

Double Disadvantage? African American Same-Sex Couples: Evidence from Census 2000

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Economists have long studied the determinants of earnings because of the important role that earnings play in determining individuals' and families' standard of living. One important general finding from studies is that particular social identities and membership in certain social groups appear to be important predictors of earnings (as well as other economic measures, such as employment, educational attainment, and occupational position). Members of racial or ethnic minorities generally earn less than white workers, and men earn more than women. Racial/ethnic and gender differences in earnings have attracted economists' attention because those social identities are not innately related to the factors such as productivity that economists believe drive differences in earnings. In response, economists have developed theories of employer behavior—discrimination—and theories of employee behavior—educational decisions, labor supply decisions, fertility decisions, etc.—to explain why black and/or female people with the same productivity characteristics as white men tend to earn less than white men. While debate continues over the meaning and causes of earnings differences based on race and gender, empirical findings repeatedly document those differences.

Economists have begun to address issues of earnings inequality for other kinds of social groups, in particular for groups defined by sexual orientation. Recent research compares the earnings of people whose behavior or self-identity can be categorized as gay, lesbian, or bisexual, to those whose behavior or self-identity can be categorized as heterosexual. As the literature review below discusses, distinct earnings patterns emerge that are not explained by differences in educational attainment, potential experience, or other individual characteristics across groups.

But as the number of social categories studied by economists increases, the number of more detailed sub-groups increases, as well, leading to intriguing questions about the nature of inequality and unequal treatment. Is the labor market disadvantage evident in the lower earnings of African American people more or less pronounced for men or women? What about the relative position of African American gay men or lesbians—are they triply disadvantaged? This paper represents an attempt to quantify and identify to what degree stigmatized identities create additive disadvantages for individuals. While some might be tempted to view this exercise as an attempt to quantify a hierarchy of oppressions, we see this paper instead as an initial step toward seeing how

deeply and in what directions we should look to understand why earnings differences emerge between detailed intersections of identities.

Literature review

Intersections of race and gender: Labor market research on race and gender has documented the lower wages of African Americans and other under-represented racial groups relative to white workers and the lower wages of women relative to men. (Kim, King, Rodgers, Blau and Khan). These findings are consistent and large.

In general, this literature separates samples by gender either deliberately or incidentally, thereby creating an opportunity to look at intersections of race and sex. Within gender groups, race matters. African American men earn less than white men. African American women earn less than white women, but this racial earnings gap is smaller than for men.

This latter general finding highlights an important conceptual problem when measuring differences between detailed identity intersections: what is the appropriate comparison group? The racial gap for African American women when compared to white women might be smaller than the comparable measure for African American men, but that difference does not necessarily imply that African American women experience less discrimination (or other forces leading to earnings inequality) than black men. Since white women also experience a large pay gap compared to white men, using white women as a control group will minimize the racial disadvantage seen for African American women. Therefore, researchers must be careful when drawing conclusions about the relative size of a disadvantage for a given characteristic, such as race, but we can still draw conclusions about the existence of a negative *sign* on a characteristic to identify a heightened disadvantage for a particular subgroup.

Research on sexual orientation and gender interactions: So far, research on the impact of sexual orientation on earnings has focused only on gender differences in the sexual orientation patterns (for a longer review and discussion, see Badgett, forthcoming). Twelve studies have compared the earnings of LGB men or women and heterosexual men or women using data from probability samples, primarily from the United States. The main two U.S. datasets used have been the General Social Survey (GSS), which collects data on the sex of sex partners, and the 1990 U.S. Census of Population, which allows identification of people with same-sex unmarried partners. The questions on these surveys allow researchers to categorize people's sexual orientation based on their sexual or social behavior.

The existing studies have controlled for factors that are known to influence earnings—age, experience, geographic location, marital status, race, and gender, in general, and sometimes occupation and other variables of interest—and have looked at the coefficient on LGB in an OLS model of earnings. The studies using data from the U.S. have consistently found that gay/bisexual men earn less than heterosexual men, with the disadvantage in the 13% to 32% range (Allegretto & Arthur, 2001; Badgett, 1995; Badgett, 2001; Berg & Lien, 2002;

Black, Makar, Sanders, and Taylor, 2003; Blandford, 2003; Clain & Leppel, 2001; Klawitter & Flatt, 1998). Studies using different ways of classifying individuals' sexual orientation, both behavioral and social, find the same pattern. The one partial exception is the study by Carpenter (2005). He has data on California residents who were asked an identity-related question, "Are you gay (, lesbian,) or bisexual?" Carpenter finds a negative but statistically insignificant effect of being gay on men's wages in California, while bisexual men earn significantly less in most of Carpenter's California models.

The findings for lesbian/bisexual women are less consistent and appear to be sensitive to how researchers categorize sexual orientations. Most studies find that lesbian/bisexual women earn more than do heterosexual women. Only one study (Badgett, 1995) finds a negative effect of being behaviorally lesbian/bisexual on earnings, and that effect is statistically insignificant and appears to be limited to the earliest GSS data. Studies pooling GSS behavioral data from later years all find that lesbians earn more than heterosexual women, but the size and significance of the coefficient on being lesbian/bisexual is highly sensitive to the behavioral time frame used to classify sexual orientation. In contrast to the GSS results, the two studies using the 1990 Census data (Klawitter and Flatt, 1998; Clain and Leppel, 2001) appear to agree that on average for full-time workers, women who have female partners do not earn more than women with male partners.

The interpretations of these patterns vary, with some researchers seeing the gay/bisexual male earnings disadvantage as evidence of discrimination (e.g. Badgett) and some seeing it as evidence of a lower investment in labor market human capital (e.g. Black et al). There is more agreement that lesbians' greater apparent commitment to the workforce (seen in greater hours and weeks worked) might give them an unobservable human capital advantage over heterosexual women.

Research on race and sexual orientation: None of the existing economic studies analyzes whether these sexual orientation and gender patterns vary by race, however. The most obvious reason for this omission is the limitation of sample sizes in available data. Lesbian, gay, and bisexual people make up a small group in each of these datasets and are never more than 4% of respondents. Since racial minorities within a sexual orientation minority constitute a small percentage of a small percentage, tests for differences in earnings will lack statistical power.

The exception to the small dataset problem, which we exploit in this paper, comes from the U.S. Census Public-Use MicroSamples. But to date little analysis has looked at differences in economic outcomes by race and sexual orientation. A recent analysis found that white same-sex couples have higher average household incomes than black same-sex couples (NGLTF, 2004), but the study did not compare earnings and did not control for other relevant characteristics.

Data and Methods

As noted earlier, the data requirements are stringent for a study of a three-way interaction of race, sex, and sexual orientation. Few datasets contain data on sexual orientation, and those that do tend to be small. We draw data from the U.S. Census 2000 Public Use Microdata Samples (PUMS). The 5% PUMS (used for the same-sex couples) represents a one in four sample of the approximately 20 percent of American households that filled out a census long-form. The 1% PUMS (used for the different-sex couples) represents a one in 16 sample of the approximately 20 percent of American households that filled out a census long-form. The long-form contains detailed information about all members of the household, including a variety of demographic and economic characteristics.

Same-sex couples are identified from the household roster that identifies how everyone in the household is related to the person filling out the census form (referred to as the “householder”). These same-sex couples are commonly understood to be primarily gay and lesbian couples even though the census does not ask any questions about sexual orientation, sexual behavior, or sexual attraction (three common ways used to identify gay men and lesbians in surveys). Rather, census forms include a number of relationship categories to define how individuals in a household are related to the householder. These fall into two broad categories: related persons (including husband/wife, son/daughter, brother/sister, and so on), and unrelated persons (including unmarried partner, housemate/roommate, roomer/boarder, and other nonrelative). If the householder designates another adult of the same sex as his or her “unmarried partner” or “husband/wife”, the household counts as a same-sex unmarried partner household (see Gates and Ost for a detailed explanation of counting same-sex couples).

There are some obvious disadvantages of using census data. First, not every person who reports a same-sex unmarried partner is certain to be LGB, but other studies show that same-sex couples are likely to be made up of LGB people (Black et al; Carpenter). Second, this data leaves out people who do not have partners or who do not live with their partners. If individual characteristics related to the workplace, such as earnings or education, help determine selection into partnership, then single people might be quite different from partnered people, and race-sex-sexual orientation comparisons might be different for single people. Third, evidence suggests that the Census undercounted same-sex couples, but we do not know how large the undercount is nor whether sample selection in that process would affect our results here (Badgett and Rogers; Smith and Gates; Gates and Ost). Finally, we do not know what share of the individuals categorized here as LGB have disclosed their sexual orientation at work. To the extent that disclosure influences workplace outcomes, the fact that the sample includes workers who are not out at work means that sexual orientation wage inequality could be under-estimated.

Census 2000 allowed individuals to identify themselves within multiple racial categories and Latino/a ethnicity was determined by a separate question. For these analyses, we included anyone who was identified as white or white in combination with other races along with those who identify as black/African-

American or black/African-American in combination with other races. Latino/as within either of those groups are included within the sample; however, those who did not identify as either white or black/African-American among the racial categories are not included.

The 5 % and 1% samples of same-sex unmarried partners are pooled (and weighted appropriately); and the (weighted) 1 % sample of different-sex partners is used to examine labor market characteristics and outcomes. Specifically, we pool data on adults employed full-time from all same-sex couples, all different sex unmarried partner and married couples in these samples. We examine only workers who were employed in 1999, worked 35 hours/week or more, were not self-employed, and were not employed in agriculture, mining, or the armed forces. Sample sizes are shown in the Table X.

Table X. Sample sizes

	Female	Male	Total
African-American			
Different-sex couple	22,263	26,999	49,262
Same-sex couple	2,535	1,982	4,517
White			
Different-sex couple	217,961	303,446	521,407
Same-sex couple	18,500	17,836	36,336
Total	261,259	350,263	611,522

Methods:

We estimate two OLS wage regressions to show the relationship between wages and a vector of worker characteristics that include sex, race, and membership in a same-sex couple. The dependent variable in each of our regressions is the natural log of hourly wage and salary income (calculated as annual wage and salary income divided by weeks worked times typical hours worked per week). The independent regression variables of interest comprise a set of indicators for sex (female), race (African-American), and sexual orientation (membership in a same-sex couple) along with interaction terms for sex*race, race*sexual orientation, and sex*race*sexual orientation. Other variables included in the vector of worker characteristics include educational attainment, potential experience (age-education-6), region, central city residency (urban), presence of children under age 18 in the household, English language ability, citizenship, Hispanic ethnicity, disability, veteran status, and service in the guard/reserve. Indicator variables for industry and occupation are added to the above variables in a separate specification. We also estimate these regressions separately for men and women.

Findings

To measure the complete effects of race, gender, and sexual orientation, our first specification includes all respondents regardless of sex. Since discriminatory sorting might keep certain groups out of higher paying industries or occupations, we estimate two specifications in Table Y. One specification includes industry and occupation dummy variables while one does not. In general, all group differences found here are smaller when including occupation and industry dummies in the equation.

We find the standard wage gaps by race and gender. African Americans earn less than whites; women earn less than men. Interpreting the coefficients on main effect terms and on interaction terms is complicated, though, since varying combinations of the coefficients give us differences in means compared with white heterosexual men. For instance, the term on “African American” usually represents the gap for African American men relative to white men, but in this case the group difference captured by that coefficient is actually the gap for African American heterosexual men. Thus in Table Z we combine these coefficients on the main and interaction terms as appropriate to get detailed percentage differences in wages compared with white heterosexual men.

Our models also replicate past findings about the sexual orientation wage gap discussed earlier. Gay/lesbian/bisexual people, i.e. those with same-sex partners, earn 16% less than heterosexual people, i.e. those with different-sex partners. The positive coefficient on the female-GL interaction term reflects the fact that lesbians earn more than heterosexual women.

Table Z presents the information in the coefficients to show the ordering of incomes across the detailed sub-groups. (Table Z also shows that the raw wage gaps narrow considerably for most groups once other factors are controlled for, the exception being for white gay men.) Each entry is statistically significantly different than the one below in the specification without occupation and industry controls. With those controls, the difference between heterosexual white women and heterosexual black women is statistically insignificant (which we see in the regressions for women only).

Overall, the ordering shows that gender is the biggest factor separating any group of women from heterosexual white men. All four groups of women earn less than any group of men. Race appears to be the second most salient factor, since African Americans earn less than whites in the same gender-sexuality group.

Below are some observations about and interpretations of the detailed rankings in Table Z.

- For singly-disadvantaged groups of men (i.e. membership in only one stigmatized group), race and sexual orientation appear to have equal effects. White men who are gay earn roughly the same amount as black men who are heterosexual.
- For some doubly-disadvantaged groups, race and sexual orientation exert offsetting effects. White lesbians and black gay men earn roughly the same amount, suggesting that either whiteness or heterosexuality mitigate the impact of being lesbian or black, respectively.

- Two groups of women, one singly-disadvantaged (heterosexual white women) and one doubly-disadvantaged (African American heterosexual women), appear to benefit little from their heterosexuality since they earn less than white lesbians.
- For women, the distinctive advantage of being a white lesbian is an important finding of this paper and may be a step toward understanding—or at least refining—the search for reasons for lesbians’ higher incomes relative to heterosexual women seen in earlier studies.
 - *Comparisons with black lesbians:* If the closet is protective, then perhaps white lesbians are more closeted than black lesbians. If the closet is not protective and is actually harmful for employment and wages (e.g. reduces beneficial social contact with colleagues and supervisors), then perhaps the wage difference results because black lesbians are more closeted.
 - *Comparisons with heterosexual women:* White lesbians might have better access to or incentives to get earnings-enhancing human capital than do heterosexual women or black lesbians.
- The one triply-disadvantaged group, African American lesbians, has the largest income gap compared to heterosexual white men, providing support for a queuing model interpretation of the additive nature of stigmatized identities. However, the difference between this group and the two groups below in the third column with occupation and industry codes is very small although statistically significant (the interaction term in female regression is significant).

Table Y: Regression including all full-time respondents

	No Ind/Occup			With Indus/Occup		
	Coeff.	s.e.	t	Coeff.	s.e.	t
yearsed	0.0962	0.0004	234.11	0.0757	0.0005	156.54
potexp	0.0421	0.0007	62.87	0.0385	0.0007	59.09
potexp2	-0.0011	0.0000	-36.10	-0.0009	0.0000	-33.10
potexp3	0.0000	0.0000	22.89	0.0000	0.0000	20.49
ne	0.1215	0.0040	30.11	0.1189	0.0039	30.61
ma	0.1215	0.0030	40.32	0.1255	0.0029	43.01
enc	0.0322	0.0027	11.92	0.0384	0.0026	14.57
wnc	-0.0535	0.0036	-15.00	-0.0442	0.0035	-12.81
esc	-0.0838	0.0036	-23.00	-0.0754	0.0035	-21.30
wsc	-0.0550	0.0033	-16.78	-0.0518	0.0032	-16.32
mt	-0.0393	0.0039	-9.95	-0.0243	0.0038	-6.34
pa	0.1244	0.0032	38.72	0.1222	0.0031	39.30
urban	0.0937	0.0019	48.39	0.0819	0.0019	43.51
anykids	0.0097	0.0020	4.97	0.0130	0.0019	6.86
english	-0.0221	0.0040	-5.51	-0.0120	0.0039	-3.09
cit	0.0708	0.0060	11.86	0.0619	0.0057	10.85
hispanic	-0.0465	0.0049	-9.57	-0.0430	0.0047	-9.19
disable	-0.0681	0.0027	-25.33	-0.0516	0.0026	-19.74
vet	-0.0302	0.0027	-11.18	-0.0295	0.0026	-11.22
guard	0.0238	0.0057	4.20	0.0193	0.0055	3.51
hump00	-0.1209	0.0031	-39.12	-0.0961	0.0030	-31.97
iconstr				0.1095	0.0043	25.40
imfg				0.1895	0.0031	61.98
iwsale				0.1284	0.0047	27.18
iretail				-0.0126	0.0037	-3.43
itwu				0.1863	0.0039	47.56
iinfoserv				0.2192	0.0052	41.96
ifire				0.1746	0.0039	44.23
iprof				0.1353	0.0037	36.60
iartsrec				-0.1025	0.0049	-20.80
iserv				-0.1043	0.0053	-19.69
iadmin				0.1636	0.0035	46.95
omgt				0.2547	0.0029	87.30
oprof				0.1642	0.0028	57.83
oserv				-0.1149	0.0035	-32.38
oconstr				0.0339	0.0035	9.74
oproduct				-0.0901	0.0030	-30.48
AfAm	-0.1669	0.0043	-38.65	-0.1278	0.0042	-30.14
			-			-
Female	-0.3329	0.0019	175.50	-0.3029	0.0021	142.50

Afam*Female	0.1494	0.0062	24.07	0.1300	0.0061	21.42
GL	-0.1566	0.0056	-28.20	-0.1341	0.0054	-24.84
GL*AfAm	0.0677	0.0168	4.03	0.0611	0.0162	3.76
GL*Female	0.2299	0.0073	31.30	0.2084	0.0072	29.08
Afam*Female*GL	-0.1662	0.0229	-7.27	-0.1450	0.0221	-6.57
_cons	1.0213	0.0094	109.09	1.1727	0.0106	110.71
R-sq	0.261			0.308		
N	611,522			611,522		

Table Z: Percentage difference in average earnings compared to heterosexual white men

	RAW	WITH CONTROLS	
		No occ/ind	With occ/ind
Lesbian AfAm	-44.9%	-31.3%	-26.7%
Het Female AfAm	-45.2%	-29.6%	-26.0%
Het Female White	-40.0%	-28.3%	-26.1%
Lesbian White	-23.9%	-22.9%	-20.4%
Gay AfAm	-35.8%	-22.6%	-18.2%
Het Male AfAm	-30.9%	-15.4%	-12.0%
Gay White	-17.7%	-14.5%	-12.5%
Het Male White	BASELINE	--	--

Note: Sorted in ascending order of figures in Col 2; % differences calculated as $\exp(\text{coeff}) - 1$ in Col 2 & 3.