1. Basic theme: Optimization subject to constraints applies to everyone, regardless of sexual orientation –
e.g., higher price always reduces quantity demanded,
increases demand for substitutes;
this helps understand G/L location, demand for children, etc.
(Differences in tastes may be important too, but harder to identify/take into account)

2. Caveats: data are limited and imperfect

A. NORC surveys: National Health and Social Life Survey (1992),
   General Social Survey (beginning 1989-1991)

B. self-reported incidence of homosexual desire about 7.5%
   2.8% of men identify as gay, 1.4% of women identify as lesbian –
   thus, general surveys will turn up only small numbers of gays/lesbians

C. U.S. Census: 1990 and 2000 Census identify “unmarried partner”
can ONLY identify gays/lesbians living together –
but many G/L are in one-person households
also, sex may be miscoded/not recorded in some records
   Census data main source for this paper – so, can look only at partners
3. Children (Table 2)
   A. relative prices play a major role in child-bearing/child-rearing decisions
cost of time plays a major role in determining relative price of children
(applies, at least in general, to both adoption and “self-produced” children

B. G/L have many fewer children, on average, than heterosexual couples:
   (90% Gay households childless, 78% Lesbian households childless,
   38% heterosexual households childless)
children in G/L households often have a biological parent

C. implicit and explicit discrimination may discourage adoption by G/L;
G/L necessarily find it difficult to “self-produce” children
because of these higher costs,
   * G/L households will be less likely to have children (see above)
   * G/L may be more likely (willing?), if they adopt,
      to adopt children of a different race
      (13-28% for G/L, vs. 11% for hetero)
mean earnings of higher-earning partner is higher for G/L than for hetero)
   (among households with adopted children, average income is
   $68.5K = Gay, $64K for Lesbian, $58K for heterosexuals)
( = indication of the higher cost for G/L to have children?)
4. Location: why do G/L couples live in upscale urban centers? (Table 3)
   A. G/L are small minorities, so living in small communities may not appeal:
      social stigma, small “pool” of other G/L

   B. likewise, G/L less likely to live near their place of birth

   C. Gays more likely to live in “coastal cities with mild climates”
      (SF, Ft. Lauderdale, LA, San Diego, Seattle) and in
      “other fashionable urban centers” (NY, DC, Austin) than heterosexual men

   D. high-amenity locations (mild weather, etc.) entail high rents, living costs
      but since Gays less likely to spend money on kids b/c of high price,
      they will seek substitutes – e.g., pleasant locations
      (conversely, families w/children spend less on adult consumption)
      Gays also more likely to locate in areas w/above-average housing prices
      and below-average schools and less neighborhood safety –
      areas with high “non-child amenities”

   E. Lesbian households more likely to have kids, and (surprised?)
      are less likely to locate in upscale urban centers

   F. Locations with “G/L-friendly” attitudes may encourage G/L in-migration
      (but what is cause, and what is effect?)
4. Investments in human capital, income
   A. Much behavior is made in *anticipation* of having children, including (e.g.) choice of college, major field of study, specialization in market or home work, etc.

   B. G/L much less likely to have children; any partnership will be *same*-sex – so, particularly if sexual orientation is known at an early age, we predict: Gay men less likely to specialize in *market* work than hetero men, and less likely to specialize in “male fields” Lesbian women less likely to specialize in *home* work than hetero wom, and less likely to specialize in “female fields”

   C. Table 5: Specialization within households in 80% of G/L households, both partners work, 68% of hetero households children make it more likely that a G/L household will have a stay-at-home partner (who will usually be less likely to have a college degree)

   D. Table 6: Education for G/L partners, 43% have BA or higher, vs. 26-28% for hetero partners among gays, mean % female in undergrad major was 44% (vs. 34% for hetero men) among lesbians, mean % female in undergrad major was 54% (vs. 62% for hetero women)
5. Occupation, labor supply, and earnings (Table 7)

Table 7
Labor Market Outcomes for Partnered Men and Women Aged 25 to 60

<table>
<thead>
<tr>
<th></th>
<th>Gay male partners</th>
<th>Lesbian partners</th>
<th>Heterosexual couples</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Male</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>A. Hourly wage</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school educated</td>
<td>$14.21</td>
<td>$13.43</td>
<td>$16.30</td>
</tr>
<tr>
<td>College educated</td>
<td>26.87</td>
<td>22.81</td>
<td>32.26</td>
</tr>
<tr>
<td>All</td>
<td>20.86</td>
<td>18.58</td>
<td>21.80</td>
</tr>
<tr>
<td><strong>B. Earned income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school educated</td>
<td>$22,106</td>
<td>$18,546</td>
<td>$31,000</td>
</tr>
<tr>
<td>College educated</td>
<td>56,898</td>
<td>45,169</td>
<td>71,601</td>
</tr>
<tr>
<td>All</td>
<td>39,528</td>
<td>31,804</td>
<td>43,600</td>
</tr>
<tr>
<td><strong>C. Labor supplied</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage who work</td>
<td>83.5</td>
<td>82.7</td>
<td>85.5</td>
</tr>
<tr>
<td>Weeks worked per year</td>
<td>41.3</td>
<td>40.6</td>
<td>43.7</td>
</tr>
<tr>
<td>Hours worked per week</td>
<td>37.3</td>
<td>35.9</td>
<td>40.6</td>
</tr>
<tr>
<td><strong>D. Mean percent female in occupation</strong></td>
<td>47.0%</td>
<td>54.8%</td>
<td>38.7%</td>
</tr>
<tr>
<td>N</td>
<td>15,098</td>
<td>15,754</td>
<td>2,971,440</td>
</tr>
</tbody>
</table>

Sources: Authors’ calculations and the Public Use Micro Sample of the 2000 Decennial Census.

Notes: If a member of a couple has age or sex imputed, that couple was not included in the sample. No couples were included if a member had a reported age younger than 18. Gay and lesbian households are same-sex couples in which neither partner has an imputed marital status. Heterosexual couples include married couples (limited to couples in which one of the members of the couple is the head of household) and heterosexual partners. Data are reweighted so that the distribution of ages matches the aggregate distribution for same-sex couples.
5. Occupation, labor supply, and earnings (continued): Table 7

A. gay earnings “penalty”: controlling for education,
gay men earn less per hour and per year than hetero men
lesbian earnings “premium”: controlling for education,
lesbian women earn more per hour and per year than hetero women

B. % of gay men working is about same (83-85%) as for hetero men,
but weeks/year and hours/week is less for gay men than for hetero men
% female in occupation much greater for gay men than for hetero men
(47% vs. 39%)

C. % of lesbian women working much greater than for hetero women
(83% vs. 68%), and weeks/year and hours/week also much greater
% female in occupation smaller for lesbian women than for hetero women
(55% vs. 60%)

D. all of these results entirely consistent with theory of specialization,
theory of human capital investment
(but, what would happen if we could control for additional variables?)

E. gays (as well as lesbians) have greater education up to BA than heteros,
even though they may not specialize in market work – role of college
as a marriage market, good place to meet other G/L