The Economics of Sexual Orientation

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The "Economics of Sexual Orientation" is relatively new to economics. As of this writing, a quick search on EconLit for the term "Queer" reveals 13 records and a search for the term "gay" results in 138 records.[1] In contrast, a search with keyword "gender" (a comparable category) results in 14,376 records. So far, there are four edited volumes containing probably the most important works in economics journals.

A course on the Economics of Sexual Orientation (or, what is coming to be known as "Queer Economics") would be an interesting applied field course in an economics department.

As I see it, such a course would have three major goals:

1. to examine the tools of economics as they apply to one specific minority group (analogous to gender and economics, for example) ,
2. to get a grasp on the entirety of the literature to date on the topic, and
3. to use the unique characteristics of this minority group to enhance existing research skills among students.

Using survey and household data, labor economists have explored labor market outcomes for women and racial/ethnic minorities including wage gaps, occupational segregation, labor market participation, discrimination, household outcomes such as the division of labor. Applying the tools of economics to explore these issues in the GLBT and/or Queer population is a natural extension of these fields and seeks to address questions such as: Is there a gay wage gap? Do GLBT people face occupational segregation or discrimination in the labor market? Do GLBT people participate in the labor market in the same way as their heterosexual counterparts? Do they have children? Do they enact traditional divisions of labor in the household? etc.

It was, perhaps, Gary Becker who first asked some of these questions in an economic context (1981). He hypothesized (perhaps rightly, although his reasoning is questionable) that "homosexuals" are less likely to adopt strict divisions of labor in the household, with one member (usually the man in the heterosexual context) working in the market for a wage (i.e. bringing home the bacon) while the other household member (usually the woman in the heterosexual context) staying home and tending to domestic duties (i.e. frying it up in a pan). Without the biological and socialized differences in comparative advantages that heterosexuals enjoy, according to Becker, and because they are less likely to bear and rear children, he conjectures that the homosexual couple will be less efficient in dividing their familial duties. How ironic to consider Becker the father of Queer Economics!

Responsible applied economists are also highly aware of the political implications of their research. For example, if men earn more than women in the labor market, and it is due to discrimination, or lack of access to higher education, is it necessary for the government to intervene? In the Queer context we are rife with political questions for the

[1] Note that these numbers do not account for double-entries.

economist to offer evidence-based commentary. For example, does it make economic sense to extend benefits to domestic partners? What are the economic implications of gay marriage? etc.[2]

The field is particularly interesting for empirical economists because of the peculiarities of gathering and interpreting data. As discussed by Kyle D. Kauffman in his article "Uncovering a Quantitative Economic History of Gays and Lesbians in the United States" in the edited volume *Queer Economics*, data is one of the prominent challenges to researching the economic lives of GLBT people both historically and contemporaneously. There are several major challenges associated with an empirical study of the GLBT population. First, how can we study a population that, in order to study them, must self-reveal as being part of the population of interest? In other words, the individual must be willing to "come out" and identify as gay or lesbian in order to be counted. Several issues follow from this. Because of social approbation, individuals may be unwilling to come out. This leads to the possibility that some self-selection bias may be associated with the coming out process itself that may then bias the data that is subsequently acquired. For example, are people with more education more or less likely to come out? Are people with higher incomes more or less likely to come out? Is the African-American community in the United States more or less hostile to homosexuality, therefore influencing personal revelations among members of the black community?

One of the main challenges faced by would-be empirical researchers of Queer economics is access to data sources (primary or secondary). In many disciplines, data collection from "convenience samples" or snowball samples is considered sufficient; most journals in economics, however, will not accept such data sources requiring instead, nationally representative, random data in order to make generalizations from results. The article "Demographics of the Gay and Lesbian Population in the United States: Evidence from Available Systematic Data Sources" by Dan Black, Gary Gates, Seth Sanders, and Lowell Taylor, is one of the most important articles in the field and can serve as an excellent tutorial on the existing national data sources that include information on GLBT individuals in the United States. The article provides an excellent overview of the three major national surveys, the Census, the General Social Survey and the National Health and Social Life Survey, the questions they ask that allow researchers to identify (or come close to identifying) sexuality, the different ways to define a Queer population using these data, and the actual samples that can be gathered under the different assumptions in these surveys.

Once the data is secured, researchers then face the issue of identity. What does it mean to be GLBT, or Queer for that matter? Is one considered Queer because of their behavior? Or is it simply one's self identification regardless of the corresponding behavior? Is one once and always GLBT? Common assumptions about the percentage of GLBT people have relied on Alfred Kinsey's research from the mid-1940s and 50s that

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[2] One of the lead researchers in the field, Professor M.V. Lee Badgett, for example, has been serving as an advisor to presidential nominee Barak Obama on economic issues pertaining to the GLBT population. Additionally, her Testimony to the California State Senate Revenue and Taxation Committee (April 26, 2006) provided crucial evidence on the fiscal impact of granting marriage or domestic partnership rights to same-sex couples that ultimately influenced the state's Supreme Court to overturn the ban on same-sex marriage. See "Testimony by Dr. M.V. Lee Badgett to the California State Senate Revenue and Taxation Committee, April 26, 2006" at http://www.law.ucla.edu/williamsinstitute/publications/BadgettTestimony.html.

found that “10 percent of males are more or less exclusively homosexual” (A. C. Kinsey, W. B. Pomeroy C. E. Martin, and P. H. Gebhard, 1948). What the contemporary surveys reveal, however, is that varying definitions of homosexuality affect measured incident rates. Based on data from the NHSLS, “whereas the incidence rate of homosexual desire is 7.7 percent for men, and 7.5 percent for women, the rate at which men identify themselves as gay is 2.8 percent, and the rate at which women identify themselves as lesbians is 1.4 percent. These figures are similar to the rates at which men and whom have exclusively same-sex sex (3.0 percent and 1.6 percent)” (Jacobsen and Zeller, 2008: 63).

What follows is a possible outline of topics for a semester-long course on the Economics of Sexual Orientation, a list of the major texts, followed by what will become an annotated bibliography of important articles as they relate to economics or from economic journals. Lastly, are links to data sources as well as think tanks that have published documents or sponsored talks on the topic.

Topics

1. Data and Methodology
2. History of the Field
3. Queer Economics
4. The Labor Market
    a. A Gay Wage Gap
    b. Discrimination in the Labor Market
    c. Occupational Segregation
    d. Labor Force Attachment
5. The Family
    a. Gay Marriage
    b. The Division of Labor in the Household
    c. Children: choice to have/reproductive technology
6. Political Issues
    a. Domestic Partnership Benefits
    b. Gay Marriage
    c. Existing legislation and major legal cases as related to the GLBT community
7. AIDS and the Global AIDS Epidemic
8. Further Research Topics

Major Texts

Badgett, M. V. Lee and Jefferson Frank. 2007. *Sexual Orientation Discrimination: An International Perspective*. London and New York: Routledge.

Badgett, M. V. Lee. 2003. *Money, Myths, and Change: The Economic Lives of Lesbians and Gay Men*. Chicago: University of Chicago Press.

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An Annotated Bibliography of All Relevant Articles

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Think Tanks and Other Generators of Opinions on GLBT Economics
The Williams Institute: http://www.law.ucla.edu/WilliamsInstitute/home.html

The Human Rights Campaign: http://www.hrc.org/

The National Gay and Lesbian Task Force: http://www.thetaskforce.org/

Data Sources
The General Social Survey: http://www.norc.org/projects/General+Social+Survey.htm

The U.S. Census: http://www.census.gov/

The National Health and Social Life Survey

National Adoption Information Clearinghouse, U.S. Dep't of Health & Human Services, Gay and Lesbian Adoptive parents: Resources for Professionals and Parents - http://naic.acf.hhs.gov/pubs/f_gay/index.cfm

National Survey of Family Growth - http://www.cdc.gov/nchs/NSFG.htm

Fragile Families Study - http://www.fragilefamilies.princeton.edu/