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## Working Paper

Motherhood and the Lesbian Wage Premium

By

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# Motherhood and the Lesbian Wage Premium

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**Abstract:** A puzzle has emerged from studies examining the wage effects of sexual orientation for women. Although lesbian and bisexual women face discrimination in the labor market, most studies of the wages of female full-time workers in same-sex couples versus those in different-sex couples find that the lesbians earn more, even controlling for differences in present labor market supply, education, years of experience, area of residence, and occupation. However, previous studies of the sexual orientation wage gap consistently suffer from two important omissions: first, the role of motherhood in the straight-lesbian wage gap has not been adequately addressed, and second, researchers have taken the sample of lesbians to be a homogenous group compared to straight women without considering the possibility that there is a “primary” and “secondary” group of earners among lesbians, as there is in different-sex couples. This paper uses 2010 American Community Survey data to perform OLS wage regressions, a Oaxaca-Blinder decomposition, and a DiNardo-Fortin-Lemieux decomposition to test for a wage gap between lesbians and straight women, giving particular attention to the role of motherhood and incorporating the possibility that in terms of wages, two distinct groups of lesbians exist. The results show that while motherhood is typically negatively correlated with wages for straight women, it is positively related to wages for the group of lesbians as a whole. The positive relationship between earnings and wages holds only for primary lesbian partners; the relationship between motherhood and wages is negative for the secondary partners.

## *Introduction*

It is a common empirical finding that in the US, female full-time workers in same-sex couples earn higher wages than those in different-sex couples, even controlling for differences in present labor market supply, education, years of working experience, area of residence, and occupation (Klawitter 2012). Despite the growing amount of literature on the topic since Badgett's (1995) seminal paper, there are two critical components to the study of the lesbian-straight wage gap<sup>1</sup> that have been left out of almost all analyses on the subject. First, the role of motherhood<sup>2</sup> in the wages of lesbians versus straight women has been absent from the literature in all but two recent papers. Second, the possibility that there is a "primary" and "secondary" lesbian earner within each couple – where the primary (secondary) partner is the higher (lower) earner in her own couple, or the householder (partner) on the household roster – has only come up in one study, which looks at labor supply, not wages. This paper addresses both of these omissions from the sexual orientation wage gap literature.

Only one paper has looked explicitly at the relationship between motherhood and wages for lesbians (Baumle 2009), finding that there is a positive relationship between motherhood (which Baumle defines as living in a household with any children) and wages for lesbians working full-time, net of differences in experience, education, race, ethnicity, fluency in English, and metropolitan status. This positive relationship between motherhood and wages for lesbians explains about 35 percent of what has been called the

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<sup>1</sup> While recognizing the differences between sexual behavior, identity, and attraction (cf. Laumann 1994), I simplify language use here and call women in same-sex couples "lesbians" and women in different-sex couples "straight" or "heterosexual", although we do not know about their actual preferred identities.

<sup>2</sup> In this study, I use two alternative definitions of "mother". The first is for a woman living in a household with a related child, and the second is being considered a "probable" mother in the IPUMS data. More detail is below.

“lesbian wage premium” – the remaining positive wage gap of lesbians’ earnings over straight women’s earnings once controlling for observable characteristics. An earlier study by Jepsen (2007) finds that a wage premium exists for full-time working lesbians compared to straight women in households both with and without children, even controlling for experience, industry, occupation, race, education, metropolitan status, disability status, and proficiency with the English language, although the study does not look explicitly at the relationship between children and wages for lesbians (via an interaction term between being a lesbian and a mother in the OLS model, for example). The present study builds upon Jepsen’s (2007) and Baumle’s (2009) work by not just analyzing a newer sample of women in the US with more informative econometric techniques, but by addressing the possibility that the effect of motherhood on wages is different for lesbians playing different roles in the parenting division of labor.

The second part of the analysis directly follows this point. This is the first paper in the literature on the sexual orientation wage gap to consider the possibility that there are primary and secondary earners within each lesbian couple – meaning that we should compare these groups to straight women separately to get a more complete picture of the wages of coupled American lesbians. As this paper is primarily concerned with addressing the wages of different groups of lesbians to those of straight women, I take the group of straight women to be a homogenous comparison group, although some straight women are “primary” partners in their relationships in that they earn more than their male partners or consider themselves to be the head of their households.

Two key results emerge from the analysis. The first is that there is a positive relationship between motherhood and wages for the entire group of lesbians, compared to

the negative relationship between motherhood and wages for straight women, even controlling for potential work experience (age minus years of education minus five)<sup>3</sup> and present labor supply. A second important finding is that the effect of being a mother on wages is quite different for primary lesbian partners and secondary lesbian partners. Motherhood is negatively correlated with wages for the secondary lesbian partner, but strongly positively correlated with wages for the primary partner. More generally, there is a wage premium over straight women for the group of primary lesbians, but a lesbian wage *penalty* for the group of secondary lesbians.

### *The “Lesbian Wage Premium”*

Empirical studies of the wages of lesbians versus straight women consistently find that there is an unconditional wage gap between lesbians and straight women, in which lesbians earn more. Once controlling for differences in education, experience, location, and occupation, either there is no significant difference between the women’s wages (Badgett 1995; Klawitter & Flatt 1998; Carpenter 2005 in California), or lesbians receive higher wages than straight women (Badgett 2001; Clain & Leppel 2001, Berg & Lien 2002; Black *et al.* 2003; Blandford 2003; Jepson 2007; Antecol *et al.* 2008; Baumle *et al.* 2009; Cushing-Daniels & Yeung 2009) – a “lesbian wage premium.” Peplau & Fingerhut (2004) call the lesbian premium a “paradox”: we might expect lesbians to earn less than similarly situated straight women due to labor market discrimination based on sexual orientation (cf. Badgett 1995; Weichselbaumer 2003; Elmslie & Tebaldi 2007), but instead we see that lesbian workers earn more.

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<sup>3</sup> In the data set I employ here, we cannot measure actual working experience. This omission is likely to bias the estimates of the motherhood penalty upwards, because actual labor market experience has a strong(positive) impact on earnings and is strongly (negatively) affected by motherhood.

As with any wage gap question, there are observable and unobservable characteristics that help explain the unconditional wage difference between lesbians and straight women. Two explanations for lesbians' higher unconditional earnings are based on unobservable demand-side issues. The first is that employers might engage in statistical discrimination against straight women compared to lesbians. If employers expect that straight women are more likely to leave their job or make less of a workplace commitment because of family responsibilities, employers would prefer lesbians to equally qualified straight women. In other words, discrimination against straight women can benefit lesbians. Second, employers may prefer lesbian to straight employees because lesbians might display and/or their employers expect them to display more masculine characteristics, such as assertiveness, dominance, autonomy, competence, and detachment – characteristics more preferable in the competitive labor market (Clain & Leppel 2001; Peplau & Fingerhut 2004; Jepsen 2007). Furthermore, similar stereotypes may affect lesbian and straight mothers differently. Peplau & Fingerhut (2004) conducted an experiment of 162 undergraduate students, finding that the students considered straight mothers less competent and less committed to their job than non-mothers, but did not pass the same judgment on lesbian mothers. These stereotypes and prejudices, however problematic, benefit lesbians' pay in the labor market – they are an instance of what some would call “positive discrimination”.

While employers might have expectations that benefit lesbians' wages, there are three observable supply-side effects that may contribute to the unconditional lesbian-straight wage gap. First, lesbians' preferences for and access to occupation and industry of employment may be different than straight women's. Controlling for occupation and

industry reduces the lesbian earnings advantage; the relatively high number of lesbians in male-dominated occupations helps to push lesbians' wages higher (Blandford 2003; Black *et al.* 2007a; Baumle *et al.* 2009). It might be a matter of worker preference or opportunity, but there are more lesbians in higher-paid "male jobs" than straight women (see Badgett & King 1997 for a discussion of lesbian occupational choice). An empirical test of the relative importance of occupation sorting in explaining the lesbian wage premium using 2000 US Census data, however, finds that the effect of different occupational choice on women's wages does not make a significant difference between the wages of lesbians and married straight women, especially at the lower end of the earnings distribution (Antecol *et al.* 2008).

A second labor supply issue explaining the lesbians' higher earnings is that lesbians have much higher levels of human capital than straight women, particularly in educational attainment. Partly to counteract the negative income effect of pairing with another woman (Badgett 2001; Berg & Lein 2002; Black *et al.* 2003) and partly because of the longer opportunity to pursue her education without getting sidetracked by marriage and family responsibilities (Daneshvary *et al.* 2009), lesbians have and enjoy the benefits of higher levels of education. Antecol *et al.* (2008) show that combining the effects of occupational sorting and differences in educational attainment can explain between half and three-quarters of the lesbian wage premium, most of which is due to differences in education; including experience explains even more of the wage gap. They find this to be particularly true at the higher end of the earnings spectrum: occupational sorting and especially educational differences explain most of the unconditional lesbian wage

advantage for women in the top three income deciles (p. 538, Figure 4, panels A through C).

A fifth explanation for lesbians' higher unconditional earnings has to do with lesbians' higher labor force attachment. It could simply be the case that lesbians earn more because they work more, both presently and over time in the past. Cushing-Daniels & Yeung (2009) find support for the idea that lesbians' higher unconditional earnings are due in part to differences in labor supply: using General Social Survey data from 1988-2006, they show that controlling for the selection into full-time work via a Heckman two-stage selection model eliminates the gap between the wages of lesbians and straight women.

Although the relationship between labor supply and wages for lesbians is only first starting to be addressed in the literature, we do know that lesbians as a whole do supply much more paid labor than their straight counterparts (Black *et al.* 2007a; Antecol & Steinberger 2011). There are several explanations for lesbians' stronger labor force attachment and higher levels of labor supply. A rational expectations model to account for the choices of female workers, as shown by Badgett (1995), Berg & Lien (2002), Clain & Leppel (2002), and Black *et al.* (2003), posits that lesbians, knowing they are or will be partnered with another woman who also faces a gender-based wage disadvantage, invest more in their human capital and spend more time in the labor force to make up for the lost household income of pairing two women instead of a woman with a higher-earning man. Lesbians, the theory goes, work for pay more to make up for the economic cost of being a lesbian. A second explanation is that institutional constraints, such as the lack of federal employment non-discrimination protection, encourage lesbians to hold on



tightly to their jobs once they have them. It could also be the case that lesbians receive less support from their family members and therefore need to work more for pay to ensure their own financial security (Badgett 2001; Giddings 2003).

Building on the work of Leppel (2008) and Tebaldi & Elmslie (2006), Antecol & Steinberger (2011) analyzed the labor supply of lesbian versus straight women using 2000 US Census data, concentrating on the role of children in explaining the sexual orientation labor supply gap. As a whole, lesbians supply much more labor than straight women at both the extensive margin (the decision to participate in the labor market at all) and the intensive margin (the number of hours worked, conditional on supplying some positive number of hours of labor). Importantly, Antecol & Steinberger divide their sample into primary (higher) earner lesbians and secondary (lower) earner lesbians, and find that not only do the primary partners provide more labor than the secondary partners (who still provide more labor than straight women), but further that motherhood has less of an effect on the labor supply of lesbians than straight women and less on the labor supply of primary lesbians than on secondary lesbians. Children account for a much larger portion of the mean labor supply gap between (straight) married women and secondary lesbian earners (56%) than between (straight) married women and primary lesbian earners (15%); straight women's labor supply is more similar to one group of lesbians (the secondary earners) than another (the primary earners). A parallel story emerges when the sample of lesbians is split into the primary and secondary group using a definition of primary and secondary based on the household roster – the householder (or first person listed on the survey) is the primary partner, while her “unmarried partner” is the secondary partner. Motherhood has a very different effect on the labor supplies of

primary versus secondary lesbians, wherein the secondary lesbians respond to children being present in the household in a manner much more similar to straight married women than the primary lesbians (whose labor market supply looks much more like married men's). These findings suggest that not only might lesbian couples engage in some degree of household specialization, but that given the relationship between labor supply and wages, we might expect the wages of the two groups of lesbians to be different as well.

Furthermore there is reason to believe that motherhood might even be *positively* correlated with wages for lesbians – or at least, for the primary lesbians. If it is the presence of children which drives specialization in a couple (as purported by Becker, 1981; 1991) and this is also true in lesbian couples (as the research by Giddings *et al.* 2012 shows to be the case), then a lesbian couple having children would mean that one of the lesbians would be specializing in paid work while her partner does paid work only part-time or not at all, allowing the primary lesbian to allocate more energy (Becker 1985) and time to her paid work, potentially resulting in a positive effect on her wages. Therefore motherhood may be positively correlated with wages for the primary group of lesbians, but perhaps negatively correlated with wages for the secondary group.

Another reason to expect a positive relationship between motherhood and wages for (some) lesbians is that there could be a selection bias for higher-earning lesbians into motherhood. It could be the case that higher-income lesbian couples are more likely to be mothers than lower-income straight couples (since conception of a child is, on average, more expensive for lesbian couples, and because higher earners are more likely to be able to keep custody of children from previous relationships) (Clain & Leppel 2001). On the

other hand, many lesbian mothers have children from previous heterosexual relationships, and lesbians who were previously married (to a man) earn less than never married lesbians (Daneshvary *et al.* 2009). Therefore it is not clear if we should expect a selection bias into motherhood for high earning lesbians.

Overall, the existing knowledge on the wages of lesbians in the US leads to the prediction that the effect of motherhood on wages is at least less negative for some lesbians compared to straight women and potentially positive for others. Further, given differences in the labor supplies of the two groups of lesbians (Antecol & Steinberger 2011), we could suspect that the two groups are different in terms of their wages, as well. The next section describes the data and methods used to test these hypotheses.

#### *Data and Models to Study the Sexual Orientation Wage Gap*

I use the Integrated Public Use Microdata Series (IPUMS) sample of the American Community Survey (ACS) data from 2010 for this analysis (Ruggles *et al.* 2010). The ACS is a nationally representative survey of over one million households per year and is close to ideal for this study, because it provides extensive information on labor market outcomes such as annual earnings and time (hours and weeks) worked, as well as an abundance of demographic information such as age, race, education, and location. While the ACS does not ask direct questions about sexual orientation, the demographic information provided by the survey allows for the identification of people in same-sex and different-sex couples: each household has a “householder”, and this householder states their relationship to every other person in the household. One of the relationship choices is “unmarried partner” and I identify any woman with a female “unmarried partner” as a lesbian. In order to reduce the probability of having the sample

of same-sex couples contaminated by miscoded different-sex couples, I follow the suggestions of Black *et al.* (2007b) and Gates & Steinberger (2008) and drop any observation for which the householder or the householder's spouse or partner has imputed values for his/her marital status and who mailed in their completed survey (see Gates & Steinberger 2008 for details on coding errors in the 2000 Census, which also applies to subsequent ACS data). This restriction reduces the amount of same-sex couples in our sample by about 20 percent, but it substantially reduces the chance of miscoding straight couples as same-sex couples.

There are three important drawbacks to our identification of “lesbians” in the ACS. The first is that the sexual orientation of single people is unidentifiable, because we construct categories of sexual orientation based on the gender composition of one's relationship. Therefore, we can only study lesbians who are in a couple.<sup>4</sup> Secondly, we can only identify lesbians in a particular type of couple: the householder and her partner. Because we only know the detailed relationship of each person in the household to the householder, we cannot know if there are couples in the household other than the primary couple. This means that a couple living in someone else's household – one of their parents' homes, or with friends, for example – is not identifiable as a couple in these data, and therefore their sexual orientation is unknown. Third, many people are unlikely to use the expression “unmarried partner”, either because they do not understand it, or because they instead think of their partners as “boyfriends” or “girlfriends” – a less formal term than “unmarried partner”. Indeed, Badgett & Schneebaum (2008) find that in 2007 Current Population Survey, there are about forty percent more same-sex couples when

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<sup>4</sup> While it is feasible that selection into partnership is correlated with wages and would therefore provide a biased sample (as Carpenter & Gates 2008 show is true of gay men and lesbians in California), it is not clear that the selection into partnership would be different for lesbians and straight women.

the respondents are asked about their cohabiting “boyfriend/girlfriend”, instead of an “unmarried partner”. Despite the drawbacks of who is included and excluded in our sample, the ACS is a very good dataset for this analysis because of its large sample size, representativeness, and abundance of demographic and economic information.

I compare the wages of lesbians to straight married and cohabiting but unmarried women. I use both married and unmarried women in my sample of straight coupled women because it is not clear whether lesbian couples are more like married or unmarried straight women. The choice to get married can be correlated with unobservable characteristics, such as one’s level of happiness (cf. Stutzer & Frey 2005), which may be related to workplace outcomes. Because some lesbians would get married if they had the legal choice while others would choose to stay unmarried, I compare the group of lesbians to both the married and unmarried straight women to account for the possible unobservable similarities between lesbians and either group of straight women – although we cannot know from these data which of the lesbians would get married if they could.

For the first OLS analysis and the DFL analysis described below, I split the sample of lesbians into primary and secondary partners in the same way as Antecol & Steinberger (2011), mentioned above. In the “earner” primary/secondary classification, the higher earner in a lesbian couple is considered the primary partner, while the lower earner is the secondary earner. (In the 71 cases where both partners earn the same amount, neither is designated primary or secondary.) In the “household roster” classification, the person named as the householder is the primary partner, and her “unmarried partner” is the secondary partner.

I identify a “mother” in two ways. The first definition of motherhood that I employ considers a woman in the household’s main couple a “mother” when there is a biological, adopted, step-, foster child, or child-in-law of the householder in the home, or a sibling, sibling-in-law, or other related (not specified) child under 18 in the household. 28.2% of lesbians had this definition of motherhood applied to them. This is what I call the “related” classification for motherhood. The second classification, the “IPUMS” definition, gives any woman in a household’s main couple who IPUMS designated as having her own (probable) biological, adopted, or foster child in the home, the status of “mother.” Because the ACS data only gives the relationship of every person in the household’s relationship to the householder and not to everyone else, we cannot be sure of the exact relationship between the partner and any children in the household. The IPUMS data comes with a variable which identifies a “probable” mother, based on either a direct link between the householder and a person in the household she names as her child, or (for non-householders) the age difference between two people in the household (between 15 and 49 years), where the older person was ever-married, and the relationship to the householder of both of the people gives them a “plausible” mother-child connection. In lesbian couples, 27% of householders are given this motherhood status, while only 3% of the unmarried partners have it (see table 1).<sup>5</sup>

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<sup>5</sup> Of course not all women without a child in the home are non-mothers; they may have children who are living outside of the home. However, the existing literature on the motherhood penalty shows that the penalty is based mainly on the mother’s “responsibility” to take care of the young child and her resulting time out of the labor market, and the penalty is therefore largest when young children are present (e.g. Anderson *et al.* 2003).

The outcome variable is the log of hourly wages, which I calculate by dividing the respondents' annual earnings<sup>6</sup> by how many hours they worked last year, which was calculated by multiplying the midpoint of the intervalled "weeks worked last year" variable by the respondent's usual hours worked per week. Incomes in the 99.5<sup>th</sup> percentile are top coded as the average of all incomes in the 99.5<sup>th</sup> percentile in the respondent's state. I limit my sample to women of typical working age, 18-64, who worked a positive number of hours in the last year and who earned more than \$2/hour and less than \$250/hour. I exclude any individuals with census bureau flagged value for any of the variables of interest from the sample. The sample comprises 276,246 married straight women with an average hourly wage of \$22.14; 31,963 unmarried straight women with an average hourly wage of \$16.57; and 3,152 lesbians with an average hourly wage of \$25.16.

To analyze the difference in the wages of lesbians and straight women, I employ three econometric techniques. First, I perform ordinary least squares (OLS) regressions of wages on education level, work experience<sup>7</sup>, race and ethnicity, region of residence and a dummy variable indicating residence in a city<sup>8</sup>; 25 dummy variables indicating occupation; four dummy variables indicating whether the woman is a mother or not and the age of her youngest child (0-5; 6-12; 13-17; 18+); the usual hours worked per week; and a dummy indicating participation in a same-sex (lesbian) couple for primary and

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<sup>6</sup> More precisely, these earnings are all the wages, salaries, commissions, cash bonuses, tips, and other money income received from an employer over the last twelve months. Payments-in-kind or reimbursements for business expenses are not included.

<sup>7</sup> Potential experience is calculated in the standard way: age-years of schooling-5.

<sup>8</sup> A city is defined as a metropolitan area with at least 1 million people.

secondary lesbians<sup>9</sup>. In some specifications, the model is restricted to women working full-time (at least 39 hours per week) and the hours worked variable is excluded. The equation takes the form

$$Y_{is} = \alpha_s + \beta_s X_{is} + \varepsilon_{is} \quad (1)$$

where  $Y$  is the log hourly wages for person  $i$  of sexual orientation and marital status group  $s$  (either primary lesbian, secondary lesbian, straight unmarried, or straight married),  $\beta$  is a vector of coefficients on the observable characteristics  $X$  described above, and  $\varepsilon$  is an error term with the usual properties.

All but one (Antecol *et al.* 2008) study of the sexual orientation wage gap in the US use a dummy variable for sexual orientation (and straight women's marital status) to test the effect of sexual orientation on wages, and I follow this standard here.

Additionally, I run the regression for the entire group of lesbians and straight women separately, in order to check for different returns to motherhood by sexual orientation and family status group. In other words, I examine whether level of motherhood plays a different role in the wages of lesbians vis-à-vis married straight women. While some studies have done this for some variables predicting women's earnings (Badgett 1995 for work experience; Klawitter & Flatt 1998 for state and metropolitan status; Clain & Leppel 2001 for one region, one education level, one occupation; age; and presence of one's own child in the household; Elmslie & Tebaldi 2007 for race and metropolitan status; and Daneshvary *et al.* 2009 for previous marriage), only Antecol *et al.* (2008) have presented separate models looking at returns of all observable characteristics to wages. This strategy is particularly relevant in this study, because we are mainly

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<sup>9</sup> In the main analysis I present the results using the earner definition of primary/secondary, and the results with the household roster position definition of primary/secondary is used as a robustness check. Results are in the appendix.



interested in the varying effect of motherhood on wages for lesbians compared to straight women. The separate regressions are followed up with a Oaxaca-Blinder decomposition.

The Oaxaca-Blinder (Oaxaca 1973; Blinder 1973) technique decomposes the wage gap between lesbians and straight women (at the mean) into differences in observable characteristics and differences in returns to these characteristics. The decomposition allows us to see whether the wage gap is due to the fact that lesbians have different characteristics, or if they experience different returns to these characteristics. Intuitively, the process is asking what lesbians would earn if they faced the same returns to their observable characteristics as straight women. It can be modeled as

$$\bar{Y}_L - \bar{Y}_S = (\bar{X}^L - \bar{X}^S)\beta^S + \bar{X}^L(\beta^L - \beta^S) + (\alpha^L - \alpha^S) \quad (2)$$

for sexual orientation groups L (lesbian) and S (straight).

Finally, while the Oaxaca-Blinder technique provides us with much insight about the returns of various characteristics to lesbians and straight women, it only analyses the relative importance of these characteristics *at the mean* of the wage gap. It is feasible (and indeed shown by Antecol *et al.* 2008) that the sexual orientation wage gap differs along the earnings distribution. For example, Antecol *et al.* (2008) show that the lesbian wage premium is lower at the higher end of the earnings distribution – the difference between lesbian and straight women’s earnings is lower for high wage earners than for lower wage earners. We might expect that the effect of motherhood on lesbians’ wages would differ along the earnings distribution. As discussed above, Clain & Leppel (2001) posit that there can a selection bias into motherhood; women with higher earnings might be more likely to self-select into motherhood, and they are also more likely to retain custody of children from prior relationships. If this is more true for lesbians than straight

women, we could expect that the lesbian wage premium once controlling for motherhood would be higher at the higher end of the wage distribution. I test this possibility using a DiNardo-Fortin-Lemieux (DFL) (1996) decomposition, which allows us to see the impact of various characteristics on a wage gap between two groups at all points along the earnings distribution.

The DFL tool works by creating a counterfactual distribution of wages for lesbians as if they had the same distribution of observable characteristics as straight women. In other words, it allows us to model the distribution of wages that would prevail for lesbian workers if they had the distribution of characteristics for straight women. One creates this counterfactual distribution by reweighting the lesbian observations by

$$\psi(X) = \frac{dF_{X_S}(X)}{dF_{X_L}(X)}$$

or equivalently,

$$\psi(X) = \frac{\Pr(D_S=1|X)/\Pr(D_S=1)}{\Pr(D_S=0|X)/\Pr(D_S=0)} \quad (3)$$

which can be easily computed by estimating a probability model (via logit, for example) to predict  $\Pr(D_S = 1|X)$  (the probability of being straight given the characteristics in  $X$ ) and  $\Pr(D_S = 0|X)$  (the probability of being a lesbian, given  $X$ ), and using the predicted probabilities to compute a value for  $\psi(X)$  for each lesbian observation (Fortin *et al.* 2010).

Once the lesbian observations are weighted using the covariates of interest, any difference left between the wages of lesbians and straight women is unexplained by the observable characteristics included in constructing the counterfactual distribution of lesbians' wages, and any remaining difference between the wages of straight women and the counterfactual wages of lesbians can be understood as the effect of being a lesbian.

There is some concern about the order in which covariates are introduced into the weighting scheme in the DFL approach. The concern first introduced in DFL (1996) and in several applications of the technique thereafter (including e.g. Antecol *et al.* 2008) arises when creating the reweighting measure  $\psi(X)$  by sequentially adding covariates, e.g. starting with  $\Pr(D_S = 1|X_1)$ , computing  $\psi_1(X_1)$  and the counterfactual distribution of wages for lesbians based only on  $X_1$ , then doing the same with  $\Pr(D_S = 1|X_1, X_2)$ , and so on. The problem with this approach is that it ignores any relationship between covariates introduced earlier with those which come later, despite the fact that there may be an economic interpretation for their relationship. For example, estimating the effect of region without controlling for other covariates, such as residence in a city, might be overstated if people in one region tend to be concentrated into cities, where wages are higher than in rural areas. The problem of sequentially adding covariates, then, can be understood as an omitted variable problem, because estimates based on the first few covariates leave out the relevance of the covariates which are introduced later (Gelbach 2009). Fortin *et al.* (2010) suggest an alternative approach, appropriate mainly for studying the effect of *one* variable of interest – perfect in our case, where we are concerned with understanding the effect of motherhood on the lesbian wage premium (Fortin *et al.* 2010, pp. 80-2). In this approach, I first calculate the reweighting factor using all covariates,  $\psi(X)$ . For covariate of interest  $k$ , in this case motherhood, I then calculate the reweighting factor using all covariates except  $k$ ,  $\psi_{X-k}(X-k)$ . Finally, I compute the counterfactual distribution of wages using the ratio of the reweighting factors  $\frac{\psi_X}{\psi_{X-k}(X-k)}$  as a weight, and compare this weighted distribution to the counterfactual obtained using only  $\psi_X$  as a weight. The difference in the two is the

estimated contribution of covariate  $k$  (motherhood) to the composite effect of the covariates in the lesbian versus straight wage distribution.

### *Empirical Results*

What contributes to the difference in the wages of straight women and lesbians as a group? I test the relative importance of differences in occupation, educational attainment, work experience, location, race and ethnicity, hours worked, and motherhood status on lesbian versus straight women's wages. The means for log hourly wages and all independent variables by sexual orientation and family status (married or unmarried) are shown in Table 1.

--- Table 1 about here ---

In an unconditional comparison of wages, lesbians as a whole (column 3) clearly earn more than straight women, but the gap is much larger between lesbians and unmarried straight women (43.9%) than between lesbians and married straight women (10.4%).<sup>10</sup> Once we divide the group of lesbians in primary and secondary groups, though, we see a more nuanced story. The primary lesbian earners (column 4) earn 58.7% more than married straight women, while the secondary lesbian earners (column 5) make 15.3% *less* than straight married women. Using the household roster definition of primary and secondary does not show the same contrast; both groups earn more than straight women.

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<sup>10</sup> Throughout the paper, the log differences in outcomes are converted to percentage terms using the equation  $e^\beta - 1$  where  $\beta$  is the log difference between the lesbian and straight outcomes.

Lesbians as a whole work significantly more hours per week than straight married and unmarried women (40.7 versus 37.1 and 37.8, respectively) and more weeks per year. Both primary and secondary lesbians work more than straight women, but there is a statistically significant difference in the weeks worked by primary and secondary (using the earner definition) lesbians. Using the “related” definition of motherhood, we see that a much lower percentage of lesbians have children (28 percent compared to 69 percent of straight married women and 42 percent of straight unmarried women). The IPUMS definition of motherhood yields much lower rates of “motherhood.” Lesbians are more likely to have professional degrees than married straight women (6.8% versus 3.7%) and much more likely to have these degrees than unmarried straight women (1.7%), and there is a lower percentage of Hispanic lesbians (10.0%) than in any other sexual orientation and marital status group (10.8% of straight married; 15.5% of straight unmarried). These differences help explain lesbians’ higher earnings in unconditional comparisons. Primary lesbian earners are also more highly educated and more of them are white and non-Hispanic, compared to their lower-earning partners.

The results of the OLS regressions of equation (1) are presented in Tables 2-4. The first column of Table 2 shows the effect of sexual orientation (divided by primary and secondary earners) and motherhood status on hourly wages for the complete sample of lesbians and married straight women.<sup>11</sup> The third column does the same but only for the sample of full time workers (those who usually work at least 39 hours per week), representing the form of regression that has often been presented in the literature as predicting the effect of sexual orientation on wages for women. Columns 2 and 4 add the

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<sup>11</sup> Estimates for the relationship between education level, experience, region, metropolitan status, race and ethnicity were included in the model, but results are not reported here. They are available upon request.

effect of motherhood on both the straight women and the primary and secondary lesbians to the analysis, where motherhood is captured in dummy variables indicating whether the woman is a mother and the age of her youngest child. For the sample of all women (those who work any number of positive hours, not just full time), I add a control for the usual number of hours worked per week simultaneously with the dummy variables for motherhood, as theory predicts that these effects work together. All of the models control for potential past work experience flexibly, using four terms for it, but aside from the sample of full-time workers, I only control for present labor market participation once accounting for motherhood status (column 2), because motherhood and labor market supply are jointly determined for women.

--- Table 2 about here ---

First comparing column 3 to the existing literature makes the first important point in this analysis.<sup>12</sup> Although most studies have found a positive relationship between wages and participation in a lesbian couple for full-time workers, dividing the sample of lesbians into primary and secondary earners paints a much more nuanced story (column 3). One group of lesbians, the primary earners, enjoys a wage premium over married straight women of almost 18 percent. The secondary lesbians, however, face a 12 percent wage *disadvantage*, or penalty. These results provide an immediate indication that important differences within the group of lesbians had been missed before.

Including motherhood into the equation for full time workers (column 4) shows that there is a motherhood wage penalty for straight mothers with children of every age

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<sup>12</sup> The models in tables 2 and 3 included controls for race, ethnicity, education, region, metropolitan status, and occupation but were left out of the tables for brevity. Results are available upon request.

above 5, but not for mothers with children between birth and five years old, which is surprising. Looking at the motherhood effect for lesbians shows that there is a positive relationship between being the mother of a small (0-5) child for the primary lesbians. The effect of children on secondary lesbians, however, is no different than it is on straight women. A similar story emerges when looking at women who work any positive number of hours (column 2), but here there no extra positive relationship between motherhood and wages for primary earners. All women in this sample appear to have a slight motherhood premium when the youngest child is between zero and five, but face a penalty at all other stages at the youngest child's life. The extra positive relationship between motherhood and wages for primary lesbian mothers of children aged zero to five resembles the fatherhood wage premium (the "daddy bonus") that has been observed in the literature for straight men (Lundberg & Rose 2000; Budig & Hodges 2010).

Turning now to a similar analysis of lesbians versus unmarried straight women (Table 3), we see a similar trend in the results. Primary earning lesbians working full time enjoy a 26 percent wage premium over unmarried straight women with similar demographic characteristics, and secondary earning lesbians do slightly worse than unmarried straight women, facing an 7.8 percent wage penalty. Motherhood has a negative relationship with wages for straight women and secondary lesbian earners whose children are less than 13, but there is a positive and statistically significant relationship between motherhood and wages for primary lesbian earners. The parallel analysis of all workers (columns 1 and 2) shows that controlling for motherhood and hours worked results in a fall of the lesbian wage premium from 29 to 25 percentage points for primary earners and an increase in the wage penalty from 12 to 13 percent for

secondary earners. There is a negative relationship between wages and motherhood for straight and secondary lesbian mothers whose youngest child is under 13, and a positive relationship between motherhood and wages for primary earning lesbian mothers whose children are under 13. The  $R^2$  measure of the goodness of fit for the models presented in both Tables 2 and 3 is quite high for a wage regression; the variables included in the analysis explain between 34 and 38 percent of the difference between the mean wages of lesbians and straight women.

--- Table 3 about here ---

To compare the effect of various characteristics on the wages of the women in different sexual orientation and family status groups, I run separate wage regressions for the entire group of lesbians, married straight women, and unmarried straight women. The results of these separate OLS wage regressions are presented in Table 4. Most of the results are common and expected: higher number of hours worked per week, having more working experience, living in the northeast or the west, living in a city, and having higher education levels are correlated with higher wages; being black or another race other than white and living in the South is correlated with lower wages. Some characteristics correlate with wages differently by sexual orientation and family status: married straight women with a Ph.D. or professional degree earned higher returns to these degrees than lesbians (a difference of 23.3 percentage points; 8.3 percentage points for unmarried straight women), and the (negative) return to being black is 3.4 (0.4) percentage points higher for lesbians than for straight married (unmarried) women.



The effect of motherhood differs by sexual orientation and family status as well: being a mother has a strong positive relationship with wages for lesbians (especially for those with children under six), a negative relationship with wages for unmarried straight women (especially for those with children under 13), and a negative relationship with straight married women's wages, except for those with a child under 6, where there is a surprisingly positive relationship with wages. As discussed above, the positive relation between motherhood and wages for lesbians may be the case because of lesbians' selection into motherhood (higher earning women may be more willing and able to become mothers, and may be more able to keep or receive custody of their children). Furthermore, lesbians are more likely than straight women to have a partner who is the primary care-taker for the child. Lesbian mothers are more likely than straight mothers to be able to specialize in market work, because of their partners' gender.

--- Table 4 about here ---

To study which characteristics contribute to the mean lesbian wage premium and how relatively important they are, the results of the Oaxaca-Blinder decomposition are presented in Table 5. Compared to married straight women, about the same amount of the lesbian premium comes from higher endowments of observable characteristics and the returns to those characteristics. As Antecol *et al.* (2008) also found, it is mainly differences in education levels which drives the difference in the wages of lesbians and straight married women. Lesbians' lower level of potential work experience (due to the fact that they are, on average, younger) has a negative relationship with their wages.

Most of the wage premium experienced by lesbians over unmarried straight women is attributable to differences in their endowments. Indeed these differences make

up more than 90 percent of the earnings difference between lesbians and straight unmarried women (.333/.365). The main characteristics that drive the difference between the wages of lesbians and straight unmarried women are the difference in usual hours worked and the different ethnic composition of the two samples. Further, the returns to motherhood play an important role in lesbians' higher wages; the returns to motherhood, which are positive for lesbians, have much to do with lesbians' higher earnings.

--- Table 5 about here ---

We now move to a decomposition analysis of our independent variables of interest on the straight-lesbian wage gap using the DFL counterfactual, which allows us to see the wage gap along all points of the wage distribution and see the effect of motherhood on the wage gap in this way as well. Here I use the "related" definition of motherhood. (The results using the "IPUMS" motherhood variable are in the appendix and are largely the same, because the two definitions of motherhood do not change much in the straight samples and the lesbian sample is weighted by the probability of having straight characteristics.) Figure 1 shows the wage gap between lesbians and straight married women, with and without weighting the lesbian sample by the weight in equation (3) above, which takes into account motherhood status, hours worked, occupation, experience, education, race and ethnicity, region, and metropolitan status. The top panel shows the wage gap between primary lesbian partners and straight married women, while the bottom panel shows the gap between secondary lesbian partners and straight married women. The graphs on the left of both panels use the earnings definition of primary

versus secondary partner, and the graphs on the right hand side use the household roster definition.

The dashed blue line shows the (unconditional) wage gap between lesbians and married straight women without controlling for any of these characteristics. Here our expectations for the primary partners are confirmed: the unconditional gap shows that primary lesbians earn about 30-40 percent more than straight women over most of the wage distribution using the earner definition of primary and secondary, and between ten and 20 percent using the household roster definition. On the other hand, the wages of the secondary lesbians are generally lower than those of the primary lesbian partners: between 10 and 20 percent lower using the earner definition of secondary, and about .5 percent higher by the household roster definition.

Creating a counterfactual distribution of wages allows us to see the effect of being a lesbian, as we create this counterfactual by assigning both primary and secondary lesbians the same distribution of characteristics as straight women. Any gap in the actual distribution of wages for straight women and this counterfactual distribution is due to the effect of being a lesbian. All panels of figure 2 present the gap between married straight women's earnings and the counterfactual lesbian earnings (solid red line), and we can see that taking the observable characteristics discussed above into account does lower the lesbian wage premium for primary lesbians over most of the distribution, and increases the size of the lesbian wage penalty for the secondary lesbian partners.

How does motherhood relate to wages for these groups of women? The dotted green line shows us the contribution of motherhood to the composite effect of being a lesbian on the wage gap. Motherhood is positively related to wages for the group of

primary lesbians, where we see that the highest earning primary lesbians experience the strongest positive relationship between motherhood and their wages. Aside from the very highest earning secondary lesbian partners, though, motherhood is negatively related to wages for the lesbians in this group – especially the lowest earning ones. Motherhood is good for the wages of one group of lesbians, and bad for the other.

This result makes sense in the contexts of the literature on household specialization. Although we had always observed a lesbian wage premium in the past, this analysis shows only some lesbians receive a lesbian wage premium – and it is so strong for that group of lesbians, that the lesbian penalty faced by the other half of the lesbian population was being overshadowed. While this analysis does not test for this possibility explicitly, one explanation for the vastly different effect of motherhood on the two groups of lesbian’s wages is that there might be household specialization in lesbian couples. If one of the women in a lesbian couple does more paid work when there is a child in the household and the other woman does less, this fact would be reflected in their wages. Indeed, the differences in the outcomes for primary and secondary lesbians parallels the story found in different-sex couples: the presence of children is generally negatively correlated with mother’s wages, but positively correlated with father’s wages (Lundberg & Rose 2000; Hodges & Budig 2010).

--- Figure 1 about here ---

Comparing lesbians to unmarried straight women presents us with a story with one interesting similarity and one interesting difference. In figure 2 we see the large unconditional wage gap (dashed line) of about 60 percent between primary earner

lesbians and unmarried straight women; the primary lesbians using the household roster definition have an unconditional wage advantage between 20 and 50 percent. The secondary earners also have an unconditional wage advantage over straight unmarried women: they earn up to 40 percent more using the household roster definition of secondary.

Using the same tools of analysis as above with the straight married women, we see that accounting for differences in observable characteristics eliminates much of the lesbian wage premium, and as in the case of lesbians compared to straight unmarried women, it results in a lesbian wage penalty for the secondary lesbians. Compared to straight unmarried women, there is a wage penalty for being a lesbian for the secondary lesbians between 0 and 40 percent. This lesbian penalty is lower at higher points along the wage distribution. The group of primary lesbians exhibits a wage premium over unmarried straight women, ranging from zero to 20 percent.

Examining the effect of motherhood on the lesbian-straight unmarried wage gap, we see an interesting difference from the lesbian-straight married wage gap story. In the latter, motherhood was negatively related to wages for the group of secondary lesbians (the dotted green line was below zero). However, for both primary and secondary lesbians, the effect of motherhood on wages is positive for lesbians compared to straight unmarried women. The Oaxaca-Blinder decomposition in Table 5 showed that there are high positive returns to motherhood for lesbians compared to unmarried straight women at the mean, but this analysis shows that to be true across the entire wage distribution. One explanation for this finding is that selection into motherhood is positively related to wages for lesbians, but possibly negatively related to wages for unmarried straight

women, perhaps because selection into motherhood for straight unmarried women may be associated with unplanned pregnancy.

--- Figure 2 about here ---

*Discussion and Conclusion: Where we are now, and what we still need to learn*

The empirical analysis in this paper shows that accounting for all observable characteristics, including motherhood status, presents a more nuanced story of the lesbian-straight wage gap than the one that presently exists in the literature on the economics of sexual orientation. It shows that there are two distinct groups of lesbians, one of whom enjoys a strong wage premium over straight women, while the other suffers from a wage penalty for being a lesbian. Compared to unmarried straight women, motherhood is positively associated with all lesbian's wages, but only primary lesbians experience a positive relationship between motherhood and wages when compared to straight married women. Motherhood is negatively correlated with wages for the group of secondary lesbians, perhaps because the secondary partner specializes in care of the child. Future research on the economic lives of lesbians should consider the possibility that as in different-sex couples, one member of a lesbian couple may be faring better in the labor market than her partner.

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Table 1: Means for variables of interest, by sexual orientation and family status

Variable	Sexual Orientation/Marital Status			Lesbian Division: Earner Definition		Lesbian Division: Roster Definition	
	Married Straight (1)	Unmarried Straight (2)	Lesbian (3)	Primary (4)	Secondary (5)	Primary (6)	Secondary (7)
Log Hourly Wage	2.866** (0,001)	2.601** (0,004)	2,965 (0,015)	3,228 (0,021)	2.724** (0,021)	3,013 (0,022)	2.913** (0,021)
Log Hourly Wage Gap	0,099	0,364					
Percent Mothers - Related	62.87** (0,001)	41.88** (0,003)	28,27 (0,010)	27,43 (0,014)	28,64 (0,014)	29,07 (0,014)	27,18 (0,014)
Percent Mothers - IPUMS	62.02** (0,001)	29.16** (0,003)	15,69 (0,008)	16,60 (0,012)	14,63 (0,011)	26,98 (0,013)	3.14** (0,006)
Potential Experience	23.78** (0,025)	14.99** (0,074)	20,11 (0,219)	19,93 (0,316)	20,18 (0,312)	20,53 (0,302)	19.65* (0,318)
Average Hours/Week	37.05** (0,024)	37.75** (0,065)	40,68 (0,211)	41,25 (0,301)	40.18* (0,308)	41,08 (0,313)	40.24* (0,280)
Weeks Worked Last Year	46.43* (0,024)	45.62** (0,082)	46,90 (0,230)	47,19 (0,324)	46,46 (0,338)	47,08 (0,325)	46,70 (0,324)
<i>Education (%)</i>							
Less than HS	5.07** (0,001)	8.39** (0,002)	2,53 (0,004)	1,54 (0,032)	3.23* (0,006)	2,36 (0,005)	2,71 (0,005)
HS graduate	42.92** (0,001)	54.23** (0,003)	36,92 (0,010)	31,50 (0,014)	40.68** (0,014)	34,99 (0,014)	39.05* (0,015)
Associate's Degree	11.32** (0,001)	10.29* (0,002)	8,79 (0,006)	8,59 (0,008)	9,10 (0,008)	8,68 (0,008)	8,91 (0,008)
Bachelor's Degree	24.80** (0,001)	19.61** (0,003)	28,00 (0,009)	28,96 (0,014)	27,81 (0,013)	28,87 (0,013)	27,04 (0,013)
Master's Degree	12.22** (0,001)	5.79** (0,001)	16,95 (0,007)	20,31 (0,012)	14.29** (0,009)	17,97 (0,011)	15,83 (0,010)
Professional/Doctorate	3.65** (0,000)	1.69** (0,001)	6,81 (0,005)	9,10 (0,008)	4.89** (0,006)	7,12 (0,007)	6,46 (0,007)
<i>Race (%)</i>							
White	82,66 (0,001)	79.18** (0,003)	83,93 (0,008)	85,58 (0,011)	82.79* (0,012)	84,18 (0,012)	83,66 (0,012)
Black	6.65** (0,001)	9,51 (0,002)	8,58 (0,007)	7,47 (0,009)	9,30 (0,010)	9,02 (0,010)	8,09 (0,009)
Other	10.69** (0,001)	11.30** (0,002)	7,49 (0,006)	6,95 (0,008)	7,90 (0,008)	6,80 (0,007)	8,26 (0,008)
<i>Ethnicity (%)</i>							
Hispanic	10,78 (0,001)	15.50** (0,003)	10,00 (0,006)	9,80 (0,009)	10,47 (0,009)	8,85 (0,008)	11.27* (0,009)
<i>Region (%)</i>							
Northeast	18.04* (0,001)	18,76 (0,003)	19,88 (0,008)	19,75 (0,012)	19,51 (0,011)	20,04 (0,011)	19,72 (0,012)
Midwest	25.04** (0,001)	24.81** (0,003)	20,89 (0,009)	21,24 (0,013)	20,65 (0,012)	21,03 (0,013)	20,72 (0,013)
South	35.36* (0,001)	32,06 (0,003)	33,68 (0,010)	33,76 (0,014)	34,18 (0,014)	34,04 (0,014)	33,28 (0,014)
West	21.55* (0,001)	24,38 (0,003)	25,55 (0,009)	25,25 (0,013)	25,66 (0,012)	24,89 (0,012)	26,28 (0,013)
<i>Metropolitan Status</i>							
Lives in City	50.11** (0,001)	51.36** (0,003)	58.69 (0,010)	58.23 (0,015)	57.76 (0,014)	58.64 (0,014)	58.74 (0,015)
Observations	276246	31963	3152	1459	1622	1643	1509

Notes: In columns 1 and 2 a statistically significant difference in means, relative to column 3, is indicated by \* ( $p < .10$ ) or \*\* ( $p < .01$ ). Differences between columns 4 versus 5 and 6 versus 7 are indicated in the same way.

Table 2: OLS predicting log hourly wages with earner classification of primary/secondary, lesbians versus straight married women

	(1)	(2)	(3)	(4)
Sample:	All	All	Full-Time Workers	Full-Time Workers
Lesbian Primary Earner	0.203*** (0.01)	0.176*** (0.02)	0.165*** (0.02)	0.148*** (0.02)
Lesbian Secondary Earner	-0.157*** (0.02)	-0.176*** (0.02)	-0.130*** (0.02)	-0.135*** (0.02)
Mother 0-5		0.038*** (0.00)		0.043*** (0.00)
Mother 6-12		-0.030*** (0.00)		-0.010** (0.00)
Mother 13-17		-0.028*** (0.00)		-0.019*** (0.00)
Mother 18+		-0.025*** (0.00)		-0.032*** (0.00)
Lesbian Mother 0-5 - Primary		0.081 (0.06)		0.123** (0.06)
Lesbian Mother 6-12 - Primary		0.084 (0.05)		0.072 (0.05)
Lesbian Mother 13-17 - Primary		-0.043 (0.08)		-0.027 (0.06)
Lesbian Mother 18+ - Primary		0.039 (0.06)		0.016 (0.07)
Lesbian Mother 0-5 - Secondary		-0.007 (0.06)		-0.000 (0.06)
Lesbian Mother 6-12 - Secondary		0.076 (0.06)		0.020 (0.07)
Lesbian Mother 13-17 - Secondary		0.103 (0.09)		0.137 (0.09)
Lesbian Mother 18+ - Secondary		-0.041 (0.10)		-0.052 (0.14)
Usual Hours Worked		0.003*** (0.00)		
Constant	2.378*** (0.01)	2.253*** (0.01)	2.341*** (0.01)	2.346*** (0.01)
Observations	279398	279398	178870	178870
R-squared	0.342	0.346	0.379	0.380

Notes: Author's calculation on 2010 ACS data. Standard errors in parentheses. Results for occupation, race, ethnicity, region, metropolitan status, education, and potential experience not shown. Statistically significant results denominated by \*\*\* ( $p < 0.01$ ), \*\* ( $p < 0.05$ ), \* ( $p < 0.1$ ).

Table 3: OLS predicting log hourly wages with earner classification of primary/secondary, lesbians versus straight unmarried women

	(1)	(2)	(3)	(4)
Sample:	All	All	Full-Time Workers	Full-Time Workers
Lesbian Primary Earner	0.252*** (0.02)	0.227*** (0.02)	0.232*** (0.02)	0.201*** (0.02)
Lesbian Secondary Earner	-0.123*** (0.02)	-0.140*** (0.02)	-0.081*** (0.02)	-0.097*** (0.02)
Mother 0-5		-0.037*** (0.01)		-0.049*** (0.01)
Mother 6-12		-0.045*** (0.01)		-0.062*** (0.01)
Mother 13-17		0.008 (0.02)		0.009 (0.02)
Mother 18+		0.029 (0.02)		0.024 (0.02)
Lesbian Mother 0-5 - Primary		0.156* (0.06)		0.219*** (0.07)
Lesbian Mother 6-12 - Primary		0.111* (0.05)		0.126* (0.06)
Lesbian Mother 13-17 - Primary		-0.072 (0.08)		-0.056 (0.06)
Lesbian Mother 18+ - Primary		-0.015 (0.07)		-0.037 (0.07)
Lesbian Mother 0-5 - Secondary		0.072 (0.06)		0.083 (0.06)
Lesbian Mother 6-12 - Secondary		0.098 (0.06)		0.076 (0.07)
Lesbian Mother 13-17 - Secondary		0.061 (0.09)		0.091 (0.09)
Lesbian Mother 18+ - Secondary		-0.113 (0.10)		-0.123 (0.14)
Usual Hours Worked		0.000 (0.00)		
Constant	2.356*** (0.02)	2.345*** (0.03)	2.372*** (0.03)	2.375*** (0.03)
Observations	35115	35115	23400	23400
R-squared	0.376	0.377	0.397	0.399

Notes: Author's calculation on 2010 ACS data. Standard errors in parentheses. Results for occupation, race, ethnicity, region, metropolitan status, education, and potential experience not shown. Statistically significant results denominated by \*\*\* ( $p < 0.01$ ), \*\* ( $p < 0.05$ ), \* ( $p < 0.1$ ).

Table 4: Separate OLS regressions by household type

	Straight Married	Straight Unmarried	Lesbian
Mother 0-5	0.0367*** (8.57)	-0.0433*** (-4.31)	0.121** (2.77)
Mother 6-12	-0.0302*** (-7.82)	-0.0448*** (-3.73)	0.0318 (0.80)
Mother 13-17	-0.0275*** (-6.77)	0.0138 (0.85)	-0.0345 (-0.61)
Mother 18+	-0.0244*** (-6.34)	0.0371* (2.26)	-0.0905 (-1.31)
Experience	0.0619*** (24.13)	0.0858*** (19.62)	0.0850*** (4.52)
Experience^2	-0.280*** (-14.72)	-0.480*** (-12.35)	-0.327* (-2.07)
Experience^3	0.0570*** (10.37)	0.116*** (9.05)	0.0594 (1.16)
Experience^4	-0.00428*** (-7.89)	-0.00972*** (-7.03)	-0.00402 (-0.73)
Usual Hours Worked	0.00298*** (19.36)	-0.0000551 (-0.11)	0.00409* (2.54)
Less Than High School	-0.207*** (-31.16)	-0.249*** (-17.48)	-0.254** (-3.16)
Associate's Degree	0.128*** (30.91)	0.159*** (13.62)	0.0928* (2.11)
Bachelor's Degree	0.327*** (89.63)	0.369*** (35.55)	0.353*** (11.20)
Master's Degree	0.562*** (119.56)	0.571*** (35.18)	0.481*** (11.10)
Doctoral/Professional Degree	0.750*** (90.77)	0.703*** (23.51)	0.661*** (12.14)
Black	-0.0258*** (-4.94)	-0.0565*** (-4.48)	-0.0613 (-1.16)
Other Race	-0.0483*** (-10.57)	-0.0301* (-2.43)	-0.0108 (-0.24)
Hispanic	-0.0719*** (-15.74)	-0.0589*** (-5.29)	-0.00704 (-0.18)
New England	0.109*** (29.10)	0.117*** (11.20)	0.0761* (2.18)
West	0.101*** (26.76)	0.114*** (10.95)	0.0954** (2.86)
South	-0.0105*** (-3.32)	0.00908 (0.97)	-0.0370 (-1.15)
City	0.149*** (59.10)	0.144*** (20.19)	0.207*** (9.19)
Constant	2.268*** (0.0135)	2.169*** (0.0281)	2.005*** (0.105)
R-squared	0.344	0.351	0.441

Notes: Author's calculation on ACS 2010 data. Results for 25 occupational categories not shown. Standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table 5: Oaxaca-Blinder Decomposition for lesbian versus straight married and unmarried log hourly wages

	Straight Married versus Lesbian		Straight Unmarried versus Lesbian	
	endowments	returns	endowments	returns
Total Log Hourly Wage Gap	0.099*** (0.015)		0.365*** (0.016)	
Portion Due To...	0.0549*** (0.0154)	0.0442** (0.0176)	0.333*** (0.0153)	0.0313* (0.0167)
Motherhood	-0.00277 (0.0104)	0.0511 (0.0593)	0.0182*** (0.00488)	0.142** (0.0628)
Usual Hours Worked	0.0225*** (0.00594)	-0.0218 (0.0156)	0.137*** (0.00993)	-0.0280** (0.0137)
Education	0.0612*** (0.00633)	-0.00196 (0.00657)	0.00187 (0.00201)	-0.00178 (0.00810)
Race	-0.000625 (0.00187)	0.0109** (0.00428)	0.000402 (0.00217)	0.0100 (0.00636)
Ethnicity	5.70e-05 (0.000311)	0.279*** (0.0741)	0.134*** (0.00889)	0.124* (0.0682)
Experience	-0.0611*** (0.00671)	0.0217* (0.0118)	0.0149*** (0.00279)	0.0283** (0.0126)
City	0.0175*** (0.00291)	-0.0196 (0.0217)	0.00114 (0.00162)	-0.0332 (0.0226)
Region	0.00554*** (0.00190)	-0.0211 (0.0238)	0.0381*** (0.00482)	-0.0778*** (0.0275)
Occupation	0.0127*** (0.00310)	-0.031 (0.023)	0.027*** (0.002)	-0.130*** (0.106)

Source: Author's calculation on ACS 2010 data. \*\*\*p<0.01, \*\*p<0.05, \*p<0.1

Figure 1: DFL comparing lesbians and straight married women

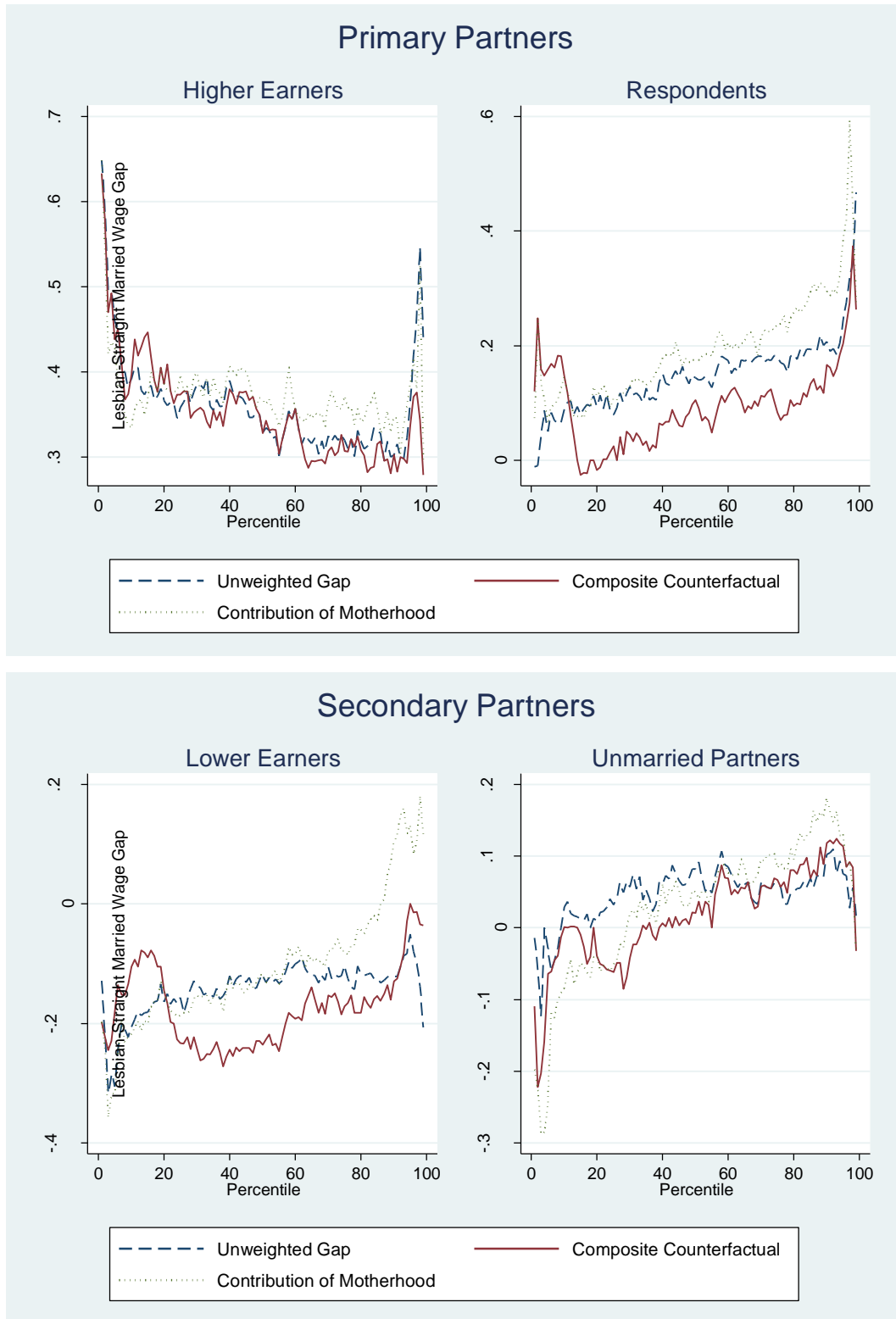
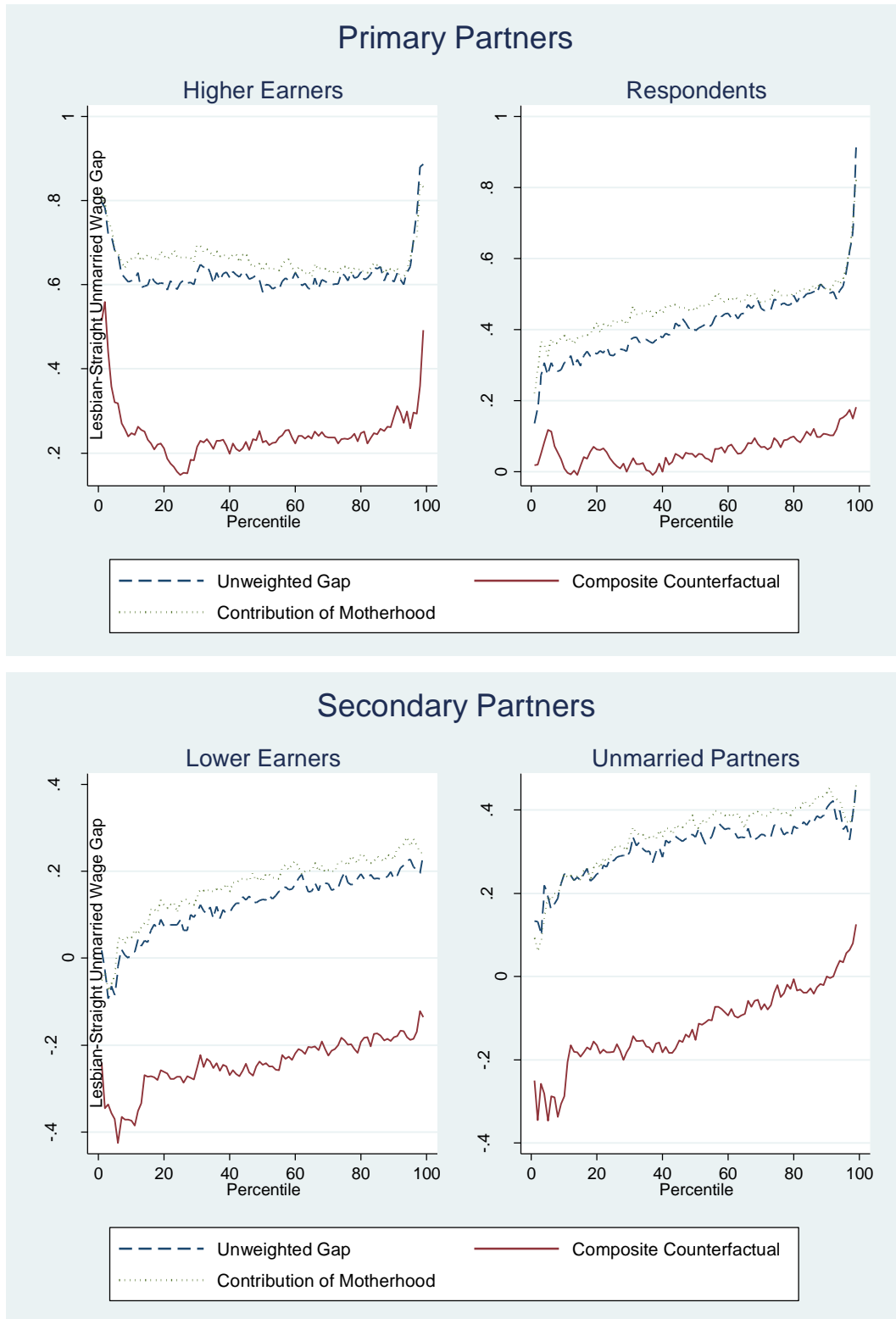




Figure 2: DFL comparing lesbians and straight unmarried women



## Appendix

Table A1: Means of occupational categories by sexual orientation and family status

Occupational Category	Sexual Orientation/Marital Status			Lesbian Division: Earner Definition		Lesbian Division: Roster Definition	
	Married Straight (1)	Unmarried Straight (2)	Lesbian (3)	Primary (4)	Secondary (5)	Primary (6)	Secondary (7)
Management	9.44** (0,001)	7.39** (0,002)	13,43 (0,007)	15,27 (0,011)	11,64 (0,009)	15,26 (0,010)	11.40* (0,010)
Business Operations	3,18 (0,000)	2.71* (0,001)	3,62 (0,004)	3,80 (0,006)	3,46 (0,005)	3,14 (0,005)	4,16 (0,006)
Financial Specialists	3.38** (0,000)	2,10 (0,001)	2,31 (0,003)	3,39 (0,006)	1.35** (0,003)	2,37 (0,004)	2,25 (0,004)
Computer and Math	1.77** (0,000)	1.32** (0,001)	3,20 (0,003)	4,28 (0,006)	2.38** (0,004)	3,39 (0,005)	3,10 (0,005)
Engineering	0.65** (0,000)	0.61** (0,000)	1,58 (0,003)	1,66 (0,004)	1,59 (0,004)	1,69 (0,004)	1,46 (0,004)
Sciences	0.88* (0,000)	0.81* (0,001)	1,49 (0,002)	1,79 (0,004)	1,25 (0,003)	1,56 (0,003)	1,42 (0,003)
Social Services	2.41** (0,000)	2.13** (0,001)	4,39 (0,004)	4,37 (0,007)	4,56 (0,006)	4,30 (0,006)	4,49 (0,007)
Legal Work	1.40* (0,000)	1.11* (0,001)	1,90 (0,003)	3,04 (0,005)	0.97** (0,002)	2,16 (0,004)	1,62 (0,004)
Education	13.34** (0,001)	6.23** (0,002)	9,62 (0,006)	9,13 (0,008)	9,95 (0,008)	9,55 (0,008)	9,70 (0,009)
Media & Arts	1,57 (0,000)	1,78 (0,001)	1,99 (0,003)	1,72 (0,003)	2,28 (0,004)	2,00 (0,004)	1,97 (0,004)
Healthcare	11.07** (0,001)	7.11* (0,002)	8,27 (0,005)	10,70 (0,009)	6.38** (0,006)	7,77 (0,007)	8,82 (0,008)
Healthcare Support	3.70* (0,000)	5.72** (0,002)	3,07 (0,004)	2,62 (0,005)	3,60 (0,005)	2,65 (0,005)	3,53 (0,005)
Security & Protection	0.77** (0,000)	1.05** (0,001)	3,20 (0,004)	2,57 (0,004)	3,54 (0,006)	3,27 (0,006)	3,12 (0,005)
Food/Serving	3,80 (0,000)	9.86** (0,002)	3,84 (0,004)	3,87 (0,007)	3,78 (0,005)	4,01 (0,007)	3,66 (0,005)
Custodial	2,10 (0,000)	2.99* (0,001)	2,11 (0,003)	1,27 (0,004)	2.66* (0,005)	1,64 (0,004)	2,63 (0,005)
Personal Care	3.55* (0,000)	4.70** (0,001)	2,50 (0,003)	1,35 (0,003)	3.69** (0,006)	2,06 (0,004)	2,99 (0,005)
Sales	8,55 (0,001)	12.64** (0,002)	9,33 (0,006)	7,69 (0,008)	10.66* (0,010)	9,05 (0,009)	9,65 (0,009)
Office Administration	22.67** (0,001)	21.55** (0,003)	15,12 (0,008)	13,80 (0,011)	16.54* (0,011)	14,36 (0,010)	15,95 (0,011)
Farming	0.32** (0,000)	0.47** (0,000)	0,04 (0,000)	0,00 (0,000)	0,09 (0,001)	0,05 (0,001)	0,04 (0,000)
Construction	0.19* (0,000)	0,40 (0,000)	0,51 (0,001)	0,52 (0,002)	0,40 (0,001)	0,65 (0,002)	0,36 (0,001)
Extraction	0,01 (0,000)	0 (0,000)	0,13 (0,001)	0,14 (0,001)	0,12 (0,001)	0,12 (0,001)	0,14 (0,001)
Installation/Repair	0.25** (0,000)	0.34** (0,000)	1,16 (0,002)	0,89 (0,003)	1,47 (0,004)	1,32 (0,003)	0,98 (0,003)
Production	3.22* (0,000)	4,44 (0,001)	3,96 (0,004)	3,59 (0,006)	4,28 (0,006)	4,40 (0,007)	3,47 (0,006)
Transportation	1.71** (0,000)	2.45* (0,001)	3,12 (0,004)	2,30 (0,005)	3,37 (0,006)	3,33 (0,005)	2,89 (0,006)
Military	0,06 (0,000)	0,10 (0,000)	0,10 (0,001)	0,22 (0,002)	0,00 (0,000)	0,00 (0,000)	0,21 (0,002)

Notes: Differences in the means between lesbians and straight unmarried women are indicated by \* ( $p < .10$ ) or \*\* ( $p < .01$ ). Errors in column summation due to rounding.

Table A2: OLS predicting log hourly wages with household roster classification of primary/secondary, lesbians versus straight married women

	(1)	(2)	(3)	(4)
Sample:	All	All	Full-Time Workers	Full-Time Workers
Lesbian Primary Position	0.042** (0.02)	0.005 (0.02)	0.046*** (0.02)	0.025 (0.02)
Lesbian Secondary Position	-0.010 (0.01)	-0.015 (0.02)	-0.012 (0.02)	-0.012 (0.02)
Mother 0-5		0.038*** (0.00)		0.043*** (0.00)
Mother 6-12		-0.030*** (0.00)		-0.010** (0.00)
Mother 13-17		-0.028*** (0.00)		-0.019*** (0.00)
Mother 18+		-0.025*** (0.00)		-0.032*** (0.00)
Lesbian Mother 0-5 - Primary		0.087 (0.07)		0.161** (0.07)
Lesbian Mother 6-12 - Primary		0.146** (0.06)		0.076 (0.07)
Lesbian Mother 13-17 - Primary		0.065 (0.08)		0.085 (0.07)
Lesbian Mother 18+ - Primary		0.000 (0.10)		-0.052 (0.11)
Lesbian Mother 0-5 - Secondary		-0.010 (0.05)		-0.020 (0.06)
Lesbian Mother 6-12 - Secondary		-0.020 (0.05)		0.002 (0.06)
Lesbian Mother 13-17 - Secondary		-0.005 (0.08)		0.016 (0.08)
Lesbian Mother 18+ - Secondary		-0.008 (0.08)		0.080 (0.08)
Usual Hours Worked		0.003*** (0.00)		
Constant	2.378*** (0.01)	2.252*** (0.01)	2.340*** (0.01)	2.345*** (0.01)
Observations	279398	279398	178870	178870
R-squared	0.341	0.345	0.378	0.379

Notes: Author's calculation on 2010 ACS data. Standard errors in parentheses. Results for occupation, race, ethnicity, region, metropolitan status, education, and potential experience not shown. Statistically significant results denominated by \*\*\* (p<0.01), \*\* (p<0.05), \* (p<0.1).

Table A3: OLS predicting log hourly wages with household roster classification of primary/secondary, lesbians versus straight unmarried women

	(1)	(2)	(3)	(4)
Sample:	All	All	Full-Time Workers	Full-Time Workers
Lesbian Primary Position	0.085*** (0.02)	0.052** (0.02)	0.106*** (0.02)	0.073*** (0.02)
Lesbian Secondary Position	0.029* (0.02)	0.024 (0.02)	0.043** (0.02)	0.029 (0.02)
Mother 0-5		-0.036*** (0.01)		-0.049*** (0.01)
Mother 6-12		-0.045*** (0.01)		-0.062*** (0.01)
Mother 13-17		0.008 (0.02)		0.010 (0.02)
Mother 18+		0.029* (0.02)		0.023 (0.02)
Lesbian Mother 0-5 - Primary		0.160** (0.07)		0.257*** (0.07)
Lesbian Mother 6-12 - Primary		0.162*** (0.06)		0.120* (0.07)
Lesbian Mother 13-17 - Primary		0.031 (0.09)		0.053 (0.08)
Lesbian Mother 18+ - Primary		-0.059 (0.10)		-0.114 (0.11)
Lesbian Mother 0-5 - Secondary		0.065 (0.06)		0.059 (0.06)
Lesbian Mother 6-12 - Secondary		0.012 (0.05)		0.068 (0.06)
Lesbian Mother 13-17 - Secondary		-0.047 (0.07)		-0.033 (0.07)
Lesbian Mother 18+ - Secondary		-0.068 (0.09)		0.035 (0.08)
Usual Hours Worked		0.000 (0.00)		
Constant	2.355*** (0.02)	2.344*** (0.03)	2.370*** (0.03)	2.372*** (0.03)
Observations	279398	279398	178870	178870
R-squared	0.370	0.371	0.392	0.394

Notes: Author's calculation on 2010 ACS data. Standard errors in parentheses. Results for occupation, race, ethnicity, region, metropolitan status, education, and potential experience not shown. Statistically significant results denominated by \*\*\* ( $p < 0.01$ ), \*\* ( $p < 0.05$ ), \* ( $p < 0.1$ ).

Figure A1: DFL analysis with IPUMS definition of mother: lesbian versus straight married women

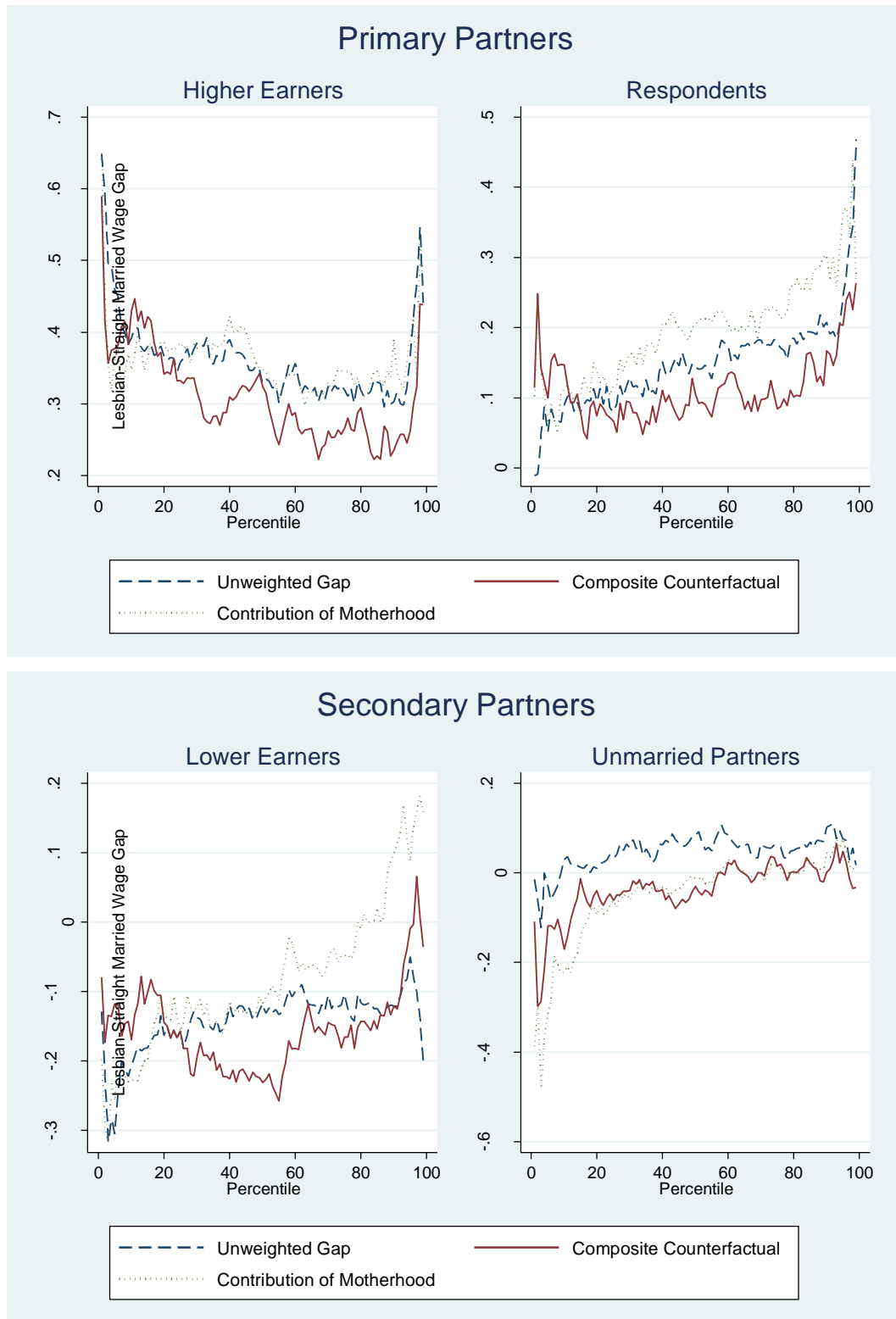


Figure A2: DFL analysis with IPUMS definition of mother: lesbian versus straight unmarried women

