

Marriage equality and the Creative Class

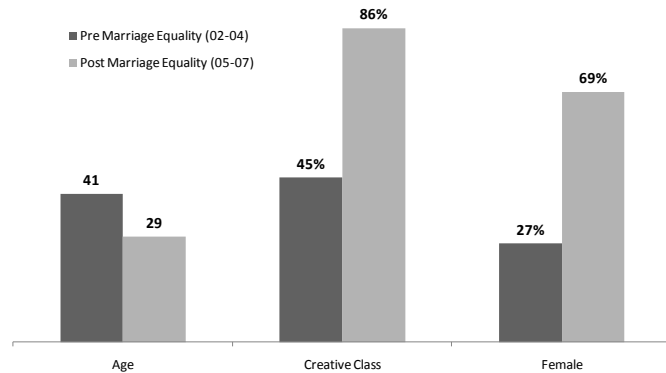
by Gary J. Gates



Executive summary

In the debate over extending marriage to same-sex couples, there have been several arguments about the positive economic impacts for states that do so. One argument is that marriage will attract some same-sex couples to move to a state, in particular young, mobile, and highly educated individuals—members of what has been called the creative class—who are vital to economic development in a post-industrial economy. Massachusetts, with five years of experience in extending marriage to same-sex couples, provides the first opportunity in the United States to empirically assess this argument.

Individuals in same-sex couples who migrated to Massachusetts
American Community Survey, 2002-2004 versus 2005-2007



Data from the American Community Survey suggest that marriage equality has a small but positive impact on the number of individuals in same-sex couples who are attracted to a state. However, marriage equality appears to have a larger impact on the types of individuals in same-sex couples who are attracted to a state. In Massachusetts, marriage equality resulted in an increase of younger, female, and more highly educated and skilled individuals in same-sex couples moving to the state. Specifically, the data show:

- Overall, from 2002 to 2004 Massachusetts saw a net loss of 603 individuals in same-sex couples. After marriage equality, it gained 119 individuals in same-sex couples.
- Creative class individuals in same-sex couples were 2.5 times more likely to move to Massachusetts in the three years after marriage equality than in the three years before. Among all states, Massachusetts ranked 3rd in this statistic. Among New England and Northeastern states, Massachusetts ranked 1st.
- Individuals in same-sex couples who moved to Massachusetts after marriage equality were younger than individuals who moved before—the average age fell from 41 to 29.
- Nearly seven in ten (69%) individuals in same-sex couples who moved to Massachusetts after marriage equality were female, compared to only 27% among those who moved before. This is consistent with data showing that approximately two-thirds of marriages in the state are among female couples.
- The proportion in the creative class among individuals in same-sex couples who moved to Massachusetts after marriage equality (86%) was nearly double the proportion among those who moved before marriage equality (45%).
- The Health and Marriage Equality in Massachusetts survey of 559 individuals who are part of a married same-sex couple in Massachusetts found that 8% had moved to the state. More than half (51%) of these said that marriage equality or the state's LGBT rights climate was a factor in their decision to move there—20% cited this as the only factor for their move.

Analyses find no clear evidence for a distinctive impact of marriage equality on the migration patterns of all adults or of the creative class outside of those in same-sex couples. Assuming that LGBT-friendly policies provide a positive signal to the creative class, that signal may already have been established in Massachusetts, a state with a long history of support for LGBT-rights. Among the broader creative class population, marriage equality may constitute more of a confirmation of what was already known about Massachusetts rather than a signal of substantial change in the state.

The evidence that marriage equality may enhance the ability of Massachusetts to attract highly-skilled creative class workers among those in same-sex couples offers some support that the policy has the potential to have a long-term positive economic impact.

The Fiscal Impact of Marriage Equality in Massachusetts: Evidence from the Health and Marriage Equality in Massachusetts Survey

by Naomi G. Goldberg, Michael D. Steinberger, and M.V. Lee Badgett

Executive summary

May 2009 marks the five year anniversary of marriage equality for same-sex couples in Massachusetts, generating new questions about the impact of this policy shift on couples and the state. Several studies predicted that marriage equality would have a positive economic impact on the state,

including increasing sales tax and tourism revenue as a result of increased wedding spending. For instance, a 2008 study estimated that out-of-state same-sex couples coming to Massachusetts to marry would boost the Massachusetts economy by \$37 million in one year. Despite these estimates and anecdotes supporting these claims, few studies have tried to estimate the impact of marriage equality on couples or states.

This study assesses the economic impact of marriage equality on Massachusetts. As of September 2008, 12,167 same-sex couples (52% of all such couples living in Massachusetts) have been married there. This study provides one of the first empirical assessments of the claim that marriage will provide an economic boost to state economies by increased wedding and tourism spending.

This brief draws on two sources of data, a survey and state-collected tax revenue data, and finds that marriages have had a positive economic effect on the Massachusetts economy – likely providing a boost of over \$100 million to the state economy. Same-sex couples' weddings injected significant spending into the Massachusetts economy and brought out-of-state guests to Massachusetts, whose spending also gave the state an economic boost. Specifically, analyses show the following:

- Nearly half of same-sex married couples in Massachusetts have spent \$5,000 or more on wedding-related expenses, including invitations, flowers, clothing, entertainment, catering, and other related expenses.
- Nearly one in ten same-sex couples spent over \$20,000 on their wedding,
- The average same-sex couple spent approximately \$7,400 on their wedding.
- If all same-sex couples who married in Massachusetts spent this amount, weddings by same-sex couples gave the Massachusetts economy a \$90 million boost.
- Three-quarters of same-sex married couples reported that they had 6 or more guests at their weddings. More than one-quarter of couples had more than 80 guests in attendance.
- More than one-quarter of couples report having 21 or more out-of-state guests. These guests' visits to Massachusetts resulted in additional tourism spending and helped to boost the Massachusetts economy.
- The typical same-sex couple had 16 out-of-state guests at their weddings.
- If all same-sex couples who married in Massachusetts had this many guests and they spent the average per diem amount of Massachusetts tourists for a one day visit, that spending provided an additional \$21 million boost to the Massachusetts economy.
- In total, we estimate that marriage equality has led to a positive impact to the Massachusetts economy of approximately \$111 million over the last four and a half years.
- State economic data suggest that there was an increase of approximately \$1,600 in state room occupancy tax revenue per same-sex marriage following the start of marriage equality in Massachusetts. This boost in tax revenue supports the survey findings of a significant increase in hotel spending—and most likely of other tourism spending—by wedding guests.

Wedding Spending by Same-Sex Married Couples

