

Sexual orientation, gender identity and economic outcomes in New Zealand

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Disclaimer

These results are not official statistics. They have been created for research purposes from the Integrated Data Infrastructure (IDI) which is carefully managed by Stats NZ. For more information about the IDI please visit <https://www.stats.govt.nz/integrated-data/>.

Research on LGBTQ+ topics

- ▶ Carpenter, C. S., Dasgupta, K., & Plum, A. (2024). Sexual orientation and earnings in New Zealand. *Economics Letters*, 234, 111493.
- ▶ Carpenter, C. S., Kirkpatrick, L., Lee, M. J., & Plum, A. (2024). Economic Outcomes of Gender Diverse People: New Evidence from Linked Administrative Data in New Zealand. *AUT Economics Working Paper Series*, 2024/07.

Our collaboration

- ▶ Carpenter, Christopher S.
 - ▶ Founder and Co-Director of the LGBTQ+ Policy Lab at Vanderbilt University (US)
 - ▶ Co-Founder and Co-Chair of the American Economic Association's Committee on the status of LGBTQ+ individuals
- ▶ Lee, Maxine J.
 - ▶ A/Prof at San Francisco State University
 - ▶ Research interest is in gender, sexual, and romantic minority

Motivation

- ▶ Overseas and national literature: LGBTQ+ people are vulnerable across many dimensions (e.g., mental health, crime victimization, employment, earnings)
- ▶ New Zealand has a progressive attitude concerning LGBTQ+ inclusion (Flores, 2021)
- ▶ Little known about economic outcomes for Aotearoa New Zealand
- ▶ Integrated Data Infrastructure (IDI) offers the database to provide insights

Paper 1: sexual orientation and earnings

Background

- ▶ 2013 and 2018 NZ Census → household roster with detailed relationships among individuals
- ▶ Identify households with two adults of the same sex, where the second adult is described as the spouse or *de-facto* partner of the reference adult (comparison group: different-sex relationships)
- ▶ Linked to the Inland Revenue's individual tax records
- ▶ Estimate standard OLS regressions using log wages as our outcome variable and a binary indicator if the individual is in a same-sex relationship

Paper 1: sexual orientation and earnings

Findings

- ▶ Women in same-sex couples premium: on average 6–7 percent ↑
- ▶ Men in same-sex couples penalty: on average 6–7 percent ↓
- ▶ Further findings:
 - ▶ No meaningful change in the earnings differences from 2013 to 2018
 - ▶ Earnings differences are larger for individuals in legal unions than for people in *de-facto* relationships
 - ▶ Earnings differences smaller for the under-the-age-of-45 sample
 - ▶ The earnings penalty for men in same-sex couples is significantly smaller in Auckland and Wellington than in the rest of the country

Paper 2: Economic Outcomes of Gender Diverse People

Background

- ▶ NZ Department of Internal Affairs (DIA) birth records to identify birth record sex: 'male' or 'female' (2021 refresh)
- ▶ DIA birth records ↔ NZTA Driver License Register from 2021: allowed identification of men, women, and gender diverse people (2021)
- ▶ Two economic outcomes as of March 2023:
 - ▶ *NEET*: not in employment, education, or training
 - ▶ *Earnings from W&S* (April 2022 until March 2023)

Paper 2: Economic Outcomes of Gender Diverse People

Findings

- ▶ Gender minorities are much more likely to be NEET than otherwise similar cisgender people (10-12 percentage points for transgender women and gender diverse individuals of either birth record sex compared to cisgender male)
- ▶ Gender minorities earn significantly less than cisgender men (gender diverse individuals whose birth record sex is male or female both experience significantly larger earnings gaps compared to both cisgender men and cisgender women)

Outlook: future research

- ▶ 2023 Census with questions on gender, sexual identity, and whether they have a variation of sex characteristics
- ▶ Effect of legal changes (e.g., ‘The Marriage (Definition of Marriage) Amendment Act’)
- ▶ Linking to Ministry of Health data (and in particular mental-health indicators)

Thank you for your attention

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