

The Role of Social Ties in the Job Search of Recent Immigrants^{1*}

Deepti Goel
Boston University
dgoel@bu.edu

Kevin Lang
Boston University and NBER
lang@bu.edu

January 2009

Abstract

We show that among workers whose network is weaker than formal (non-network) channels, those finding a job through the network should have higher wages than those finding a job through formal channels. Moreover, this wage differential is decreasing in network strength. We test these implications using a survey of recent immigrants into Canada. At least at the lower end of an individual's wage distribution above his reservation wage, finding a network job is associated with higher wages for those with weak networks, and the interaction between network strength and finding a job through the network is negative as predicted.

JEL Code: J61, J64, J30

Keywords: Immigrants, Job Search, Social Networks, Strong Ties

¹ Mailing address: Department of Economics, Boston University, 270 Bay State Road, Boston, MA 02215.

*We thank the Canadian Labour Market and Skills Researcher Network for funding this research and its reviewers and participants at the CLSRN conference for helpful comments. We also thank Miles Corak for enabling access to the data housed in Statistics Canada, Ottawa, Canada. The views expressed herein are those of the authors and do not necessarily reflect the views of the Canadian Labour Market and Skills Researcher Network or of Statistics Canada.