Race and the Sexual Orientation Wage Gap

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Background

- Gallup poll from September 2012: 3.4% of the population identifies as LGBT.
- LGBT individuals are more likely to be:
  - Minorities
  - Poor
  - Younger
  - Female
Trends

Legality of Gay/Lesbian Relations

Do you think gay or lesbian relations between consenting adults should or should not be legal?^  

% Should be legal

^ 1977-2008 wording: Do you think homosexual relations between consenting adults should or should not be legal?

GALLUP

Source: Gallup
Gay men earn anywhere from 3 – 27% less than similarly-situated heterosexual men.

Lesbians earn more than similarly-situated heterosexual women.
Previous Research

- **Badgett (1995)**
  - Gay men earn between 11% to 27% less
  - Lesbian – earn less, but results not consistently statistically significant
  - Data: GSS 1989-1991

- **Berg and Lien (2002)**
  - Confirmed Badgett’s results for men
    - 16 – 28% penalty
  - Lesbians earn 13 – 47% more
  - Data: GSS 1991-1996
Black et al. (2003)
• Gay men – 14-16% penalty
• Lesbians – 20-34% premium
• Results varied based on definition of sexual orientation

Carpenter (2005)
• California Health Interview Survey
  • Asked explicitly about sexual orientation
• 12% earnings penalty for gay men
Antecol et al. (2008)
- Differences in human capital accumulation explained wage advantage for lesbians
  - Unable to explain wage penalty for gay men
- Data: 2000 Census

Klawitter (2011)
- Models show lower average earnings for gay men were a result of lower wages, and hours and weeks worked
- Antidiscrimination policies only affected weeks worked
- Data: 2000 Census – 5% PUMS
Data

- **Previous research data sources**
  - General Social Survey (GSS)
    - Problems
  - Census: 1990 & 2000
  - American Community Survey
    - 2008 – 2011
      - Benefits
      - Restrictions
Separate models based on gender and race

- Age, sex, race, potential experience, region, metropolitan status, veteran status, industry, occupation, occupation gender density, industry gender density, education, number of children, number children under five, and sexual orientation
- industry, occupation, occupation gender density, industry gender density,
Results: Men

- **For White men:**
  - 5.3 – 8.4% wage premium
  - Statistically significant at the .001 level

- **For African-American men:**
  - 6.9 – 8.3% wage premium
  - Statistically significant at the .01 level

- **For Hispanic men:**
  - 7.3 – 9.5% wage premium
  - Statistically significant at the .001 level
Results: Women

- For White women:
  - 10% wage premium
  - Statistically significant at the .001 level

- For African-American women:
  - 3.3 – 4.3% wage premium
  - NOT statistically significant

- For Hispanic women:
  - 9% wage premium
  - Statistically significant at the .01 level
Considerations

- Data does not identify single LGBT individuals
- Unable to identify bisexual individuals
- Results only apply to individuals in same-sex relationship who self-report
  - Potential income bias in self-reporting
- Does not include information on workplace disclosure
Bibliography

Questions?