INCOME INFLATION

THE MYTH OF AFFLUENCE AMONG GAY, LESBIAN, AND BISEXUAL AMERICANS

by M.V. Lee Badgett, Ph. D.

Dept. of Economics, University of Massachusetts at Amherst
Director, Institute for Gay and Lesbian Strategic Studies (IGLSS)

Introduction
by Suzanne B. Goldberg

Lambda Legal Defense and Education Fund
# Table of Contents

**Preface** ........................................................................................................................................i

**Introduction** ..................................................................................................................................iii

**Report Summary: A More Accurate Image of Gay, Lesbian, and Bisexual Income** .........................1

**Finding Real Facts Amid Flawed Figures** .........................................................................................3

**What’s Wrong With the Marketing Numbers?** .................................................................................5

**Methodology: Toward A Truer Picture Of Gay, Lesbian, and Bisexual Economic Life** ......................8

**The Importance of Measuring Individual Income** .............................................................................12

**The Special Case of Household Income** ..........................................................................................14

**How to Count Americans Who Aren’t Out?** ....................................................................................19

**Drawing Conclusions** ......................................................................................................................21

**Endnotes** .........................................................................................................................................22
Preface

Money is power. This idea has as much currency as the notion that gay, lesbian, bisexual, and transgender (GLBT) Americans form an economic elite, insulated from discrimination by their enormous personal wealth and disconnected from the nation’s social fabric through their single, unaccountable family units. While it is hard to argue the harsh truth of this first supposition, the second is, in fact, a bit of popular fiction, an urban legend, as it were, that has served many agendas on all sides of the political spectrum for many years. Whether this myth is used to entice mainstream advertisers to support a gay male publication or used to raise funds from homophobic conservatives, the simple truth is that these imagined dollars just don’t add up for this population as a whole. Gay, lesbian, bisexual, and transgender persons are not, as a class, richer than heterosexuals. In some cases, in fact, we appear to earn less than comparable heterosexuals.

In her groundbreaking study, Income Inflation: The Myth of Affluence Among Gay, Lesbian, and Bisexual Americans, M.V. Lee Badgett outlines how the myth of high income and wealth has remained in force largely through the paucity of comprehensive, demographic studies of gay men, lesbians, bisexuals, and transgender people nationally. (Transgender Americans are among the least studied by social scientists; the studies discussed in this report do not yet identify this population. Because of this lack of data, the inclusive GLBT term is used only when it is accurate to include transgender experience or if referring to the community as a whole.)

Instead, we have come to rely on a limited number of marketing studies, conducted by and for the publishers of several gay publishing concerns about their readers, and have ignored the few random sample studies that allow us to more thoroughly identify a real outline of GLB economic life. By investigating this discrepancy and examining seven recent data sets from sources such as the U.S. Census and the

“Gay, lesbian, bisexual, and transgender persons are not, as a class, richer than heterosexuals. In some cases, we appear to earn less.”

The larger challenges Badgett’s report raises are not to be ignored. Why has the GLBT community been reluctant to report the more broad based findings, relying instead on the limited, distorted statistics to define us? What will it take to obtain a wider demographic profile of GLBT people—of clients of service organizations, of rural GLBT folks, of old gay men and lesbians? Is the economic agenda of marketers the same as the economic policy agenda of the GLBT movement? How do we create a more representative and inclusive economic agenda?

The Policy Institute of the National Gay and Lesbian Task Force (NGLTF) is committed to answering these questions and to pushing for inclusion of sexual orientation in all research surveys so that we can, in the future, arm researchers with more accurate data sets on the GLBT population.

_Urvashi Vaid_

_Director, Policy Institute, NGLTF_
Statistics impress us, no matter how often we tell ourselves they are not to be trusted. After all, what could be better than an informational snapshot of ostensibly objective, scientifically-grounded data that defines who we are and how we compare to others? Not surprisingly, the temptation to use numbers to understand a group’s relationship to the broader society is nearly irresistible.

For gay, lesbian, bisexual, and transgender Americans, statistics are a complicated and contested terrain. Factual information about this group is hard to find, and its collection has been hindered by the bias, discrimination, and stigma that have been the hallmarks of gay life. Researchers have not traditionally studied these populations, and those who have been interested in investigating our communities have had trouble developing effective methods to survey a people who sometimes have to hide and deny their existence for fear of discrimination. In the absence of systematic demographic data, stereotypes and distortions about gay, lesbian, bisexual, and transgender Americans have filled in an incomplete statistical picture.

In this context, the statistics we do have frequently serve as a double-edged—or even triple-edged—sword. Market research about readers of gay and lesbian publications serves as one of the most common sources of statistics about gay people. In recent years, these data have been cited to support numerous, often contradictory, efforts ranging from attracting mainstream advertisers for gay businesses to buttressing arguments that gay Americans are unworthy of civil rights protections. The popular press and others have treated these marketing statistics, intended to aid with the sale of advertisements or products to specific market segments, as the definitive characterizations of an entire group of people.

The power of these marketing numbers has also helped to perpetuate one of the most widely held myths about gay people that, in addition to being artistically gifted, we are mostly male, white, and wealthy. Even for those more familiar with
the infinite range of the gay, lesbian, bisexual, and transgender communities, marketing studies have reinforced this inaccurate stereotype.

By examining a more varied group of data sets, M. V. Lee Badgett debunks these myths about income. In her report, *Income Inflation: The Myth of Affluence Among Gay, Lesbian, and Bisexual Americans*, she notes that social scientists have developed new methods for collecting data about gay, lesbian, and bisexual people that are more random and less susceptible to economic bias than data gathered from readerships of publications. These non-market research based studies have received little public attention, but provide a wealth of information. Badgett’s review of these data suggests that the true picture of gay, lesbian, and bisexual individual and household income has yet to be understood in the debates raging today.

Myths and misconceptions about the wealth or disposable income of gay people have found their way into the courts in crucial civil rights challenges. In their most prominent recent use, these numbers were cited in litigation to challenge the constitutionality of Amendment 2, enacted by the voters of Colorado in November of 1992. The Amendment would have banned state and local governments from extending civil rights protections to gay men, lesbians, and bisexuals. During the trial, Clemson University political scientist James David Woodard testified that these marketing numbers, and others identified through the United States Census, offered a fairly accurate portrayal of all gay people across the United States. (The Census does not directly ask questions on sexual orientation, though it does allow for some self-identification by same-sex couples.) He argued that these market-research statistics “proved” that gay people have incomes “on average or median of over $50,000 a year—a number much higher than the normal or the average income of other Americans.”

A majority of the U.S. Supreme Court struck down the Colorado Amendment as unconstitutional, never once citing Woodard’s testimony or any other studies about the supposed correlation of sexual orientation with wealth. But this testimony and data did not go unnoticed. In a dissent which argued that Colorado’s Amendment ought to be upheld, Justice Scalia referred back to Woodard’s data. He opined that “high disposable income” gave gay people “disproportionate political power,” and that the state’s voters should, in his view, be permitted to rein in that power by banning anti-discrimination protections for its lesbian, gay, and bisexual residents.
He was not alone in this view: Chief Justice of the Supreme Court William Rehnquist and Justice Clarence Thomas signed on to the dissenting opinion.

Badgett’s study shows that Woodard’s testimony, and Justice Scalia’s reliance on it, are fundamentally flawed because they rest uncritically on studies and data taken out of context. By critiquing the methodology of these studies, Badgett illuminates the dangers in speculating about a significant segment of society based on the earnings of people who read particular magazines or who feel sufficiently secure to reveal their sexual orientation in a non-confidential survey such as the U.S. Census.

Badgett also provides a much-needed review of other, more scientific surveys that attempt to assess the earnings of lesbian, gay, and bisexual individuals and households. These surveys suggest, for example, that gay men frequently earn less than their heterosexual counterparts. Despite popular myths, this information is not surprising given the high level of discrimination experienced by gay, lesbian, bisexual, and transgender people, who come from all sectors of society, without regard to economic status, and experience discrimination that may at times affect their earning power.

The critique Badgett makes of the numbers has to do with their misuse, rather than their utility. Market research has been a real force for good in some ways. Marketing numbers have represented a boon for some in the gay and lesbian media. Advertisers, always sensitive to the earning power of readers, pay sharp attention to statistics showing the relatively high earnings of a magazine’s target audience. Even advertisers who might be uncomfortable about affiliating their products with a gay-oriented publication find themselves persuaded by statistics demonstrating a readership’s comparatively strong purchasing power. One need only pick up the latest issue of any glossy magazine targeting gay male readers, for example, to see page after page of high-end stores, clothing brands, alcoholic beverages, and tobacco products filling the pages.

This flood of advertising does not, however, extend to all of the community’s publications; lesbian-focused magazines and publications for gay people of color contain many fewer pages advertising “big name” products and brands. Still, the marketing studies that portray a select group of high-income readers have encouraged the creation of new ads featuring lesbians and gay men as well as sales campaigns targeting communities previously ignored by marketers. In a consumer-driven culture, this sort of visibility does indeed translate into clout. And these infusions of advertising and marketing dollars have given the top-earning gay-oriented magazines a boost in advertising revenues that, in turn, enable these publications to reach an even wider audience.
Ironically, these same marketing statistics have made money and expanded outreach for the organized radical Right. Homophobic organizations frequently cite these figures to argue that gay people do not experience discrimination. The numbers have surfaced in the anti-gay videotapes made by the Right and widely distributed to lawmakers. They have surfaced in flyers asking people to give money and volunteer time in support of measures that would deny civil rights based on sexual orientation. They have been used to arouse hostility and resentment among groups that are less economically advantaged.

Through her provocative essay, Badgett puts the marketing statistics back in their proper place—as important information for advertisers seeking to reach a certain subgroup of gay people. And, at the same time, her discussion of other, more accurate general statistics satisfies our persistent intrigue with and desire for a quick, numeric snapshot of gay America and how that population compares to American society at large. But until more data are gathered on populations not yet surveyed, the mirror will reveal a distorted image. Badgett’s report tells us that we have much more to learn.
INCOME INFLATION:
THE MYTH OF AFFLUENCE
AMONG GAY, LESBIAN, AND
BISEXUAL AMERICANS
By M.V. Lee Badgett Ph. D.

Report Summary:
A More Accurate Image of Gay, Lesbian, and Bisexual Income

Very day, we are bombarded with statistics from many directions and countless sources. Statistics tell us, for example, that during one month unemployment held steady at 4.6%; that on a given day the Dow Jones Industrial Average shot up 167 points; and in the United States, 13.3% of people live in poverty. The unemployment rate, stock market indexes, presidential approval ratings, and the level of inflation are just some of the many numbers that enter our lives through the news media. In turn, these numbers help shape our impression of what kind of world we live in.

But although statistics ask us to take them at face value, they are not uniformly reliable. Numbers can be collected in an unscientific and biased manner or taken out of context and distorted by those who report them, particularly in the case of controversial social and political issues. Good consumers of statistics understand both the source of the information they are examining and the method by which those numbers were gathered. Only through the careful consumption of statistics can anyone be sure they are getting a full picture of an issue at any given time.
This report closely examines several sources of information about the incomes of gay men, lesbians, and bisexuals, pointing out the serious flaws in some studies and analyzing other more scientifically credible data sources. By contrasting such flawed surveys with emerging data from representative groups of gay, lesbian, and bisexual people, we will begin to sketch a surprisingly complex economic portrait that undermines the common stereotype of gay Americans as an affluent elite. Among this report’s findings is the actual diversity of economic life among this population and the reality that lesbians and gay men earn no more than heterosexual people; indeed, in some cases gay men appear to earn less than comparable heterosexual men.
Finding Real Facts Amid Flawed Figures

If you wonder about the need for care in interpreting statistics, consider the following. A group of people is surveyed as they gather at a series of rallies to discuss their shared beliefs and demonstrate their seriousness about social issues. The survey reveals that the typical person in this group has a household income of $48,000, which is much higher—35% higher—than the typical American household’s income of $35,500. Can we assume that the average individual who might share the beliefs of that organization has an annual income of $48,000? Should we conclude that individuals sharing the beliefs and lifestyle of the organization are simply an economically elite group of people?

The answer to both questions is no. In this case, the average income of $48,000 came from a survey of men attending rallies held by the Promise Keepers, an organization of fundamentalist Christians. We should not conclude that the typical fundamentalist Christian has an average household income of $48,000 since the Promise Keepers’ rallies only allow men to participate and attract only a subset of fundamentalists. Furthermore, we should not conclude that the Promise Keepers are part of an economic elite since those attending the rallies are likely to be drawn from the higher income segment of fundamentalist Christians who can afford the travel costs and entrance fees. Given these circumstances, the high average incomes of rally attendees are not surprising, and we should not apply those income figures to all fundamentalist Christians or even to all Promise Keepers.

While no one has yet drawn such conclusions about the Promise Keepers from these surveys, various observers have misused statistics gathered with very similar methods to draw equally unsupportable conclusions about the economic status of gay, lesbian, bisexual, and transgendered (GLBT) people as a whole. (It is important to note that surveys only infrequently measure the responses of self-identified bisexuals and rarely, if ever, that of transgender Americans.) Surveys purporting to show that gay men and lesbians are an affluent elite in the United States have been cited in numerous contexts, including those on all sides of gay political issues.
Some use statistics to claim that gay people are seeking what have been termed “special rights.” Law professor Joseph Broadus testified before Congress against including sexual orientation as a protected category in civil rights laws: “Homosexual households had an average income of $55,400 compared with a national average of $36,500. This is not the profile of a group in need of special civil rights legislation...It is the profile of an elite.” In his dissenting opinion supporting an anti-gay referendum, Supreme Court Justice Antonin Scalia argued that gay people are politically powerful since “those who engage in homosexual conduct tend to...have high disposable income.”

Others use misleading statistics on gay incomes to further pro-gay opinions. The National Gay Newspaper Guild’s recent ad touting “Gay Market Muscle” shows a well-dressed, young, white man flexing his bicep to represent the high average incomes of readers of the Guild’s papers, an effort to entice advertisers without distinguishing clearly between their “readers” and GLBT people overall. Indeed, workplace activists argue that companies will be more successful in marketing to the highly desirable gay market if the companies adopt policies of fair treatment for these employees. As with the Promise Keepers data, the gay marketing survey data is incorrectly used to describe all GLBT people and implies that all of these individuals are part of the high income segment of gay Americans.

In truth, comparisons of the economic status of lesbian, gay, and bisexual people with that of heterosexual people in the United States offer the following very consistent findings, findings that we will explore in some depth in this report:

- Gay, lesbian, and bisexual people do not earn more than heterosexual people.
- Gay, lesbian, and bisexual people do not live in more affluent households than heterosexual people.
- Two studies suggest that gay men earn less than similarly qualified heterosexual men.
- Gay, lesbian, and bisexual people are found throughout the spectrum of income distribution: some are poor, a few are rich, and most are somewhere in the middle, along with most heterosexual people.
What’s Wrong with the Marketing Numbers?

There is nothing wrong with marketing surveys, provided they are interpreted in the appropriate way. Over the last ten years, marketing companies have commissioned studies of gay and lesbian consumers to aid efforts to sell marketing services such as list rentals and advertising space in gay publications. In particular, two research firms, the Simmons Market Research Bureau and Overlooked Opinions, have conducted surveys that are often cited as “proving” that gay men and lesbians have higher incomes than the average American. A closer look at the work of those firms shows that such general conclusions about the gay community are not warranted by the data.

The Simmons survey is cited most often, thanks to a 1991 article about the survey in The Wall Street Journal. Rivendell Marketing, a company that sells advertising space in gay and lesbian publications, commissioned the Simmons Market Research Bureau to survey readers of gay magazines and newspapers. The men and women who responded to this first survey in 1988 had an average annual personal income of $36,900 and a household income of $55,430 in 1989, far higher than the typical American worker or household that year. A 1992 survey of readers from the six papers in the National Gay Newspaper Guild showed even higher incomes: $41,300 for individuals and $63,700 for households. The most recent Simmons study, conducted in 1996, found that 28% of gay people surveyed had personal incomes of over $50,000, and 21% were in households with over $100,000 in income. Done in conjunction with the Mulryan/Nash advertising agency, the 1996 study drew respondents from the mailing lists of a political organization, a mail order catalog, and a credit card company.

Overlooked Opinions (a now defunct marketing organization) compiled a list of lesbian and gay people from sign-up sheets at events, such as the 1993 March on Washington for Lesbian and Gay Rights, and from other sources, such as bars or bookstores. Periodically they conducted a survey of a sample of people on their list, and those individuals were also found to have higher-than-average incomes. In
a 1991 survey, gay men had an average income of $42,689 and lesbians of $36,072.  

These numbers are still in force today. For companies attempting to identify new target markets, these surveys remain perfectly adequate. Most such companies are seeking ways to reach relatively affluent people, which is what readers of gay magazines appear to be. Similarly, companies seeking to conduct direct-mail marketing campaigns to more affluent gay people can target individuals using these existing mailing lists. And, in such situations, marketers who claim to offer a publication readership or mailing list made up of affluent gay and lesbian people would be using the Simmons and Overlooked Opinions data appropriately. But any other use of this data is misleading. Neither research organization conducts its surveys in a way that allows the findings to be generalized to all GLBT Americans. In fact, we know from other studies of newspaper and magazine readers that readers are very different from the average adult in the U.S. Newspaper readers in general have higher levels of education and income than the typical person. For instance, male readers of USA Today earned $29,428 in 1989, while male readers of The Wall Street Journal earned $42,040, both groups earned much more than the typical man in the United States did in 1989—only $19,893. In other words, those readers are not economically typical of the national population since they earned at least 50% more than the average adult male.

For the same reasons, readers of magazines aimed at African Americans are not economically typical of African Americans. In 1989, the Simmons Market Research Bureau revealed that readers of Ebony, Essence, and Jet magazines earned 41% to 82% more than the typical African American. But no one would argue that surveys of Ebony or Jet readers should be used to describe all African Americans.

An understanding of basic statistics suggests the problem inherent in these marketing surveys. When researchers want to make generalizations about a larger group of people based on a much smaller sample of that group, as is commonly done, the researchers must take care to get a sample that is truly representative of the larger group. The only way to ensure this is to choose respondents randomly so that every group member has a known probability of being in the sample. This is known as a probability sample. Or a survey may be done to ensure that respondents have the same chance of being in the sample—a truly random sample. If the sample selection is not random, then biased findings are a serious possibility, especially if the selection into the sample is influenced by the main variable we want to know, in this case, income.
From a more technical perspective, then, the reason we cannot use these marketing surveys to describe all GLBT people is that their results are biased. People with higher income levels are more likely to be surveyed, since they are more likely to read newspapers and magazines, they are more likely to join organizations, and they are more likely to be able to afford travel to events such as the March on Washington. So it is no surprise that those gay men and lesbians surveyed by Simmons or Overlooked Opinions have high incomes—the high income end of the gay population is the group most likely to be surveyed. Finally, since the high income group has not been selected in a representative way, the people surveyed do not even provide a particularly good picture of what affluent gay people are like.
Methodology:

Toward A Truer Picture of Gay, Lesbian, and Bisexual Economic Life

The problems and built-in biases of marketing surveys suggest that the most basic way to generate a more accurate economic snapshot of gay people is to collect data from a representative sample of the GLBT population through random sampling. None of the very large-scale population surveys conducted by federal agencies, such as the Census of Population or the Current Population Survey, directly ask respondents about their sexual orientation. Fortunately, though, the Census allows for some self-identification, while some random samples of the U.S. population have at times asked questions that allow us to identify at least some parts of the GLBT population. This report is based on data collected from seven studies. A brief synopsis of each is provided below.

1990 U.S. Census of Population

"In 1990, the Census allowed a household member to be designated as an ‘unmarried partner,’ so people with same-sex partners are identifiable."

The Census is a self-administered questionnaire sent every ten years to each household in the United States. A self-designated “householder” is the reference person for all other household members. In 1990, the Census allowed a household member to be designated as an “unmarried partner” of the householder, so people with same-sex partners are identifiable. However, single lesbians and gay men and those who do not live with their partners are still not identifiable. The questionnaires are not anonymous, but information is recoded and location variables are highly aggregated so that the Census Bureau can provide publicly available random samples that ensure the confidentiality of the individual identities. Re-
searchers Marieka Klawitter and Victor Flatt’s analysis of the 1990 data was used in this report. Only 0.18% of households contained same-sex unmarried partners, and Klawitter and Flatt used a sample of roughly 13,000 married couples and 6800 same-sex couples. The income reported was for 1989.¹²

**Coronary Artery Risk Development in Young Adults (CARDIA)**

The CARDIA study is a longitudinal epidemiological study of young, black and white, men and women conducted since 1985. Respondents were chosen randomly in Birmingham, Alabama, Chicago, Illinois, and Minneapolis, Minnesota and from the membership of a large health plan in Oakland, California. In 1989 researchers sent participants a self-administered questionnaire on HIV-related issues, and included questions on lifetime numbers of sex partners, both same-sex and opposite-sex. The survey data were matched with data from respondents’ health exams by public health researchers Nancy Krieger and Stephen Sidney between 1992 and 1993. Overall, 11.8% of the 1,724 respondents (11.1% of women and 13.0% of men) reported at least one same-sex sexual partner.¹³

**The General Social Survey**

The General Social Survey (GSS) is an annual survey conducted by the National Opinion Research Center (NORC) that in 1989 began including questions on the sex of respondents’ sexual partners since their eighteenth birthday. The questions on sexual behavior are asked on a self-administered questionnaire that is returned to the interviewer in a sealed envelope. Sexual orientation can be measured by identifying people with same-sex sexual partners. M. V. Lee Badgett, whose analysis of the income data is reported here, pooled the data from 1989-1991 and analyzed the 1680 full-time workers in that subsample. Of this group, 4.8% reported having had at least one same-sex sexual partner, and 3.0% reported at least as many same-sex as opposite sex partners.¹⁴

**Lake Research Inc./Human Rights Campaign**

ICR Survey Research Group conducted a series of polls conducted between June 7, 1996, and September 2, 1996 for Lake Research Inc. and the Human Rights Campaign, a national gay political organization. Using random-digit dialing, ICR interviewed 28,282 individuals who were asked, among other things, “Are you yourself (for males: gay or bisexual) (for females: a lesbian or bisexual).” Of those surveyed over three months, 354 individuals identified themselves as gay, bisexual, or lesbian (1.3% of those interviewed). Gay respondents were asked about their at-
titudes and opinions on several issues, and basic demographic data, including pre-tax household income, were also collected.15


The Voter News Service data was collected from a sample of at least 300 different voting places on election day in 1992 and 1996. Trained interviewers distributed surveys to a random sample of individuals leaving the polls. The questionnaire was self-administered, and respondents returned the surveys to a box. In 1992, the questions asked included, “Do Any of the Following Apply to You?”, followed by a list of characteristics, including “gay/lesbian/bisexual.” Respondents could check a box for either “yes” or “no,” but any non-responses were coded as “no.” In 1996, the question was asked separately: “(Are you) Gay, Lesbian, or Bisexual?: Yes or no.” Although voters tend to have higher levels of education and income than non-voters, that effect should be similar for gay and heterosexual voters, making comparisons useful.

The 1992 income data reported here are based on an analysis of the data by Murray Edelman of Voter Research and Surveys, and the 1996 data come from unpublished tabulations by Rutgers University political scientist Robert W. Bailey. In 1992 the combined national and California and New York surveys yielded a sample of 260 gay men (3.3% of all male voters) and 206 lesbians (2.3% of female voters). In 1996, the sexual orientation question appeared on fewer surveys and only 196 individuals identified themselves as gay, lesbian, or bisexual.16

Yankelovich Monitor

This is an annual, face-to-face survey of attitudes and demographics. In 1993, Yankelovich Partners included a new option in a list of descriptions under the heading, “Which of the following words or phrases describe you?” Respondents were given a card with a list of such words and phrases. The thirty-third possibility was “gay/homosexual/lesbian,” which was preceded by “a pleasure seeker” and “tense” and followed by “religious” and “witty.” Respondents were asked to call out the numbers corresponding to the descriptors, and the interviewers recorded the numbers. The total sample in 1993 was 2503 respondents, including 65 gay men (5.2% of men) and 83 lesbians (6.6% of women). Marketing analyst Grant Lukenbill reported the summary statistics from a report prepared by Yankelovich Partners.17

Each of these studies asked respondents questions related to sexual orientation as well as questions about income and other economic and demographic characteristics. These studies are much more appropriate for comparisons of income by
sexual orientation since they avoid the kind of biased sampling procedures that plague the marketing surveys. Some care is necessary in interpreting the findings, however, since studies vary with respect to definitions of sexual orientation as well as in the kind of income they are measuring, such as the difference between family income or individual income. Comparisons of individual earnings from a job, for example, are important for uncovering evidence of employment discrimination. Comparisons of family or household income, on the other hand, might combine the earnings and other income of two or more individuals. And in both cases, other characteristics that influence income in the United States, such as education, location, race, and especially gender, should be taken into account if possible.
The Importance of Measuring Individual Income

Three of the seven studies that present data from random samples of gay, lesbian, and heterosexual people collected information on individual incomes: the General Social Survey (GSS), the 1990 Census, and the Yankelovich Monitor. In comparing individuals, it is particularly important to look at men and women separately.

Overall, a common pattern emerged across the three surveys for both men and women. The average lesbian or gay man earns no more than the average heterosexual woman or man, and in some cases, gay people earn less on average. Figures 1 and 2 summarize the averages from the two studies. The average gay man earns from 4% to 7% less than the average heterosexual man. The average lesbian earns less in the GSS and roughly the same income as heterosexual women in the Yankelovich Monitor. However, according to the Census, the average woman with a female partner earns more than the average heterosexual woman did. Looking

Figure 1: Comparison of gay and heterosexual men’s average earnings
more closely, that apparent income advantage disappears once we take into account the fact that lesbians work more hours per week and more weeks per year than the average heterosexual woman.

A more sophisticated comparison of gay, lesbian, and bisexual individuals’ incomes with heterosexuals’ incomes involves taking other important factors into account, such as education, geographical location, occupation, experience, and race. Two recent studies have applied this statistical procedure (known as multiple regression) to the General Social Survey\textsuperscript{18} and the 1990 Census.\textsuperscript{19} M. V. Lee Badgett’s 1995 analysis of the GSS found that gay men who worked full-time earned as much as 27% less than comparable heterosexual men. Lesbians who worked full-time earned roughly the same amount as heterosexual women. Marieka Klawitter and Victor Flatt’s study of the Census data found very similar results. Men with male partners earned 26% less than married men with the same education, location, race, age, number of children, and disability status did. But, as in the GSS, women with female partners showed no difference in earnings compared to heterosexual women once the other factors are taken into account. The findings for gay men strongly suggest the influence of workplace discrimination.\textsuperscript{20}
The Special Case of Household Income

Even though gay men might face an earnings disadvantage as individuals and lesbians might experience no consistent earnings advantage, some would argue that two gay men or two lesbians could still have more discretionary income than a heterosexual couple. The stereotype of gay or lesbian couples as “DINKs” (“dual-income-no-kids”) involves two assumptions: First, that same-sex couples will have higher incomes than married couples, and second, that lesbians and gay men have no children.

The first assumption is thoroughly contradicted by the data. Five of the scientifically sound surveys of lesbian, gay, bisexual, and heterosexual people offer information on family or household incomes. Figure 3 shows the 1990 Census and Yankelovich results. Some of the surveys, represented in Figure 4, asked respondents to indicate which of several income categories their household income fell into, so averages cannot be compared directly.

Figure 3: Household income averages by sexual orientation

*Compares only those with same-sex partners or those married.
The first two surveys appear to contradict each other. The Census results show that male same-sex couples have household incomes 24% higher than married couples, while the Yankelovich data suggest that gay men have 5% lower household incomes than heterosexual men. The puzzle is solved when one takes into account the fact that these Census figures measure incomes only for households with couples, households that are likely to have two earners. By contrast, the Yankelovich household figures include people who live alone and are likely to have lower incomes than couples. Averaging the lower single person incomes with the higher couple incomes will pull down the Yankelovich average relative to the Census average.

Closer attention to the Census data reveals that the seemingly large difference in couples’ household incomes is mostly due to the gender gap. In 1996, the typical woman working full-time, all year round, still earned only 74% of a man’s income. So we would expect the average household income of a female couple to be less than the income of a typical male-female couple, and two average men sharing a household would have an even higher income simply because of this gender effect. Klawitter and Flatt further analyzed the differences in household income, controlling for the couple’s geographical location, education, age, race, sex, and other relevant variables. Once these other factors are taken into account, married couple households and male same-sex couple households have roughly equal household incomes, while female same-sex couples bring home 18-20% less income than a similar married couple’s income.

The remaining four survey sources (pictured on pages 16 and 17) tell the same story. In each case, lesbian, gay, and bisexual people are spread throughout the range of household income distribution, just as heterosexual people are. Far from being concentrated at the high income end, a significant number of gay people are clustered at the lower end of the distribution, although this could be the result of different household sizes for heterosexual and gay families or the particular sample used.

“In each case, lesbian, gay, and bisexual people are spread throughout the range of household income distribution just as heterosexual people are.”
Voter News Service (1992)**

**Measures % of respondents

Voter News Service (1996)
Finally, as with myths on income, the myth that gay and lesbian people do not have children to care for, making them those idealized DINKS that marketers love, is called into doubt by two of the surveys discussed here. In the 1992 VNS voter exit poll, 31% of lesbians and 37% of heterosexual women had children under 18 living at home, as did 23% of gay men and 33% of heterosexual men. In the
Yankelovich Monitor, 67% of lesbians and 72% of heterosexual women were parents; 32% of lesbians and 36% of heterosexual women had children under 18 in the household. Roughly half as many gay as heterosexual men were either parents (27% of gay men and 60% of heterosexual men) or had children under 18 in their households (15% of gay men and 28% of heterosexual men), however. The surveys do not allow us to tell whether the children in gay or lesbians respondents’ households were from prior heterosexual relationships, were adopted or co-parented by the respondents, or were conceived through alternative insemination. Regardless, the presence of children is clearly common in lesbian and gay households, suggesting that lesbians and gay men have economic responsibilities for children.
How to Count Americans Who Aren’t Out?

Gay Americans have long been a hard to measure population, hidden as they often are by fear, discrimination, and secrecy. It is not, therefore, surprising that one concern likely to emerge about these surveys is their accuracy in identifying lesbian, gay, and bisexual people. The measurement and survey issues are certainly tricky, since one might expect that many people would be reluctant to identify themselves as gay to a stranger on the phone, at their front door, or outside a voting booth. For the purposes of income comparisons, a failure to answer accurately will not present a problem unless levels of disclosure are related to levels of income. For instance, if people with lower incomes are less likely to report that they are gay, then the average income for this group reporting their sexual orientation will be higher than it is for this group as a whole. If, instead, higher income gay people do not disclose their sexual orientation, then the average we see on a survey will be lower than that of the true gay population.

A second issue is that different people will define what it means to be “gay” or “lesbian” or “bisexual” differently. For some, being gay means having sexual partners of the same sex, while others might say that they are gay because they live and socialize with mostly gay people and are active in life in the gay community. Other possible definitions exist, as well.23

Fortunately, these two issues do not pose a serious problem in the conclusions drawn in this paper about the economic position of lesbian, gay, and bisexual people. The surveys reviewed here use a variety of definitions for lesbian, gay, or bisexual people including self-identification.

“Many people are reluctant to identify themselves as gay to a stranger on the phone, at their front door or outside a voting booth.”
sexual behavior, and social behavior (having a same-sex unmarried partner) and all reach similar conclusions. Further, all but one of the surveys reviewed here were designed to allow respondents to indicate their sexual orientation without having to come out directly to an interviewer. These two factors should minimize concerns about survey confidentiality and definitions. (See the “Methodology” section above for details of each survey.)

We also do not know whether or how income affects gay people’s willingness to disclose their sexual orientation. Individuals with higher income might have much to lose if they experience discrimination as a result of disclosure, but they might also have the resources to avoid serious harm; so far, these people have indicated a willingness to disclose their sexual orientation in the marketing surveys. If gay people with lower income are less willing to reveal their sexual orientation, the outcome for our income comparisons would be to artificially boost the gay averages. Alternatively, it seems plausible that occupation and education level might be better predictors of the workplace environment than income and, therefore, might be more closely related to disclosure than income.
Drawing Conclusions

This study has focused on providing an accurate comparison of the economic position of gay, lesbian, and bisexual people with heterosexual people by avoiding the biases inherent in many marketing studies. By following two key principles of scientific research, we can be confident that bursting the myth of GLB affluence is appropriate. First, the data discussed here come from properly gathered samples of individuals that are representative of the gay and heterosexual populations. And second, for researchers, “robustness” or consistency of findings across different sets of data that use different definitions and sampling methods gives us confidence that we are not observing a fluke that is the result of choosing a highly unusual sample. Given the consistency in the scientifically gathered data, the reliance on the misleading marketing statistics for describing gay people is all the more puzzling. Rather than accepting just any numbers as “true facts,” we must instead become careful consumers of statistics, encouraging the development of sound surveys for use in policy formulation by judges and politicians, and insisting that marketers use their own surveys within the appropriate limits.
Endnotes

1. *Money Income in the United States*, 1996, Current Population Reports, P60-197, U.S. Department of Commerce, Bureau of the Census, 1997. “Typical” here is defined as the median, or the income of the person in the middle of the income distribution so that half of those surveyed earn above and half earn less than the median.

2. “Promise Keepers: ‘Men have dropped the ball,’” *USA Today*, October 1, 1997, p. 14A.


10. For instance, male * Essence* readers earned $20,905, but the typical African American man earned only $12,609.


21. The median income figures for men and women are from *Money Income in the United States*, 1996, Current Population Reports, P60-197, U.S. Department of Commerce, Bureau of the Census, 1997. The median is defined as the income of the person in the middle of the income distribution so that half of those surveyed earn above and half earn less than the median.

22. This is based on the author’s analysis of the VNS national exit poll (the income figures are based on national data supplemented by state polls from California and New York). A chi-squared test (chi-squared value 0.42) cannot reject the hypothesis that the same proportions of lesbians and heterosexual women have children in their homes.
