AutoMatch algorithm is not exact there is always a range of quality of matches, and we therefore are cautious in accepting linked record pairs. We chose matching algorithms based on substantial

who are also residential neighbors of that worker. The superscript “O” on the network isolation index emphasizes that this is the fraction of a black worker’s co-workers who are *observed* in our estimation sample to be residential neighbors.[12] phasile t

workers is sent the Decennial Census Long Form, it is more likely that large establishments will have two matched workers, especially for smaller racial or

When we randomize workers in this sample across establishments within census tracts, we recover a random network index of 2.97, less than 40 percent of the observed index, and the network isolation difference (the difference between the two) is 4.90. The maximum possible network isolation that could be observed in the data for all white workers is 54.84. This is well below 100 (perfect sorting of workers

predicted by random allocation.[27] On the other hand, if labor market networks serve to overcome

tracts are also reduced considerably. The results are different than for the full sample of whites. First, the observed network isolation index is lower at 5.68, and interestingly is closer to that for blacks. Second,

residents of the same race. Understanding the role of race in driving network effects is extremely important. Race-based networks are central to the work of Calvó-Armengol and Jackson (2007) in deriving the result that networks can perpetuate and

neighbor, *regardless of the race of that neighbor*. If networks among co-residents are racially stratified, then the network isolation that results when we measure how likely it is that a black works with a

ler

and ethnic comparisons in Table 8, which are based on much more homogeneous samples with respr 0 3To

random network isolation index of 4.

Figure 2: Census Tracts, Chicago

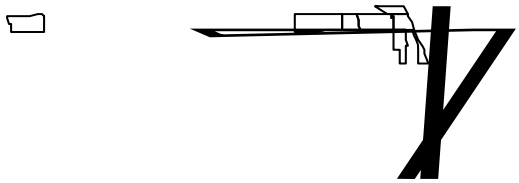

Table 2: Establishment-Level Descriptive Statistics for Preliminary and Final Analysis Samples

	2000 full DEED (1)	2000 DEED, final analysis sample for whites for	2000 DEED, final analysis sample for blacks blacks	2000 DEED, final analysis sample for Hispanics

Table 5: Network Isolation for Blacks, Overall and by Education

	All	High school degree or less	More than high school degree
	(1)	(2)	(3)

Table 6: Network Isolation for Blacks and Whites, for Consistent Samples of Establishments, and Ignoring Race

Table 7: Network Isolation for Hispanics, Overall and by Skill and Immigrant Status

All	Poor English skills	Good English skills	Immigrant	Non-immigrant	Non-Good	Good	Good