

Sexual Orientation Based Wage Discrimination in the Utah Labor Market

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Abstract

Utah has seen a recent rise of support for the LGBT community and much of it stems from Utah business leaders. This makes for an interesting time to study sexual orientation based wage discrimination and determine if support translates into equal wages. Using survey data collected from current students and alumni of Weber State University, this study examines potential wage discrimination due to sexual orientation in Utah. The sample allows for the analysis of discrimination specific to unskilled and skilled workers. The discrimination was measured using OLS regression and Oaxaca-Blinder Decomposition. Gay and lesbian students were directly accounted for through self-identification. However, the number of LGBT participants were few. The results show no statistically significant wage discrimination in the sample.

Keywords: LGBT, Wage Inequality, Utah

1. Introduction

Every year, Advocate Magazine publishes a list of the most LGBT (Lesbian, Gay, Bisexual, and Transgender) friendly cities in America. For the past three years, Salt Lake City has appeared in the top ten and even took the top spot in 2012 (Breen 2014). That same year, Utah business leaders attempted to pass an antidiscrimination bill, which ultimately failed in the Utah legislature (Hinkle 2012). Three years later on March 11, 2015, they finally succeeded, with the Latter Day Saint's backing, when the Utah Legislature passed the Antidiscrimination and Religious Freedom Amendments (Bever 2015).

Nationally speaking, there is also widespread support as evidenced by a poll showing that 60% of Americans support gay marriage (Politico 2015). However, several research studies still show that gay men face wage discrimination in the United States (Douglas and Steinberger 2015; Klawitter 2015; Sabia 2014, 2015). There is evidence that the antidiscrimination laws are helping to reduce the wage gap (Christafore and Leguizamon 2013). One study suggests that there is no gap and there may even be a premium (Clarke and Sevak 2013).

Because there are no previous Utah-specific studies of sexual orientation wage discrimination and because Utah's antidiscrimination law was passed so recently, this paper will focus simply on whether there are any wage gaps present in the Ogden labor market for bisexuals, gay men, or lesbian women. To accomplish this, a survey of wages of Weber State Alumni and students was conducted. This survey will be analyzed using Oaxaca-Blinder Decomposition and OLS regression.

2. Literature Review

Badgett (1995) is noted as the first study of wage discrimination based on sexual orientation. Using data from the 1989-1991 General Social Survey, he set up two OLS multivariate models to account for differences in the male and female experience. Lacking direct identification, respondents were classified as gay or lesbian based on their sexual behavior using several methods to account for any error. The results showed an 11%-27% wage gap for bisexual and gay men. Though for lesbian and bisexual women, the results were statistically insignificant.

Klawitter (2015) performed a meta-analysis of 31 domestic, meaning United States, and foreign studies of sexual orientation wage discrimination from 2001 to 2012. This study is interesting because it allows for the comparison of all three measurement types. The results show that couple status measures (or partner-based measures) reported higher penalties for gay men than the sexual identity. However, the lesbian premium was within a percentage point.

It also showed that sexual behavior had the highest reported wage gap for gay men, though within three percentage points of the couple measure, and almost double the reported wage premium for lesbians from either other measure.

From the beginning, however, Badgett (1995) suggested that a variable to measure sexual orientation disclosure, or openness, was important. Traditionally this has been hard to measure as the majority of research utilized databases that did not ask questions about it. However, there have been experiments that tested whether openness played a role in discrimination (Weichselbaumer 2000, Weichselbaumer 2003, Ahmed 2013, Weichselbaumer 2015). Based on discrimination theory, the hypothesis would be that it does matter and that plays out in the literature through the discrimination of signaling gay and lesbian people. Following their example, a variable testing openness will be included in this research.

To date, empirical evidence regarding wage discrimination based on sexual orientation is mixed. The meta-analysis conducted by Klawitter (2015) shows a loose downward trend of the wage discrimination of gay men and the wage premium of lesbian women. Waite (2015b) reports a small lowering of the wage gap for lesbians and heterosexual women in Canada. However, there is no change in the wage gap.

For the United States, Christafore and Leguizamon (2013) measured the effects of antidiscrimination laws and found that they do help reduce the wage gap for gay men, lesbian women, and heterosexual women. The study also shows evidence of similar earnings between gay men and unmarried, coupled, heterosexual men. Though, there is still a marriage premium for heterosexual men. Clarke and Sevak (2013) also confirms their results. They also report a wage premium of 2.45% in 2002. However, this result is not supported by Christafore and Leguizamon (2013), Sabia (2015), Sabia (2014), or Klawitter (2015). A number of studies find that wage discrimination exists among gay men and a wage premium for lesbian woman (Nauze 2015, Waite 2015b, Klawitter 2015, Sabia 2015, Drydakis 2015, Douglas and Steinberger 2015).

Table 1. Summary of Previous Research

Study	Estimates for Gay Men	Estimates for Lesbian Women (compared to hetero-women)	Identification Method
Christafore and Leguizamon (2013)	0% (compared to unmarried, coupled men)	0%	Couple status
Clarke and Sevak (2013)	0%-4% (compared to unmarried, coupled men)	Not measured	Sexual Behavior
Klawitter (2015)			
Average of all studies	-11%	+9%	Various
Range Overall	-30% – 0%	-25% – +43%	
U.S. Only	-16% – -11%	+5% – +15%	
Nauze (2015)	-18% – -8%	0% – +13%	Couple Status
Sabia (2015)	-31.8% (compared to brothers)	Positive, but insignificant	Self-Identification
Waite (2015a)	-6%	5% – 9%	Self-Identification
Waite (2015b)	-7.4% --.7%	5% - 9.1%	Self-Identification

Because sexual orientation was viewed as sensitive data and is only just becoming more socially acceptable to directly ask orientation, researchers had to devise ways of identifying gays and lesbians. This led to the couple status

and sexual behavior methods. Couple status utilizes the answers provided in surveys on the gender of married or unmarried partners while sexual behavior utilizes the gender of past sexual partners.

Carpenter (2012) uses all three different measures to identify sexual orientation and shows that sexual behavior, stated sexual orientation, and reported couple status are all equal in their identifying ability of wage discrimination using a California sample. Conversely, using Canadian and Australian samples, Carpenter's (2008) papers show that couple status may overstate the magnitude of the wage gap for gays and lesbians. Black et al. (2000) also shows that the identification method could lead to a variation in the average wage gap.

Though as society changes there may cease to be a need for any measure besides self-identification. The Williams Institute created SMART (or the Sexual Minority Assessment Research Team), who released a report in 2009. The report says, quoting other studies, that survey respondents are willing to answer questions about their sexual orientation and that response rate outpaces standard questions such as income. Additionally, including the question in a survey does not endanger participation rates. With this in mind and with the legality having changed, countries are beginning to use these types of questions in their national surveys. For example, Waite (2015a, b) published two papers this year using the Canadian Census and the National Household Survey that directly measures gay and lesbian respondents by "allowing same-sex couples the option of selecting 'wife or husband of Person 1' or writing in their relationship status."

3. Theory

3.1 Discrimination Theories

The two underlying theories of discrimination are taste-based and statistical. Taste-based discrimination developed by Becker (1957) states that employers and consumers derive utility or have a preference for dealing with one group of people over another. This can lead to two outcomes for employees, either the discriminated group is forced to pay through a wage discrimination or they can lose jobs to more preferable candidates.

Statistical discrimination was presented by Arrow (1972) and Phelps (1972) in their respective papers. The theory states that discrimination is caused primarily by generalization. A certain group will be perceived as having certain characteristics, which are then applied to all other members of the group.

3.2 Marriage Premium And Household Specialization

Economic discrimination is usually based upon productivity. Essentially, the employee should be paid for how productive he or she is. Employers are using every advantage possible to hire the most productive workers.

One way that employers identify productive workers is by identifying their marital status. This leads to what is called the marriage premium. Employers assume that married men are productive because they are viewed as dependable and responsible. This leads to higher pay for married men (Douglas and Steinberger, 2015; Christafore and Leguizamon, 2014). Women tend to not gain the same benefit because it is believed that women will be less productive in the long term due to the potential of childbearing and childcare, thus potentially suggesting that women specialize in specific household functions.

Becker (1971) presented the theory of household specialization where men and women specialize in the household. Men will be driven to higher education and skill levels to be able to support their wives and children. Women tend toward lower education and skill levels because they expect their husbands to provide for them. This model reflects the traditional division of labor where women were typically housewives and men provided the income.

The lesbian premium (Waite 2015; Klawitter 2015; Douglas and Steinberger 2015) could then be explained by the reverse of this model. Knowing that women are paid less due to perceived lack of productivity and that there will be no man to provide, lesbian couples prepare by becoming more highly educated and working more (Carpenter 2008). Employers perceive lesbians as less likely to have children, so they are given a premium relative to married heterosexual women. Interestingly this behavior plays out even without considering orientation. Studies show that married heterosexual women who do not have children are paid higher wages (Killewald and Gough 2013; Budig and England 2001).

According to the model, gay men should be less educated and less skilled as they should be anticipating a pairing with a highly educated and skilled male. According to Carpenter (2008) and Mueller (2014), gay men do tend to work less than straight men, which does line up with the model. Possibly, they expect their partner to work more and what ends up happening is that neither do.

An alternative explanation could be that they both expect to be the breadwinner, so they educate themselves. In fact, gay men are, on average, better educated than their counterparts (Antecol et al. 2008; Carpenter 2008). This should lead to a higher overall income on average due to education and skills, which would mean they can work less and still have a relatively high income. Or, they may have less pressure to work on average due to a lack of children, and they do not have to make up for the gender gap, so they work less. While this does help to explain why gay men may work less, it does not explain the wage gap between heterosexual and gay men.

3.3 Masculinity Model And Heteronormality

More modern research has developed an idea called failed masculinity or hegemonic masculinity (Tilcsik 2011; Drudakis 2015; Waite and Denier 2015). The idea is that men should be masculine and females should be feminine. For example, jobs which require masculine traits prefer lesbians to heterosexual females because of their more masculine identities. Meanwhile, gay men are not hired or promoted in jobs that have a demand for traditional masculine traits (Tilcsik 2011).

Heteronormality, which was coined by Duggan (2002) states that heterosexuality is viewed as the normal sexuality due to its prevalence. This leads society to view homosexuality as wrong and inferior. These ideas held by employers would lead them to penalize homosexuals for their behavior and thusly, a wage gap appears for gay men. However, as gays and lesbians conform to the normal society they are rewarded (Weichselbaumer 2015). Basically, society is less accepting of radicals, which could lead to a marriage premium for lesbians and gays as well because it shows that they are conforming to society. Unfortunately, this was not testable in the United States until recently.

3.4 Theory Summary And Predictions

To summarize the theoretical background, economic wage discrimination occurs when there are differences in productivity. Statistical discrimination, which is essentially the generalization of a group, effectively explains the lesbian premium found by many studies. Employers assume that lesbians are less likely than straight women to have children and, as a result, are more career orientated. This means that they are perceived as more productive than women with children or women who may have children in the future, so they are paid more than straight women.

Conversely, there is little evidence of gay men being less productive than straight men, so the bias must be derived from preferences and tastes. For example, gay men were expelled from the military, not because of differences in productivity, but because the government felt that they were not the ideal American warrior. However, a case could be made that other soldiers felt uncomfortable which could lead to lower productivity, but at the individual level there was no evidence that they were less productive.

Because the basis of discrimination against gay men is taste-based, the discrimination against gay men should have disappeared due to Utah's antidiscrimination law, public support, and federal rulings. So, there is no predicted wage gap for gay men relative to their corresponding counterpart.

The following set of hypotheses will be tested:

H₀₁: There is no difference in earnings between gay men and straight men.

H_{a1}: There is a difference in earnings between gay men and straight men.

H₀₂: There is no difference in earnings between lesbian women and straight women.

H_{a2}: Lesbian earnings are greater than that of straight women.

H₀₃: There is no difference in earnings between bisexual women and straight women.

H_{a3}: Bisexual earnings are greater than that of straight women.

4. Data

A survey was used over existing data sources to test for orientation disclosure's effect. An estimated 2.8% of the population of the United States is LGBT (CDC 2013). This number has been reported as high as 3.8% (Gallup 2015). The data was collected by surveying Weber State University alumni and students with the goal of oversampling the LGBT population.

Alumni and students were chosen, so that discrimination could be analyzed in the context of skilled and unskilled workers. All surveys were completed electronically.

As an incentive for taking the survey, respondents could enter into a drawing for two twenty-five-dollar gift cards to Amazon. The survey redirected to the form for the drawing and respondents could enter their contact information. The gift cards were then handed out at the conclusion of the research. The student version was conducted on Weber State University's campus at the Shepard Union Building. A table was set up with tablets and signs advertising student research and the drawing. Candy and donuts were used to entice students into talking with the researcher. In addition to asking people to take the survey, the researcher also answered any questions that respondents had while taking the survey. Though it should be noted that the language present in the surveys was not complicated.

Additionally, flyers with a QR code and a link were posted in every nearly every building on campus. Lastly, the LGBT resource center and Gay-Straight Alliance (GSA) were contacted to aid in the sampling of LGBT students. Regardless, there were only a small number of LGBT respondents. The alumni version of the survey was hosted by Weber State University's alumni center's website.

The survey included questions on sexual orientation, wage and income, and socio-demographic indicators. As was mentioned earlier, Badgett (1995) noted the importance of including a measure for orientation disclosure. In other words, whether or not a person is open about their orientation. Because the United States does not yet have a national survey that asks about sexual orientation or orientation openness, a survey was the only route.

Orientation disclosure was measured in a straightforward way by asking if the respondent was open about their sexual orientation, specifically at work. Sexual orientation was measured in a similar straightforward way by simply asking the respondent whether they considered themselves to be heterosexual/straight, gay/lesbian, or bisexual.

Other important variables include wages, hours of work, and income. To measure income, students and alumni were asked their hourly wage and how many hours they work per week. It is worth pointing out that respondents were not hesitant to answer the wage questions. While it may simply be a characteristic of the sample, it could also mean that asking for hourly wages and hours worked is a way to measure income that does not leave respondents uncomfortable or unwilling to answer.

Another important variable is marital status. To account for the marriage premium, respondents were asked to identify themselves as never married, divorced, cohabiting, or married. Cohabiting was specifically included because it has been shown to have a negative effect on earnings (Douglas and Steinberger 2015). In the sample, there was only one divorced person, so they were added to the single category.

To help narrow down the sources of possible wage discrimination, work experience and tenure at their current jobs was collected. These were asked in open ended questions and responses were either in years or months. For the regression, months were converted into years.

Additionally, respondents were asked to state their job title and whether they worked in the public or private sector. Being unable to sort the respondents into industry due to un-descriptive job titles, they were instead sorted into skilled and unskilled labor markets. This was achieved using their hourly wage and education level to help avoid sorting errors.

They were asked about their sector of employment because previous research has shown that the public sector traditionally has lower levels of discrimination. Additionally, the public sector generally pays less than the private sector.

Socio-demographic questions that asked for ethnicity/race, gender, education, major, GPA, and age were included. Below in Table 4 is the descriptive statistics.

Table 2. Descriptive Statistics

Variable	% Totals*	Average**	Minimum	Maximum
Orientation				
Heterosexual	90			
Gay	4			
Lesbian	1			
Bisexual	4			
Open	85			
Not Open	15			
Hours per week	n/a	29 (12.91)	4	60
Full-time	52 (44)	0.40 (.492)		
Part-time	48 (56)	0.48 (.502)		
Hourly Wage (USD)	n/a	19.93 (22.45)	7	154
Age (years)	n/a	30 (14.84)	18	77
Education				
Some College	41			
Associate	26			
Bachelor	15			
Master	10			
Ph.D.	8			
GPA	n/a	3.4 (.4474)	2.3	4.0
Sector				
Public	70			
Private	30			
Experience (years)	n/a	6.9 (10.2)	0	50
Tenure (years)	n/a	4.19 (6.27)	1 month	31
Marital Status				
Single	58			
Married	37			
Divorced	1			
Cohabiting	4			
Ethnicity/Race				
African American	6 (1)			
Caucasian	76 (52)			
Asian/Pacific Islander	6 (2)			
Hispanic/Latino				
Other	9 (9)			
	3 (36)			
Gender				
Male	52 (53)			
Female	46 (47)			
Other	2(not listed)			

N=98

*Weber State Statistics in parentheses. Percentages may not equal 100

**Standard Deviations in parentheses

A quick note on college major. It was included because several reports have shown that wages differ greatly across major type. Unfortunately, the model that included field of study was discarded because a suitable form was unattainable with the current sample. However, it is worth noting that heterosexual male respondents tended toward fields of study that have higher earning potential (see Table 3). This could point toward a possible sorting effect.

Table 3. Correlation Matrix of Orientation and Choice of Major

	Gay	Lesbian	Bisexual	Heteromale	HeteroFem
Social Science	0.024	-0.051	-0.105	0.071	-0.019
Humanities	0.035	-0.048	0.302	-0.350	0.185
Technology	-0.043	-0.021	-0.043	0.215	-0.175
Health	0.056	-0.043	0.056	-0.238	0.214
Education	-0.066	0.319	-0.066	-0.093	0.088
Engineering	-0.048	-0.024	-0.048	0.242	-0.197
Business	-0.105	-0.051	-0.105	0.274	-0.173
Science	-0.066	-0.032	-0.066	0.119	-0.055

5. Empirical Analysis

Following labor economic protocol, the dataset was analyzed using an Oaxaca-Blinder decomposition framework. Jann (2008) was used to guide the application of the model as it was written specifically for Stata, which is the program of choice for this research. The essence of the model is to identify differences between the coefficients for non-LGBT people and those for the LGBT people. The model states the average of the log of hourly wage for LGBT and heterosexual people and then subtracts them to give the difference. Then using the coefficients, it explains what caused the difference. Whatever is left over at that point is thought of as the wage discrimination. However, as Jann (2008) points out, it could also be any caused by variables that were not controlled for.

In addition to the Oaxaca-Blinder model, two OLS models were tested. The first model is an OLS regression of the sexual orientation variables and control variables on hourly wage, while the second will add interaction terms to show the effect of being openly LGBT. Below is Table 4 with variable names.

Table 4. Variable List (abbreviated)

Variable	Description
Gay	=1 if the respondent identified as gay
BiLes	=1 if the respondent identified as bisexual or lesbian
HeteroFem	=1 if the respondent identified as Fem (see below) and heterosexual
heteromale	=1 if the respondent identified as male and heterosexual
Disclose	=1 if the respondent is open about their orientation
HrWage	Hourly wage measured in USD
lhrwage	The log of hourly wage
Exper	Number of years the respondent has worked in their field
expersq	The square of experience
Tenure	Number of years the respondent has worked at their current job
Tenuresq	The square of tenure
Skilled	=1 if the respondent is in a skilled career
Sector	Whether the job is in the public or private sector, public =1
Fem	=1 if the respondent is Female or part of the other gender group
SomeCol	=1 if the respondent's highest education level is some college
Associate	=1 if the respondent has an associate degree
Bachelor	=1 if the respondent has a bachelor's degree, omitted
Master	=1 if the respondent has a master's degree
Doctoral	=1 if the respondent has a Ph.D.

6. Models

In all models, bisexuals and lesbians have been combined into a single variable called *BiLes*. This was done because there was only one lesbian respondent and all the bisexuals were female. Though there were few LGBT respondents they were still split into gay and the above *BiLes* variable because their coefficients are expected to have different signs. Model 1 is:

$$\begin{aligned} \text{Log}(\text{HrlyWg}) = & \beta_0 + \beta_1 \text{Gay} + \beta_2 \text{BiLes} + \beta_3 \text{heteromale} + \beta_4 \text{Disclose} + \beta_5 \text{Married} + \beta_6 \text{Cohabit} \\ & + \beta_7 \text{Exper} + \beta_8 \text{Tenure} + \beta_9 \text{Exper}^2 + \beta_{10} \text{Tenure}^2 + \beta_{11} \text{Skilled} + \beta_{12} \text{Public} + \beta_{13} \text{Age} \\ & + \beta_{14} \text{Age}^2 + \beta_{15} \text{White} + \beta_{16} \text{Associate} + \beta_{17} \text{Bachelor} + \beta_{18} \text{Masters} + \beta_{19} \text{Doctoral} \\ & + \beta_{20} \text{GPA} + \varepsilon \end{aligned}$$

As a further simplification, races/ethnicities have been grouped into two categories called *white* and *minority*. *White* represents respondents who labeled themselves as Caucasian. This was done in acknowledgement of racial earning differences (Douglas and Steinberger, 2015) and because the racial diversity of the sample is limited, so a detailed analysis by race/ethnicity would not prove useful.

Because *gay* and *BiLes* already control for gender, *heteromale* and *heterofemale* were created as comparison groups and the variable for gender has been dropped. Also as shown in the model, the comparison group for orientation and gender is the heterosexual females.

The primary difference between Model 1 and 2 is the interactions between orientation and disclosure. Model 2 is:

$$\begin{aligned} \text{Log}(\text{HrlyWg}) = & \beta_0 + \beta_1 \text{Gay} + \beta_2 \text{BiLes} + \beta_3 \text{heteromale} + \beta_4 \text{Disclose} + \beta_5 \text{Married} + \beta_6 \text{Cohabit} \\ & + \beta_7 \text{Exper} + \beta_8 \text{Tenure} + \beta_9 \text{Exper}^2 + \beta_{10} \text{Tenure}^2 + \beta_{11} \text{Skilled} + \beta_{12} \text{Public} + \beta_{13} \text{Age} \\ & + \beta_{14} \text{Age}^2 + \beta_{15} \text{White} + \beta_{16} \text{Associate} + \beta_{17} \text{Bachelor} + \beta_{18} \text{Masters} + \beta_{19} \text{Doctoral} \\ & + \beta_{20} \text{GPA} + \beta_{21} \text{DiscloseGay} + \beta_{22} \text{DiscloseBiLes} + \beta_{22} \text{Discloseheteromale} + \varepsilon \end{aligned}$$

Model 3 is the Oaxaca-Decomposition model:

$$\begin{aligned} [\text{Log}(\text{HrlyWg})_{\text{Hetero}} - \text{Log}(\text{HrlyWg})_{\text{LGBT}}] \\ = & [\beta_0 + \beta_1 \text{Disclose} + \beta_2 \text{Married} + \beta_3 \text{Cohabit} + \beta_4 \text{Exper} + \beta_5 \text{Tenure} + \beta_6 \text{Exper}^2 \\ & + \beta_7 \text{Tenure}^2 + \beta_8 \text{Skilled} + \beta_9 \text{Public} + \beta_{10} \text{Age} + \beta_{11} \text{Age}^2 + \beta_{12} \text{White} + \beta_{13} \text{Associate} \\ & + \beta_{14} \text{Bachelor} + \beta_{15} \text{Masters} + \beta_{16} \text{Doctoral} + \beta_{17} \text{GPA} + \beta_{18} \text{Fem} + \varepsilon]_{\text{Hetero}} - [\beta_0 \\ & + \beta_1 \text{Disclose} + \beta_2 \text{Married} + \beta_3 \text{Cohabit} + \beta_4 \text{Exper} + \beta_5 \text{Tenure} + \beta_6 \text{Exper}^2 + \beta_7 \text{Tenure}^2 \\ & + \beta_8 \text{Skilled} + \beta_9 \text{Public} + \beta_{10} \text{Age} + \beta_{11} \text{Age}^2 + \beta_{12} \text{White} + \beta_{13} \text{Associate} + \beta_{14} \text{Bachelor} \\ & + \beta_{15} \text{Masters} + \beta_{16} \text{Doctoral} + \beta_{17} \text{GPA} + \beta_{18} \text{Fem} + \varepsilon]_{\text{LGBT}} \end{aligned}$$

7. Results

All models were preformed using robust standard errors. A summary of results for the OLS regressions are in Table 5. The Oaxaca-Blinder results will be in Table 6.

Model 1 has an R squared value of 76.1% and a Root MSE of .391. *Gay*, *BiLes*, and *heteromale* are insignificant at the 10% level. Interestingly though, the ranking mentioned in previous research is mostly there, however, gay men and the group with lesbians and bisexuals is swapped. The ranking is as follows from highest paid to lowest: heterosexual men, bisexual/lesbian women, gay men, and then heterosexual women. Additionally, the disclosure variable is insignificant.

According to Model 1, having a bachelor degree increases hourly wages by 36.5% on average, ceteris paribus, relative to only having had some college at the 10% significance level. A master's degree, relative to some college, increases hourly wage by 70.9% on average, ceteris paribus, at the 5% significance level. Similarly, a Ph.D. increases hourly wage by 79.8% also at a 5% significance level. Being in a skilled job leads to a 27.9% increase in hourly wage on average, ceteris paribus, at the 5% significance level. The constant is also significant.

Model 2, which allows for interactions between orientation and disclosure, has an R squared value of 76.7% with a Root MSE of .394. *Gay* is now significant at the 5% level with a coefficient of 58.58%. *BiLes* and *heteromale* are still insignificant. *Bachelor* is no longer significant, while *Masters*, *Ph.D.*, and *Skilled* are still significant at the 5% level.

However, the coefficient on *Masters* is now 65.1% instead of 70.9%, *Ph.D.* went from 79.8% to 73.8%, and skilled rose from 27.9% to 28.8%. As was mentioned earlier, all three interaction terms have negative coefficients.

DiscloseGay, or rather being open about being gay, is also significant at the 10% level. According to the model being open decreases hourly wage by 89.9% on average ceteris paribus when compared to heterosexual females. It should be noted that there were only four gay respondents. Two of them were open and two were not. So, not much stock should be attached to this coefficient. Additionally, the signs on the other interaction variables do not line up with previous literature as all the groups should make more than heterosexual females.

Table 5. Regression Results

Variable	Model 1		Model 2	
	Coefficients	t-value*	Coefficients	t-value
Gay	0.034	0.14 (0.892)	0.596	1.69 (0.095)**
BiLes	0.117	0.81 (0.419)	0.300	1.11 (0.271)
heteromale	0.119	1.16 (0.249)	0.349	1.35 (0.181)
Disclose	0.028	0.26 (0.793)	0.239	1.12 (0.269)
Married	0.072	0.44 (0.658)	0.024	0.16 (0.873)
Cohabit	-0.014	-0.09 (0.931)	-0.041	-0.28 (0.781)
Exper	0.011	0.72 (0.475)	0.013	0.90 (0.373)
expersq	-0.00028	-0.86 (0.395)	-0.00039	-1.18 (0.242)
Tenure	-0.023	-0.99 (0.326)	-0.026	-1.11 (0.270)
tenuresq	0.0007	0.88 (0.382)	0.00082	1.00 (0.322)
Skilled	0.279	2.17 (0.034)*	0.288	2.13 (0.036)*
Public	-0.159	-1.30 (0.197)	-0.176	-1.35 (0.181)
Age	0.0018	0.06 (0.956)	0.0097	0.28 (0.777)
agesq	0.00015	0.42 (0.675)	0.000077	0.20 (0.840)
White	0.119	1.35 (0.181)	0.140	1.46 (0.149)
Associate	0.042	0.48 (0.634)	0.016	0.17 (0.863)
Bachelor	0.365	1.81 (0.075)**	0.301	1.34 (0.185)
Masters	0.709	2.43 (0.018)*	0.651	2.05 (0.044)*
Doctoral	0.798	2.55 (0.013)*	0.738	2.21 (0.030)*
GPA	0.0097	0.10 (.922)	0.013	0.12 (0.903)
Disclose*Gay			-0.899	-1.80(0.077)**
Disclose*BiLes			-0.171	-0.54 (0.590)
Disclose*heteromale			-0.260	-0.98 (0.331)

p-value in parentheses

*Significant at 5% level

**Significant at 10% level

Model 3, the Oaxaca-Blinder Model, estimates the mean of the log of hourly wage for heterosexuals as 2.72. For LGBT, it estimates 2.48. This gives a log of hourly wage differential of 0.24. The endowment, or the change in LGBT wages if they had similar traits as the heterosexuals, shows an increase of 0.35. In other words, the 0.35 increase represents differences in the control variables. The second part, called coefficients, applies LGBT characteristics to heterosexuals and gives a 0.02 decrease. Lastly is the interactions between the endowments and the coefficients, which gives -0.08. These three together are how much of the differential the control variables can explain. In this case, the three together are (rounded) 0.24, which means that there is no unexplained part of the difference that could be attributed to discrimination.

Table 6. Oaxaca-Blinder Results

Description	Coefficients	z-value [^]
Average of Log(HrWage) for heterosexuals	2.72	33.67 (0.000)*
Average of Log(HrWage) for LGBT	2.48	12.39 (0.000)*
Decomposition		
Endowments	0.347	1.56 (0.118)
Coefficients	-0.021	-0.14 (0.889)
Interaction	-0.084	-0.55 (0.585)

[^]p-value in parenthesis

*5% significance

8. Discussion

Based on the above results, this study shows no statistically significant wage discrimination against LGBT members in the sample. As was mentioned throughout the paper, the sample size was not ideal, so these findings should be read in that context.

In fact, the only significant finding was that education leads to increased wages on average. Consistently across all models, including the unlisted exploratory models, a Ph.D. and Master's degree raised wages considerably. A bachelor's degree also raised wages, but it was not as robust across the various models.

For future research an interesting avenue is the test of the heteronormative theories to see if LGBT members sort themselves into specific industries or sectors study to avoid discrimination. It would also be interesting to see if the marriage premium affects LGBT and heterosexuals in the same way.

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