



The Rocky Road of Success: Intersectionality Effects in Peer-to-Peer Lending Markets

Monday, September 26, 2016 from 1:30 - 3:00 pm

W113 Seashore Hall

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Recent debate among intersectionality theorists highlights the circumstances under which minority women, especially Black women, experience a double disadvantage for their gender and racial status. Research indicates, for instance, that Black women face more stringent double standards in proving their ability and are more severely criticized for making mistakes. Other work suggests that Black women's intersectional invisibility as both prototypically "Black" and "women" (cognitive space reserved implicitly for Black men and White women respectively) may accord greater advantages to Black women in agentic and achievement-oriented domains. I argue that perceptions of success can bring together these divergent lines of work: Black women may first need to legitimately demonstrate their prior successes in order to gain access to any advantages their intersectional invisibility may provide. I test this hypothesis using the achievement-oriented domain of lending. I analyzed over 10,000 finished listings from an online peer-to-peer lending site, Prosper.com, to ascertain whether past financial success positively affects the funding likelihoods of Black women. Using applicants' credit history as a measure of prior success, the results indicate the existence of a strong race effect for those with poor credit histories: Whites are more likely to receive funding than financially comparable Black borrowers, regardless of their gender. For those with higher credit rankings, however, Black women are more likely to have their loan requests funded than either White women and Black men and are equally likely to have their requests fulfilled as White men. These results provide support for the argument that the path to demonstrating success is fraught with bias and discrimination, particularly racial in this case, but Black women who have been able to navigate this unequal playing field and be successful experience advantages for their achievement.

Sarah Harkness is an Assistant Professor at the University of Iowa. Her research focuses on the social psychology of inequality, specifically related to the study of status, health stigma, intersectionality, and social exchange. Additionally, she works on issues related to morality and emotions. She is currently studying how status processes bias lending decisions, how status beliefs are both gendered and raced, the creation of new status characteristics, and whether status symbols can erode the impact of status characteristics.

This talk is part of the **Inequality Seminar** which is a seminar and speaker series that provides a forum on campus for faculty and graduate students who are interested in inequality broadly defined. It is an opportunity for faculty and graduate students to present their research and to hear about other inequality-related work from researchers on the off-campus. These talks are free and open to the public. For more information about the Inequality Seminar, contact Professor Sarah Bruch at sarah-bruch@uiowa.edu.

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