Sexual Orientation Discrimination in the Workplace

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Motivation & Background

- No federal employment protection on the basis of sexual orientation.
- Legal for private businesses to fire someone based on their sexual orientation in 28 states.
  - Laws vary by state and city
- I examine the effect of employment anti-discrimination laws on the basis of sexual orientation.
- Two states even have anti-anti-discrimination laws banning local anti-discrimination laws.
  - TN: 2011
  - AR: 2015
- Democrats in the House of Representatives have introduced HR5: The Equality Act in early 2019.

Research Question

- Do employment anti-discrimination laws based on sexual orientation affect labor supply for lesbian, gay, and bisexual (LGB) workers?
- Do anti-discrimination laws affect wages and income for LGB workers?
- How do these laws affect family structure for same-sex partnerships?

What I do

- Use ACS to identify people in same-sex partnership (SSP) to infer sexual orientation and examine labor supply and pay.
  - Compare workers in SSP to thsoe in different-sex partnership (DSP).
- Differential roll out of anti-discrimination laws by locality and state naturally leads to a diff-in-diff.
  - I construct a unique panel data on local anti-discrimination laws.
- In examining the labor supply or pay gap/premium, use triple difference between workers in SSP and DSP.
- Pull data on support for same-sex marriage at the state level to proxy for sentiment toward LGB people.

Contribution to Literature

- First quasi-experimental research examining both local and state sexual orientation anti-discrimination laws.
- I construct a unique panel dataset of local anti-discrimination laws.
  - Using news stories, city ordinances and documents, and FOIA requests, I compiled a comprehensive list of local anti-discrimination laws from 2000-2016.
- No other paper has examined local anti-discrimination laws for race, sex, or sexual orientation.
- Recent papers have looked solely at state-wide laws.
  - Martel (2013), Burn (2018)
  - Not controlling for local laws could lead to incorrect inference.
- Past research on local anti-discrimination laws were descriptive.
  - Gates (2009) and Klawitter and Flatt (1998)
- Add to the literature on the role of public opinion in policy.

Literature

- Gay men have a wage gap; lesbian women have a wage premium.
  - Badgett (1995); Allegretto and Arthur (2000); Black et al. (2003); Black, Sanders, Taylor (2007); Antecol, Jong, and Steinberger (2008)
- Klawitter (2015) meta-analysis
  - Gay/bisexual men make 11% less than straight men.
  - Lesbian/bisexual women make 9% more than straight women.

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- Klawitter (2015) meta-analysis
  - Gay/bisexual men make 11% less than straight men.
  - Lesbian/bisexual women make 9% more than straight women.
- Differences potentially attributable to different human capital accumulation (Black, et al 2008).
- Discrimination complaint rates on basis of sexual orientation are similar to those of sex. (Ramos, Badgett, Sears 2008).
  - 5 per 10,000.

Results Preview

- Laws significantly reduce gay labor force participation, employment, and wage gap by about 15%
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- Lesbian HHs have more children following the laws and begin to specialize intrahousehold labor in a Beckerian fashion.

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- Reconcile differences between gay and lesbian households with theory and empirical evidence
- Lesbian HHs have more children following the laws and begin to specialize intrahousehold labor in a Beckerian fashion.
- Show anti-discrimination laws improve sentiment toward LGB people.

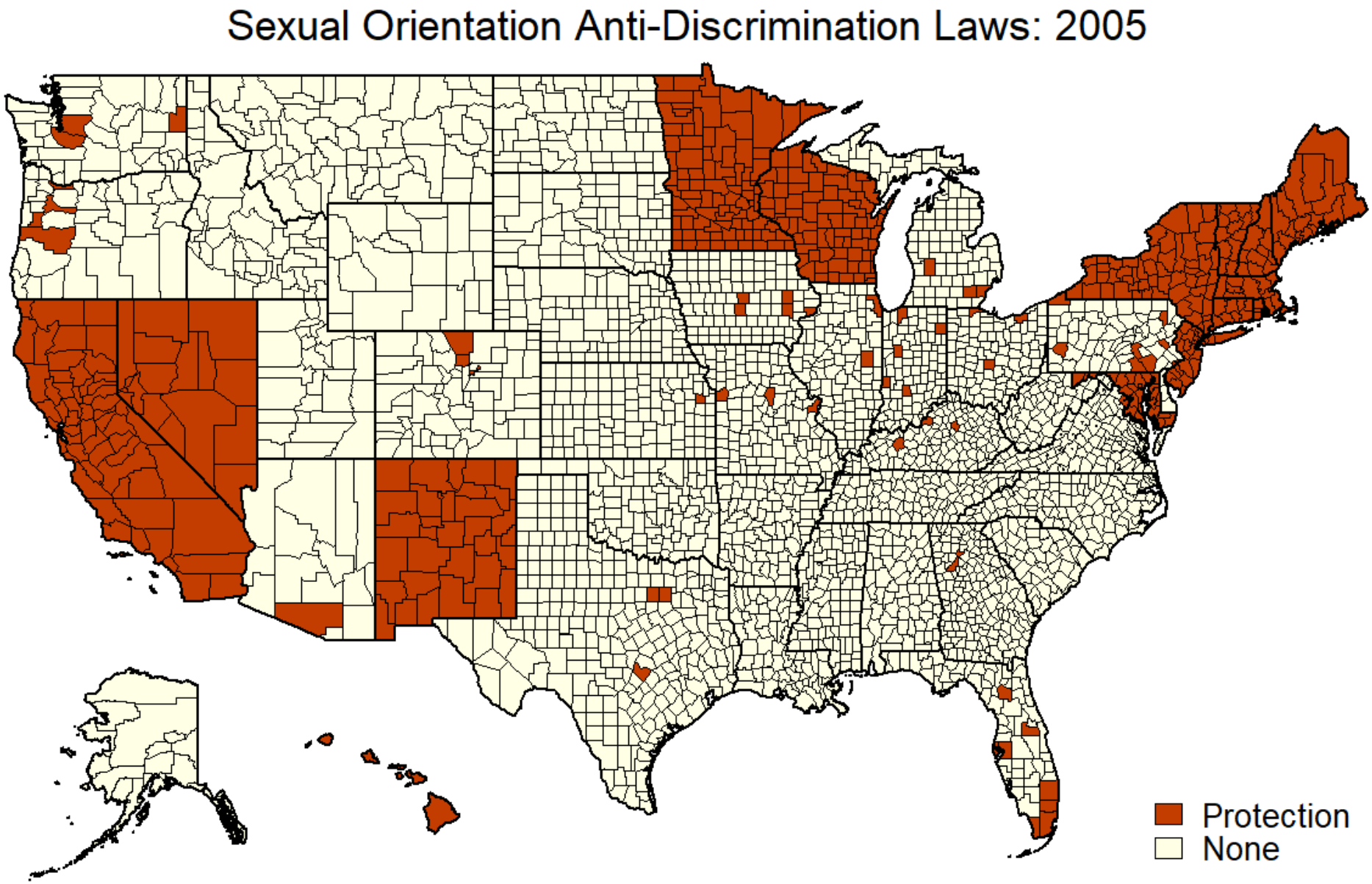
Data: ACS 2005-2016

- Use ACS 2005-2016 and household composition to infer sexual orientation.
- Seven states passed sexual orientation anti-discrimination laws:
  - 2006: IL, WA
  - 2007: CO, IA, OR
  - 2009: DE
  - 2015: UT
- Create unique panel dataset on local anti-discrimination laws
  - Information from LGBTMap.org, local ordinances, local media, and FOIA requests.
- Partnerships defined if in an "unmarried partnership" or "married"
- County only identified if in a metro area.
  - Rural counties in a state lumped together

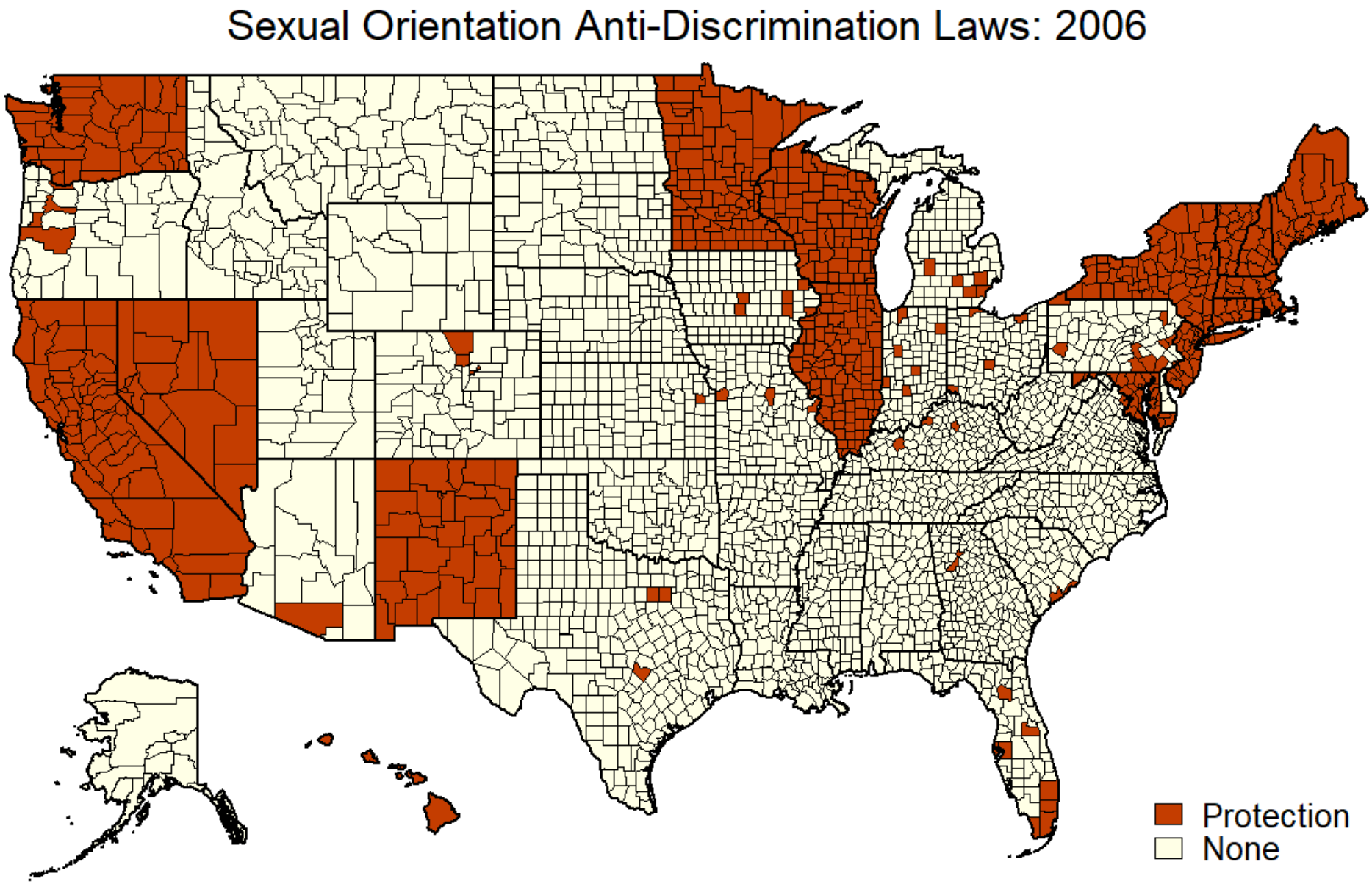
Data: Pew Polling 2005-2016

- Polling data from Pew Research Center
- Collected every poll conducted by Pew asking about support for same-sex marriage from 2005-2016.
  - 28 polls
  - Missing Hawaii and Alaska for 2005-2008
- Proxy for sentiment toward LGB people.
- Concern of endogenous adoption of law in places that are friendlier to LGB workers.
  - Concern that sentiment toward LGB workers causes both the laws and the changes in labor outcomes

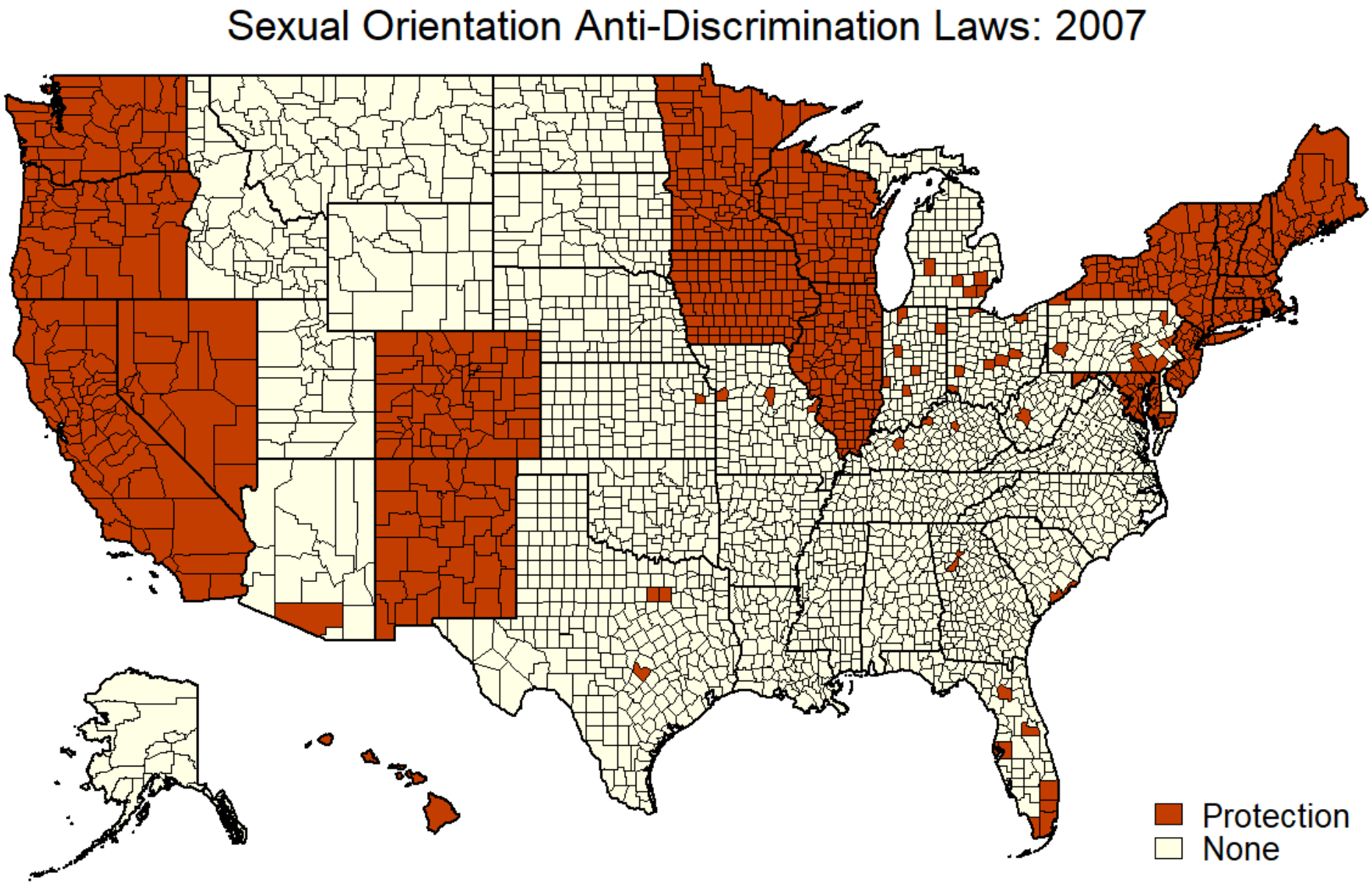
2005: Baseline



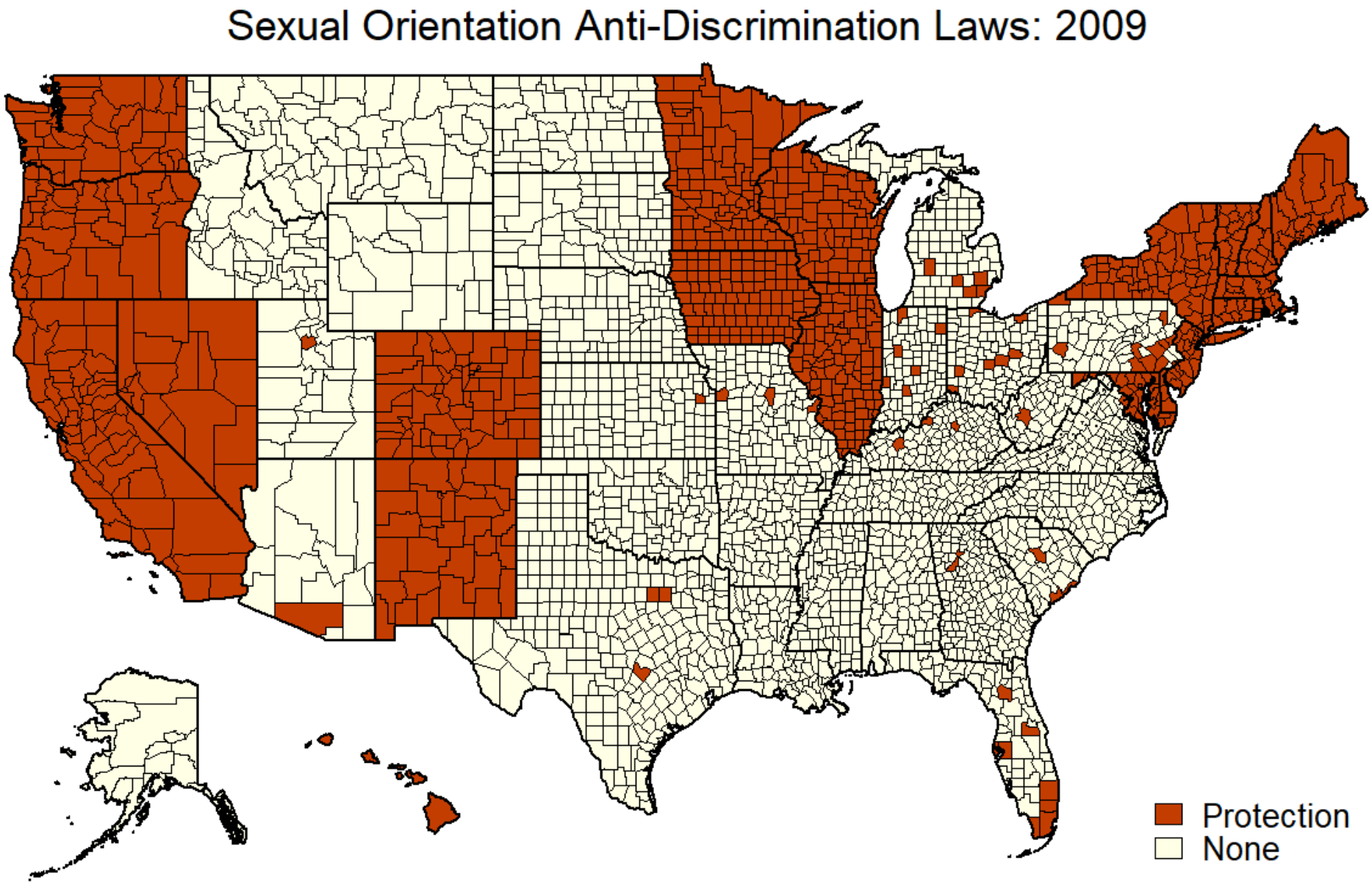
2006: Illinois, Washington



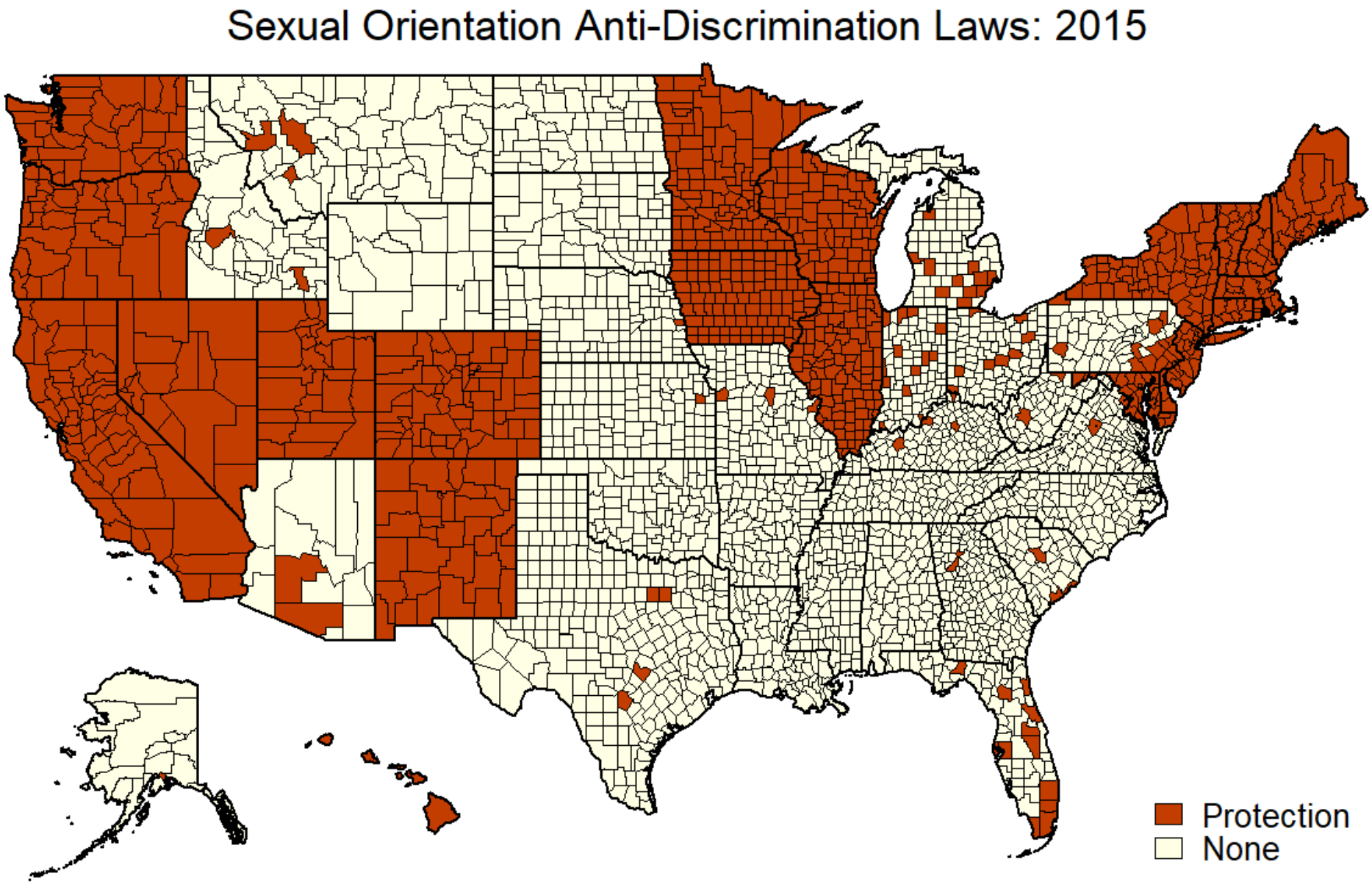
2007: Oregon, Iowa, Colorado



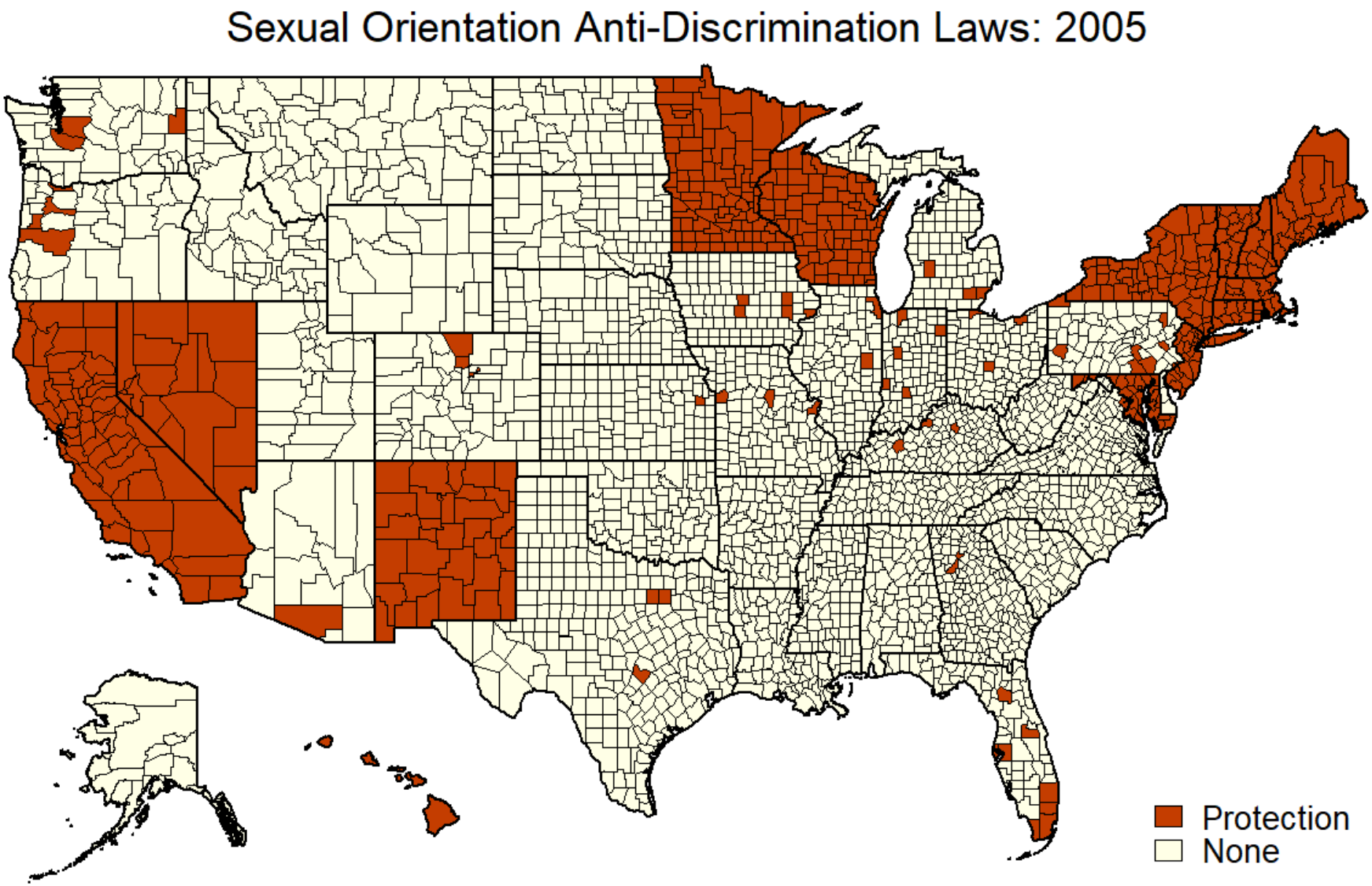
2009: Delaware



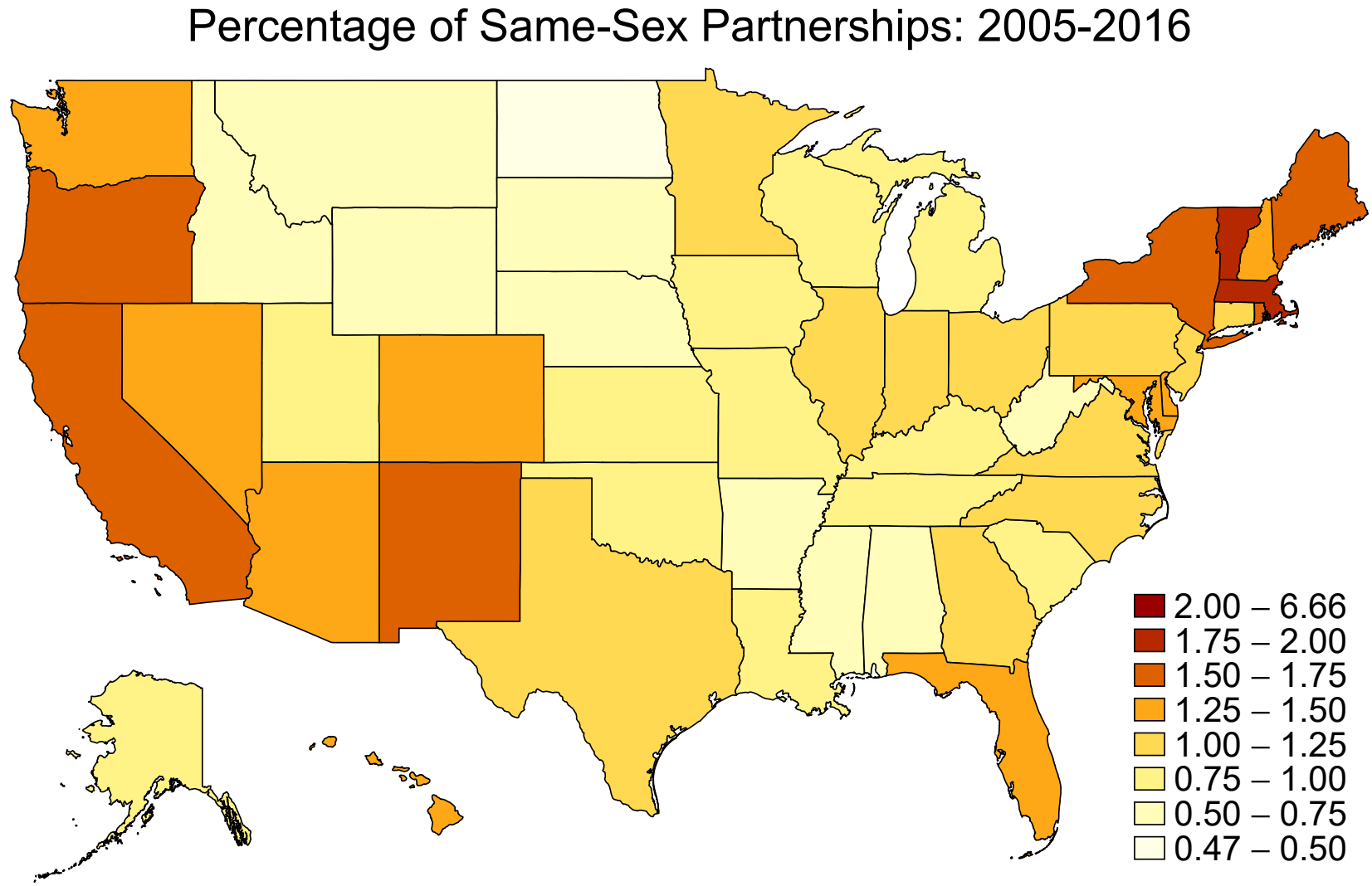
2015: Utah


Sexual Orientation Anti-Discrimination Laws: 2015
Protection
None

Rollout of Sexual Orientation Anti-Discrimination Laws



Distribution of SSPs



Source: American Community Survey

Estimation

$$Y_{itc} = \alpha_0 Law_{ct} + \alpha_1 SSP_i + \alpha_2 Law_{ct} * SSP_i + \alpha_3 X_i + \alpha_4 \gamma_{st} + \mu_c + \tau_t + \epsilon_{itc} \quad (1)$$

- Y_{itc} gives labor supply for person i in year t in county c.
- Law_{ct} is an indicator for if county c has local or state anti-discrimination laws in year t
- SSP_i is an indicator for if person i is in a same-sex relationship
- X_i is a set of covariates for race, education, age, children, etc.
- γ_{st} is a set of state level covariates for polling on support for same-sex marriage laws and the same-sex marriage law status
- α_2 is the variable of interest and will give the effect of the passage of these laws on the labor supply gap.
- α_1 is another variable of interest and will give the labor supply gap.
- Same for hourly and annual wages using $log(x + 1)$ transformation

Extensive Male Labor Supply

VARIABLES	(1) Labor Force	(2) Employed	(3) Labor Force	(4) Employed
Laws*SSP	0.013***	0.014**	0.007	0.005
	(0.005)	(0.005)	(0.005)	(0.006)
SSP	-0.074***	-0.079***	-0.068***	-0.073***
	(0.003)	(0.004)	(0.003)	(0.004)
State Laws Only			X	X
Observations	6,287,441	6,287,441	6,287,441	6,287,441
R-squared	0.135	0.114	0.135	0.114

Extensive Female Labor Supply

VARIABLES	(1) Labor Force	(2) Employed	(3) Labor Force	(4) Employed
Laws*SSP	-0.013**	-0.010*	-0.016***	-0.013**
	(0.006)	(0.006)	(0.006)	(0.006)
SSP	0.081***	0.073***	0.080***	0.072***
	(0.004)	(0.005)	(0.004)	(0.004)
State Laws Only			X	X
Observations	6,569,373	6,569,373	6,569,373	6,569,373
R-squared	0.091	0.088	0.091	0.088

Gay Wage Gap

VARIABLES	(1) Hourly Wage	(2) Annual Wages	(3) Hourly Wage	(4) Annual Wages
Laws*SSP	0.028*	0.059	0.011	-0.041
	(0.017)	(0.050)	(0.015)	(0.035)
SSP	-0.244***	-0.757***	-0.082***	-0.114***
	(0.012)	(0.038)	(0.009)	(0.023)
Employed			X	X
Observations	6,287,441	6,287,441	5,244,258	5,244,258
R-squared	0.157	0.121	0.127	0.041

Clustered standard errors on county in parentheses

$log(x + 1)$ transformation applied to y variable

Lesbian Wage Premium

VARIABLES	(1) Hourly Wage	(2) Annual Wages	(3) Hourly Wage	(4) Annual Wages
Laws*SSP	-0.019	-0.129**	-0.024**	-0.062**
	(0.020)	(0.066)	(0.011)	(0.029)
SSP	0.220***	0.815***	0.053***	0.149***
	(0.014)	(0.049)	(0.007)	(0.021)
Employed			X	X
Observations	6,569,373	6,569,373	4,366,603	4,366,603
R-squared	0.136	0.106	0.123	0.036

Clustered standard errors on county in parentheses

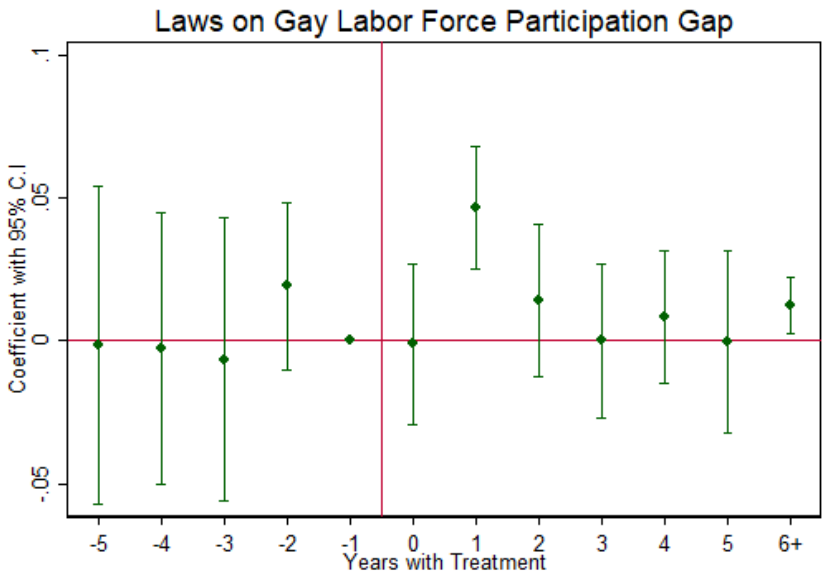
$log(x + 1)$ transformation applied to y variable

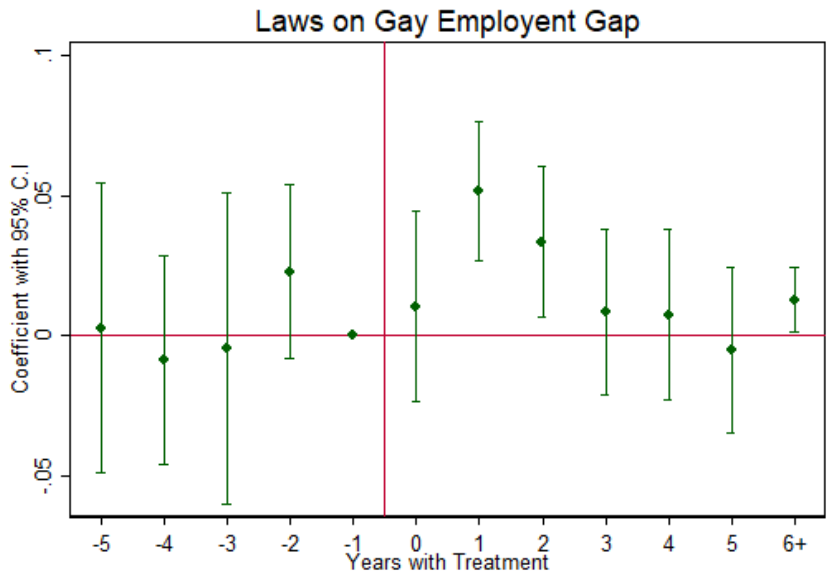
Event Study Regression

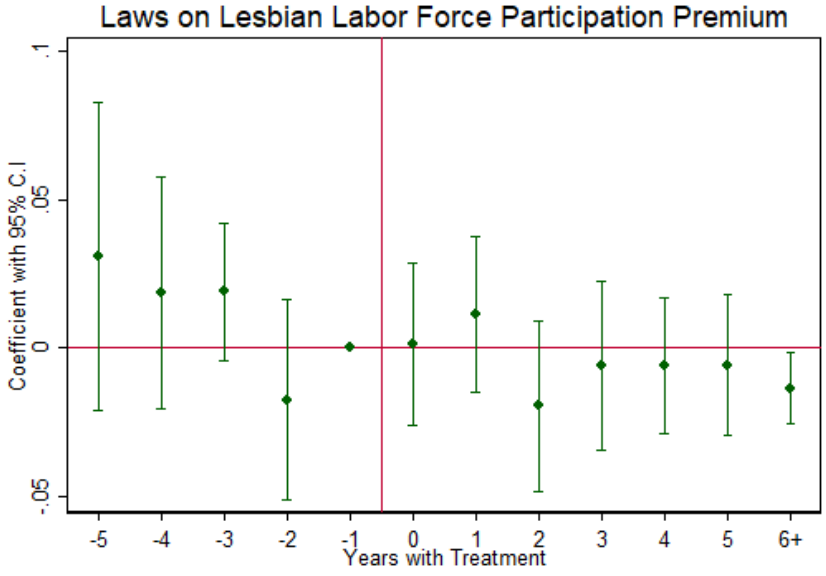
$$
\begin{aligned}
Y_{ict} = & \sum_{j=-5, j\neq -1}^{j=5} \rho_j \mathbb{1}(YearsWithLaw = j) \\
& + \sum_{j=-5, j\neq -1}^{j=5} \beta_j \mathbb{1}(YearsWithLaw = j) * SSP_i \\
& + \delta_1 SSP_i + \delta_2 X_i + \delta_3 \gamma_{st} + \mu_c + \tau_t + \epsilon_{isct}
\end{aligned} \tag{2}
$$

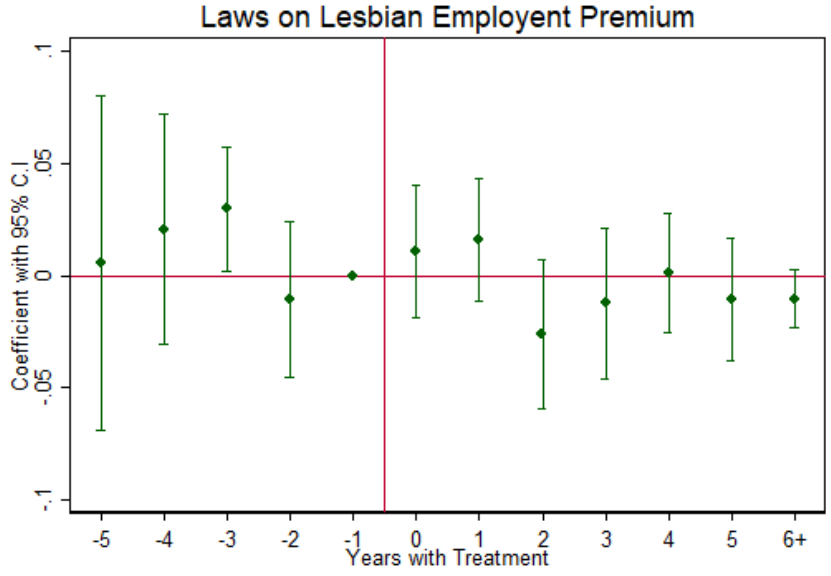
- Plot β_j

Labor Supply Event Study



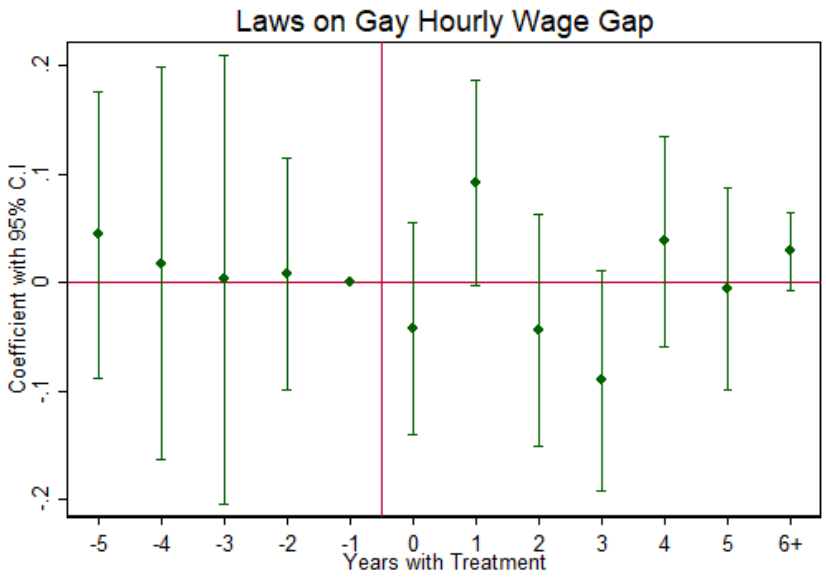


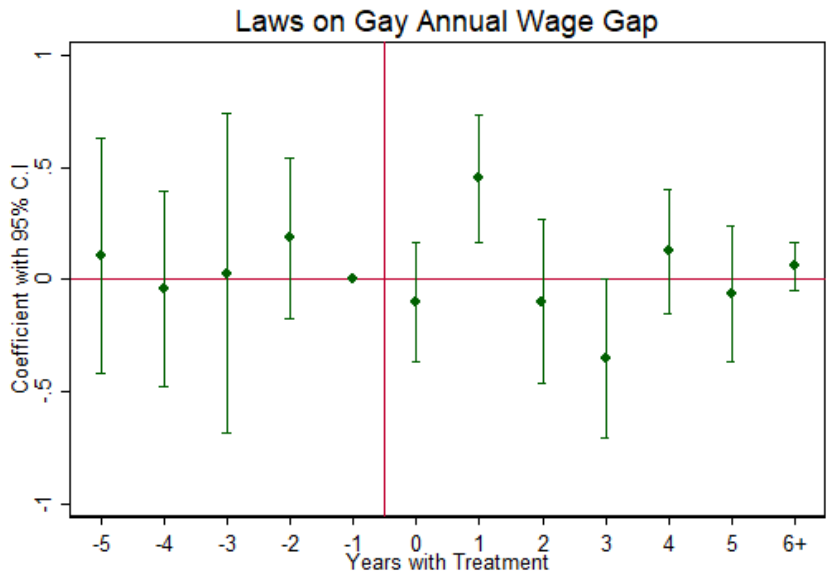


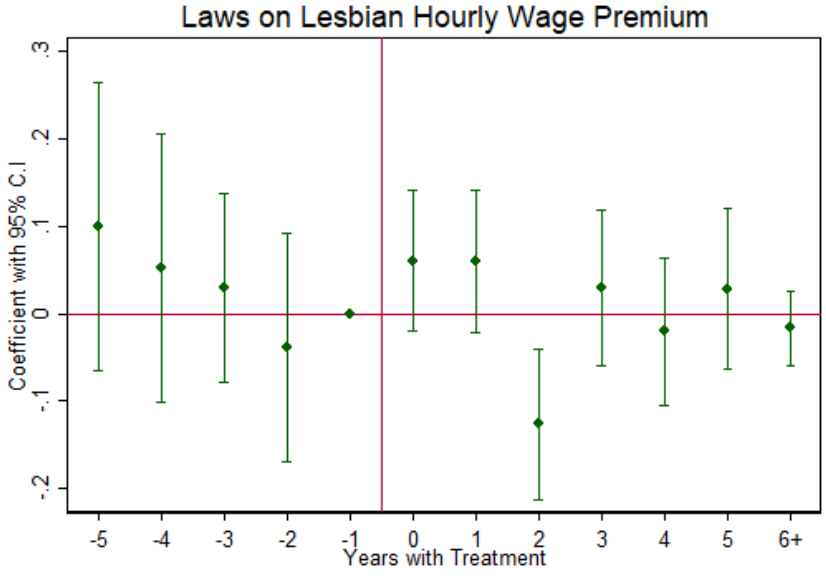


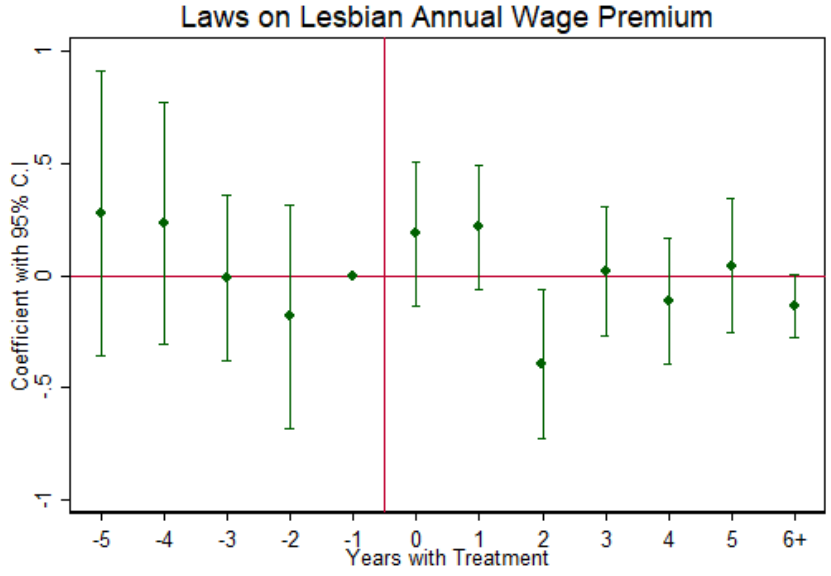
Wage Gap/Premium

▸ Employed Workers









Reconcile Gay and Lesbian HH responses

- Gay labor market gaps reduced while lesbian labor market premiums are reduced.
- One explanation for this is differences in endogenous response to anti-discrimination laws.
- Lesbian HHs become more likely to have children after anti-discrimination laws pass
  - Also become more likely to allocate intrahousehold labor in a Beckerian fashion
- When anti-discrimination laws pass, possible that lesbian HHs feel more secure with their jobs and have children. More children creates larger gains to specializing in intrahousehold labor.
- Compare gay and lesbian households.

$$Child_{htc} = \rho_0 Law_{ct} + \rho_1 FemSSP_h + \rho_2 Law_{ct} * FemSSP_h + \rho_3 X_h + \rho_4 \gamma_{st} + \mu_c + \tau_t + \epsilon_{htc} \quad (3)$$

Gay vs Lesbian Household Responses

VARIABLES	(1) Any Children	(2) Number of Children	(3) One Earner HH	(4) Diff in Hours Worked
Laws*FemSSP	0.0344***	0.0544***	-0.00308	0.947***
	(0.00846)	(0.0195)	(0.00868)	(0.364)
FemSSP	0.123***	0.193***	0.00445	-0.729**
	(0.00743)	(0.0176)	(0.00717)	(0.317)
Observations	73,181	73,181	73,181	73,181
R-squared	0.122	0.111	0.046	0.043

Robustness Checks

1. Endogenous Adoption of Laws
2. Reporting and Sorting

Robustness Check: Endogenous Adoption of Laws

- Laws are not randomly distributed
- States and localities that seems more liberal like the West Coast and Northeast are more likely to have these laws
- Serious threat of OVB where unobservable sentiment toward LGB people is the more relevant factor
  - Concern that sentiment drives laws and outcomes in labor market
  - Laws would erroneously appear to have effect

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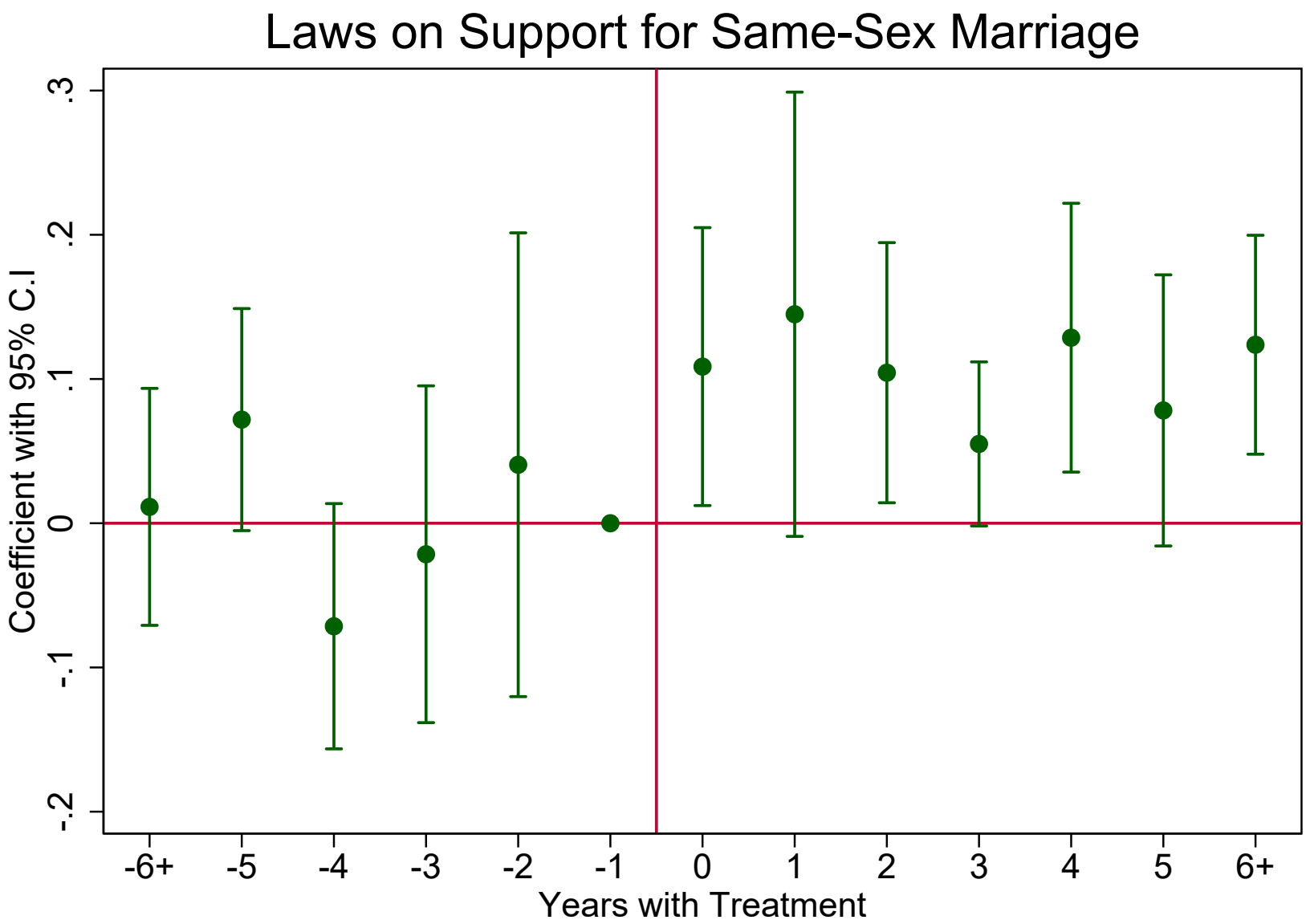
- Serious threat of OVB where unobservable sentiment toward LGB people is the more relevant factor
  - Concern that sentiment drives laws and outcomes in labor market
  - Laws would erroneously appear to have effect
- Create event study with support for same-sex marriage as an outcome
  - Only look at state-wide changes
  - "Sentiment toward LGB workers" at a given county level is unobservable.
  - Similar to past results, only looking at state-wide changes likely attentuates results
- Look at pre-trends in support

State Laws on Support for Same-Sex Marriage



Robustness Check: Reporting and Sorting

- LGB workers could sort to places with anti-discrimination laws.
  - Klawitter and Flatt (1998) show places with anti-discrimination laws have more people in SSPs
- LGB workers could be more likely to report being in a SSP after anti-discrimination laws
- Both would potentially change the composition of my sample and cause problems
- Run regression with SSPs as the y variable.

$$SSP_{itc} = \alpha_0 Law_{ct} + \alpha_3 X_i + \alpha_4 \gamma_{st} + \mu_c + \tau_t + \epsilon_{itcs} \qquad (4)$$

Reporting and Sorting

VARIABLES	(1) All SSP	(2) Male SSP	(3) Female SSP
Laws	0.0002	0.0006	-0.0003
	(0.0005)	(0.0006)	(0.0006)
Observations	12,872,572	6,295,028	6,577,544
R-squared	0.010	0.016	0.007

Overview and Takeaways

- Significant reduction in labor supply and wage gap for gay men
  - Laws differentially increased gay LFP, employment, and wages
- Reduction in lesbian wage and labor supply premium.
  - Seems unintuitive.
  - Can be explained through Becker household model.
  - May still be beneficial if lesbian HHs value additional children over forgone wages.
- Laws significantly and persistently improves sentiment toward LGB people.
  - Laws possibly drive sentiment instead of vice-versa.

Conclusion

- This is the first quasi-experimental research examining local and state sexual orientation anti-discrimination laws.
  - It is paired with a unique dataset on local anti-discrimination laws.
- Results suggest laws help reduce the inequality along sexual orientation lines and improve sentiment toward LGB people.
- Extremely policy relevant given "The Equality Act" extending federal employment protection to sexual orientation.

Thank you!

- Please send any questions to sdelhommer@utexas.edu

Intensive Labor Supply: Employed Workers

Back

	Men		Women	
VARIABLES	(1) Weekly Hours	(2) Weeks Worked	(3) Weekly Hours	(4) Weeks Worked
Laws*SSP	0.262*	0.0866	-0.301**	-0.183**
	(0.157)	(0.0803)	(0.136)	(0.0830)
SSP	-2.179***	-0.576***	2.787***	0.604***
	(0.110)	(0.0567)	(0.105)	(0.0655)
Observations	5,250,194	5,250,194	4,371,755	4,371,755
R-squared	0.034	0.011	0.038	0.015

Wage Gap/Premium: Employed Workers

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