

MARKETING

## Wide pay gaps show racial divide in influencer marketing: report

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Content creators and influencers are becoming a preferred medium for marketing. Image credit: Meta

By NORA HOWE

The rise of social media continues providing opportunities for creators to monetize their content, but there is a significant racial pay gap within the sector.

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Research from **MSL Group's** "Time to Face the Influencer Pay Gap" report, in partnership with **The Influencer League**, reveals the gap between white and BIPOC influencers is 29 percent and widens to 35 percent between white and Black influencers. Despite accelerated diversity and inclusion efforts by companies over the past 18 months, 59 percent of Black influencers say they are negatively financially impacted by speaking out about race.

MSL and The Influencer League conducted a comprehensive research study between February and September 2021, including expert interviews, a primary research study that tapped into 400+ U.S. influencers, a review of the cultural, societal and influencer landscape and data from MSL's proprietary influencer marketing platform, Fluency.

Influencers in the study were asked to report their follower count, race and income from brands.

### Racial divide

The data shows that the factors driving the pay gap are similar to the drivers of pay gaps in other industries, where historic socioeconomic inequities create an unequal playing field, trapping a disproportionate number of Black workers in the lowest paying jobs with little chance of upward mobility.

More than three in four Black influencers, 77 percent, reported follower counts in the lowest pay tiers, otherwise known as nano- and microinfluencers, where brand compensation averaged almost \$28,000, versus 59 percent of white influencers.

Only 23 percent of Black influencers were in the highest, or macroinfluencer, tiers, which is defined by 50,000+ followers, where earnings average almost \$109,000, versus 41 percent of white influencers.



*At the Cannes Film Festival in July, American model Bella Hadid highlighted a prominent gold lung necklace from French couture label Schiaparelli, which generated \$8.5 million in media impact value and Ms. Hadid's Instagram post generating \$1.15 million in MIV. Image credit: Schiaparelli*

In the study, respondents were asked to write in one factor that could eliminate the racial pay gap and an overwhelming majority at 92 percent of all influencers said pay transparency.

According to MLS, transparency disadvantages BIPOC influencers by granting unequal access to information or professional advice both in pricing themselves and in negotiations.

Almost half, 45 percent, of Black influencers cited "managing the financial process" as their most challenging pain point of working with agencies and brands versus 27 percent of white influencers.

This lack of clarity can also make wage discrimination easier to hide and more challenging to prove with 49 percent of Black influencers saying race is a factor in offers below market value.

To combat these issues, MSL intends to develop an Influencer Pay Index to determine and track all influencer pay, proposing the index ultimately acts as a benchmark for industry principles that would set pay standards and nurture allyship.

Additionally, 79 percent of Black influencers feel comfortable posting on issues regarding diversity and inclusion and 90 percent feel passionate about issues of race, however, 59 percent felt they were negatively impacted financially when they posted on these issues versus only 14 percent of white influencers.

This is particularly surprising considering the widespread support of movements like Black Lives Matter over the past 18 months.

In its research analysis, MSL noted that today's total BIPOC market represents \$4.8 trillion in buying power and that 48 percent of Gen Z consumers and 43 percent of millennials are BIPOC two generations that are expected to hold the most economic power within the next 10 years.

The road forward

To achieve equal pay across the influencer market, MSL and The Influencer League insist the industry must level the playing field and bridge the opportunity gap.



*Sephora's film centered on Black beauty reminds consumers of the influence the Black community has on the beauty industry. Image credit: Sephora*

To do so, they intend to create a scholarship fund for BIPOC influencers and provide 1,000 BIPOC high-potential

influencers who have lower engagement and follower counts with influencer marketing training.

Social media companies like Meta and TikTok recognize the vast influence their content creators have on audiences and how they engage with the platforms and have expanded monetization opportunities. Earlier this year, Meta, formerly Facebook, introduced ways in which it plans to support content creators and diversify revenue on its platform.

From digipubs, video and gaming creators to media companies and cultural institutions, content creators make up a large portion of the communities on Facebook. To provide them the support they need to thrive, the social media company plans to open monetization to more creators, making it possible for them to earn revenue from all video types and access fan support ([see story](#)).

With these models already in place, social media companies could seamlessly implement ways to support BIPOC creators.

Advocacy for BIPOC creators on behalf of brands is also key, as it would increase discoverability and broaden the talent pool.

In August, LVMH-owned beauty retailer Sephora celebrated the indispensable contributions of Black creators and contributors in the beauty industry in a new short film, "Black Beauty Is Beauty."

The vignette highlighted the universal influence of the Black community, which has not received due attention nor credit, despite shaping the beauty industry. "Black Beauty Is Beauty" showcased the tireless work and trends that have permeated throughout the industry, as Sephora works toward providing a prominent space for Black brands ([see story](#)).

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