

FRIENDS ARE THE NEW GPA

How Social Networks Shape Economic Mobility





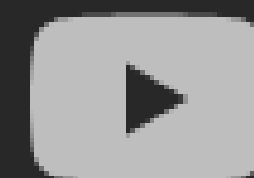
The Best Types of Friends...

- When you think about your favorite friends, who comes to mind?
- Why are they your favorite friends?
- How has having these friends benefited you?
- Think about the most successful person you know—how do you think their personal relationships helped them get where they are?
- If you had to choose between a high GPA and a strong network of successful friends, which do you think would have a bigger impact on your career? Why?



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Introduction

- Economic success is often linked to education, family income, and location (ZIP Codes)
- However, recent reserach suggest that **social networks - especially friendships - play a crucial role in upward mobility.**
- We will explore how freindships across scoioeconomic lines can be a powerful determinant of economic success





The Power of Social Capital



How many of you have landed a job, internship, or opportunity through a friend or personal connection rather than through traditional applications?

Why do you think some people have access to better networks than others?



The Power of Social Capital



Social capital refers to the value derived from relationships and networks.

It can provide **job opportunities, mentorship, and access to resources** that might otherwise be unavailable.

A key form of social capital is **economic connectedness**—friendships between people of different socioeconomic backgrounds.



Economic Connectedness and Social Mobility

Imagine two students from similar backgrounds: one has friends from wealthier backgrounds, the other does not. Who do you think is more likely to succeed, and why?

If social connections are more important than school quality, should education policies focus more on who students interact with rather than just improving test scores?





Economic Connectedness and Social Mobility

Communities where **low-income individuals have more high-income friends show significantly higher rates of upward mobility.**

Data from Facebook networks (70M+ users) reveal that **economic connectedness is a stronger predictor of upward mobility than school quality or neighborhood income levels.**

Who you know matters just as much—if not more—than what you know. And most importantly, who knows you!



If social connections are more important than school quality, should education policies focus more on who students interact with rather than just improving test scores? What are some of those policies?





Barriers to Cross-Class Friendships



What factors do you think make it harder for people from different economic backgrounds to form friendships?

Have you ever felt like you were in a social setting where you didn't "fit in" because of class differences? How did that affect you?



Barriers to Cross-Class Friendships

Exposure: Many low-income individuals **lack opportunities** to interact with high-income peers (e.g., different schools, neighborhoods, workplaces)

Friendship Bias: Even when exposed, **people tend to befriend those similar to themselves.**

Institutional Structures: Schools, workplaces, and social settings often **reinforce class divides**, limiting meaningful interactions.





Schools as a Key Intervention Point

Schools are **critical environments for forming friendships**

Integrated schools with low friending bias create more cross-class friendships and improve upward mobility.



Strategies to promote economic connectedness in schools:

- Desegregation efforts (e.g., mixed-income schools).
- Restructuring social spaces to encourage diverse interactions.
- Mentorship programs that connect students across income groups.



Schools as a Key Intervention Point

Do you think schools should actively mix students from different backgrounds to encourage more diverse friendships?
Why or why not?

How do you think your own school experiences shaped your social network today?





What Can Be Done?

- **Educational Policies:** Reduce school tracking and encourage socioeconomically diverse schools.
- **Urban Planning:** Design public spaces that foster diverse interactions.
- **Community Programs:** Support initiatives that connect individuals across class lines (e.g., mixed-income housing, cross-class mentorships).
- **Personal Action:** Seek relationships outside your immediate social class to expand economic opportunities.
- **What Role does OST play in all this?**



In Closing....



- The old wisdom says "Your GPA determines your future."
- But research suggests that "Your friendships might matter more than your GPA."
- By fostering economic connectedness, we can create a society with greater economic mobility and opportunity for all.
- Source: Opportunity Atlas and Social Capital II, Raj Chetty, et al.

Thank You

