

## CBA FACULTY/ACADEMIC STAFF PROPOSAL FUND APPLICATION

### COVER SHEET

#### PROPOSAL TITLE:

Does Marriage Matter?: Household Specialization in Sex and Same-Sex Couple Households Using Difference-in-Differences Across States with Marriage and Marriage-like Laws

1. Primary Applicant
  - a. Name: Lisa Giddings
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  - e. Job Title: Associate Professor
  - f. Years of Service at UW-L: 8
2. Total amount requested of the committee: \$5,000
3. Has this or will this proposal be submitted to another potential funding source? No

#### Abstract

This project is an extension of recent work in which we found that same-sex couples were generally less likely than their different-sex counterparts to specialize in domestic and market spheres. However, in contrast to theoretical predictions, once children are present, same-sex and different-sex couples divide market work similarly (Giddings, Nunley, Schneebaum, & Zietz, 2011). These results suggest that both children and institutions matter in important ways. In order to investigate the significance of institutions on decisions made within the household, we investigate household specialization in same-sex and different-sex couples across states whose laws pertaining to marriage and marriage-like rights have changed. Using household-level data from the American Community Survey across years spanning 2001-2009 we can identify states whose laws have changed thereby setting up natural experiments that can be examined through difference-in-difference techniques. How do couples behave before and after access to marriage or marriage-like laws? We expect to find that same-sex couples in states with marriage and marriage-like laws are more likely to behave in ways that are similar to their heterosexual counterparts with one member of the couple specializing in the domestic sphere with the other in the market sphere.

## Narrative

*Objectives and Outcomes: the objectives and outcomes should be stated so that the final report can address the extent to which the objectives and outcomes have been met, as well as clearly showing the intent of the project.*

The main objective of this project is to examine changes in the way that couples divide their domestic and market labor in reaction to changes in laws. M. V. Lee Badgett (1995a) predicted less specialization in same-sex couples because such couples cannot rely on legal institutions to protect risky investments made by the partner who specializes in household production. Same-sex couples face a different legal and social terrain from that encountered by different-sex couples. In particular, the lack of legal recognition of same-sex families offers no lawful recourse to a person in a dissolved same-sex partnership who exits the labor market to specialize in household production (Badgett, 1995b; Carrington, 1990; Giddings, 2003). While same-sex couples can form a host of legal contracts to proxy the rights associated with marriage, they may be limited in their abilities to approximate such benefits depending on federal and state laws.<sup>1</sup> Furthermore, these contracts are costly, making same-sex couples less likely to pursue such legal arrangements.

Since the late 1990s eighteen states including Washington DC have passed laws extending either marriage or marriage-like benefits<sup>2</sup> to gay and lesbian citizens. Because states have changed laws at different rates, a natural experiment exists providing us the opportunity to examine how changes in access to these rights affect the specialization behavior in gay and lesbian households. Using data from the American Community Survey (ACS) from 2000 to 2009, we can capture changes in behavior associated with the changes in the legal terrain. We plan on using an econometric technique called difference-in-

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<sup>1</sup> The Human Rights Campaign provides information on laws pertinent to gay/lesbian individuals and couples across states. Visit [www.hrc.org](http://www.hrc.org) for more information on these policies.

<sup>2</sup> As of this writing six states including Washington, DC have passed laws affirming gay marriage while eleven other states provide its gay and lesbian couples access to civil unions and/or domestic partnership benefits that approximate the rights associated with marriage. See the human rights campaign website for more information.

differences estimation that is well-suited to non-experimental data such as the ACS over time. The basic premise of this technique as applied to our case is to examine the effect of being a gay or lesbian couple by comparing the couple over time (after a law has been passed) and to a control group (such as a similar heterosexual couple). This method allows us to assign causality to the treatment (i.e. being a gay or lesbian couple).

We suspect that marriage does matter. Once gay and lesbian couples have access to marriage and marriage-like rights, we expect that they will organize their household and market labor in a manner that is most efficient for the family rather than in a manner that minimizes risk for the individuals. Our prior work suggests that once either one child under the age of five or two children are in the household, that one member of the couple tends to specialize in household labor. We suspect that marriage rights would enable couples to make such choices at a much lower personal and financial risk. We will be able to verify this if we observe same-sex couples behaving in a way that is not significantly different than their different-sex counterparts in states that have passed marriage and marriage-like laws.

***Impact:*** *fully explain how the proposal will enhance the academic and professional knowledge in the person's field of interest and teaching and how the outcome would contribute to personal, department, and college goals. Target journals must be clearly identified.*

This project is unique to the literature on the economics of gay and lesbian families in at least two ways, and will contribute to an important and current policy discussion that is occurring across the country at both the state and federal levels.<sup>3</sup> To our knowledge, this is the first project to empirically examine differences in specialization between same-sex and different-sex households using large, national random surveys over time. The project on which this proposal is based (Giddings, Nunley, Schneebaum, & Zietz, 2011) used exact covariate matching, a technique that greatly improves the accuracy of estimates obtained. This project will add technically as well to the literature by relying on difference-in-difference estimation which has not yet been employed in this literature. We believe that the results of this project will contribute to the discussion of the costs and benefits of extending marriage and

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<sup>3</sup> On February 23, 2011, President Obama announced that the Justice Department under his administration would no longer defend the constitutionality of the Defense of Marriage Act.

marriage-like benefits to gay and lesbian families in the United States. Does the institution matter to family decision-making, specifically to families in which children are involved? This research will fill a gap in the literature both in substance and in technique and we are planning to disseminate the results through two venues. First, I am submitting a proposal to present the results in an American Economic Association panel at the annual Allied Social Science meetings to be held in Chicago in January 2012. Secondly, once a sound paper has been produced after incorporating comments from leaders in the field, we plan on submitting it to the *Journal of Human Resources*, currently ranked in the top 20 of economics journals and one of the top journals in its field.

**Description:** *specify and briefly describe the proposal for which the applicant is seeking funding. The proposal's major activities, objectives, time frames, sequence of activities and activity scope should be included.*

I am asking for funding to conduct this project. The major activities of the project include downloading the ACS data and creating a multi-year data set. We are currently in the process of doing this and are facing capacity constraints. Each year of the American Community Survey contains nearly two-million cases and so the resulting data set generated from downloading nearly a decade's worth of surveys is enormous. We have already developed programs for STATA that generate the relevant variables for our analysis. We are also currently in the process of developing a correct model in which to conduct the difference-in-difference analysis. We expect to be running the model by June of 2011 and generating reliable results by July of 2011. We plan on writing and revising the paper over the fall semester of 2011 and presenting the paper in January at the Allied Social Science Meetings in Chicago, IL.

**Budget Statement:** *state amount being requested with a justification as to cost effectiveness and reasonableness of the amount. This could include the projected amount of hours to accomplish the proposal outcome.*

#### **Salaries and Wages**

Faculty Stipend:               \$5,000 (approximately four weeks of full-time work at \$35/hour)

## Works Cited

Badgett, M. V. (1995a). Gender, Sexuality, and Sexual Orientation: All in the Feminist Family? *Feminist Economics* , 121-139.

Badgett, M. V. (1995b). The Wage Effects of Sexual Orientation Discrimination. *Industrial and Labor Relations Review* , 726-739.

Carrington, C. (1990). *No Place Like Home: Relationships and Family Life Among Lesbians and Gay Men*. Chicago: University of Chicago Press.

Giddings, L. A. (2003). But. . . Who Mows the Lawn? The Division of Labor in Same-Sex Households. In K. S. Moe, *The Economics of Gender and the Family*. Portland and Oxford: Blackwell.

Giddings, L. A., Nunley, J. M., Schneebaum, A., & Zietz, J. (2011). *Children, Family Size and Household Specialization: A Comparison of Different-Sex and Same-Sex Couples Using Exact Covariate Matching*. Denver, Colorado: Presentation at the Allied Social Science Meetings.