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

Lisa Saunders, Lee Badgett, and Gary Gates

Abstract: Individual and household data from the 2000 Census are used to examine the earnings opportunities afforded to a large sample of African American women and men in same-sex couples. The Census' Public Use Microdata Series (PUMS) is used, specifically, to estimate race and gender wage differences among members of same-sex couples and to examine sexual orientation group differences (controlling for gender) among African Americans. We find that African American men in same sex couples earn 10-16% less than white men in same sex couples and about 5% less than African American men in different sex couples. However they earn 9-10% more than African American women in same sex couples. African American women in same sex couples earn 9-10% less than white women in same sex couples and about 5 % less than African American women in different sex couples, though the latter result is very sensitive to the model specification.

Introduction

Feminist scholars understand that investigative rigor mandates that we take into account the multiple ways that peoples' identities are formed and the multiple ways that identity and perceived identity influence economic behaviors and outcomes. (Williams, McCrate, Saunders and Darity). Ideally, as scientists, we would examine economic inequality among individuals in this context. Individual identity and worth are socially and politically constructed; and such constructions pre-determines many of the interactions that take place among individuals. Since in our (and most) cultures the social, political and economic status of individuals depend largely on cultural and social norms about age race, gender, sexual orientation, religion, and size, etc. (as opposed to individual merit), these all play a role in one's ability to achieve. The ways in which power and control in the society positions some groups more advantageously than others combine and integrate biases about most if not all of these characteristics in relatively complex ways. A few economists have recently taken up the task of investigating social status determination in this context. With this paper we are in good company as we investigate wage inequality by race, gender and sexual orientation and discuss ways in which social constructions of such characteristics my influence the specific outcomes.

Labor market race and gender bias research 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). Recent studies have documented wage inequality among Lesbian, Gay, Bisexual and Transgender individuals in the U.S. (Badgett, King and Badgett, Klawaiter and Flatt). This paper draws upon recent investigations of wage inequality by sexual orientation and uses 2000 Census data to examine whether and to what extent Lesbian Gay and Bisexual (LGB) African Americans suffer earnings discrimination due to their sexual orientation.

What we know from the literature:
(1) Sexual orientation and gender combine to create distinct earnings patterns:
--Gay/bisexual men earn less than heterosexual men.
--Lesbian/bisexual women earn at least as much, and maybe more than, heterosexual women.
(2) Race creates a more consistent effect on earnings:
--Black men earn less than white men.
--Black women earn less than white women, but the racial gap is smaller for women.
(3) Therefore, we might expect that GLB African Americans face a double or triple disadvantage:
--From NGLTF report, white same-sex couples have higher household incomes than black same-sex couples.
--African American couples are more likely to have kids in their households (NGLTF), so have less room to mitigate disadvantage through labor supply.

Methodological Issues:

Economists employing regression analysis to measure wage inequality based on sexual orientation have had difficulty finding data sets of sufficient quality and sample size. The 2000 Census questionnaire solves the problem of sample size.

There exists a problem of defining sexual orientation. The census relies upon individuals to answer truthfully a question about the relationships of each individual residing in the household to the person designated as the householder. If a person is identified as a partner (in the relate variable) and their sex is listed the same as that listed for the householder, we include that person and the householder in our sample as members of a same-sex couple. It is not certain that every individual in this sample is LGB but we are confident that the majority of the individuals in the sample would self-identify as such. It is also uncertain what share of the individuals have disclosed their sexual orientation at work. To the extent that the sample is representative of LGB workers and necessarily includes workers who are not out at work, we believe that sexual orientation wage inequality could be under-estimated. Other studies have relied on behavioral measures of sexual identity. (Badgett, others). Below our results are shown to be quite consistent with those studies.

If self-reporting by LGB individuals is correlated with (higher) income, then the sample will be biased. Endogeneity in a wage equation would result from this type of selection, as it would if higher income individuals are more likely than lower income individuals to select into same-sex relationships. (Badgett). This study cannot resolve the endogeentity problems described here, and moreover has the added consideration of likely racial differences in reporting, disclosure and behavior selection.

Since employers face greater public and legal scrutiny and sanctions regarding blatant racial discrimination and since discrimination on the basis of sexual orientation is neither legally banned (universally) nor universally condemned, it is possible that employers use sexual orientation as a justification for racial pay differentials. (

Data :

This study uses Public Use Microdata from the U.S. Census of the Population for 2000. The 5 % and 1% samples of unmarried partners are pooled (and weighted appropriately); and the (weighted) 1 % sample of different-sex partners is used to examine specific labor market characteristics and outcomes. Specifically we pool data on adults employed full time from all same-sex couples, all different sex unmarried couples and married couples in these samples. We examine only workers who were employed in 1999, worked 35 hours/week or more and were NOT self-employed.

Methods:

We estimate 5 log linear weekly wage regressions to estimate (by gender) the relationship between earnings and a vector of worker characteristics, including race and membership in a same sex couple.   The dependent variable in each of our regressions is natural log of hourly wage and salary income. Our independent regression variables include, race, sex, sexual orientation, potential experience (age-education-6), region, central city residency (urban), automobile transportation to work (auto), urban*auto, presence of children, children under 6, English language ability, citizenship, Hispanic, disability, veteran, and industry and occupation (both added to the above variables in a separate specification).

The regression results are outlined in Tables appended to this paper. The regression coefficients on race may be summarized in the following way:

1. African American men in same sex couples earn 10-16% less than white men in same sex couples.
2. African American women in same sex couples earn 10-17% less than white women in same sex couples.
3. African American men in same sex couples earn 5% less than African American men in different sex couples.
4. African American women in same sex couples earn about 0-5% less than African American women in different sex couples. When we control for industry and occupation, the difference disappears.
5. African American men in same sex couples earn 9-10 percent more than African American women in same sex couples.

Interpreting these results

Thus it appears that African American men and women who are in same sex couples are treated similarly (are paid less) when compared to white men and women in same sex couples. African American women and men in same sex couples are treated differently when compared to African American members of different sex couples. Why might employers behave differently toward black lesbians than they do toward black gay men?
1. Is there an HIV penalty against men (Badgett)? If employers see hiring gay (black) men as more risky than hiring women, they may charge a penalty.

2. Might unobserved differences in human capital accumulation of black lesbians raise their wages, offsetting any homophobia penalty (Badgett)?
3. Might there be differential treatment due to a gendered as well as racialized homophobia? If, for example, an employer does not view a black woman as a potential mate (because of her race) her sexuality may not matter very much to the employer in setting her pay. But the same employer might (fear and loathe?) black men who are gay.
4. The earnings of black women may be sufficiently low relative to the wages of all other hires and employees that employers forgo additional penalties or risk being unable to recruit qualified applicants.
5. Black women in same sex couples were more likely to be in construction and manufacturing industries, construction and production jobs, urban dwellers, veterans than black women in different sex couples. The regressions took these factors into account but these descriptive statistics suggest different approach to labor force preparation and participation.

Other descriptive statistics of interest:
1. White women from same sex-couples earn almost a third more (annually) than white women from different-sex couples. Though this is quite consistent with other studies, it is inconsistent with the results for African American women in same-sex couples who earn the same as or a little less than women in different-sex couples.
2. Years of education are similar (not significantly different?) by race, gender or sexual orientation.
3. For African American women (with a few exceptions noted above) industry and occupation concentration do not differ very much by sexual orientation.
4. African American men in same-sex couples are more likely to work in service and sales/office, and less likely to work in construction and production jobs than African American men in different-sex couples.
5. African American men and women are more likely than white men and women to live in households with kids present, regardless of sexual orientation.
6. African American men and women in same-sex couples are nearly twice as likely than other same-sex couples to live in households with kids present.

Conclusions

U.S. Census data from 2000 show that African American male full-time workers in same sex couples earned significantly less than white same-sex males and less than African American males in different-sex couples. They earned more than African American women in same-sex couples. African American female full-time workers in same-sex couples earned significantly less than white women in same-sex couples. These results are consistent with earlier studies of LGB workers in that they we find that gay men earn significantly less than straight men, (regardless or race). It contributes the finding that among gays, blacks earn less. Our study finds that black lesbians earn about the same as or slightly less than straight black women, unlike lesbians as a group in other studies, who earned more.