

THE BLACK TECHNOLOGY WORKFORCE: DESIGNING A MORE INCLUSIVE FUTURE

Against the backdrop of large scale protests against police brutality following the murder of George Floyd, a global pandemic wreaking havoc on the health and economic well-being of Black communities, and an attack on our democracy led by white supremacists aiming to suppress Black voters and challenge the legitimacy of the first Black/South Asian female vice president — we find that technology is at the center of our current fight for racial justice.

Black Participation in Tech is a Social Justice Issue

As technology becomes more embedded in every aspect of our lives, Black communities have yet to benefit from its promise and potential for closing long-standing economic disparities. There has been negligible progress toward inclusion of Black professionals in the highest-paying and fastest-growing sector of our economy, as well as in wealth-building opportunities through equity in early-stage tech startups and tech investing. Simultaneously, Black communities are at greatest risk for the negative consequences of technological innovation, including displacement of jobs due to automation, further concentration in low-wage jobs, gentrification, and concentrated poverty.¹ Beyond economic reasons, Black representation in the tech sector is also critical in the design, and deployment of technologies and decision-making about their use and impact on Black communities. The technology sector needs to address challenges with representation in the field, while also preventing harms perpetuated by technology in areas including algorithmic bias and impacts on hiring and loan applications; facial recognition software as it relates to wrongful arrests and surveillance; disinformation and its impacts on civic participation; and the proliferation of hate speech, violence, white supremacy, and extremism on social media.

- The median annual wage for technology occupations is **\$88,240**, more than **2x higher** than the average median wage of all other occupations.²
- Black tech workers' salaries are, on average, **\$10,000 less annually** than their colleagues in the same positions.³
- **\$137B** were invested in over 10,000 startups in 2019, but just **1%** of them were led by Black founders.⁴
- Black women received just **0.27%** of all venture capital investment in 2018 and 2019 with the median seed amount raised **\$125,000** in comparison to the national median of **\$2.5M**.⁵



¹ Bureau of Labor Statistics (2019). Occupational Outlook Handbook: Computer and Information Technology Occupations.

² Cook, K., et al. (2019). The future of work in black America. <https://www.mckinsey.com/featured-insights/future-of-work/the-future-of-work-in-black-america#>

³ Pitchbook/NVCA (2019) Venture Monitor https://files.pitchbook.com/website/files/pdf/Q4_2019_PitchBook_NVCA_Venture_Monitor.pdf

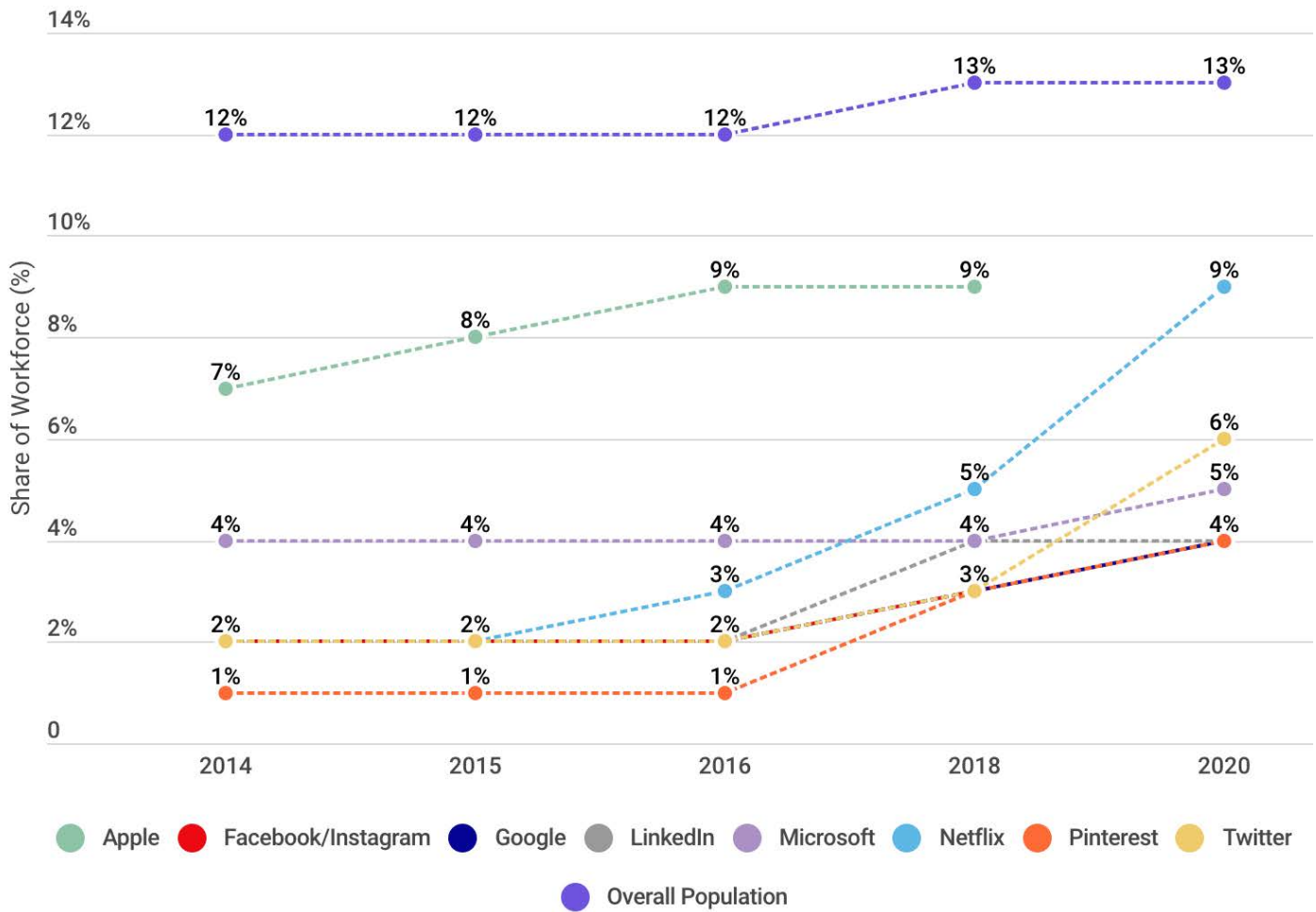
⁴ ProjectDiane (2020). The State of Black and Latinx Women Founders.

⁵ ProjectDiane (2020). The State of Black and Latinx Women Founders.

Big Challenges, Little Progress

Since 2014, advocacy groups (including the Congressional Black Caucus and the Rainbow PUSH Coalition), journalists, researchers, tech employees, and numerous other stakeholders have played a significant role in pushing for data transparency in an effort to increase attention to the issue of the underrepresentation of Black talent in the tech workforce. The release of employee diversity data has consistently demonstrated that large technology companies are largely homogenous, with Black employees starkly underrepresented at every level — from entry-level to management, C-Suite, and the Board. In subsequent years, we have seen expanded understanding of the magnitude of the problem, increased evidence about the [importance of diversity](#), more hiring of diversity and inclusion leaders, and the creation of diversity and inclusion strategies within tech companies. Yet, **actual progress** on Black representation in the tech workforce has been negligible. From 2014-2020, in aggregate, there has been only a 1 percentage point increase in Black representation among the top tech companies, and individually, there has been very slow progress (Figure 1).

Figure 1. Black Talent Representation Within Select Big Tech Companies, 2014-2020⁶



⁶Kapor Center (2020) Analysis of 2014-2020 Company Diversity Reports.

An Opportunity for Bold and Courageous Solutions

As a society, we find ourselves at a critical crossroads in the fight for racial justice and the opportunity to address and correct historical inequities in areas including education, employment, wealth, and health, and criminal justice. The technology sector is also at a crossroads. In its current form, the technologies that impact every aspect of our lives and across all sectors of our economy are excluding the contributions, perspectives, and experiences of Black communities while the products being created and deployed are contributing to harming communities of color and exacerbating inequality.

Across the tech sector, companies must implement policies that remove barriers that prevent Black talent from entering and succeeding in the tech workforce, in areas including recruitment and hiring processes, building inclusive environments, and ensuring equitable pay and promotion processes. This must be part of an explicit and comprehensive approach to advancing Black representation across all levels of the company which includes allocating resources, sharing transparent data, and implementing accountability mechanisms. Tech companies are not “neutral” and bear responsibility for ensuring policies are in place to assess products, tools, and deployment decisions for negative impacts on Black communities. In order to seed future innovation and economic mobility, venture capital firms must play a significant role in deploying capital to Black founders and fund managers, supporting the diversification of the entrepreneurship pipeline, and employing more Black investors.

Policymakers and advocacy groups can also play a key role in increasing Black representation across the tech pipeline, enabling economic prosperity, and holding tech companies accountable. Investments are needed in critical infrastructure to close the digital divide affecting Black communities, and provide access to rigorous computer science and STEM education. Investments are also needed in new models for workforce development and re-skilling and upskilling programs, including bootcamps and apprenticeship programs, to provide onramps into tech jobs and to prioritize job creation in Black communities. Increased investment and deployment of capital to Black entrepreneurs through diverse public and private funding streams must be prioritized as a strategy to support business development and economic mobility. Finally, regulation and accountability mechanisms are needed to ensure the protection of Black communities from the potential negative consequences of technology (algorithmic bias, disinformation, extremism), while also tracking Black representation within tech companies, startups, and venture capital.

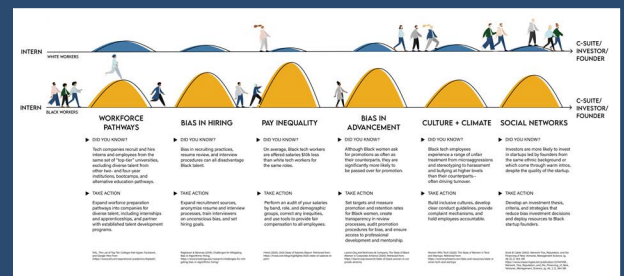
Incremental progress is insufficient in a time where the challenges are so pressing. Bold and courageous solutions are needed to accelerate the pace of change, increase Black representation across the technology sector, and recognize the promise of technology to create solutions to social challenges and design a more equitable future.

THE BLACK TECH WORKFORCE: BY THE NUMBERS

Overall data trends across the tech industry show a disparity in Black representation across the ecosystem.

Despite comprising 13% of the United States population, Black talent represent just:

- **5%** of the tech workforce⁷
- **3%** of tech leadership⁸
- **4%** of tech board members⁹
- **3%** of tech investors¹⁰
- **1%** of tech startup founders¹¹



Why aren't there more black workers in tech, and why is progress so slow? Click the above graphic to learn more about some of the barriers Black tech workers encounter and ways to take action.

About Us

The Kapor Center



aims to enhance diversity and inclusion in the technology and entrepreneurship ecosystem through increasing access to CS and STEM education, advancing diversity and inclusion in tech companies, and investing in community organizations, diverse entrepreneurs, and gap-closing social ventures.

The Plug is a subscription-based digital news and insights

The Plug

platform examining trends, opportunities, and business models across Black innovation economies. Their research and reporting can be found at tpinsights.com.

⁷ Kapor Center (2020) Analysis of 2019, 2020 Company Diversity Reports.

⁸ Weinberg, C. (2020). Just 2.7% of Top Roles in Big Tech Held by Black Executives. *The Information*. <https://www.theinformation.com/articles/just-2-7-of-top-roles-in-big-tech-held-by-black-executives>.

⁹ ISS Analytics (2019). U.S Board Diversity Trends. (Note: These trends were not specific to the tech industry but to Russell 3000 companies.)

¹⁰ Kerby, R. (2018). Where did you go to school? <https://blog.usejournal.com/where-did-you-go-to-school-bde54d846188>.

¹¹ Azevedo, M.A. (2019). Untapped opportunity: Minority founders still being overlooked. *Crunchbase News*. <https://news.crunchbase.com/news/untapped-opportunity-minority-founders-still-being-overlooked/>.