only a quarter of job seekers searched for jobs online; today, online job searching is the most popular way to find work.⁷ Because Gen Z is native to digital interactions, the shift from the old ways of recruiting (e.g., in-person interviews, career fairs, campus and employer networking events) is not something today's job seekers dwell on.

Early-career job seekers are optimizing digital relationships to join a workforce that is constantly in flux. Half of our survey respondents say they are constantly searching for new job opportunities. **Even among those that stated they were satisfied with their current job, more than a third say they are still searching for new job opportunities.**

As one respondent noted, "I'm confident in my networking skills. I'm also confident in my research skills. I always look for more information on open positions. Even during COVID-19, I've had virtual meetings and calls with professionals."

Because early career professionals are "living" online in ways never before seen, they are open to different and evolving ways of pursuing careers, such as searching for jobs and responding to employers on entertainment-based platforms like TikTok.⁹

As Gen Z searches for jobs among millennial, Gen X, and baby boomer professionals, their networking abilities will remain critical to their competitive differentiation and overall career success.

"Living in central Pennsylvania, sort of in the middle of nowhere, makes the job search more difficult...going through the practice of talking to people and making virtual connections really helped me grow and be more confident in myself."

Arsh

Bucknell University, Class of 2021

⁷ Hernandez, R. (2017). [Online job search: the new normal](#). Bureau of Labor Statistics.

⁹ Lorenz, T. (2021). [Job-Hunters, Have You Posted Your Résumé on TikTok?](#) *The New York Times*.

A generation of self starters finds their way

Gen Z is more likely to embrace digital networks to build social capital and professional connections than to reach out to their own institutional alumni networks directly. Fewer than half of those surveyed tapped into either alumni or career services as part of their search and fewer than half plan to do so in the future—perhaps in part because early-career job seekers have access to resources they wouldn't have necessarily had 20 or 30 years ago.

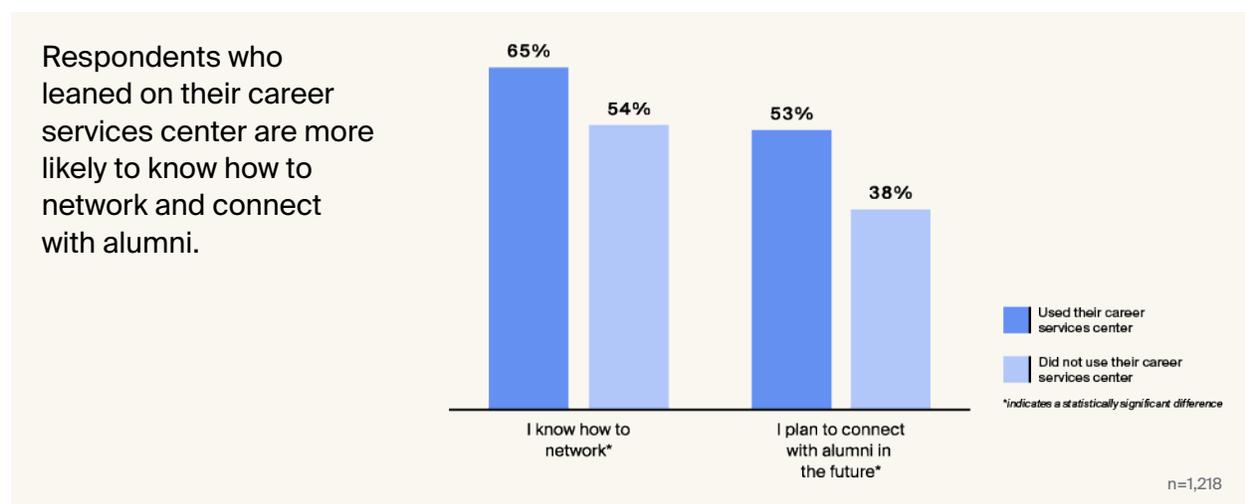
As the ways in which students find jobs evolve, so do the roles of university career services in facilitating connections. **Respondents who reported using career services to learn about careers were more likely to know how to network (65% vs. 54%) and more likely to plan to connect with alumni (53% vs. 38%) than those who hadn't leveraged resources from career services in the past.**

The opportunity is clear. Students need help building their confidence, ideally from an ecosystem that's been created to heighten their early career progression, with the systems they're comfortable using to facilitate connections and find jobs.

While Gen Z is savvier in making connections and building a network that didn't exist before, only 15% of respondents say they have contacted an alumni for help. This suggests there's a missed opportunity with alumni specifically, especially **when 9 in 10 alumni have reported saying they are willing to support younger job seekers who reach out for advice.**

There's a desire from graduates, particularly graduates of color, to support younger students in their early career; at the same time, there is reluctance and uncertainty in establishing these connections themselves—despite knowing that proactively reaching out to an employer or responding to a message can lead to a meaningful job opportunity.

Gen Z is ready to connect and mentor—they just need the avenues to do so.



Gen Z is resilient, hopeful, and ready to pass it forward.

92%

would offer to help younger students if they reach out for career advice

84%

are hopeful about the progress of their career at this time

71%

are not worried about their job becoming obsolete in the next decade

n=1,218

Hope for near-future career growth

The majority of the employed Gen Z alumni we polled are hopeful about the progress of their careers. Their online networking skills may point to the reason for some of this hope.

In addition to being accustomed to turning to the internet for answers, Gen Z is no stranger to uncertainty, having lived through an economic recession as children and a global pandemic as young adults. Regardless of these circumstances, more than 7 in 10 early career respondents say they're not worried about their job becoming obsolete in the next decade. Gen Z has shown resilience in the face of major events, and are looking to make a difference as they make their way into and within the workforce.¹⁰

While 72% of the alumni we surveyed say they are satisfied with their current role, approximately half of those surveyed say they are constantly searching for new job opportunities. These findings align with the “Great Resignation” phenomenon, as well as the continual growth of Gen Z’s professional networks, which bring more avenues for professional opportunities.

Black or African American respondents are significantly more likely (70%) than other groups to be looking for new opportunities, and **nearly half (49%) of Black and African American alumni are considering leaving their jobs in the next six months.**

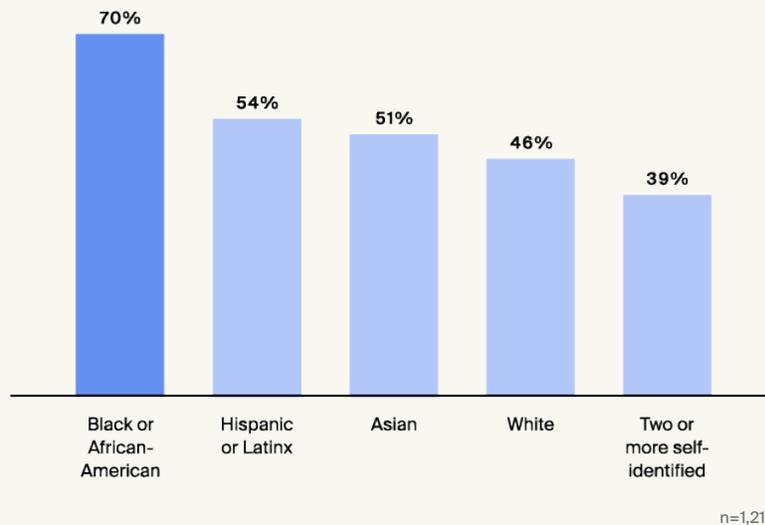
Black alumni have historically reported lower levels of job satisfaction than other ethnic and racial groups and often report feeling unsupported, isolated, and unfulfilled at work.¹¹ Too often, there is a high turnover rate for people of color, who are less committed to jobs when they experience what has been called the “emotional tax” or “Black tax”—the emotional toll of microaggressions and being treated differently from peers due to race.¹²

⁹ Parmelee, M. (2021). [The Deloitte Global 2021 Millennial and Gen Z Survey: Highlights](#). *Deloitte Insights*.

¹⁰ Robers, L., & Mayo, A. (2019). [Toward a Racially Just Workplace](#). *Harvard Business Review*.

¹¹ Bloomberg.com (2021). [Understanding the emotional tax on Black professionals in the workplace](#). *Bloomberg.com*.

Respondents of color—especially Black respondents—say they are consistently looking for new job opportunities.



Relationship building works both ways

By 2030, Gen Z will make up 30% of the workforce.¹³ The way employers connect with Gen Z candidates—and vice versa—is critical to this generation’s future success. Much like the role it plays for job seekers, digital networking provides a platform for employers to also stand out among the competition.

As US job openings have recently reached record highs and an increasing number of workers are voluntarily quitting their jobs, employers too should prioritize relationship building with young talent who are embracing building digital connections.¹⁴

Today’s social capital includes connections made online between job candidates and alumni mentors, who are enthusiastic to offer help. Thus, career educators and job candidates alike should focus on working to build relationships online as part of their career planning.

Whether part of the trending “Great Resignation,” lack of support for underrepresented employees in the workforce, or insufficient professional development opportunities for Gen Z workers, retention of diverse talent and talent in general is at an inflection point for employers.¹⁵ As Gen Z sharpens its network building skills, they will continue to find new ways to connect and seek out the best opportunities in workplaces that include and support them.

Since virtual networks are now the default for Gen Z, employers and career educators should embrace the opportunity to build and nurture social capital in this new era.

¹² Toossi, M. (2016). *A look at the future of the U.S. labor force to 2060*. *Spotlight on Statistics*.

¹³ U.S. Department of Labor (2021). *Job Openings and Labor Turnover*. Bureau of Labor Statistics.

¹⁴ Kane, P., & Ocean, G. (2021). *The Great Resignation Is Here, and It’s Real*. *Inc.com*. and Venture Beat (2021). *The great resignation: Boomers and Gen X stay put, while millennials and Gen Z walk away*. *Venture Beat*.

Recommendations

There are clear, tangible actions that employers and career educators can take to help students navigate their networks and build professional relationships virtually.

Employers

- ✓ Prioritize building relationships with young talent through alumni; easy ways to connect your alumni with early talent include email, messages through online career platforms and short video calls that are up to 45 minutes long.
- ✓ Consider strengthening your brand presence in online career platforms to include a diverse roster of colleagues from your organization who Gen Z can reach out to during their job search for more information about your company and open roles.
- ✓ **Personalize your outreach** on online career platforms like Handshake with a number of variables like name, school, and major to attract the most qualified candidates at scale.
- ✓ Reduce attrition by cultivating inclusive cultures with a focus on racial equity through DEI programs that permeate the entire organization and help underrepresented groups feel supported throughout their careers.

Colleges and universities

- ✓ Focus on educating students about how to engage successfully in a virtual world—the right cadence for message outreach and response, the right questions to ask in virtual interviews, and how best to onboard and work effectively with virtual/hybrid teams.
- ✓ Act as a convener to advance meaningful, actionable relationships with your alumni network that give your students a unique advantage in their career search.
- ✓ Create opportunities—virtually or in person—that informally connect alumni with current students, monitor and communicate regularly with your most active alumni, and coordinate with employer partners to identify potential ambassadors.
- ✓ Showcase your department's value by surfacing the correlation between career services' work, alumni engagement, and institutional outcomes; make sure to spotlight any key trends or wins cross functionally and publicly.

Methodology

To gain insight into how Gen Z forms professional relationships to find jobs, we surveyed more than 1,200 alumni and soon-to-be graduates to gauge their approach to making professional connections. Data were cleaned and analyzed across gender, race and ethnicity, institution type, and other groupings, and tests of statistical significance were used to determine the likelihood of a response when controlling for other factors where noted.

Snapshot of our survey respondents

We surveyed 1,218 alumni and soon-to-be graduates to gain insight into how Gen Z forms professional relationships to find jobs: 34.6% identified as first-generation students, 11.6% identified as LGBTQ+, 18.3% were Pell Grant recipients, and 10.1% were transfer students.

Snapshot of total demographics of respondents:

- Asian: Men (8.5%), Women (11.2%), Non-binary (0.2%), Undisclosed (0%)
- Black or African-American: Men (2.6%), Women (7.8%), Non-binary (0%), Undisclosed (0.1%)
- Hispanic or Latinx: Men (4.3%), Women (7.3%), Non-binary (0%), Undisclosed (0.4%)
- White: Men (16.7%), Women (31.5%), Non-binary (1.3%), Undisclosed (0.9%)
- Other: Men (1.8%), Women (4.4%), Non-binary (0.1%), Undisclosed (0.8%)

This report examines how Gen Z students and alumni in the Handshake network view today's job searching landscape, how they engage with the early job search, what they believe leads to success, and whether they are willing to mentor and support other job seekers. In addition to quantitative survey analysis, we interviewed nearly a dozen employers and students to hear how they unlock previously unopened doors to explore new relationships and create connections to build thriving professional networks, respectively.

About

Handshake is the largest early career network, helping millions of students from all backgrounds get hired and launch their careers with no connections, experience, or luck required.

The Handshake community includes 18,000,000 students and young alumni from 1,400 educational institutions including four-year colleges, community colleges, and bootcamps, including 120+ minority-serving institutions, and connects up-and-coming talent across all 50 states with 600,00 employers recruiting on Handshake—from every Fortune 500 company to thousands of small businesses, nonprofits, startups, and more. Handshake is headquartered in San Francisco and has offices in Denver and London, UK.

Learn more at joinhandshake.com.