

Estimating the Economic Impact of Marriage for Same-Sex Couples after *Obergefell*

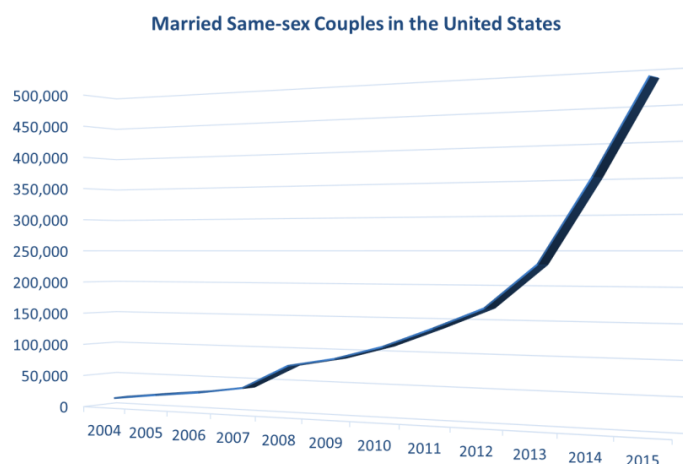


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Executive Summary

An estimated 96,000 same-sex couples in the U.S. married in the four months following the U.S. Supreme Court’s decision extending marriage to same-sex couples nationwide. Wedding spending by these couples and their out-of-state guests have boosted state and local economies by an estimated \$813 million, and have generated an estimated \$52 million in state and local sales tax revenue. This spending could support an estimated 9,700 jobs for one full year.



ECONOMIC IMPACT OF MARRIAGE SINCE <i>OBERGEFELL</i> DECISION	TOTAL
Marriages by Same-Sex Couples	96,000
Wedding Spending	\$634,656,000
Out-of-State Guest Spending	\$178,176,000
TOTAL COMBINED SPENDING	\$812,832,000
TOTAL SALES TAX REVENUE	\$51,940,000

Introduction

In June of 2015, the U.S. Supreme Court ruled in *Obergefell v. Hodges*¹ that the Constitution guaranteed all same-sex couples the right to marry, extending marriage to same-sex couples throughout the U.S. At the time of the decision, 13 states did not allow same-sex couples to marry.²

Following the *Obergefell* decision, there was a surge in the number of same-sex couples marrying in the U.S. In the four months after the decision, an estimated 96,000 same-sex couples married.³ These marriages made up an estimated 11.2% of all marriages in the U.S. during this period,⁴ and account for nearly 20% of all currently married same-sex couples.⁵

This study estimates the impact of the post-*Obergefell* marriages on state and local economies, sales tax revenue, and job creation. The methodology used in this study is similar to that used in previous Williams Institute studies that have estimated the economic impact of marriage for same-sex couples at the state level.

The state-level studies, conducted between 2004 and 2014, found that the first three years of marriage equality in each state would generate a total economic boost of an estimated \$2.6 billion nationwide, and add an estimated \$184.7 million to state and local coffers.⁶ In addition, this spending would likely support up to 13,000 jobs in the U.S.⁷ As of November 2015, most states have not yet had marriage equality for a full three years, meaning that much of this impact has not yet been generated.

This study finds that the marriages that have occurred in the short time since the *Obergefell* decision have had a positive impact on state and local economies. Our analysis relies on conservative assumptions about the amount of wedding spending by same-sex couples, suggesting that the actual impact may be even higher.

Direct Wedding Spending

According to *The Wedding Report*, average wedding spending in the U.S. in 2014 was \$26,444.⁸ Same-sex couples may receive less financial support from their parents and other family members to cover wedding costs due to persistent stigma, resulting in less spending than their heterosexual counterparts. Taking these factors into account, as in previous studies by the Williams Institute, we estimate that same-sex couples spend one-quarter of the amount that different-sex couples spend on wedding arrangements.⁹

Applying the average spent per wedding to the number of marriages following the *Obergefell* decision (96,000), we estimate that direct wedding spending by same-sex couples generated an economic boost of \$635 million nationwide over a four-month period.

Spending by Out-Of-State Guests

In 2008, a report based on *The Health and Marriage Equality in Massachusetts Survey* found that in Massachusetts, weddings of same-sex couples included an average of 16 out-of-state guests.¹⁰ We assume that the couples who celebrated their marriages since the *Obergefell* decision also had an average of 16 out-of-state guests at their weddings.

In the previous state-level studies, we calculated average out-of-state guest spending using the per diem rates for food and lodging set by the U.S. General Services Administration or guest spending estimates published by state tourism bureaus, depending on the type of data available in the state. In these studies, we assumed that each guest would purchase food and lodging for one day and one night, and would share a hotel room with one other guest.

In order to estimate amount spent per out-of-state guest for purposes of this study, we average the state-level findings on out-of-state guest spending. Across the state-level reports that included such estimates,¹¹ out-of-state guests spent an average of \$116 per person on food and lodging to attend weddings.

Using these figures, we estimate that 1,536,000 out-of-state guests attended weddings of same-sex couples since the *Obergefell* decision, generating a total economic boost of \$178 million.

Sales Tax Revenue

States and localities that impose sales taxes directly benefit from wedding spending. The national average state and local sales tax rate is 6.39%.¹² The combined wedding-related spending of same-sex couples and their out-of-state guests following the *Obergefell* decision is estimated to be \$813 million.

Applying the national average sales tax rate to total wedding spending, we estimate that weddings of same-sex couples generated \$51.9 million in state and local sales tax revenue in the four-month period following the *Obergefell* decision.

Job Creation

In previous state-level studies, we used data from state tourism bureaus to estimate the number of jobs that could be supported by same-sex couples' wedding spending.¹³ Across the state-level reports that included this estimate, an average of \$84,000 in spending supported one full- or part-time job for a year. Applying this estimate to our estimate of total wedding-related spending following *Obergefell* suggests that approximately 9,700 jobs could be supported for a full year by same-sex couples' weddings during this four-month period.

Conclusion

In this study, we have drawn on information from a variety of sources to estimate the economic impact of the marriages of same-sex couples that took place in the four-month period following the U.S. Supreme Court's decision in *Obergefell v. Hodges*. Our calculations indicate that wedding spending and by these couples and their out-of-state guests have boosted state and local economies by an estimated \$813 million, and have generated an estimated \$52 million in state and local sales tax revenue. This spending supported an estimated 9,700 jobs for one year.

About the Williams Institute

The Williams Institute on Sexual Orientation and Gender Identity Law and Public Policy at UCLA School of Law advances law and public policy through rigorous, independent research and scholarship, and disseminates its work through a variety of education programs and media to judges, legislators, lawyers, other policymakers and the public. These studies can be accessed at the Williams Institute website.

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Endnotes

¹ 576 U.S. ____ (2015).

² These 13 states were Arkansas, Georgia, Kentucky, Louisiana, Michigan, Mississippi, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Tennessee, and Texas. Julia Zorthian, *These are the States Where SCOTUS Just Legalized Same-Sex Marriage*, TIME.COM, June 25, 2015, <http://time.com/3937662/gay-marriage-supreme-court-states-legal/>.

³ GARY J. GATES & TAYLOR N.T. BROWN, MARRIAGE FOR SAME-SEX COUPLES AFTER *OBERGEFELL* 3 (2015), <http://williamsinstitute.law.ucla.edu/research/census-lgbt-demographics-studies/marriage-and-same-sex-couples-after-obergefell/>.

⁴ *Id.*

⁵ *See id.* at 1, 3.

⁶ All state-level reports estimating the economic impact of marriage are available here: <http://williamsinstitute.law.ucla.edu/economic-impact-reports-by-state/>. Additionally, the state-level data is summarized in the visualization available here: <http://williamsinstitute.law.ucla.edu/interactive-economic-impact/>.

⁷ *Id.*

⁸ Wedding Statistics: United States 2014 Wedding Market Summary, THEWEDDINGREPORT.COM, https://www.theweddingreport.com/index.cfm/action/wedding_statistics/view/market/id/00/idtype/s/location/united_states/ (last visited Nov. 10, 2015).

⁹ M.V. LEE BADGETT & GARY J. GATES, THE EFFECT OF MARRIAGE EQUALITY AND DOMESTIC PARTNERSHIP ON BUSINESS AND THE ECONOMY (2006), <http://williamsinstitute.law.ucla.edu/research/economic-impact-reports/the-effect-of-marriage-equality-and-domestic-partnership-on-business-and-the-economy/>; NAOMI G. GOLDBERG, MICHAEL D. STEINBERGER & M.V. LEE BADGETT, THE BUSINESS BOOST FROM MARRIAGE EQUALITY: EVIDENCE FROM THE HEALTH AND MARRIAGE EQUALITY IN MASSACHUSETTS SURVEY (2009), <http://williamsinstitute.law.ucla.edu/experts/lee-badgett/the-business-boost-from-marriage-equality-evidence-from-the-health-and-marriage-equality-in-massachusetts-survey/>; COMMUNITY MARKETING & INSIGHTS WITH THE GAY WEDDING INSTITUTE, SAME-SEX COUPLES: WEDDINGS AND ENGAGEMENTS (2013).

¹⁰ GOLDBERG, STEINBERGER & BADGETT, *supra* note 9.

¹¹ All but five state-level reports included estimates of out-of-state guest spending. The five reports that did not include this estimate are those for Connecticut, D.C., Hawaii, New Hampshire, and New York.

¹² The national average includes the 46 states that impose state and/or local sales taxes and the four that do not impose either. Scott Drenkard & Jared Walczak, *Combined State and Local Sales Tax Rates 2015*, TAXFOUNDATION.ORG, Apr. 8, 2015, <http://taxfoundation.org/article/state-and-local-sales-tax-rates-2015>.

¹³ All but 11 state-level reports included estimates of job creation. The 13 reports that did not include this estimate are those for California, Connecticut, D.C., Hawaii, Maine, Maryland, Massachusetts, New Jersey, New Mexico, New York, and Vermont.