SEXUAL ORIENTATION WAGE GAPS ACROSS LOCAL LABOR MARKET CONTEXTS: EVIDENCE FROM CANADA

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SEXUAL ORIENTATION AND LABOUR MARKETS

- Shift away from exclusively studying the effects of HIV/AIDS on gay men’s lives
  - Other health and social factors effecting sexual minorities
- One area of research has been the labour market experiences of non-heterosexuals.
  - Initially, exclusive focus on whether sexual minorities experience discrimination
  - Now, growing interest in choices, constraints and unique preferences of sexual minorities
- However, there are some challenges that arise for those interested in this area of research...
How to measure sexual orientation?

- Small n
- Few population-based datasets
- Employment variables
DATASETS

- **Canadian Data**
  - **Canadian Community Health Survey (CCHS)**
    - Self-report sexual orientation; relatively large sample; health and other unique measures
    - Poor quality employment and earnings variables
  - **General Social Survey (GSS)**
    - Same-sex and opposite-sex couples; annual survey; different focuses
    - Very small samples of same-sex couples; no singles
- **Census / National Household Survey**
  - Same-sex and opposite-sex couples; very large N; high quality employment and earnings variables
  - No singles
GAY PAY IN CANADA

- **Canadian Community Health Survey**
  - Carpenter (2008) - 2003-2005 CCHS: gay men have **income** 12% less and lesbians 15% more
  - Lafrance et al. (2009) - 2003-2008 CCHS, limit sample to full-time workers: coupled gay men have **income** 20% less and coupled lesbians 11% more

- **General Social Survey**
  - Mueller (2013) - 2006-2010 GSS: no **income** difference for gay men, 16% advantage for lesbians

- **2006 Census**
  - Waite and Denier (2014) - 2006 Census: gay men **earn** 5% less and lesbians 9% less than straight men, lesbians 9% “advantage” over straight women
  - **Nested hierarchy**: straight men, gay men, lesbian women, straight women
LOCAL LABOUR MARKETS & WAGE GAPS

• National estimates may obscure variation
  • Regional variation in macroeconomic conditions
  • Higher wage rates in urban areas (Beckstead and Brown 2001)
  • Occupational and industrial niches in local labour markets
  • Similar labour market chances

• Uneven geographic distribution of subpopulations
  • Immigrants: wage gaps larger in urban areas (Warman and Worswick 2004)
  • Sexual minorities: no wage gap in California (Carpenter 2005); local anti-discrimination policies reduce wage gaps (Klawitter 2011)

• Attitudes toward “homosexuals” vary across Canada (Cutler and Jenkins 2001)
  • Is there discrimination?
1. Are wage gaps computed at the national level consistent across Canada?

2. Are the mechanisms associated with pay differences similar across all areas?
   - Occupations
   - Public Sector
     - Higher rates of unionization
     - More rigid pay structures
     - Performance pay less prevalent
     - Stronger institutionalization of anti-discrimination legislation
DATA & APPROACH

2006 Census of Canada, 20%

- **Sample:** Employees ages 25-64, in same- and opposite-sex common-law and marital relationships

**OLS**

- **Dependent Variable:** annual earnings from wages and salary
- **Controls:** weeks worked, full- or part-time status, education, potential experience, broad occupation, public sector employment, age group, marital status, presence of children in hh, immigrant generation status (1\textsuperscript{st}, 1.5, 2\textsuperscript{nd}), visible minority, aboriginal

**Geographic Area**

- Toronto, Montréal, Vancouver
- Rest of CMA Canada
- Non-CMA Canada
% OF POPULATION BY GEOGRAPHIC AREA

- Heterosexual
  - Montreal: 10.98%
  - Toronto: 15.83%
  - Vancouver: 6.29%
  - CMA: 35.55%
  - Non-CMA: 31.35%

- Gay Men
  - Montreal: 21.56%
  - Toronto: 24.23%
  - Vancouver: 10.78%
  - CMA: 29.82%
  - Non-CMA: 13.61%

- Lesbians
  - Montreal: 15.87%
  - Toronto: 17.63%
  - Vancouver: 9.24%
  - CMA: 37.95%
  - Non-CMA: 19.31%
### UNADJUSTED ANNUAL EARNINGS

<table>
<thead>
<tr>
<th>Montreal</th>
<th>Toronto</th>
<th>Vancouver</th>
<th>Other CMA</th>
<th>Non-CMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>$55,407</td>
<td>$70,741</td>
<td>$62,955</td>
<td>$51,024</td>
<td>$62,955</td>
</tr>
<tr>
<td>$47,050</td>
<td>$62,291</td>
<td>$54,608</td>
<td>$50,652</td>
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<tr>
<td>$44,155</td>
<td>$51,344</td>
<td>$46,033</td>
<td>$44,719</td>
<td>$39,096</td>
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<tr>
<td>$34,565</td>
<td>$41,394</td>
<td>$36,154</td>
<td>$36,594</td>
<td>$39,558</td>
</tr>
</tbody>
</table>

- **Heterosexual Men**
- **Gay Men**
- **Lesbian**
- **Heterosexual Women**
ADJUSTED % DIFFERENCE IN ANNUAL EARNINGS
(REF: STRAIGHT MEN)

Montreal | Toronto | Vancouver | Non-CMA
--- | --- | --- | ---
Gay Men
-7.23 | -5.73 | -6.67 | 0.00
Lesbians
-16.56 | -8.97 | -10.68 | -14.79

Montreal | Toronto | Vancouver | Non-CMA
OCCUPATIONAL DISTRIBUTION, MEN (NOC-S 2006)

<table>
<thead>
<tr>
<th>Category</th>
<th>Toronto Heterosexual</th>
<th>Toronto Gay</th>
<th>Non-CMA Heterosexual</th>
<th>Non-CMA Gay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business, finance and administrative</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social science, education, gov't service, religion</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and service</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing, trades, and primary industry</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Legend:
- Management
- Health and science
- Art, culture, recreation and sport
- Manufacturing, trades, and primary industry
- Business, finance and administrative
- Social science, education, gov't service, religion
- Sales and service
ADJUSTED % DIFFERENCE IN ANNUAL EARNINGS BY SECTOR, GAY MEN

<table>
<thead>
<tr>
<th>Location</th>
<th>Private</th>
<th>Public</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montreal</td>
<td>-7.32</td>
<td>n.s.</td>
</tr>
<tr>
<td>Toronto</td>
<td>-6.48</td>
<td>n.s.</td>
</tr>
<tr>
<td>Vancouver</td>
<td>-6.39</td>
<td>n.s.</td>
</tr>
<tr>
<td>Non-CMA</td>
<td>-19.10</td>
<td>n.s.</td>
</tr>
</tbody>
</table>
CONCLUSIONS

1. Wage gaps computed at the national level are fairly consistent across Montréal, Toronto, and Vancouver
   - Obscures much higher wage gaps within Non-CMA areas

2. Gay men do not appear *blocked* from higher paying occupations
   - Underrepresented in manufacturing, primary industry, construction

3. Public sector employment uniformly reduces pay gaps across places